

More private equity firms moving to Florida as deal flow remains strong

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By Brian Bandell



James Cassel, chairman and co-founder of Cassel Salpeter

The number of private equity firms based in Florida has been steadily increasing, while the number of PE-backed deals in the state remained solid in the first half of 2018, according to an analysis of PitchBook data by Miami investment banking firm [Cassel Salpeter](#) & Co.

There were 118 PE deals in Florida in the first half of this year. That's down from 145 deals in the first half of 2017, although that number was initially reported at 109 before being updated after the end of the year.

[James Cassel](#), chairman and co-founder of Cassel Salpeter, said some PE firms don't report their deals on time, so the deal total is typically updated later. He expects 2018 to finish with about the same or slightly fewer PE deals than the 281 recorded in 2017.

"It's still pretty healthy numbers, especially compared to 2008, 2009, 2010 and 2011 when the market bottomed out," Cassel said.

The biggest growth in PE deals in the first half of 2018 came from health care and IT companies. Cassel said there's been major consolidation in health care, as companies seek to combine services and become more efficient. IT and technology are seen as strong growth sectors, where a company can attract a capital transaction before it even brings a product to market, he said.

With the economy performing well, many company owners are considering whether this is a good time to sell since valuations are high, Cassel said. It's better to sell before the economy eventually takes a downturn, he said.

Southeast Florida accounted for 36.4 percent of the PE deals in the state during the first half of 2018, more than any other region of the state.

The study found that 68 PE firms were based in Florida, up from 56 in 2017 and 34 in 2013.

Cassel said the state's favorable tax climate, with no personal income taxes, has made this an attractive place to base a PE firm so many of them are moving here. In addition, some of the more mature Florida PE firms have seen junior-level executives leave to create their own firms and build investment portfolios, Cassel said.