

## **Florida's private equity deal flow declines in Q2**

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*By Keith Larsen*

The flow of private equity deals in Florida slowed down in Q2 2017 on a year-over year basis, according to a recent report by the investment banking firm Miami-based Cassel Salpeter & Co.

In Q2 2017, Florida private equity deals declined to 47 deals from 59 in Q2 2016. PE deals also declined on a quarterly basis dropping over 24 percent from 62 in Q1 2017.

James Cassel, chairman and co-founder of Cassel Salpeter & Co., said it's hard to pinpoint one reason for the decline in private equity deals in Florida, but one contributing factor is that there are fewer public companies available.

"The real answer is its always difficult to know because we are putting it [the report] out soon after the quarter and not all the deals are reported," Cassel said.

The report does show, however, that most of the private equity deal activity occurred in Southeast Florida.

Southeast Florida accounted for 50.5 percent of total first half 2017 Florida PE deals. On a yearly basis in 2016, Southeast Florida accounted for approximately 39 percent of all Florida deals.

The business to business sector was the largest sector of Florida PE deal activity in the first half 2017, accounting for approximately 35.8 percent of deals, according to the report.

Going forward, Cassel said corporate tax rates and interest rates are something that could have an impact private equity deals in the state.

But he adds the area is in a good position for private equity going forward because of its growing population.

"South Florida still has an influx of South Americans who want to come here to start a business and grow their business," Cassel said. "I think that we're blessed to have that influx."