

BANKING/ FINANCE

Goldman Sees Family Offices Beefing Up on Stocks, Private Equity



SHUTTERSTOCK

The number of family offices has ballooned worldwide over the past two decades, fueled partly by surging fortunes in technology, finance and real estate.

by **Amanda Albright** and **Tara Patel**

Family offices that manage money for the ultra-rich are getting ready to unleash a stockpile of cash into public and private markets.

Almost half of the private investment firms responding to a Goldman Sachs Group Inc. survey said they plan to increase exposure to public equities, with 41% looking to increase allocations to private equity, the company said Monday in a statement.

“Family offices, for the most part, are really ‘risk-on’ for the next 12 months,” Meena Flynn, co-head of global private wealth management, said during a call with journalists.

About 12% of family office portfolios on average are in cash or cash equivalents, a level that’s higher than other institutional investors’ positioning, according to the report, which surveyed 166 firms globally. More than a third plan to decrease their allocation to cash over the next year.

“They can zig when others zag,” she said.

They’re among investors watching the standoff between the Biden administration and Republican lawmakers over the debt ceiling, which threatens to cause chaos in financial markets. Flynn said their managers will likely look to buy equities when market conditions are “painful.”

The number of family offices has ballooned worldwide over the past two decades, fueled partly by surging fortunes in technology, finance and real estate. The vehicles, which manage the personal capital of the ultra-rich, are lightly regulated and often as secretive as the families they represent.

Sara Naison-Tarajano, global head of private wealth management capital markets, said she expects the number of family offices to continue to grow. “They’re increasingly important as investors,” she said on the call.

PRIVATE EQUITY

About nine out of 10 family offices that responded to the survey had a net worth of \$500 million or more. Despite the wealth involved, 88% of family offic-

es queried had 10 or fewer investment employees.

Family offices are expected to continue to invest in private equity, an asset class they’ve favored in recent years. Respondents had a 26% exposure to private equity, on average, and 9% to private real estate and infrastructure.

Family offices are especially drawn to the private equity secondary market, where institutional investors can buy existing stakes in funds or companies, Flynn said. Investors such as endowments may be looking to reduce their exposure to the private markets because of limits on those holdings, she said.

Private credit has also become increasingly attractive to family offices given higher interest rates. With 10% annualized returns over the past decade, such debt has outperformed public loans in that span, according to Goldman Sachs Asset Management.

Private credit accounted for about 3% of family office portfolios on average, but 30% of survey respondents said they expected to increase exposure.

‘HOME BIAS’

“This is going to continue to be a really interesting space for our clients” in the next six to 18 months, Naison-Tarajano said.

The survey also found what the bank called “home bias” in investment choices. Family offices based in the Americas allocated just over three-quarters to the U.S., while firms in Europe, the Middle East and Africa directed almost equal proportions to the U.S. and other developed markets. Those in the Asia-Pacific region have comparatively much more allocated to China.

Some changes in geographic strategies could be afoot in the coming year amid a “continuing focus on regional diversification and safe havens, driven by concern about strained relations between China and Western countries,” according to the report.

Another area of investment interest for family offices includes so-called collectibles, with the greatest allocations to art, wine and aircraft. Goldman said it’s also increasingly working with families seeking to acquire stakes in sports teams, particularly with hometown ties.

Amanda Albright and Tara Patel report for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **COUNCIL ZONING MEETING** on **May 24, 2023 beginning at 6:00 PM** to consider amendments to the City’s Comprehensive Plan Future Land Use Map (FLUM). The City Council will consider this item for **SECOND READING**. The meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida, 33166**.

The City of Doral proposes to adopt the following Ordinance:

ORDINANCE No. 2023-11

AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, APPROVING A SMALL-SCALE LAND USE AMENDMENT TO THE CITY OF DORAL COMPREHENSIVE PLAN FUTURE LAND USE MAP, TO CHANGE THE LAND USE DESIGNATION FROM OFFICE AND RESIDENTIAL (OR) TO BUSINESS (B) FOR ±5.8935 ACRES GENERALLY LOCATED EAST OF THEORETICAL NW 109 AVENUE AND SOUTH OF NW 41 STREET; AND FROM OFFICE AND RESIDENTIAL (OR) TO PRIVATE PARKS AND OPEN SPACE (PPOS) FOR ±16.0994 ACRES GENERALLY LOCATED SOUTH OF NW 41 STREET BETWEEN THEORETICAL NW 109 AVENUE AND THEORETICAL NW 113 AVENUE; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 23-05-DOR-01

APPLICANT: Bridge Point Doral 2700, LLC (the “Applicant”)

PROJECT NAME: Bridge Point Retail Parcel

PROPERTY OWNER: Doral Farms, LLC

LOCATION: ±5.8935 acres generally located east of theoretical NW 109 Avenue and south of NW 41 Street and ±16.0994 acres generally located south of NW 41 Street between theoretical NW 109 Avenue and theoretical NW 113 Avenue

FOLIO NUMBER: A portion of 35-3030-000-0020

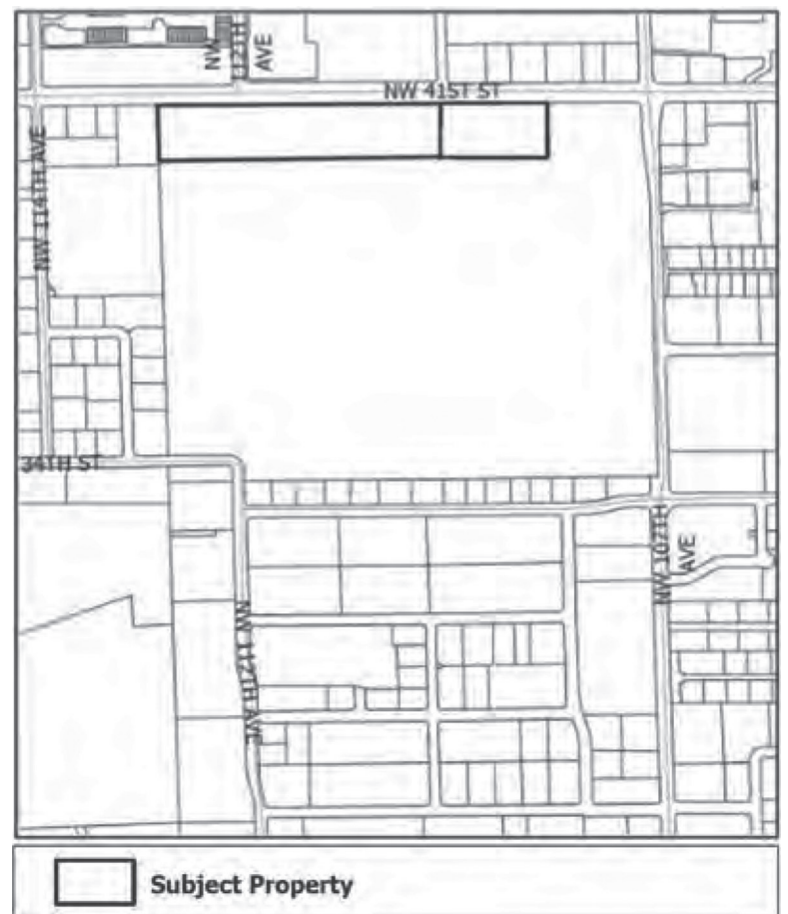
SIZE OF PROPERTY: ±5.8935 acres (Office Residential to Business) and ±16.0994 acres (Office Residential to Private Parks and Open Space). The overall size of the property is ±175 acres.

FUTURE LAND USE MAP DESIGNATION: Office and Residential

ZONING DESIGNATION: General Use (GU) District

REQUEST: The Applicant is seeking to amend the City’s Comprehensive Plan Future Land Use Map designation from Office and Residential (OR) to Business (B) for ±5.8935 acres, and from Office and Residential (OR) to Private Parks and Open Space (PPOS) for ±16.0994 acres.

Location Map



Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes if a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, any person who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

Connie Diaz, MMC
City Clerk
City of Doral