

Retail diversity, growth follows influx of new residents

By MARILYN BOWDEN

As residents begin to fill the new condo towers downtown, retailers who cater to them are doing well and expansions and new businesses attest to optimism about the area's future.

Fourteen new retailers opened in the central business district in 2009, said Leo Zabezhinsky, real estate & business development manager at Miami's Downtown Development Authority.

"The retailers coming in are strong local entrepreneurial operators who are taking advantage of the continued strong daytime population," he said, "but also the emerging residential population."

According to a Population & Demographic Profile prepared by Goodkin Consulting and Focus Advisors for the development authority in November, downtown from the Miami River to I-395 now has 68,900 residents, nearly 60% of them adults ages 25 to 60.

"We continue to diversify the retail mix to be more reflective of demand as the market matures," Mr. Zabezhinsky said.

Josie Correa, executive director of the Downtown Miami Partnership, which she describes as a chamber of commerce for the downtown area, said that while businesses that rely on the tourist industry aren't doing so well, those that are changing their product lines to cater to the new residents are thriving.

Downtown Miami Partnership works with the development authority to reward retailers that fit the mix they'd like to see downtown.

"What we want is upper-scale retail and restaurants," Ms.



Photo by Marlene Quaroni

Broker Jason Press: Downtown market has changed more in the past year than the previous twelve.

Correa said.

Among the incentives programs the partnership administers for the development authority are the tenant improvement grant program, which funds "improvements that stay with the property"; a shutter removal grant program that covers the total cost of removing old metal shutters and replacing

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them with a see-through model that allows for window-shopping at night, and a grant for 50% funding of façade improvements.

"With the push to clean up downtown," said Continental Real Estate Companies retail broker Jason Press, "the market is changing quickly. It's still got a ways to go, but it's changed more in the past 13 months than in the previous 12 years. A number of new restaurants opened and are doing very well at night as well as during the day."

Among them he listed Tre Italian Bistro, 270 E. Flagler St., and Mia at Biscayne, 50 Biscayne Blvd.

Average retail space lease rates, once inflated, have fallen to more

reasonable levels, he said – now averaging \$28.14 a square foot, according to a third-quarter report from CoStar Group.

"One issue is that with so many different owners along Flagler Street and in other areas, getting them all to be on the same page at the same time is a challenge," Mr. Press said. "But

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Allison Newbauer

landlords are getting more aggressive, and deals are getting done."

CoStar, he said, quotes downtown retail space vacancy at a low 4.8%.

Existing retailers are optimistic about the new downtown. Two long-time jewelry stores are undertaking major expansions.

C&M Jewelers, formerly in the Flagler Jewelry Center, just moved to a new space at 140 NE First St. that "looks like a New York gallery," said owner Cesar Montes De Oca.

"This has been my vision for more than 30 years," he said. "Now I want to move it the next level by designing my own line."

Kirk Jewelers, a 62-year-old family firm at 132 E. Flagler, is building a new store three doors down that will more than double its space, said Allison Newbauer, daughter of current owner Julian Newbauer.

"We've been around to see all the changes in downtown," she said, "and we believe in the area enough that we wanted to do this."

Silvia Morales, founder of *downtownmiami.com*, said other long-time retailers "who have been holding on knowing it was going to come together" are starting to see results.

For example, she said, the 45-year-old Downtown Book Center, 247 SE First St., has begun hosting evening events.

"La Epoca (200 E Flagler St.), Miami's home-grown department store, has been doing Mojito Tuesdays with complimentary mojitos and live music every week," Ms. Morales said. "This is a prime example of the synergy of downtown retail today. You feel it everywhere."