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Downtown Miami Experiences Surge in Retail Business Activity During 2009

Downtown district welcomed 42 new businesses in 2009, adding enhanced services and entertainment options for the area's growing residential and commercial population.

Continued growth in Downtown Miami's residential and commercial sectors is driving new retail business openings throughout the area, despite widespread volatility in retail markets across the U.S. Recent research conducted by the Miami Downtown Development Authority (DDA) found that 42 new net retail businesses opened in Downtown Miami in 2009, marking the third straight year that the district has seen 40 or more new net retail outlets open. In total, 152 new retailers have established a Downtown Miami presence since 2005.

The news of Downtown Miami's retail growth comes as other markets across America continue to struggle: a recent Integra Realty Resources survey of the 50-largest markets in the U.S. found that Downtown Miami's retail vacancy rate of 5.06% is among the five lowest in the nation. These numbers mark a dramatic spike in retail demand over the past 18 months; Downtown Miami's overall vacancy rate climbed as high as 12.5% in mid-2008, according to CoStar Group.

While retail activity in Downtown Miami is bucking the national trend, the growth comes as no surprise to real estate professionals familiar with the market. "Anytime a condensed core of urban development attracts new residents, a retail boom is soon to follow," said Greg Masin, commercial retail broker at Cushman & Wakefield of Florida. "The influx of people moving into Downtown Miami is fueling this market and there's no reason to think the activity will subside anytime soon, as retail business owners look to capitalize on population growth by offering new goods, services and entertainment options."

The DDA's recently published Residential & Demographic Profile estimates that close to 70,000 people are currently living in Downtown Miami, up from the 2000 Census figure of 39,176, marking an 80% increase in less than a decade. Projections indicate the population will increase to 85,000 by 2014.

"This year alone, in one of the most challenging economic conditions in recent history, Downtown Miami attracted a record-breaking number of key businesses that are enhancing the quality of life for residents and visitors and transforming the district into a 24-7 dining and entertainment destination," said Alyce Robertson, executive director of the Miami Downtown Development Authority.

New Downtown Miami retail openings in 2009 include Publix, Sushi Siam, Café Sci Sci, Piola, and Brickell Irish Pub in Brickell; MIA, Ecco Pizzateca, Area 31, Tre, and Puntino in the Central Business District (CBD); Prelude by Barton G, Urbanite Bistro, and the Democratic Republic of Beer in the Media & Entertainment District; and Botequim Brazilian Bar & Grill in the Park West neighborhood. According to Robertson, these newcomers to the area, as well as many pre-existing establishments, are choosing to stay open later and on weekends to capitalize on the after-hours market now in place.

Robertson adds that the DDA has a number of economic development and quality of life initiatives to support growth and enhance Downtown Miami's appeal as a destination. Through its Retail Advisory Group, the DDA works closely with brokers, tenant representatives, and property owners to encourage retailers to relocate and/or expand within the district. For example, its façade improvement and shutter removal incentives, and tenant improvement grant program, assists businesses in targeted areas of Downtown to help improve the retail environment. In Fiscal Year 2008-2009, the DDA completed 21 such projects within the Central Business

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District and allocated more than \$287,000 in funding to retailers and local businesses. These funds were matched with property owner contributions of more than \$85,000.

Additionally, other DDA initiatives such as the Downtown Enhancement Team, Downtown Ambassadors, and advocating for the creation and expansion of anti-panhandling zones are making the district's streets cleaner, safer, and easier to navigate. In 2009, the DDA expanded its coverage and projects for both quality of life initiatives throughout the district.

"Entrepreneurs are setting their sights on investing in Downtown Miami because they see the long-term potential for the area," said Marc Sarnoff, chairman of the City of Miami Commission and the Miami DDA. "The more we can do to make our City's streets cleaner, safer, and easier to navigate, the better positioned we will be to cultivate private enterprise – leading to more job creation and economic growth."

The DDA is currently tracking 20 businesses scheduled to open during the first part of 2010 that will continue to enhance the variety of offerings within the district. Notably, LA Fitness and Fado Irish Pub at Mary Brickell Village and Puerto Madero at 1450 Brickell will strengthen the retail mix in the Brickell and South Miami gateway neighborhoods; in the CBD, Zuma will be a landmark addition to the Epic Hotel; and Taste Bakery and Miss Yip's are slated to become the newest additions to Park West.