



GREATER DOWNTOWN MIAMI

Study of Retail Market Conditions - April 2017

Acknowledgement Credit

Greater Downtown Miami Study of Retail Market Conditions – April 2017

Prepared for the Miami Downtown Development Authority (DDA)

By Integra Realty Resources (IRR)

As of June 2017

This market research report is the second annual publication of retail market conditions in downtown Miami published by IRR. The report was commissioned by the Miami Downtown Development Authority (Miami DDA) to provide an effective framework for understanding the retail conditions, critical mass of retail, and relative opportunities within each submarket with an emphasis on future study of what factors are contributing to the success of downtown Miami's retailers. The report aggregates proprietary and non-proprietary sources to provide a market-by-market snapshot for landlords and tenants to identify new opportunities in the marketplace by providing useful maps and coding of major projects by submarket that will drive new retail opportunities.

To that end, IRR Miami would like to acknowledge and thank Metro 1 Commercial, and the Commercial Industrial Association of South Florida (CIASF) for leading the way in their annual publication of the Wynwood Market Report. We borrowed liberally in layout and form, reconfirmed and re-stated many of the findings from that report into this framework. The Metro 1 Commercial team has been a long-standing advocate and partner in the success of downtown Miami's evolution, and they continue to provide actionable market intelligence to be shared with their peers. In addition to Metro 1, IRR Miami on behalf of the Miami DDA has been aided significantly by many other retail brokers and owners including Konover-Stern, Mana Holdings, the Comras Company, CBRE, HFF, Colliers International, Cushman Wakefield, JLL, Charitt, Goldman Properties, Avra Jain, Seth Gadinsky, and Fortis Development.

For more information on this and other reports, please contact

IRR-Miami | Palm Beach
Dadeland Centre
9155 S Dadeland Blvd.
Suite 1208
Miami, FL 33156
305-670-0001

Anthony M. Graziano, MAI, CRE
Senior Managing Director
Integra Realty Resources (IRR) – Miami | Palm Beach

Virginie Dorris
Senior Market Research Analyst
Integra Realty Resources (IRR) – Miami | Palm Beach
vdorris@irr.com



Table of Contents

Executive Summary	4
Greater Downtown Miami Market Map	5
Greater Downtown Miami Major Retail Properties	6
Summary of Proposed Major Projects	8
Market Comparison Analysis	9
Retail Sales	10
Brickell	12
Retail	13
Primary Market Area	14
Major Retail Destinations	15
Recent Retail Deliveries, Under Construction and Transactions	16
Downtown/CBD	18
Retail	19
Primary Market Area	20
Major Retail Destinations	21
Recent Deliveries, Under Construction and Transactions	22
Art & Entertainment District	24
Retail	25
Primary Market Area	26
Major Retail Destinations	27
Recent Deliveries, Under Construction and Transactions	28
Edgewater	30
Retail	31
Primary Market Area	32
Major Retail Destinations	33
Recent Deliveries, Under Construction and Transactions	34
Midtown	36
Retail	37
Primary Market Area	38
Major Retail Destinations	38
Recent Deliveries, Under Construction and Transactions	39
Wynwood	40
Retail	41
Primary Market Area	42
Major Retail Destinations	43
Recent Deliveries, Under Renovation and Transactions	44
Sourcing	46

Executive Summary

Florida is known for its rich tourism attracting more tourists annually than any other state. Florida is now the third most highly populated state in the nation surpassing New York. The South Florida region (Miami, Fort Lauderdale, and Palm Beach) is the most populous area in the state and Miami is Florida's largest metropolitan center. In just 15 minutes, 1.3 million residents can reach downtown; and 2.1 million residents in 30 minutes.

South Florida is a global tourist destination, especially for visitors from Latin America. The area is served by two major airports - Miami International Airport saw approximately 22.6 million deplaned passengers, while the Ft. Lauderdale International Airport saw another 14.5 million passengers. Miami is also the cruise capital of the world; PortMiami also hosted 5.1 million cruise passengers in 2016.

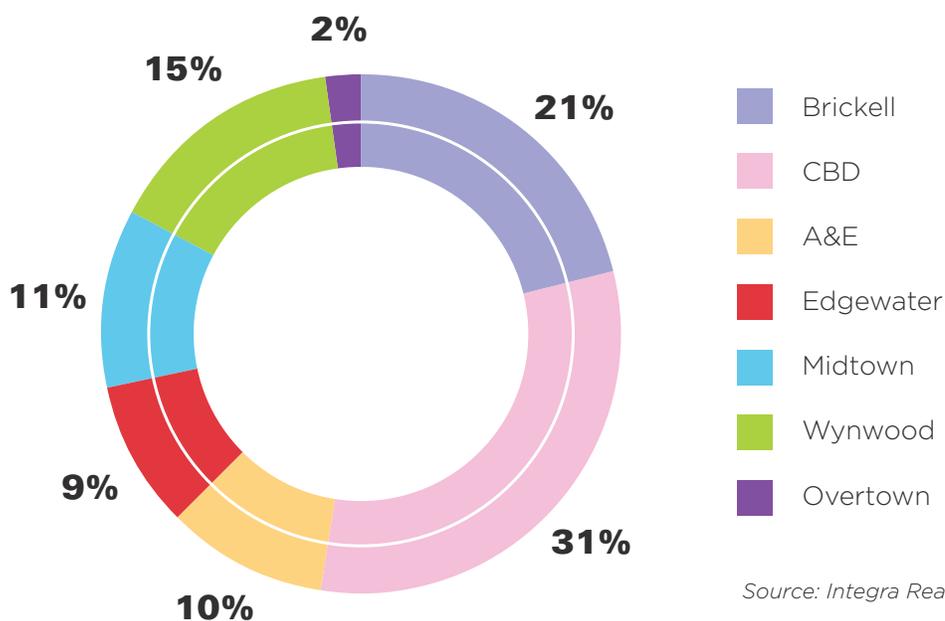
Greater Downtown Miami is the heart of the South Florida region. Greater Downtown Miami has traditionally been a regional employment center with a strong concentration of finance, banking, legal, real estate and professional services firms. The area now has reached a critical density with residents, workers, tourists, students and visitors; over 235,000 people spend time in Greater Downtown Miami daily. The daytime population is complemented by an active nightlife with nightclubs, restaurants, and bars open until dawn. Together, Greater Downtown Miami is now a 24-hour urban center anchoring a dynamically growing metro area. Residents, visitors, and workers in Downtown Miami contribute to retail spending daily.

Greater Downtown Miami is host to a unique array of neighborhoods that each have their own character. Brickell represents the modern financial hub of Greater Downtown Miami and sits at the intersection of Little Havana, Coconut Grove, and the Miami CBD. The CBD is the historic and tourism hub of downtown, with many of the city's oldest buildings as well as the Bayside Marketplace and Bayfront Park.

- Downtown Miami retail comprises approximately 9.2 Million square feet of retail space across all seven defined downtown DDA markets. This inventory includes 625,000 +/- SF of flex/creative space in Wynwood, and nearly 900,000 SF of ground floor inventory within existing condo/mixed use ground floor retail marketwide. Rents vary widely by submarket, and even within the submarkets based on the quality of retail and its proximity to retail concentrations. Rent levels on a NNN basis range from the mid-teens to over \$150/SF in the prime corridors.
- The delivery of Brickell City Centre marks the high point of retail deliveries, which has spiked vacancy in the short-term in the submarket. However, the project has delivered more critical mass and luxury retail to the breakout Brickell submarket. The project is also lifting rents in the area and sets a new high water mark for downtown retail rents.
- The downtown area's improving retail fundamentals are driven by several factors. These include residential growth, organic employment growth, increased visitation, and increasing capture of county-wide retail demand.
- The majority of retail spending in Greater Downtown Miami comes from sources other than local residents, reflecting its large employment base and tourist attractions.
- IRR Miami's analysis of retail conditions in downtown indicate a robust trajectory of retail growth. Downtown has become a larger part of the tourist experience, which will be enhanced by new attractions such as Frost Science Museum, cultural landmarks, and diverse retail opportunities.
- The growing population base, particularly the growth in the conventional rental segment is creating opportunities for neighborhood convenience services and retail opportunities that serve more localized neighborhoods within downtown.
- There is no doubt that the current has shifted as retail is going urban, and consumer's behavior has altered the retail landscape. Downtown presents the ideal mix of tourism, employees, residents, and students who all spend. Urban retail takes advantages of walkability, transit connectivity, and convenience. Downtown Miami has emerged as an incredible urban destination due to its maturity as an employment center.
- Further north is A&E, home to the city's flagship art and science museums as well as the Adrienne Arsht Center as well as high-rise condos such as One Thousand Museum. Adjoining the A&E district is Overtown, an urban neighborhood home to the historic Lyric Theatre as well as county offices at the Overtown Transit Village. Further north, Edgewater is an emerging residential corridor, while Wynwood and Midtown are emerging as Miami's creative hubs.

Greater Downtown Miami Major Retail Properties - 2016

	2017 Existing SF	U/C SF	% Growth	Avg. Rents (NNN)
Brickell	1,585,639	50,000	6.5%	\$75-\$125
CBD	2,430,494	400,000	36.4%	\$30-\$40
A&E	818,578 [1]	15,000	1.8%	\$15-\$30
Edgewater	733,511	12,075 [2]	1.6%	\$40-\$60
Midtown	831,624	63,000	8.2%	\$40-\$60
Wynwood	1,174,123	0	0.0%	\$50-\$75
Overtown	176,146	0	0.0%	\$10-\$25
Total (Unadjusted) Adjustments:	7,850,115	768,139	9.8%	\$45
Estimated Condo and Office-Retail	900,000	---	---	---
Add'l Wynwood (1/3 of office/ind space)	627,000	---	---	---
Total (Adjusted)	9,277,115	768,139	8.3%	\$45



Source: Integra Realty Resources

Greater Downtown Miami Major Retail Properties - 2016

Existing Properties > 100,000 SF	Pipeline Properties >100,000 SF	2015-2016 Changes	Proposed Properties >100,000 SF
Brickell City Centre (505,000 SF)			Miami River Walk (133,000 SF)
Mary Brickell Village (277,983 SF)	None	680,152	China City - Capital at Brickell (600,000 SF)
Navy Federal Credit Union (204,108 SF)			
22 E Flagler/ Macy's Complex (487,000 SF)	Miami Worldcenter & Miami Central Station (490,000 SF)	56,509 [3]	---
Bayside (213,438 SF leasable)			
Galeria Internacional (162,435 SF)			
Seybold Building (150,000 SF)	Met Square (113,508 SF)		
Omni (150,000 SF retail+ office)		129,985	Miami Innovation District (TBD)
Braman BMW (143,221 SF)	None	55,834	---
Midtown Miami (509,946 SF leasable)	None	290,319 [4]	Walmart (203,000 SF)
Salvation Army (123,816 SF)	None	149,624 [5]	Mana Wynwood (TBD)
None	None	-18,648 [6]	
Total (Unadjusted) Adjustments:		1,343,775	

[1] Size discrepancies reflect CoStar remeasurements of existing buildings (71 NW 14th St, for instance, grew from 16,133 SF to 40,000 SF based on a March 24, 2017 listing) and migration of properties to retail from office and industrial or vice versa depending on the highest and best use at the time.

[2] Excludes 343,000 SF of office @3050 Biscayne classed by CoStar as retail do not appear in the pipeline.

[3] Mainly composed of Whole Foods (+41,000 SF) and reclassified space at 777 Mall (+73,000 SF).

[4] Reflects retail outside Midtown Miami development (mainly on NW 36th St) that was not previously included in IRR prior report.

[5] Reflects conversions of flex/reclassification of retail from other uses.

[6] Overtown submarket details are not subsequently provided because there is no defined node or critical mass of retail, and the size of the market did not lend itself to the submarket breakdown.

Greater Downtown Miami Demographics



POPULATION
88,540



**AVERAGE HH
INCOME**
\$97,671



**MEDIAN
AGE**
35



**MEDIAN
HOUSEHOLD**
2



**AGGREGATE
HH INCOME**
\$4.2B



**DAYTIME
POPULATION**
235,000

Summary of Proposed Major Retail Projects

There are a number of potentially transformative developments in the pipeline for greater downtown retail. Updates on these include:

- **Miami Worldcenter** has seen groundbreaking on its residential component. Vertical construction is well underway at Paramount, and the 7th Street Promenade rentals are also under construction. Over 150,000 square feet of retail is currently under construction while another 150,000 square feet of high-street retail, involving Forbes and Taubman, will begin construction this year.
- **Met Square** is also now well under construction, comprising both a rental tower and retail anchored by a Silverspot cinema. The mixed-use project is expected to be completed by 2018. Location: CBD Submarket

In addition to the above, several other projects with possible retail components are currently in the planning or approvals stage, although firm square footages have not yet announced. These include:

- **Miami River Walk**, located in Northwest Brickell, was revised in 2016 to include a hotel and a total of 266,000 square feet of retail and office space. A pre-development loan was secured in September.
- **MiamiCentral Station**, straddling the CBD and Overtown, is currently under construction, and train service is expected to begin by year-end 2017. Plans show that the retail will occupy most of the ground level frontage as well as several mezzanine retail/office spaces. Publix has signed a deal to open at 3 MiamiCentral.
- **Miami Innovation District** has begun site work, with the 4.8 acre Greyhound site at 1151 NW 1st Avenue being cleared in February 2017. Permitting for the project is currently in mediation under Florida's Land Use and Environmental Dispute Resolution Act as a result of zoning changes.

- **Midtown Miami** has seen the delivery of Eve (formerly District 36) as well as the completion of Midtown 5 and vertical construction at Hyde Midtown, which will include SBE-branded restaurants similar to those at SLS South Beach and SLS Brickell. Midtown 6 recently received development approval with a ground-level grocery store.
- **SkyRise Miami** is advancing, with the majority of it approved. The final remaining piece of permitting is for the signature "Skyway" attraction, a modified Ferris wheel running on the outer edges of the building.
- **Museum Park** opened Frost Science Museum in May 2017, joining the Perez Art Museum Miami next door. The museum includes two retail spaces – a gift shop and a restaurant – on its ground floor.
- **Mana Wynwood** formally unveiled plans for the "Americas-Asia Trade Center" in April 2017. Mana expects the project to create 20,000 jobs and to contain 75,000 square feet of retail, along with 3 million square feet of office and showroom space and a 400-room hotel.
- A number of projects along the Miami DDA's boundaries are continuing as well. **River Landing** will be moving forward after issues between the developer and their lender were settled in 2016. Work is continuing on the final components of the **Miami Design District's** third phase, and the first retail at **Island Gardens** – the Deck restaurant – had its preview opening last year and is expected to reopen later this year. Two successful hostings of the **Miami International Boat Show** have helped lead to a \$45 million loan to restore it, which was authorized in 2016.

Market Comparison Analysis

Market Comparison Snapshot

IRR Index Ranking	Downtown Area	Street Rents	High Street	Downtown Population	Retail Inventory	Market Tourism in visitors per year	Downtown Office Inventory
1	Los Angeles	\$60	\$250	58,000	4,550,000	45,500,000	28,000,000
2	Miami	\$50	\$150	85,000	9,200,000	15,000,000	21,500,000
3	Seattle	\$40	\$75	75,000	3,775,000	19,200,000	40,000,000
4	Houston	\$35	\$90	15,000	1,575,000	17,500,000	46,000,000
5	Orlando	\$25	\$60	12,500	1,000,000	22,000,000	6,450,000
6	Ft. Lauderdale	\$35	\$90	15,200	1,225,000	13,000,000	9,000,000

**The above submarket comparison was based on interviews with national Integra Realty Resources (IRR) offices, and proprietary and public data assembled by IRR for comparison.*

IRR identified a list of comparable downtown areas, and has identified three distinct drivers to downtown retail sales. We selected five national comparative markets that are considered most analogous in the city's scale, the size of the surrounding metro population, the level of tourism into the market as measured by visitation, and the size of the CBD office market offering daytime population drivers.

Miami is performing well on high street rents for premium locations where sales support new retail. What downtown Miami needs is the redevelopment of older street retail, with a continued emphasis on expanding new residential opportunities and drawing Miami-Dade residents and visitors to downtown for entertainment and recreation. New office supply is already underway, which will add to the daytime population base. The combination of these factors (visitors, workers, and residents) will continue to support rent levels and growth of the retail sectors downtown.

Miami is emerging as a 24-hour city, and it is drawing on an increasing downtown residential population when compared to Los Angeles, Seattle, Orlando, Ft. Lauderdale, and Houston. Miami leads in downtown resident population against these markets.

The rental ranges exhibited by each peer market are enhanced by the combination of downtown population (local spending); tourist visitors (discretionary vacation spending) and office inventory (downtown daytime spending).

Los Angeles tourism drivers support its high street rents, and overall street rents are supported by downtown office and relatively comparable population.

Miami is the second best performer in the peer set with a strengthening downtown population, and a fast-expanding market share of tourist spending. While lagging in downtown office inventory size, downtown Miami remains focused on experiential spaces, including art and cultural offerings that continue to draw tourists and local Miami-Dade residents alike. This is supporting a large retail inventory downtown, and registering the second highest rent ranges across downtown peers.

Seattle has comparable drivers as Miami and Los Angeles, but rent levels and overall retail inventory is lagging.

The balance of the markets all compete fairly on most metrics except downtown office inventory and downtown population, and as a result the street and high street rents are a fraction of Miami and Los Angeles.

Retail Sales

In terms of sales growth, Greater Downtown Miami has continued to outpace the rest of the county, driven by strong performance in the Wynwood/Edgewater submarkets. Core downtown submarkets of the CBD and Brickell have seen more mixed performance, however.

A total of \$4.6 billion in retail sales were conducted in Greater Downtown and its environs, accounting for 5.36% of the county total vs. 5.25% in 2014.

Downtown Retail Spending by Category

Category	2015 Sales (\$M)	2014-2015 Change
General Merchandise, Mail Order	\$969.12	16%
Restaurants, Caterers	\$783.40	7%
Motor Vehicle Dealers, Camper Sales, Leasing, Repairs by Dealers	\$569.73	-22%
Grocery Stores, Convenience Stores	\$459.41	10%
Importing & Exporting	\$336.99	-17%
Home Entertainment & Musical Instruments, Electronics Shops	\$255.29	-31%
Clothing & Alterations	\$252.48	25%
Furniture Stores	\$166.00	26%
Rental Shops	\$143.45	7%
Graphic Arts & Printing Publishing, Engraving	\$122.41	3%
Insurance, Banking, Research, Income Tax Services, Information Services	\$82.25	54%
Auto Parts & Accessories	\$78.98	1140%
Interior Decorating, Painting, Paperhangers, Draperies	\$62.26	2%
Transportation	\$60.82	274%
Itinerant Vendors	\$43.73	-1%
Other Personal Services	\$33.17	-7%
Miscellaneous	\$30.52	-32%
Barber & Beauty Shops, Cosmetics, Health Spas	\$29.38	0%
Repair Shops	\$24.68	-21%
Taverns & Clubs. Liquor Stores	\$19.70	383%
Advertising	\$14.40	6%
Garages & Repair Shops, Body Shops	\$13.16	-8%
Second Hand Stores, Goodwill, Antique Dealers	\$7.83	45%
Gift, Card & Novelty Shops, Toy Stores, Hobby Shops	\$5.26	15%
Laundry & Cleaning Services	\$1.57	-
Shoe Stores	\$0.00	-100%
Grand Total	\$4,566	2.12%

The categorization of the type of sales reinforces that growth is occurring in both tourist and resident categories. General Merchandise growth, grocery and c-store sales growth, gift card, liquor and taverns/bars, banking and income tax services are all fundamental resident-driven categories. Clothing, furnishing, restaurant, rental shop growth are tourist-driven sectors.

Miami retail continues to benefit from the increased exposure of the downtown area to the broader Miami-Dade resident base and an expanding younger base of residents. Resident growth will continue to outpace the county-at-large due to housing expansion (rental and for-sale) in the market. Miami is delivering on the tourist experience, and new office developments are under construction to support continued job growth. The market demand for retail is essentially firing on all cylinders.

Retail Sales

According to IRR’s interpretation of sales tax reports, the zip codes that comprise the DDA area (33127/ Wynwood, 33137/Edgewater, 33136/Overtown, 33128/CBD, 33132/CBD, 33131/Brickell, 33130/Brickell, and 33129/Brickell from north to south) have outperformed Miami-Dade County as a whole in terms of spending growth between 2014 and 2015. The following table updates how DDA zip codes have performed in terms of sales growth as compared to Miami-Dade County as a whole:

Downtown Retail Spending Performance

Zip Code	DDA Submarkets	Non-DDA Neighborhoods	2015 Total Sales	Growth
33127	Wynwood, Midtown	Allapattah	\$582	19.02%
33128	CBD	North Little Havana	\$48	-12.73%
33129	Brickell	The Roads	\$101	-1.94%
33130	Brickell	South Little Havana	\$570	-17.99%
33131	Brickell	None	\$1,118	-8.51%
33132	CBD, A&E, Edgewater	None	\$801	3.09%
33136	CBD, Overtown	Civic Center	\$88	7.32%
33137	Edgewater, Midtown	Design District	\$1,258	19.92%
DDA Total			\$4,566	2.12%
Countywide			\$85,137	-5.46%

In terms of sales growth between 2014 - 2015, the downtown market expanded 2.12% while the county overall dropped 5.46%, indicating downtown outperformed on retail sales. The sales tax data used to estimate the \$4.566 Billion in retail sales downtown does not include Brickell City Centre, which opened in late 2016.

While the sales tax data includes some over-lapping “non-DDA” zip codes, the overall magnitude of sales in 2015 remained an impressive \$492 per SF on average.

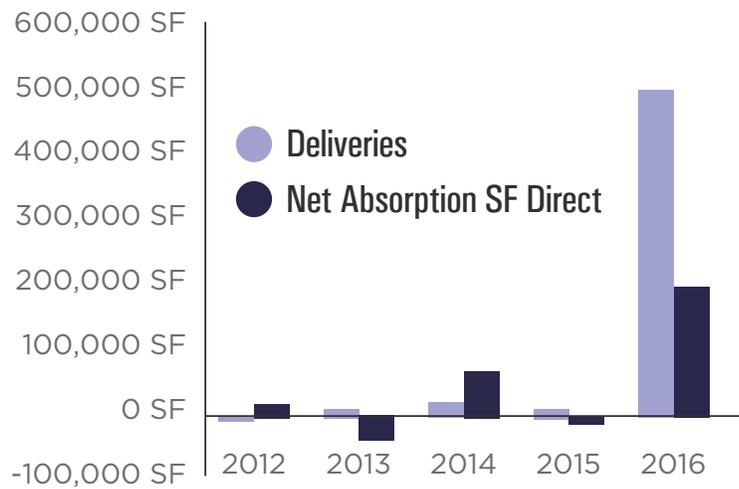




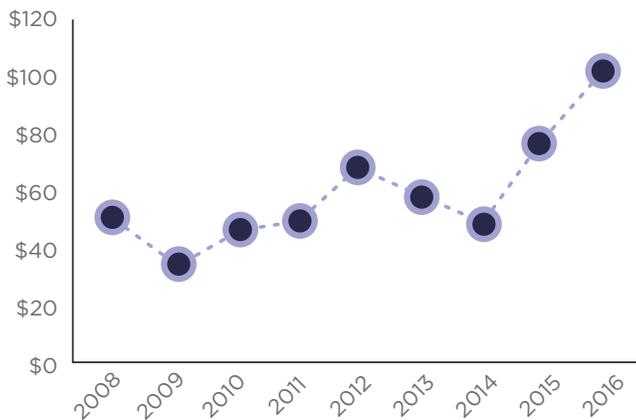
Retail

	Brickell Primary Market Area	Brickell Submarket
Existing Inventory	1,287,588 SF	1,585,639 SF
NNN Rent Per SF (Q1 2017)	\$127.54	\$96.43
Vacancy (Q1 2017)	22.6%	18.9%
12-month deliveries	505,000 SF	505,000 SF
12-month absorption	195,536 SF	198,863 SF

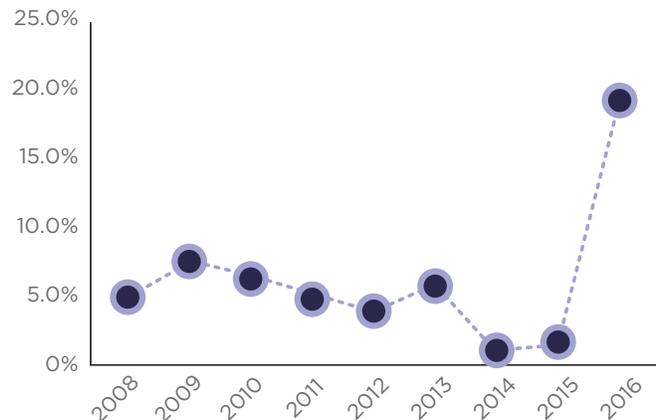
5-Year Historical Absorption and Deliveries



Historical Retail Rents



Historical Retail Vacancy



*Short vacancy as Q4-2016 reflects stabilization of Brickell City Centre.

Brickell Primary Market Area

- Restaurants
- Entertainment/Bars
- Hospitality
- Food, Health & Wellness



Brickell Major Retail Destinations



Brickell City Centre

Brickell City Centre is a mixed-use, \$1 billion+ development that includes a hotel, two office towers, two condo towers, serviced executive apartments, and a 505,000 SF mall anchored by Saks Fifth Avenue and containing a mix of upscale and luxury retail heavily oriented towards apparel and fashion. Brickell City Centre is managed by the same company as Bal Harbor Shops, Whitman Family Development, and aims to replicate that experience in a mixed-use urban setting. The retail had its grand opening in Q4 2016. A luxury CMX cinemas opened in May 2017. Leasing of the remaining space is being handled by the Simon Property Group.



Mary Brickell Village

Mary Brickell Village is a lifestyle retail center located along South Miami Avenue. With a retail mix heavily dominated by restaurants and bars, but also including an LA Fitness, an anchor Publix, and a number of boutiques, Mary Brickell Village has acted as the main neighborhood hub for Brickell and has stimulated retail and residential growth on the adjoining city blocks.

Demographics



POPULATION
34,975



AVERAGE HH
INCOME
\$102,130



MEDIAN
AGE
34

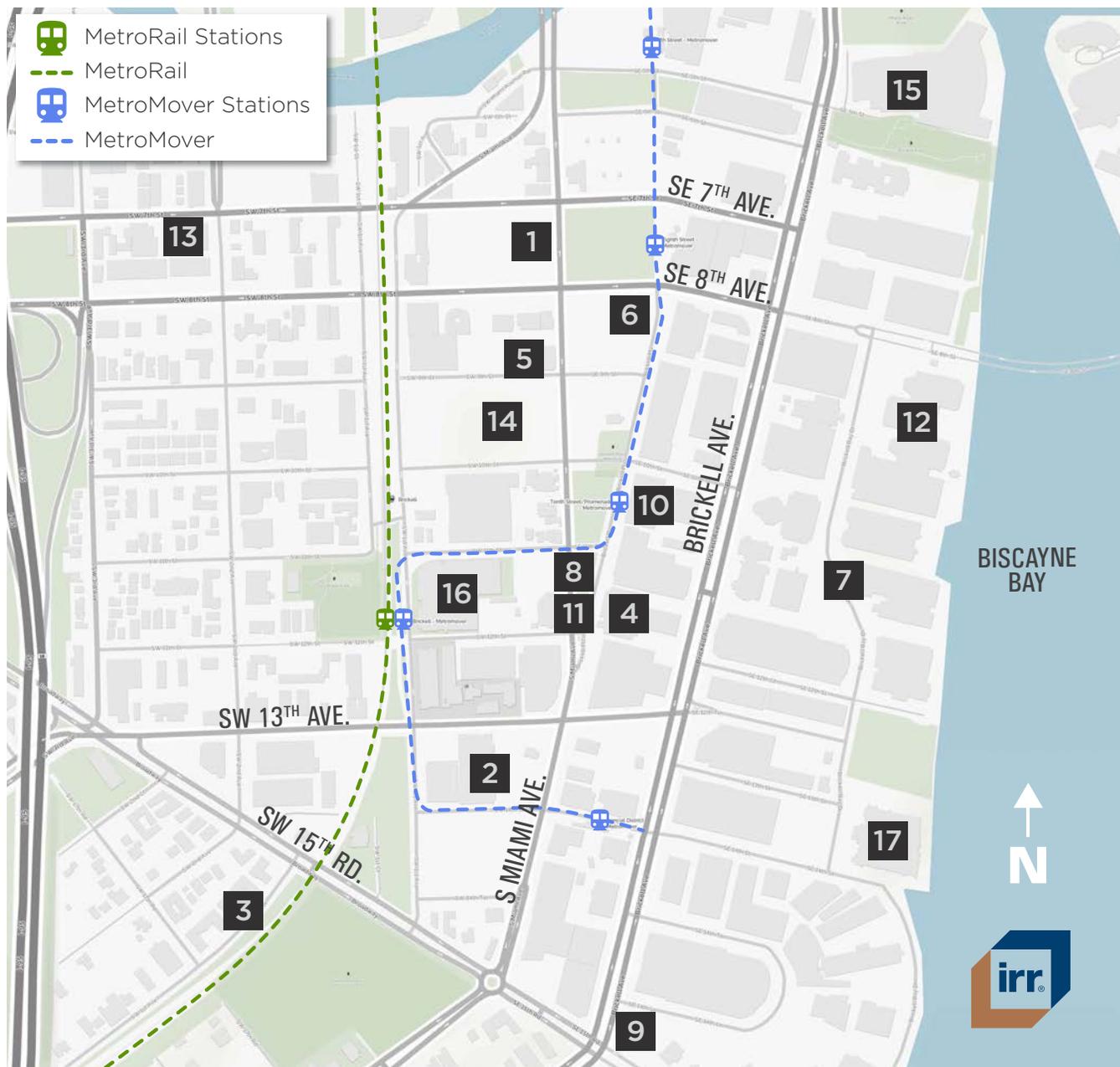


MEDIAN
HOUSEHOLD
1.73



AGGREGATE
HH INCOME
\$2.3B

Recent Retail Deliveries, Under Construction and Transactions

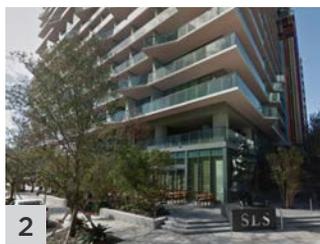


Recently Delivered



1 Brickell City Centre

- \$1.05B Project
- 505,000 SF Retail
- 92% Leased
- \$150 Median Lease Rate



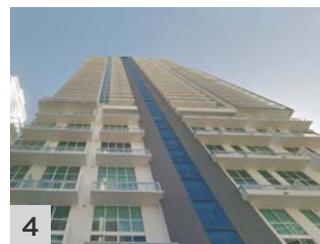
2 SLS Brickell

- \$400M Project
- 453 condos, 124 hotel rooms
- 2 restaurants (Fi'lia and Bazaar Mar)



3 Le Parc

- 128 Condos
- 270 Hotel Rooms



4 The Bond at Brickell

- 328 Condos
- 5,000 SF Retail (Starbucks)

Under Construction



5

Brickell Heights

- 682 Condos
- 35,000 SF Office
- 55,000 SF Retail (incl. Soul Cycle & Equinox)



6

SLS Lux

- 534 Condos, including 84 Hotel Rooms
- 20,000 SF Retail
- 44% pre-leased



7

Panorama

- 821 Apartments
- 208 Hotel Rooms
- 50,000 SF Retail
- 100,000 SF Office



8

Brickell Flatiron

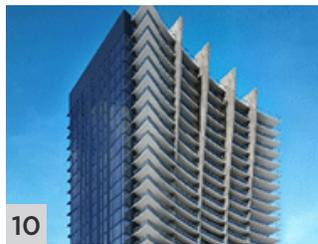
- 549 Condos
- 25,000 SF Retail



9

Echo Brickell

- 180 Condos
- 5,000 SF Retail



10

1010 Brickell

- 387 Condos
- 11,500 SF Retail

Representative Retail Transactions



11

Brickell Flatiron

- \$22.5M
- \$907 PSF (2016 - under contract)
- 24,800 SF Retail Condo



12

Four Ambassadors Hotel

- \$3.1M
- 801 Brickell Bay
- \$329 PSF (2016)
- 9,495 SF (3) Retail Condos



13

Chevron 720 SW 2nd Ave

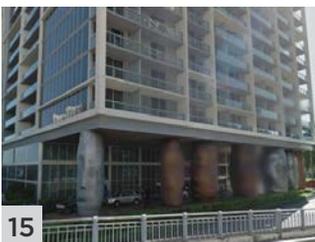
- \$8M
- \$378 PSF Land (2016)
- 0.49-acre redevelopment



14

Mary Brickell Village

- 113.5M
- \$581 PSF (2015)
- 195,000 SF Retail



15

Cipriani (Icon I)

- \$7.6M
- \$738 PSF (2015)
- 10,305 SF Retail Condo



16

1100 Milecento

- \$10.5M
- \$628 PSF (2015)
- 16,711 SF (3) Retail Condos



17

Jade Unit 1

- \$2.3M
- \$740 PSF (2014)
- 3,105 SF Retail Condo

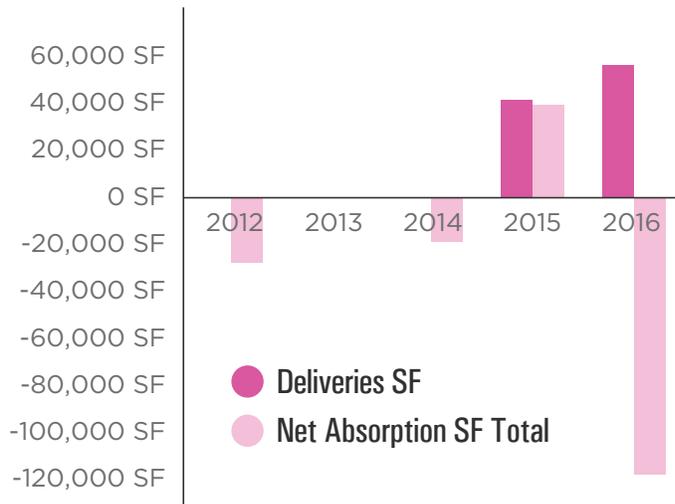
DOWNTOWN / CBD



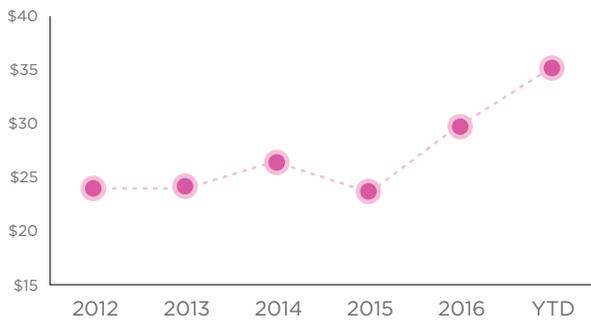
Retail

	CBD Primary Market Area	CBD Submarket
Existing Inventory	2,430,494 SF	2,574,746 SF
NNN Rent Per SF (Q1 2017)	\$37.32	\$35.13
Vacancy (Q1 2017)	10.4%	12.3%
12-month deliveries	0 SF	55,442 SF
12-month absorption	-135,491 SF	-114,423 SF

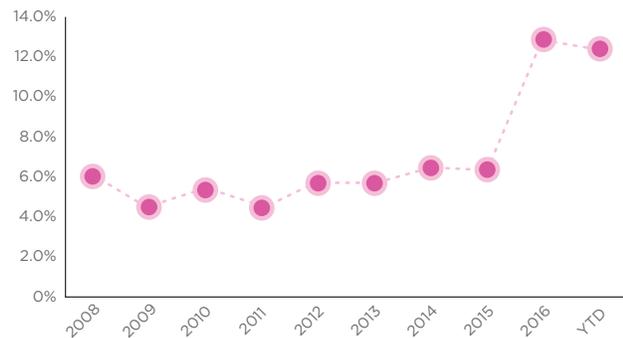
5-Year Historical Absorption and Deliveries



Historical Retail Rents



Historical Retail Vacancy



Downtown/CBD Primary Market Area

- Restaurants
- Bars/Entertainment & Attractions
- Fashion & Boutiques
- Hospitality
- Food, Health & Wellness

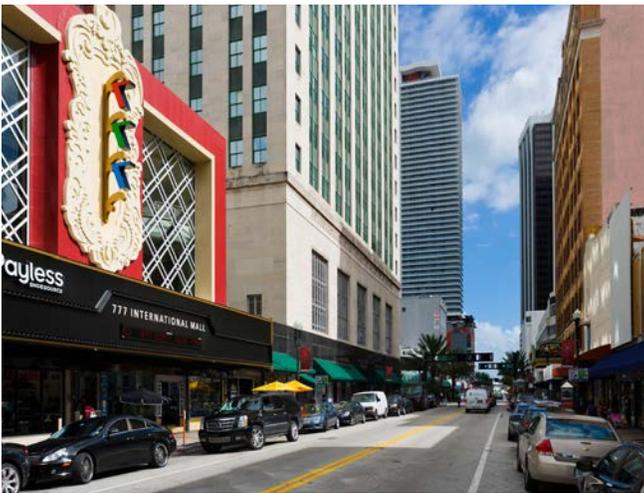


Downtown/CBD Major Retail Destinations



Bayside Marketplace & Bayfront Park

Bayfront Park and Bayside are the main tourist draws to the Miami CBD, the city’s historic downtown. Bayfront Park is a large waterfront city park that is frequently used for large events such as the Ultra Music Festival each spring as well as portions of the Miami International Boat Show. It is bordered to the north by Bayside, an open-air shopping mall that includes souvenir shops, restaurants, and national chains like Bubba Gump, GameStop, Clarks, and Hard Rock Café as well as a marina and boat rentals. According to the Greater Miami Convention and Visitors Bureau, Bayside is among Miami-Dade County’s largest attractions, with 33.4% of visitors (2015) to the county spending at least one night downtown.



Flagler Street

Flagler Street is Miami’s historic “Main Street”, the heart of the city’s jewelry district as well as a major concentration of historic architecture and chain retail anchored by a Marshalls store on the east end and a major Metrorail station and county office complex, as well as the soon-to-be-completed Brightline train station, to the west. The City of Miami and Miami-Dade County are currently undertaking a multimillion-dollar streetscape improvement aimed at making this street more attractive and pedestrian-friendly.

Demographics



POPULATION
17,132



AVERAGE HH INCOME
\$68,953



MEDIAN AGE
34

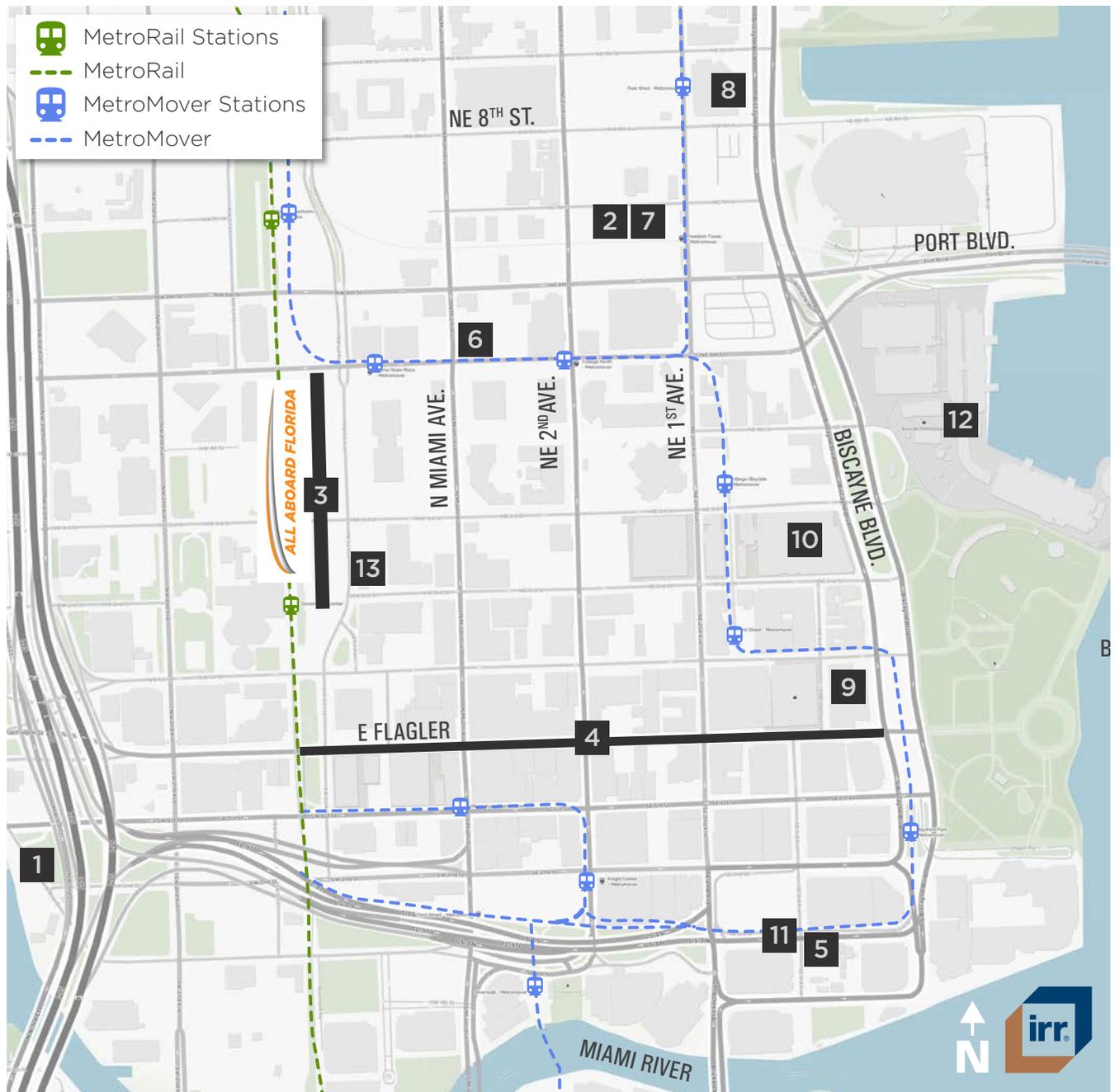


MEDIAN HOUSEHOLD
1.64



AGGREGATE HH INCOME
\$539.6M

Recent Deliveries, Under Construction and Transactions



Recently Delivered



1
East Coast Building

■ 55,442 SF Retail

Under Construction



2

Miami World Center

- Mixed use \$2B project including 563 condominium units; 1,291 rental units
- 360,000 SF of ground floor retail, 600,000 SF convention center, and 1,800 room Marriott Marquis. Hines just announced a 600,000 SF office tower in MWC complex.



3

All Aboard Florida/ Brightline

- OneMiamiCentral, Two MiamiCentral, Three MiamiCentral
- 180,000 SF retail, 800 residential units, 260,000 SF office, 250 hotel rooms, 280 residences



4

Flagler Street Redevelopment

The Flagler Street renovation and beautification is geared to modernize downtown Miami, and make it more pedestrian friendly. The \$13M project includes new bike racks, enhanced crosswalks, new street lighting, upgraded sidewalks and oak trees between the Dade County Courthouse east to Biscayne Boulevard.



5

Silverspot Cinema at Met Square

- 300 SE 3rd Ave
- 113,500 SF of retail, including 80,000 SF 17-screen Silverspot Cinema

Representative Retail Transactions



6

501 N Miami Ave

- \$18.1M
- \$483 PSF for land (2017)
- 37,500 SF Mixed-use redevelopment



7

Miami World Center (partial)

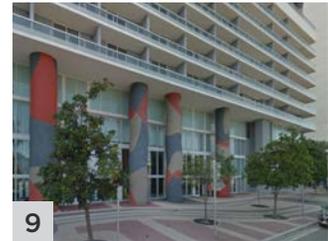
- \$45.25M
- 220\$ PSF for land (2017)
- 205,353 SF Conference Center



8

Marinablue Retail Condos

- \$14.94M
- \$1,570 PSF (2016)
- 9,500 SF (7) retail condos



9

50 Biscayne Blvd CU8

- \$600,000
- \$1,140 PSF (2016)
- Ground Floor Retail Condo Unit



10

Vizcayne Retail Condo

- \$27.2M
- \$490 PSF (2015)
- 55,000 SF Ground floor Retail



11

Whole Foods

- 19.63M
- \$480 PSF (2015)
- 41,000 SF Supermarket



12

Bayside Marketplace

- \$196M
- \$1,960 PSF (2015) Partial interest transferred (49%) - the property is on a ground lease owned by the City of Miami
- 205,000 SF Lifestyle Center



13

201 NW 1st Ave

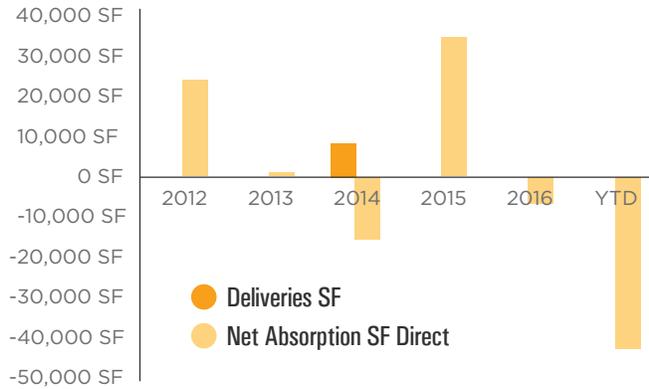
- \$6.3M
- \$481 PSF (2015)
- 13,090 SF Retail



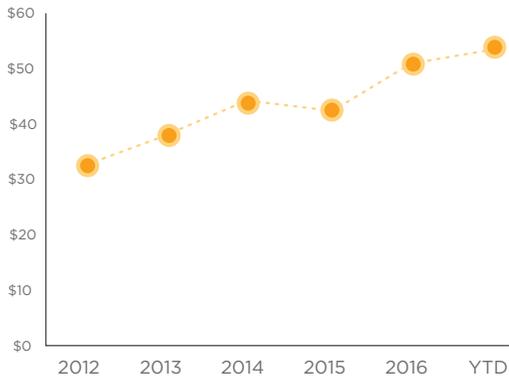
Retail

5-Year Historical Absorption and Deliveries

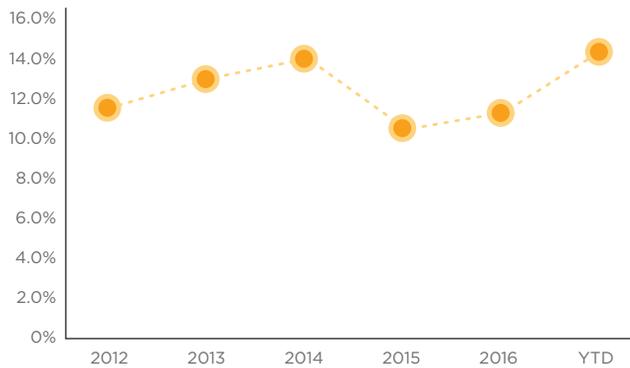
	A&E Submarket
Existing Inventory	1,268,575 SF
NNN Rent Per SF (Q1 2017)	\$23.66
Vacancy (Q1 2017)	4.3%
12-month deliveries	0 SF
12-month absorption	-49,500 SF



Historical Retail Rents



Historical Retail Vacancy

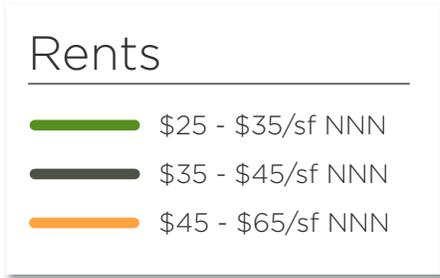
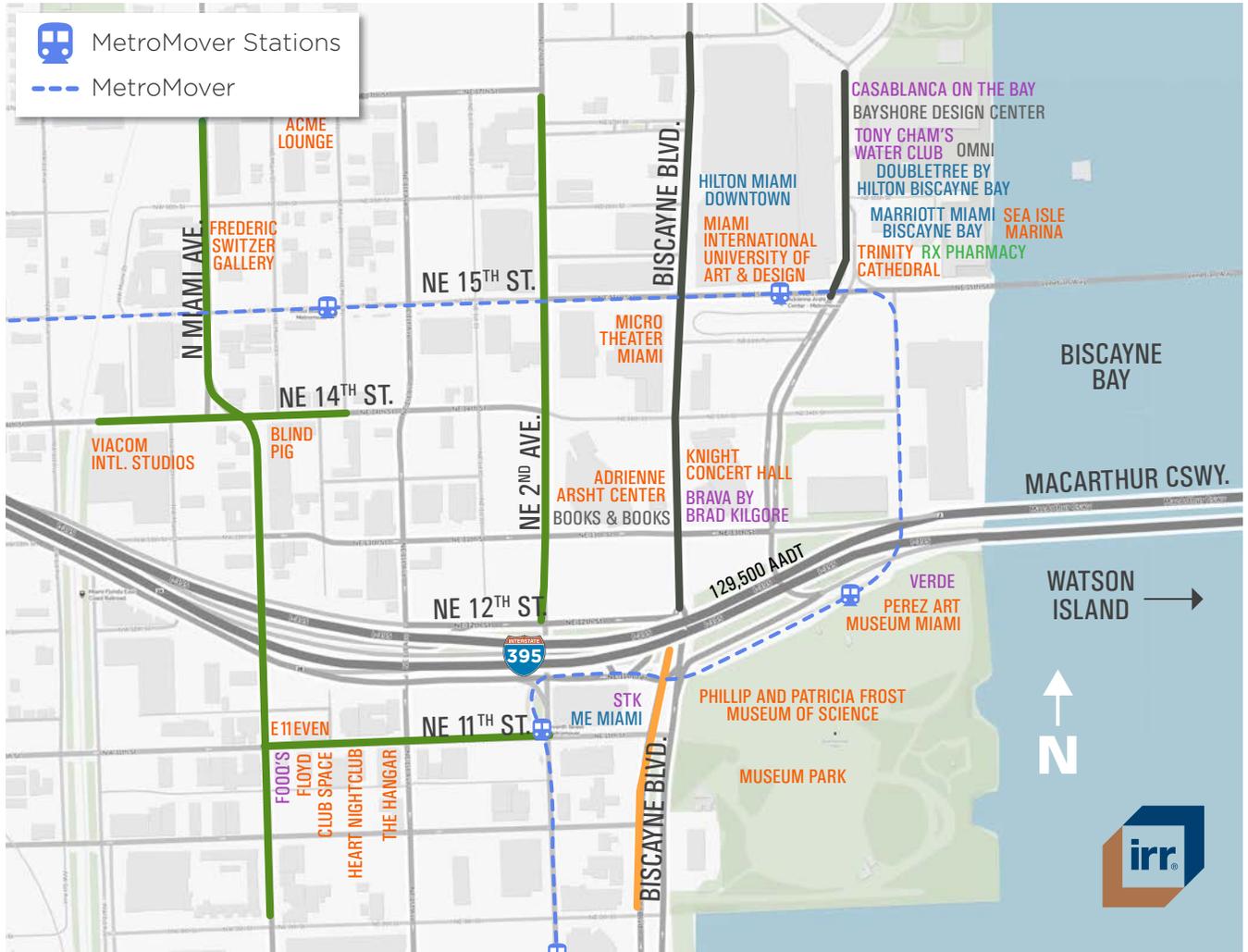


Demographics

<p>POPULATION 14,675</p>	<p>AVERAGE HH INCOME \$79,394</p>	<p>MEDIAN AGE 35</p>	<p>MEDIAN HOUSEHOLD 1.73</p>	<p>AGGREGATE HH INCOME \$663.9M</p>
--	---	--	--	---

A&E Primary Market Area

- Restaurants
- Bars/Entertainment & Attractions
- Fashion & Boutiques
- Hospitality
- Food, Health & Wellness



A&E Major Retail Destinations



Club Corridor

The Arts and Entertainment District is Greater Downtown's main nightlife location. NE 11th Street and North Miami Avenue are lined with nightclubs, bars, and speakeasies, including the 24/7 E11even as well as Club Space, 1306, and Club Heart.



Watson Island/Jungle Island

This island off the coast of the Arts and Entertainment District contains a number of tourist draws, including a Japanese garden as well as the Miami Children's Museum and Jungle Island, a theme water park that was recently sold for \$60 million and is slated for millions in upgrades and expansions.



Museum Park

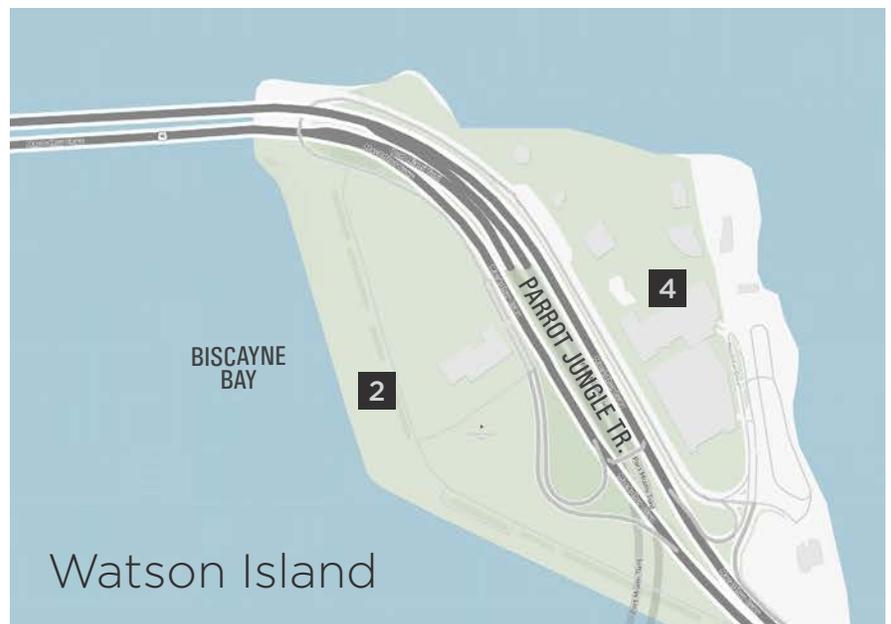
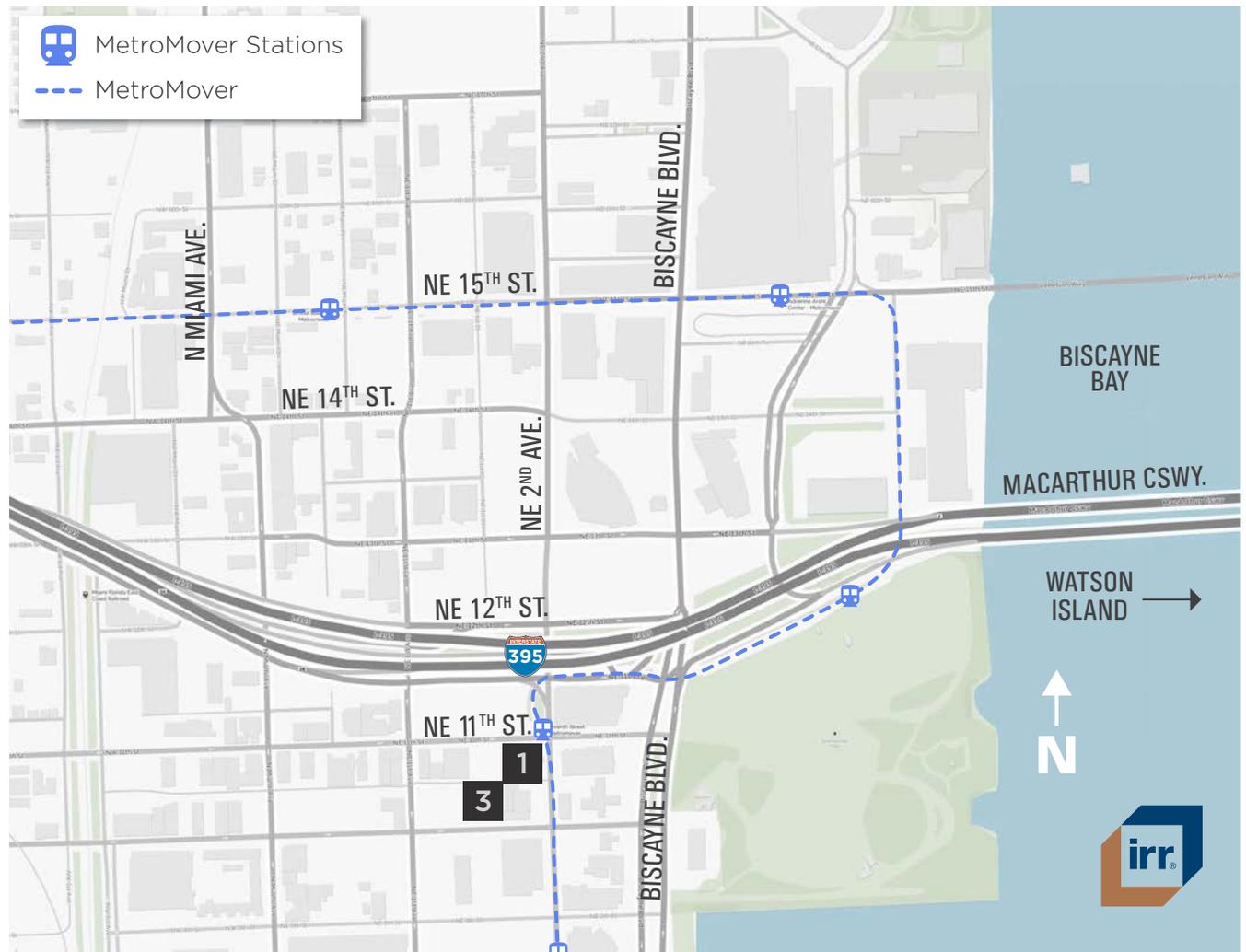
The former Bicentennial Park just south of I-395 contains the 2013 Perez Art Museum as well as the Frost Science Museum, completed in 2017. The Perez Art Museum has several retail spaces, including a gift shop as well as the popular Verde restaurant.



The Grand Retail Plaza

This hotel and condominium adjoining the Omni complex to the east contains a shopping mall on the ground floor, including boutiques as well as the restaurants Tony Chan's Water Club and Casablanca.

Recent Deliveries, Under Construction and Transactions



Under Construction



1

Miami World Center

- Portions of Miami World Center extend into the A&E district.



2

“The Deck”

- Restaurant “the Deck” at Island Gardens is currently under renovations.

Representative Retail Transactions



3

Miami World Center

- \$45.25M
- 220\$ PSF for land (2017)
- 205,353 SF - Mixed-use redevelopment



4

Parrot Jungle/Jungle Island

- \$60M
- \$218 PSF for leasehold transfer, expansion of site is expected (2017)
- 275,300 SF of Retail

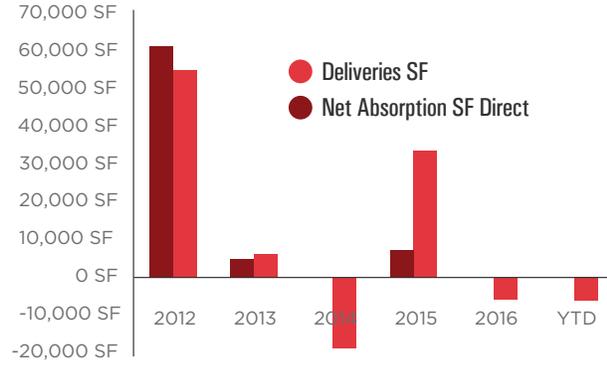
EDGEWATER



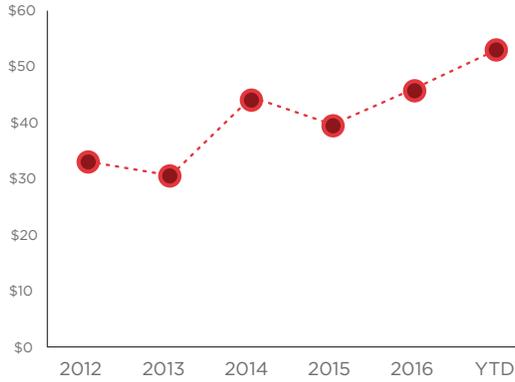
Retail

5-Year Historical Absorption and Deliveries

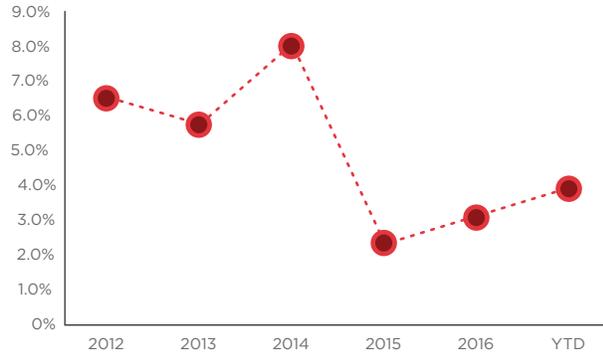
	Edgewater
Existing Inventory	733,511 SF
NNN Rent Per SF (Q1 2017)	\$53.09
Vacancy (Q1 2017)	3.9%
12-month deliveries	63,000 SF
12-month absorption	3,090 SF



Historical Retail Rents

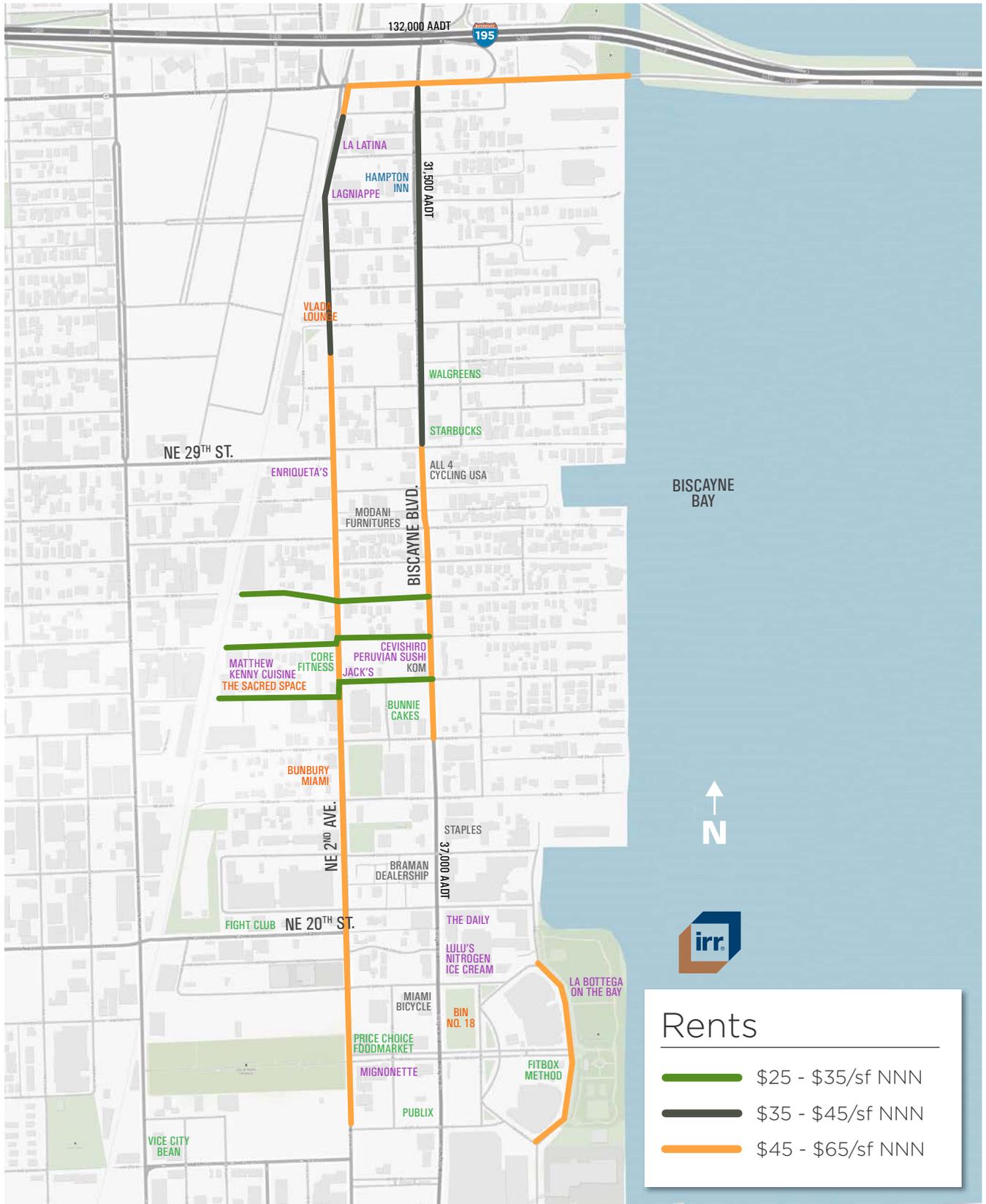


Historical Retail Vacancy



Edgewater Primary Market Area

- Restaurants
- Bars/Entertainment & Attractions
- Shops/Retail
- Hospitality
- Health, Lifestyle & Wellness



Edgewater Major Retail Destinations



Publix

Edgewater contains one of Greater Downtown Miami's four operating Publix locations located at NE 18th St and Biscayne.



Braman Miami

2060 Biscayne Boulevard is the center of Braman Miami's auto dealership

Demographics



POPULATION
17,158



AVERAGE HH
INCOME
\$65,992



MEDIAN
AGE
35



MEDIAN
HOUSEHOLD
1.79



AGGREGATE
HH INCOME
\$622M

Recent Deliveries, Under Construction and Transactions



Recently Delivered



National YoungArts Foundation

In 2014, this organization/arts school opened in the former Bacardi campus on Biscayne. The property includes an art gallery designed by Frank Gehry as well as several rentable event spaces and lounges.



The Sacred Space

Opened in 2016-2017, the Sacred Space is an open air complex that comprises the Plant restaurant, the Matthew Kenney culinary school, a wellness-oriented boutique, and event spaces.

Under Construction



Paraiso Bay

1,347 condos with ground floor retail and restaurants including a beach club.

Representative Retail Transactions



2900 Biscayne

- \$4.8M
- \$923/SF (2016)
- 5,200 SF Street retail



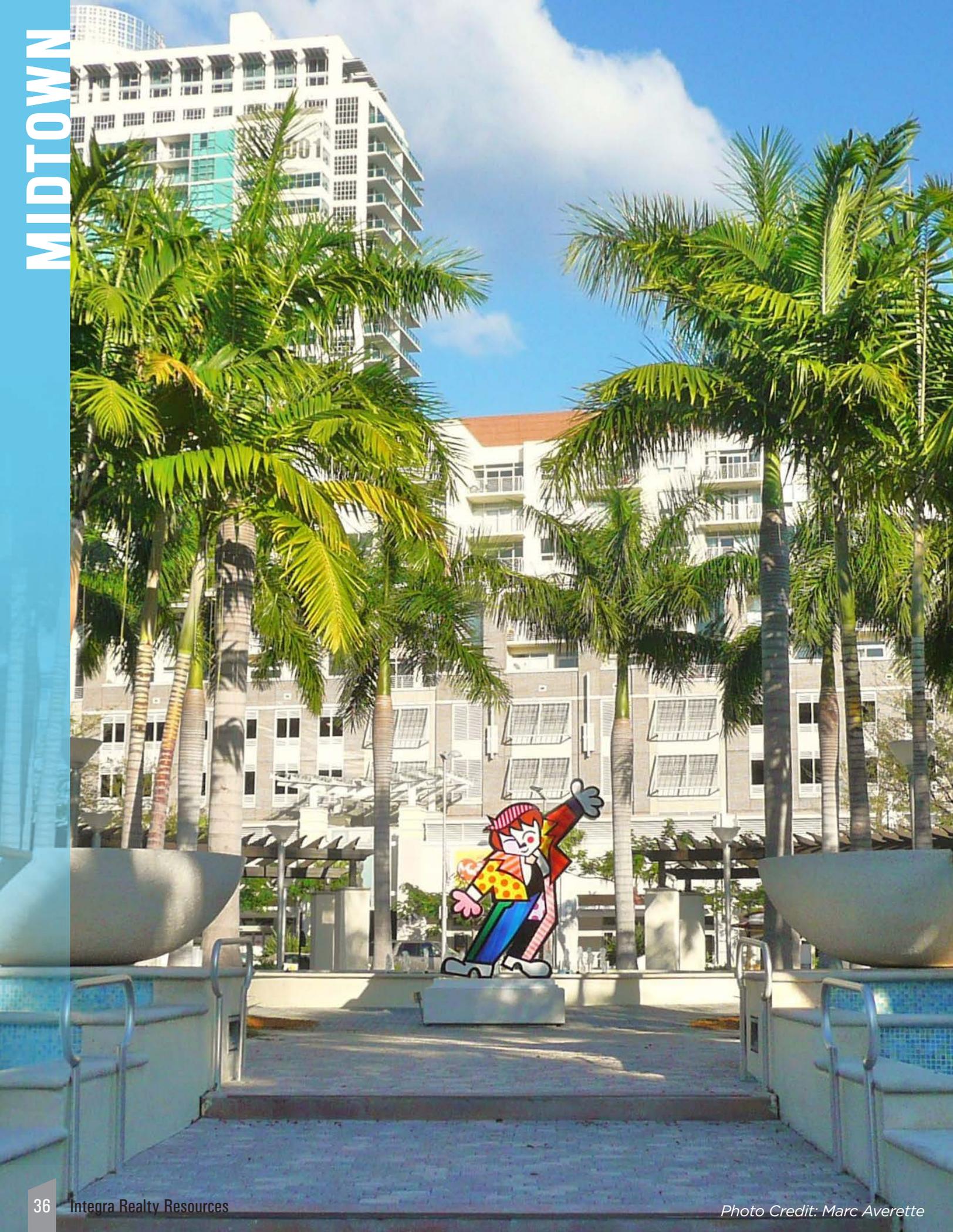
2501 Biscayne Blvd

- \$13M
- \$2,502/SF (2016)
- 5,194 SF of retail with potential redevelopment for high-rise (T6-36a-O)



BDB Miami Site

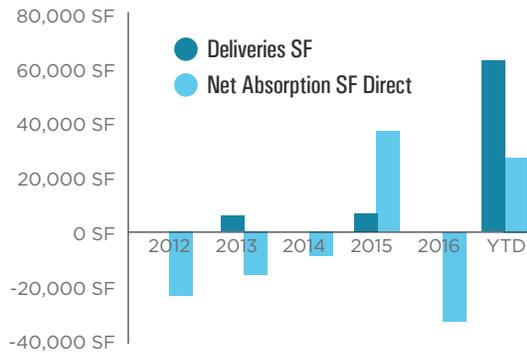
- \$64M
- \$187 PSF for Land (2015)
- 320,082 SF



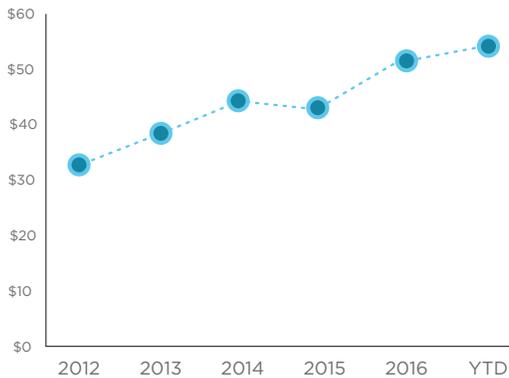
Retail

	Midtown Primary Market Area	Midtown Submarket
Existing Inventory	605,713 SF	919,368 SF
NNN Rent Per SF (Q1 2017)	\$59.30	\$53.65
Vacancy (Q1 2017)	7.3%	14.3%
12-month deliveries	0 SF	63,000 SF
12-month absorption	-13,394 SF	23,010 SF

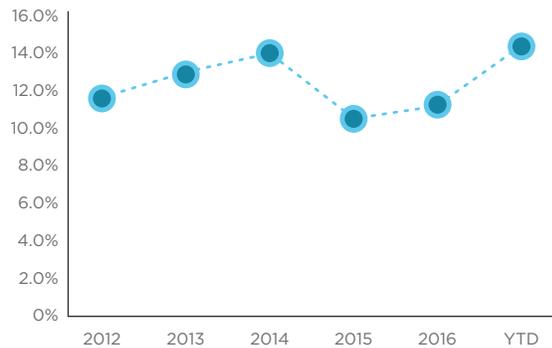
5-Year Historical Absorption and Deliveries



Historical Retail Rents



Historical Retail Vacancy



Demographics



POPULATION
6,238



AVERAGE HH INCOME
\$55,467



MEDIAN AGE
34



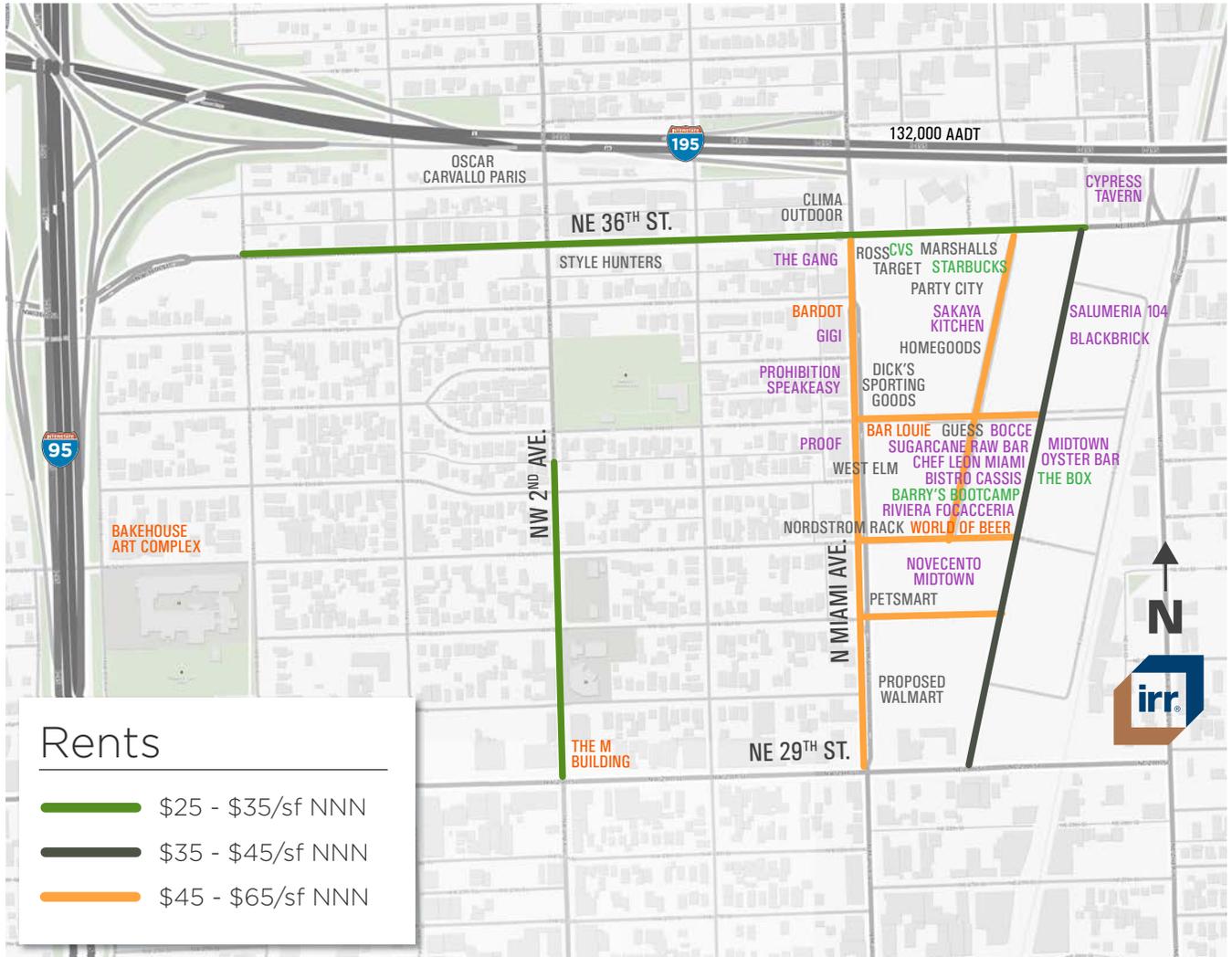
MEDIAN HOUSEHOLD
2.5



AGGREGATE HH INCOME
\$146M

Midtown Primary Market Area

- Restaurants
- Bars/Entertainment & Attractions
- Shops/Retail
- Health, Wellness & Food



Midtown Major Retail Destinations



The Shops at Midtown Miami

The Shops at Midtown Miami is a major regional open-air mall that includes big box stores like Target, Marshalls, Ross, and Nordstrom Rack as well as street retail that includes boutiques and restaurants such as Sugarcane, Sakaya Kitchen, Bocce, and BlackBrick.

Recent Deliveries, Under Construction and Transactions

Recently Delivered



Eve at the District

- Mixed-use high-rise containing 195 apartments and 63,117 SF retail.



Midtown Walmart

- +/-200,000 SF

Hyde Midtown

- 410 condos
- 60 hotel rooms
- retail and restaurant

Under Construction

Representative Retail Transactions



Brown Jordan

- \$13M
- \$1,774 (2016)
- 7,328 SF retail



Murphy's Truck Building

- \$18M
- \$369 PSF (2016)
- 48,790 SF land (redevelopment)



31-51 NW 29 St

- \$7M
- \$253 PSF (2016)
- 27,600 SF of land
- 10,750 SF proposed retail



3300-3326 N Miami Ave

- \$12.8M
- \$736 PSF (2015)
- 17,380 SF retail



Prohibition Restaurant

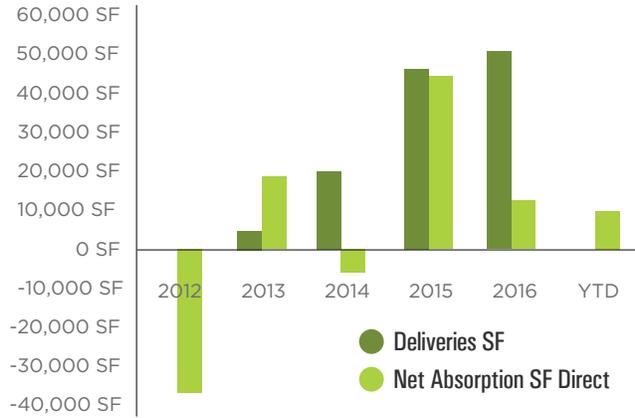
- \$3.25M
- \$663 PSF (2015)
- 4,900 SF restaurant



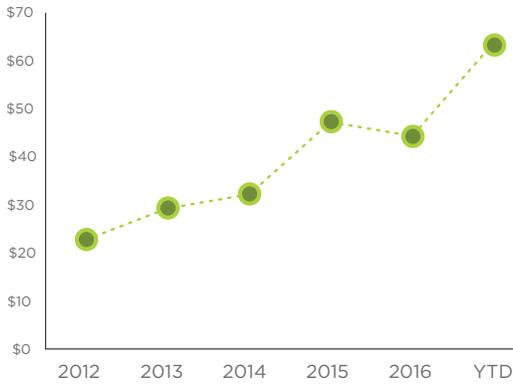
Retail

	Wynwood Submarket
Existing Inventory	1,174,123 SF
NNN Rent Per SF (Q1 2017)	\$64.20
Vacancy (Q1 2017)	9.1%
12-month deliveries	49,268 SF
12-month absorption	36,479 SF

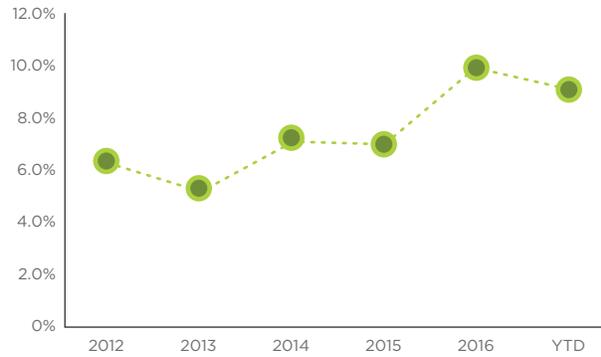
5-Year Historical Absorption and Deliveries



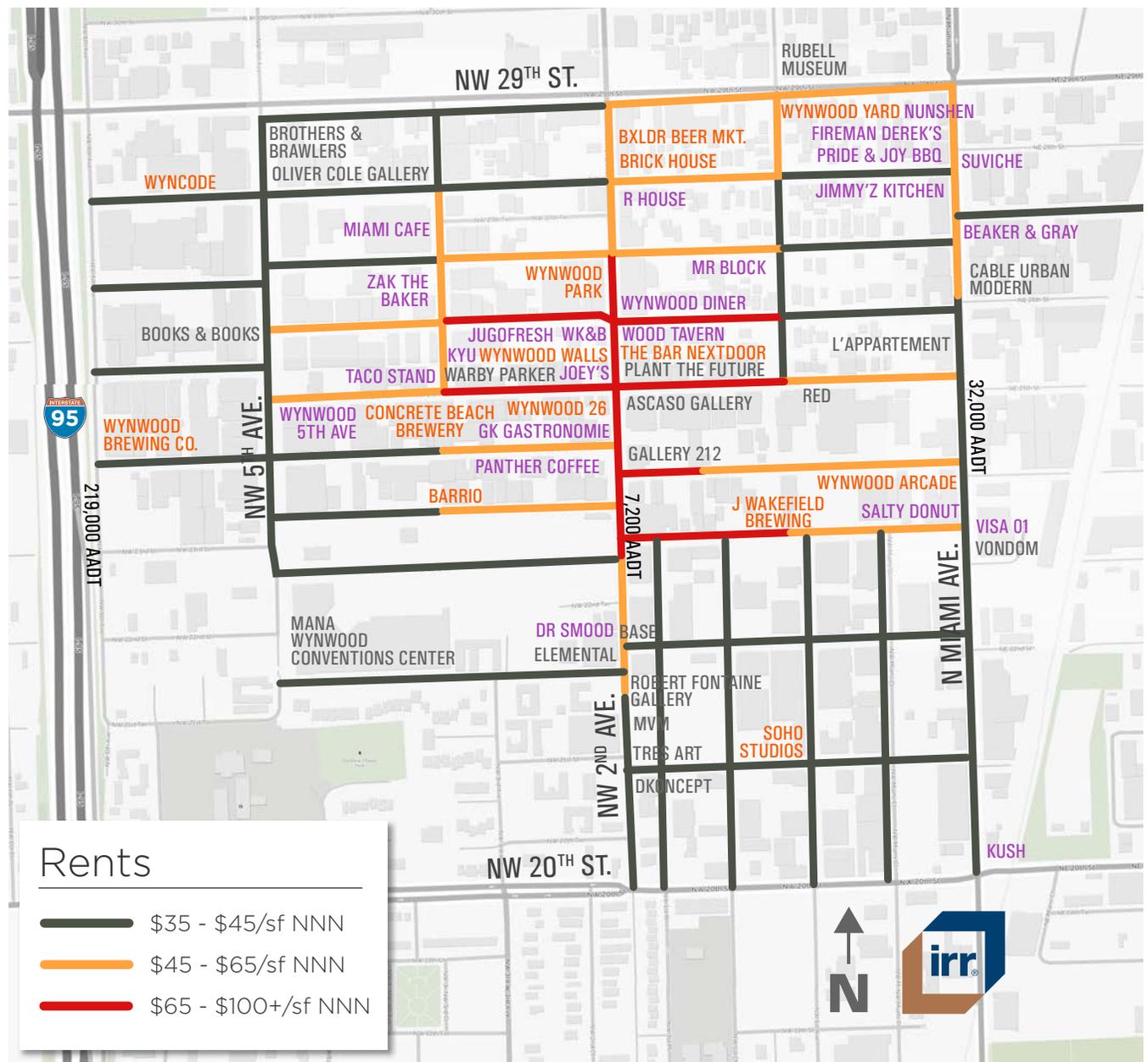
Historical Retail Rents



Historical Retail Vacancy



Wynwood Primary Market Area

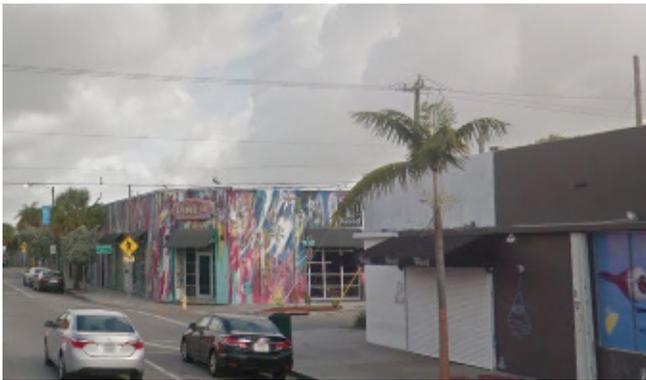


Wynwood Major Retail Destinations



Wynwood Walls

Wynwood Walls, one of the core attractions of the submarket, is an open-air, free gallery of street art that includes restaurants, a gift shop, and several courtyards lined with graffiti.



Northwest 2nd Avenue

Northwest 2nd Avenue is Wynwood's retail Main Street. It includes restaurants and bars such as Wood Tavern and R House as well as numerous galleries and boutiques.



Wynwood Arcade

Wynwood Arcade is a boutique shopping mall that's one of the major retail properties outside of the 2nd Avenue corridor. It is home to the popular Salty Donut shop as well as fashion and lifestyle shops.

Demographics



POPULATION
2,325



AVERAGE HH INCOME
\$29,696



MEDIAN AGE
34



MEDIAN HOUSEHOLD
2.77



AGGREGATE HH INCOME
\$21M

Recent Deliveries, Under Renovations and Transactions



Recently Delivered



1
Wynwood Arcade
 ■ 22,990 SF of retail



2
Wynwood Block
 ■ 23,000 SF of retail



3
2121 NW 2nd Ave
 ■ 24,000 SF of retail

Under Renovation



4

Wynwood Showcase/ Treehouse

- 7,806 SF Retail/Office



5

143 NW 23rd St

- 5,000 SF Restaurant



6

2210 NW 1st Pl

- 17,000 SF of retail



7

310 NW 24th St

- 8,300 SF divided in (4) restaurants

Representative Retail Transactions



8

250 Wynwood CU1 & CU2

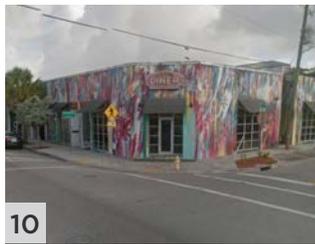
- \$2.995M
- \$882/SF (2017)
- 3,396 SF divided in 2 restaurants



9

Wynwood Assemblage

- \$35.35M
- \$1,655/SF (2016)
- 21,358 SF of retail



10

2100 Block

- \$22M
- \$820/SF (2016)
- 24,763 SF of retail



11

Wynwood Showcase

- \$3.85M
- \$493/SF building
- \$290/SF land (2016)
- 7,806 SF Retail (Sold for adaptive re-use)



12

2700 NW 2nd Ave

- \$30.75M
- \$563/SF Land (2016)
- 54,560 SF of land



13

Wynwood Gates

- \$13M
- \$725/SF (2015)
- 17,954 SF of retail

Sourcing



Analytic Content
Retail Rental Rates
Retail Node/Corridor Identification
Proprietary Submarket Vacancy and Rent Analysis



Greater Downtown Miami Map
Demographics Data (Brickell, CBD, A&E)



Greater Downtown Miami Major Retail Properties
Submarket's Market Area Rents
Existing Retail Square footage Inventory
Retail Rental Rates (current and historical)
Historical retail data: absorption, deliveries, retail rental rates, and vacancy
Recent deliveries, under construction, and representative transactions
Under construction



Demographics Data
Tapestry Segmentation
Business Summaries

Sourcing



OFFICE OF THE PROPERTY APPRAISER

Recent deliveries
Properties under construction
Representative transactions

Wynwood Temperature map credit: Metro 1 Wynwood Market Report 2017

Photography courtesy of Nathan Gilbert www.ngpaintings.com;
Miami DDA Archives, IRR Image Library; 123RF.com; Alamy

Publication design by Netalia Shapse www.netaliashapse.com

Disclaimer & Acknowledgement

The information provided herein is for informational purposes. This publication does not render legal, accounting, appraisal, counseling, investment, or other professional advice. Should such services or other expert assistance be needed, it is recommended that the services of a competent person or firm, having access to the details of the situation, be employed.

