



A Surge of Residents and Businesses

Downtown Miami's residential population has doubled since 2000. Thousands of condos were completed just as the bottom fell out of the real estate market. Their owners — either the original buyers or investors who snapped them up at bargain prices when buyers couldn't close — rented them out. What had been a downtown that all but closed after 6 p.m. became a millennial hot spot. Today, downtown has some of the best restaurants in the county, and it's a tourist destination in its own right.

More than a dozen hedge funds have opened offices there, and companies are "chasing the creative class" living downtown, says Alan

Kleber, managing director at JLL in Miami. Yet, there's only about 500,000 square feet of empty office space downtown and little room to build. "You no longer have a place for people to put their headquarters or their offices," Kleber says. "The CBD has morphed from Central Business District. It's more like a central living district."

Downtown's desirability has led to traffic snarls and parking issues. "Those who can get to downtown or those who live in downtown will come to downtown," says Arnaud Karsenti, managing principal at Miami-based developer 13th Floor Investments. "The impediment is actually accessing it." Affordability has also become an issue as rents and condo prices rise. 13th Floor is one of several developers building projects with smaller units or near transit hubs (so residents don't need to own a car). Newgard Development Group was able to keep prices lower at its Centro Lofts condos by eliminating resident

Office space is at a premium in downtown Miami.

parking, including only a dedicated Car2Go sharing service hub. It has sold 90% of its units.

Broker Alicia Cervera Lamadrid of Cervera Real Estate says downtown's biggest problem is a shortage of good public schools. "These young people who moved to downtown ... want to stay in Miami, but they can't because of the school system," she says. A recent Downtown Development Authority study found 22 early education programs available in downtown, which helps, Cervera Lamadrid says. The DDA and private developers are working to give potential residents better information about elementary through high school options, she says.

Meanwhile, three major mixed-use

REGIONAL SNAPSHOT

Jobs

MSA	Dec. 2015	Dec. 2014	% Change
Miami/Miami Beach/Kendall	1,256,677	1,245,316	+0.9%

Source: Agency for Workforce Innovation



Downtown Miami no longer shuts down after 6 p.m. It has become a millennial hot spot.

projects are under way downtown. The largest transit-oriented development is Florida East Coast Industries' MiamiCentral station, the southern terminus of its All Aboard Florida railroad (which will begin running between Miami and West Palm Beach in mid-2017). FECI plans to develop four towers on the station's 11-acre site, including 800 rental units for the non-luxury market, offices, a parking garage, retail and a hotel. City and county officials are working to add a MiamiCentral stop for TriRail, the area's light rail system. Miami has secured funding for most of the \$69-million project but needs another \$20 million from the state.

Next to MiamiCentral is the 27-acre, mixed-use Miami Worldcenter.

The development is designed to take advantage of MiamiCentral and will include residential units, from luxury condos and rentals to smaller, more-affordable transit-oriented housing, says Nitin Motwani, managing principal of the project's master developer, Miami Worldcenter Associates, and a member of Miami's Downtown Development Authority board. The first two projects — a luxury condo tower and open-air retail — will open in the fall of 2018.

Another transit-connected development is likely to bring downtown's biggest change this year. Swire Properties' Brickell City Centre is rising on land that had been vacant for decades. The first phase of the nine-acre development will include

FECI is planning four towers — to include rental units, offices and a hotel — for its MiamiCentral station stop.

two residential towers, two office towers, a hotel and 500,000 square feet of open-air retail, cooled by a 1,000-foot-long "climate ribbon" made of steel, fabric and insulating glass. Metromover will have a stop on the third floor. One office tower, with tenants including Florida's largest law firm, Akerman, opened in February.

Brickell City Centre's retail is set to open this fall, with luxury retail on the ground floor and other types of retail on the second and third floors. Downtown is one of the few markets in the U.S. in which retailers are expanding, says Debora Overholt, vice president/retail at Swire Properties. In addition to a new Saks Fifth Avenue, she says, Brickell City Centre has "over a dozen

emerging brands that are entering the U.S. with their first stores." They love the current density in the Brickell area — 90,000 affluent daytime office workers in Class A buildings, plus residents — as well as the fact that 30 residential towers are under development in Brickell alone. But the biggest draw, Overholt says, is downtown tourists — a group that didn't exist a few years ago. Downtown's reputation for dining and arts — it's home to the Perez Art Museum Miami and the Adrienne Arsht Center for the Performing Arts — has drawn visitors. "We're full on weekends," says Robert Hill, general manager of the 641-room InterContinental Miami hotel. In fact, 40% of visitors to Miami-Dade stayed overnight in downtown. During 2016, another 2,500 hotel rooms are projected to open in downtown Miami. "We can absorb that additional inventory with the attractions we continue to add," Hill says.

People to Watch

■ **Brian Brackeen:** A veteran of Apple, IBM, ADP and other large corporations, Brackeen founded Kairos, which makes facial recognition/analysis and human analytics software, in 2011. In the past year, he's become an unofficial representative of Miami-Dade's technology entrepreneurs, speaking at events, sitting on panels and introducing members of the innovation economy to each other.

■ **Moishe Mana:** The developer wants to build a 9.7-million-sq.-ft. mixed-use development, targeted at tech companies, on the 30 acres he owns in Miami's Wynwood district. The Wynwood Business Improvement District, made up of other developers, opposes his plan, which includes buildings more than twice the height allowed under the area's new zoning code.



Brickell City Centre is set to open this fall in Miami.



Michael Comras

■ **Michael Comras:** The longtime real estate player is a partner in joint ventures that acquired Coco-Walk and Grove Station Shops in Coconut Grove and the Shops at Sunset Place in South Miami last year. Now the president and CEO of Comras Co. is working on plans to revitalize both and remains an important player in the Lincoln Road pedestrian mall.



Moishe Mana

■ **Carlos Rosso:** As president of the condominium development division at Related Group, Rosso has supervised delivery of 1,400 condos across Miami-Dade and Broward counties this real estate cycle, and he should oversee another 3,640 across the two counties by the end of 2017. Few companies have as many units coming online.



David Beckham

■ **David Beckham:** Beckham's Miami United Major League Soccer team has the league's official go-ahead and hopes for a final stadium site in Miami's Overtown neighborhood. But Beckham may need to embark on a publicity blitz to finalize the deal and win the approvals he needs: The group will have to buy most of the land from the county, and the city of Miami will have to rezone the site. Miami Mayor Tomás Regalado has questioned the lack of parking in the stadium plans.

■ **Eddy Arriola:** The chairman and CEO of Apollo Bank purchased the distressed Union Credit Bank in 2009 then shepherded it to the \$500-million asset mark last year. He's aiming for \$1 billion in assets within three to five years, and he may be looking at an acquisition this year.

■ **Luis de la Aguilera:** De la Aguilera, who joined Doral-based U.S. Century last year as president and CEO, will look to complete the turnaround at a bank that has a recent history of losses and failed plans to be acquired. The former TotalBank CEO and president will have the support of other former TotalBank executives who followed him to U.S. Century.

Regional Roundup

■ Miami-Dade County

County Population: 2.68 million, ↑+4.6% vs. 2011

Unemployment rate: 5.8%

Per capita income: \$43,625

DORAL — Codina Partners and Lennar have a contract to purchase a golf course with plans to develop it. The course is on the south side of the two developers' 120-acre Downtown Doral mixed-use center, which saw its initial phase of retail completed in December 2015 and its first condo completion in February.