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## Retail, high-end residential build construction resurgence

BY MARILYN BOWDEN

Suddenly new construction is visible all around the county, with very high-end residential and retail projects at the fore.

The market started picking up significantly about 18 months ago, said Gary Stein, a partner at Peckar & Abramson, and "it appears to be gaining momentum. There are a number of projects under construction and also a number on the books. We don't know how many of those will actually break ground, but it's looking very positive."



Gary Stein

"There's been an enormous resurgence in multi-family residential going on in the corridor from Brickell all the way to 36th Street," said Neil Rollnick, partner at Hinshaw & Culbertson, "and also in Sunny Isles and Miami Beach."

The number of condominiums under construction, planned or proposed countywide is a moving target, but Condo Vultures, a real estate information source, counts about 6,200 units in Brickell-downtown and 1,200 in Miami Beach-North Bay Village.

Because getting construction financing can still be difficult, Mr. Rollnick said, "The current condo market for new construction is in large part being fueled by foreign buyers.

"Mortgages are for the most part an American financing vehicle; those from many foreign countries buy for cash. So a number of the projects are being built without the kind of financing prevalent last time around.

"But as the market continues to accelerate, the probability is that money will loosen up and banks will be back in the lending game. We have seen that feast-and-famine cycle time and time again."

Although luxury condos predominate, a number of new rental apartment projects are coming up, said Mr. Stein, "and also a number of tax-credit affordable housing projects currently under construction or in planning stages.

"We're seeing a significant increase in demand for apartments. There's a couple of reasons for that. One is that since the downturn, a growing number of people lack the financial means to buy, so renting is much more attractive. Second, there is a trend of those who prefer the convenience of renting. Downtown and Brickell rentals are attractive to younger people.

"A number of empty-nesters are buying condos in downtown-Brickell for the same reason. They no longer want to maintain a big house, and it's nice to live in a condo that overlooks the bay."

Where residential goes, retail follows.

Mr. Rollnick counts three-central retail projects. Dacra's Design District retail section, which may also contain a living component, "has been successful in luring some of the highest of the high-end retail to the district," he said. "A number of them have moved out of Bal Harbour Shops."

Bal Harbour, which has been looking to expand for years, "bought the church to the south of them and land all the way to the waterway to the west," Mr. Rollnick said. "They plan to undergo a substantial expansion, including a third anchor to co-anchor with Saks Fifth Avenue and Neiman Marcus."

The Whitman family, owners of Bal Harbour Shops, are also partnering with Swire Development on the retail portion of Brickell CityCentre, he said.

These three are all targeting the ultra-high end retailer, a trend Mr. Rollnick sees as a sign of the times.

"It used to be that there was only one Tiffany or Louis Vuitton or Fendi in the US," he said, "and it was in New York City. Now you can find them in Bal Harbour or Merrick Park. Even though they are high-end, they are now chains."

However, it's not just the Louis Vuittons of the world that are expanding. Dadeland has a large expansion project, Mr. Stein said, and Mr. Rollnick cited a resurgence of retail in Doral to serve its growing residential base.

In addition, Mr. Stein said, a number of municipal projects are under construction or planned, such as the Miami Beach Convention Center and Miami Gardens City Hall projects.

"Municipalities have been waiting for several years to build," he said, "but have had budgetary issues. A relatively new phenomenon is the P3 project, which is a public-private ownership model.

"New legislation allows that

and might spur further construction and development by municipalities."

Perez Art Museum and the Frost Museum of Science are under construction downtown, Mr. Stein said, "as is the Miami Intermodal Center at the airport. Both Florida International University and Miami Dade College have been involved with major projects on their campuses."

The proliferation of building sites raises the specter of issues that have haunted other boom times in South Florida.