

NEW STUDY: SURGING POPULATION GROWTH DRIVING DEMAND FOR NEW RETAIL IN DOWNTOWN MIAMI

Miami DDA report projects the addition of 1.4 million square feet of retail space – a 22% increase – as retail rents grow by nearly 30% and major mixed-use projects deliver.

MIAMI – February 2, 2016 – Downtown Miami’s retail market welcomed nearly \$4.5 billion in revenue in 2014 and will usher in 1.4 million square feet of new leasable space over next three years, according to a new report by the Miami Downtown Development Authority (DDA). Driven largely by mega-projects like Brickell City Centre, Miami Worldcenter and Miami Central, this growth marks a 22% increase in available retail space in the district.

The report findings, compiled by Integra Realty Resources (IRR), suggest that an influx of both residents and visitors is creating pent up demand. In fact, the number of area residents have doubled since 2000 with an additional 39% growth in population expected over the next three to five years. Additionally, 30% of visitors to Miami-Dade County visited downtown Miami in 2014, reflecting an all-time record. This activity is fueling a rise in average leasing rates, with rents up 28% over the past two years.

“Downtown Miami retailers are generating sales north of \$500 per square foot -- a figure that is raising eyebrows and capturing attention from major brands,” says Anthony Graziano, author of the report and executive director of Integra Realty Resources. “Considering the substantial growth we have seen across the major demand drivers and the large-scale developments set to deliver, we expect these trend lines to hold steady.”

Restaurateurs are among the market’s biggest winners, according to the report. Restaurant profit margins increased by 78.4% from 2013 to 2014, signaling downtown Miami’s emergence as a culinary epicenter. In 2015 alone, nearly 40 new restaurants opened in the downtown area. More than a dozen high-end eateries are already anticipated for 2016, including PB Station, an urban concept from the creators behind South Beach’s Pubblelly, and Laffa Kitchen, a new concept by the owners of My Ceviche.

“In many ways we knew we were taking a risk when we opened our restaurant back in 2007. We wanted to create a gastronomic and service revolution but we also knew that a critical mass had yet to form downtown, this area was mostly office spaces with little resident or tourist flow,” said Juan Chipoco of CVI.CHE 105. “But as dozens of high-rise

buildings and thousands of new residents poured in, we started to see a dramatic change in the volume of clients. It did not take long to realize we made the right choice as we were sitting on goldmine of opportunity.”

Downtown’s historic Main Street is also getting a welcomed \$13 million reboot. Flagler Street, home to the highest concentration of historic buildings in downtown, will soon come alive with enhanced pedestrian amenities thanks to a large scale revitalization project funded by the City of Miami in coordination with the Miami DDA. The project coincides with significant private sector interest in the major downtown artery, including nearly 30 parcels secured by investor Moishe Mana.

“After years of planning, the pieces of downtown Miami’s retail market are painting a picture of diversity, with luxury brands, new-to-market retailers and homegrown entrepreneurs all looking to stake their claim in the urban core,” says City of Miami District 2 Commissioner and Miami DDA Chairman Ken Russell. “We are building a sustainable ecosystem and a livable urban community that can keep Miami on the map for decades to come.”

To download a copy of the full report please visit www.miamidda.com.

About the Miami Downtown Development Authority

The Miami DDA is an independent agency of the City of Miami funded by a special tax levy on properties in its district boundaries. It is governed by a 15-member Board comprised of three public appointees and 12 downtown property owners, residents and/or workers who are tasked with overseeing the direction of the agency and setting policy. The agency is committed to grow, strengthen and promote the economic health and vitality of downtown Miami. As an autonomous agency of the City of Miami, the Miami DDA advocates, facilitates, plans, and executes business development, planning and capital improvements, and marketing and communication strategies. Visit www.MiamiDDA.com for more information.

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