

Retail experts: Invest now in growing residential population

By YUDISLAIDY FERNANDEZ

With downtown's tourist-dependent central business district hurting from the drop in visitors and sales, retail experts say the businesses should invest in the growing residential base.

In the slow economy, the businesses thriving in downtown are restaurants with seven new establishments opening in the last six months, said Miami Downtown Partnership Executive Director Josie Legido Correa.

More retailers need to cater to the needs of condo residents, she said, adding that national department stores like Ross and Marshalls are also doing well in the current economic environment.

"If the product and price is right, people will succeed in downtown," she said.

With downtown's residential population growing to 31,000, the Downtown Development Authority is conducting a pedestrian and occupancy study to see who is shopping in downtown and what services are missing, Executive Director Alyce Robertson said.

"That's one of the things we are looking at, those services that are lacking to approach those



Photo by Maxine Usdan

National retail stores like Marshalls have been doing well in the down economy as they offer consumers the right product at the right price.

types of retailers," she said.

The authority's retail advisory group is working alongside to identify potential national chain retailers to settle in downtown, she added.

"One of the things the DDA wants to do is to learn who is living in downtown and what their needs are," Ms. Robertson said, "and provide that information back to retailers to better cater to their customers and also to attract new potential businesses."

But downtown is not the only area feeling the shopping blues.

The effects of the economic downturn are being felt across

the local retail sector, from downtown Miami to Lincoln Road, said Boris Kozolchik, senior vice president of retail for commercial real estate advisory firm Grubb & Ellis.

Although business is slow in the downtown area, he said, "Retail activity is beginning to see a revival based on an increase in the residential presence."

That presence is mostly being felt in the restaurant and food service industry, he added.

The recession is having an impact on businesses that are geared toward tourist traffic, "those have had a reduction in

business," said Mr. Kozolchik, a member of the authority's retail advisory board. "I think you are going to see that the tenants that serve the residents and working population, an important factor, won't be moving out."

The types of retail establishments that can satisfy the needs of an evolving downtown population, he said, are more boutique-type stores.

"We recognize the fact downtown Miami has many of the natural characteristics that define open air shopping centers," he said. "As that gets more recognition and downtown condos fill up, there will be a remix of the retail to reflect the demand."

Retailers coming out of a weak holiday season saw little improvement in the first quarter of 2009 and the forecast for the remainder of the year is no better, a Colliers Abood Wood-Fay iMarketWatch first quarter report shows.

Through the first quarter of 2009, average retail vacancy rates in Miami-Dade were 4.97% — 14.3% greater than the previous quarter and 63.2% greater than this time last year, according to the report.

Cynthia Cohen, president of Strategic Mindshare, a Miami-based retail strategy consulting firm, agrees changes in the

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Cynthia Cohen

downtown retail mix are under way, fueled by the growing condo community.

"The restaurants are packed and the Publix parking lot is full," she said.

It's the general merchandise retailers that are having the problem, she added. "Tourism is down, all of that has a rippling effect on the retail environment."

With consumers cutting back, Ms. Cohen said, they tend to prefer brand name retailers and shopping malls with more variety.

She agrees with Mr. Kozolchik that downtown's dependence on tourist traffic — at a time when the economic downturn has reached a global scale — is an added blow.

But Miami's retail sector is going to rebound, she said, as it has in the past.

"We have to look for long-term solutions and not short-term things."

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