

Downtown Miami's Retail Market Sees Signs of Growth as Residential Population Continues to Surge

During a time when most retail markets across the region remain stagnant, Downtown Miami's is surprisingly enjoying relative growth. An area widely recognized as the epicenter of where boom turned to bust is turning a corner, and ironically, the downturn is serving as its catalyst. As price discounting continues and demand for urban living remains high, renters and buyers are flooding the Downtown market to take advantage of the killer deals and centralized urban location, in turn, creating a built-in customer base for retail entrepreneurs to capitalize on. In July of this year, Downtown Miami's Central Business District welcomed four new restaurants, which are the latest to come on line to cater to residents and visitors.



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The four new additions – Brickell Irish Pub, Ecco Pizzateca, Mia at Biscayne, and Tré Italian Bistro – join the more than 150 new retail businesses that have opened in Downtown Miami since 2005, and another 25 are slated to open before the end of 2009.

Retailers, market analysts, and real estate professionals alike cite the area's strong commercial base; waterfront location; entertainment and cultural destinations such as The Adrienne Arsht Center for the Performing Arts and the American Airlines Arena; access to public transit; and convenience as Florida's largest employment center as the primary driving factors behind the surge in residential and retail growth.

In fact, a recent independent Residential Closings & Occupancy Study conducted by Goodkin/Focus Real Estate Advisors in partnership with the DDA, found that more than 62% of the 80 residential buildings that have been built in Downtown Miami since 2003 are occupied by primarily full-time residents. Additionally, the average monthly sales and leasing activity of new units has been averaging approximately 400 units per month; the average monthly sales of new units during the past three months has increased over the three months prior. U.S. Census projections indicate that the Downtown area's residential base has grown from 40,000 to 60,000 since 2000, with another 10,000 new residents expected to move in over the next six years.

It's a cyclical evolution – the residential and commercial populations are attracting more retail and businesses to relocate to the district while the emergence of new retail and entertainment options is spurring more residential growth. In similar fashion to how Miami Beach's Lincoln Road turned the corner in the early 90's, we're seeing entrepreneurs look at downtown Miami from a long-term perspective. Business owners are committed to investing in Downtown Miami today because they see the potential in the area tomorrow. And for the first time in years, landlords and property owners are doing their part by seeking out more upscale, service-oriented retailers who are committed to contributing to the area's new landscape.