

## Residential towers rise around CityCentre site

BY MARILYN BOWDEN

New condos and rentals are sprouting around Swire Property's mammoth Brickell CityCentre, now under construction on 9.1 acres along South Miami Avenue between Eighth and Sixth streets. But area real estate professionals say that while the project is certainly one spur, market conditions are the main driver for this new spate of residential development.

While city and county officials were unable to provide any information about new projects under construction, approved or submitted for approval, the real estate intelligence source Condo Vultures lists several in the area, in addition to the 1,174 condo units in three buildings included in Brickell CityCentre's plan:

- My Brickell, 30 SE Sixth St. – 192 units under construction
- BrickellHouse, 1330 Brickell Bay Drive – 374 units under construction
- 1100 Millecento Residences, 1100 S Miami Ave. – 382 units under construction
- 1080 Brickell – 328 units planned
- Panorama Towers, 1101 Brickell – 724 units planned

- 1010 Brickell, planned – total units uncertain
- Villa Magna, 1201 Brickell Bay Drive – 400 units planned
- Sky Palace at Mary Brickell Village – 369 units planned
- SLS Brickell Hotel – 450 residential units planned

While these are almost all vying for the lucrative luxury market, cranes in West Brickell announce a cluster of affordable rental properties. Among them, according to Metro-Atlantic.org, a website that tracks "architecture, design, transit and urbanism topics" in the city, are:

- Vista Grande Apartments, 850 SW Second Ave. – 89 apartments
- West Brickell Tower, 1026 SW Second Ave. – 32 apartments
- West Brickell View Apartments, 144 SW 8th St. – 64 apartments

"A lot of the condo construction is driven more by the fact that the asking price is a whole 15%-20% higher than if you go north to the Biscayne Corridor," said Condo Vultures principal Peter Zaleski. He said he thinks this new wave of development has just begun; "2014 will be the real boom."

Denise Sicuso, managing bro-



Photo by Maxine Usdan

Construction goes rapidly on both sides of Southwest Eighth Street between First and Second avenues.

kerat Esslinger Wooten Maxwell's downtown-Brickell branch, said that after several years of no new residential construction, "the market is now trying to catch up with itself."

With demand going through the roof, condos currently available represent only five months supply, she said; Realtors consider six to nine months a balanced market.

"Brickell is one of the most sought-after neighborhoods," Ms. Sicuso said, "not only to international buyers but to people who live here."

Brickell CityCentre, she said, will complete the transformation of Miami's financial district into a more urban environment.

Alyce Robertson, executive director of the Downtown Development Authority, said the inrush of year-round residents has spurred retail development.

"As a product of the vertical development that has taken shape coupled with a renewed demand for urban living," she said, "downtown Miami has reached a critical density that is transforming the once employment-only district into a thriving metropolis."

"Demand for quality retail remains strong for the area, and world-class projects like Brickell CityCentre should serve as a magnet for attracting sophisticated, high-end retailers to the district, particularly as a result of Swire's joint venture plans with the ownership of Bal Harbour Shops."

Stephan Gietl, CFO, COO and managing partner of mckafka Development Group, said huge projects such as Brickell CityCentre and Genting Group's Resorts World Miami at the former Miami Herald site downtown "always attract more development. Such

projects create a lot of jobs, and that mean more housing.”

Swire’s project “will make a big difference in our decision of use” for a site just across the river at 130 SE First St. for which mckafka recently bought the note, he said.

Land values have gone up in the area, Mr. Gietl said, “but that is a combination of many things. The condo inventory is almost fully absorbed, and with most units rented, vacancy is very low.

“Echo Boomers are starting to drive the market, and demand drives prices.”

Cardinal Development Corp., which has done a number of residential, commercial and mixed-use projects locally, is actively pursuing land deals in Downtown Miami and Brickell, said principal

David Ardit.

“We have been heavily invested in Greater Miami for 10 years,” he said, “so we’ve always been very big believers in this area. The validation of a company like Swire on the scale that they’re envisioning is always comforting, and I do think it’s a catalyst for the market.”

Though some locals are buying in Brickell, Mr. Ardit said, it continues to be an investor-driven market.

“We think it still makes sense to do rental,” he said. “We’re evaluating both scenarios, but we think that long-term there is value in institutional-quality rentals.”