

35 Years MIAMI TODAY

September 8, 2021

Downtown vs. Brickell retail vacancies: a tale of two cities

BY ABRAHAM GALVAN



As the retail industry continues to recover from the pandemic, vacancies in Downtown Miami and Brickell continue to decrease but notably differ in occupancy rates, according to commercial real estate experts.

Downtown Miami's total retail space vacancy stands at 20%, going for \$55.13 on average direct asking rental rate, while Brickell's retail space vacancy is at 7.6% and \$58.19 average direct asking rental rate, according to Colliers' second-quarter retail market report.

"In Brickell, it's almost untouchable. Anything that has prominent visibility or is within the path of footfall is almost 100% leased and there's very little vacancy for quality retail,"

said Tony Arellano, DWNTWN Realty Advisors co-founder and managing partner. "Brickell didn't really experience any material issues during covid, and that's really a testament to density and foot traffic."

Markets like Brickell are less susceptible to the pressures of delivery giants like Amazon, because for the most part anyone who can walk to get a coffee or walk to get a pair of shoes is less likely to rely on delivery, Mr. Arellano said. And sales of malls like the Brickell City Centre are accelerating and doing quite well and close to full occupancy at the moment, he added.

"There's also a lot more people who live in the south Brickell area who still go shopping and eat-out in the area

who are the natural audience for those retail establishments and are keeping them afloat throughout the pandemic," said Joseph Hernandez, real estate attorney and partner at Weiss Serota Helfman Cole + Bierman.

Brickell has started to bleed very much into the central business district north of the Miami River due to concepts like the Flagler District Improvements program where bars and restaurants can open one block north or south of Flagler Street.

There is a boom of food and beverage entertainment retail coming to the core of downtown Miami, Mr. Arellano said. "I definitely anticipate in two to three years a vibrant, walkable bar and restaurant scene in downtown Miami."



'In Brickell, it's almost untouchable. ... There's very little vacancy for quality retail.'

Tony Arellano

'A lot more people who live in the south Brickell area ... still go shopping, and eat out in the area.'

Joseph Hernandez