

Revival of five historic Miami areas put under microscope

By SUSAN DANSEYAR

Five of Miami's most historic neighborhoods are undergoing a cultural and economic revival that's drawing real estate investment and new development, according to stakeholders who shared their vision of what's ahead during a panel discussion last week called "Urban Revival: Emerging Neighborhoods in Miami."

Presented by CREW-Miami, an association that provides a forum for professionals involved in the commercial real estate industry, panelists Tony Cho, Martin Pinilla, Shari Neissani, Mitch Patel and Carlos Fausto Miranda spoke about Little Haiti, Little Havana, Wynwood, Little River and Allapattah.

Mr. Miranda said great cities are composed of many neighborhoods. "In particular, Allapattah is a historical neighborhood that's existed for a long time. It has its own very strong personality."

He said he loves Allapattah because "it's a working neighborhood" with a housing base that's a blue-collar local population; retail that's holistic/functioning, and the new drivers are a "series of new investments by the biggest names in our city" such as the Rubell family.

"Allapattah is a historic neighborhood, with a solid blue-collar Hispanic working population base," said Mr. Miranda, president of Fausto Commercial Realty Consultants. "It has a concentration of small businesses and a highly entrepreneurial culture, to which is being added a new layer of creative and design-oriented businesses, as well as museums and art galleries."

It's a complex neighborhood with several distinct sub-markets and a broad variety of property types such as industrial, retail corridors, multi-family housing, offices and land for development, he said.

"Some of Miami's biggest names are making big bets in the neighborhood. Allapattah is very new in the process of transformation and, as such, full of price discrepancies and opportunity. Investors in Allapattah today are getting into its transformation at the ground floor."

Although parts of the neigh-



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Updates are vital: Martin Pinilla.

borhood have seen a doubling or tripling of values in the past four years, the majority still provides solid values and investments that cash flow, Mr. Miranda said.

Mr. Pinilla, co-founder and managing partner of the Barlington Group, a Miami-based real estate and investment company committed to revitalizing emerging neighborhoods in the city's urban core, began investing in small-scale properties in Little Havana. Two years later, he met Bill Fuller, one of the owners of the Ball and Chain on Southwest Eighth Street, as each was investing in the neighborhood.

"How do you develop?" Mr. Pinilla asked. "We're really blessed in this period of time in the real-estate world. Twenty years ago, Miami was different; [and now] the urban push is existing worldwide. Fifteen years ago when we invested, we believed that's what

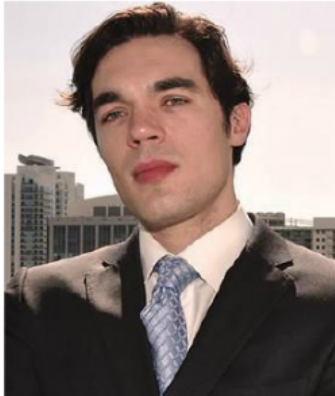
was coming." Right now, what he's hearing about in Little Havana is Eighth Street, which is Miami's Brooklyn, a dense and urban neighborhood that's existed for 100 years, he said. "There are a lot of buildings needing a lot of updates," Mr. Pinilla said. "We're investing in the commercial market and excited to help develop its identity."

It's important to constantly assess and keep in balance the growth of a neighborhood, Mr. Pinilla said. "Some neighborhoods are purchased by investors in a heated market and they are forced to lease to tenants who will pay the rent needed to underwrite the purchase."

If this occurs repeatedly, he said, it can damage the direction of growth, identity and vision of the neighborhood stakeholders. The selection of tenants should be treated no differently than a museum or art exhibit being curated, Mr. Pinilla said.

"This requires a defined vision shared by all the neighborhood stakeholders and working together with the tenants on every hurdle to achieve the proper development and growth of each concept. Their success is your success, because it helps achieve the vision and attracts other great operators looking to be part of the magic."

Mr. Cho, founder of Metro 1 Properties and co-developer of Magic City Innovation District,



Carlos Fausto Miranda: big bets.

said he came to Wynwood 17 years ago. “People asked what I found exciting [about the neighborhood], but at that time it was just about variety.”

He was looking for an affordable and cheap place to store art near South Beach. “Imagine what Miami would be without Art Deco,” he said. Mr. Cho bought his first commercial property in Little Haiti 15 years ago and explained that people are moving out of the suburbs and back in the urban core.

However, he said, the city’s zoning code, “Miami 21, doesn’t really address sea level rise.” Mr. Cho was one of the founding members of the Wynwood Business Improvement District (BID), which he said creates zoning of the future to “preserve character of the neighborhood. For Wynwood to go to the next step, there needs to be development. You can only speculate and pontificate for so long.”

Mr. Cho said every neighborhood should bond together and create a BID.

Mr. Patel, CEO and senior managing principal of Platinum Companies, provides vision, strategic leadership and disciplined execution of the financial, asset management, technology, marketing and development activities. He joined the privately held company in 2000, building on the

company’s history dating back to 1975, scaling the platform into array of owner-operated assets throughout Tennessee, Florida and Texas.

Over the past few years, Mr. Patel has led the group in acquiring new properties, including in Miami and Nashville, along with others, for future development.

His current “live, work, play” project is in Edgewater. “Each one of these neighborhoods, compared to what’s happening in New York with all those boroughs, we have them as well,” Mr. Patel said. “Twenty years ago when you drove through, you didn’t see the urban renaissance. My confidence comes from hospitality (such as Airbnb) that we’re seeing here in a hotel environment. People moved to the suburbs and away from these neighborhoods. Now, they’re moving back,” he said. “Different neighborhoods have people who want to live there. We’re looking at each of those uses.”

Ms. Neissani, vice president of Asset Management RedSky Capital, spoke about the communities as well. RedSky Capital has launched Cube Wynwd, a nine-story, 79-548-square-foot office building at 222 NW 24th St., due to open in 2018.

It is to comprise seven floors of offices with a rooftop terrace for tenants’ use and is in pre-leasing. RedSky is considering a second office building on Northwest 27th Street and Northwest Second Avenue.

The discussion was moderated by Flavia Eternod, associate vice president of Blanca Commercial Real Estate.

Essentially, Mr. Miranda said, the panelists are partners. “We make bets based on what fundamental value we estimate properties to be.”

The luncheon was sponsored by Wells Fargo, Bilzin Sumberg, Total Bank and First American Title.