

THE REAL DEAL

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South Broward mixes it up

Multi-use projects proliferate as more developers follow home seekers north

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Construction is underway on Miramar Town Center, a 54-acre project with a new city hall and residential, retail and office space.

There will be no wasting away when the Jimmy Buffett-themed **Margaritaville Hollywood** opens in Broward County this summer. In fact, the giant \$147 million resort and convention facility will bring seven restaurants to the Hollywood Beach Boardwalk. The 17-story project, developed by Lon Tabatchnick, is rising on five city-owned acres at Johnson Street.

Margaritaville is one of several large-scale commercial and mixed-use projects on tap in South Broward County as demand for high-end homes in the region — and more tourist traffic — fuels increased investment in such developments.

The dynamics of the area, including the expansion of the Fort Lauderdale/Hollywood International Airport and an uptick in cruise passengers at Port Everglades, make new construction in almost all sectors attractive at this time, said Don Ginsburg, president of RMA commercial brokerage.

"The area around the airport has seen five new hotels in the last two years," Ginsburg said. "Broward is land constrained, but developers are finding opportunities and applying vision."

Not far from the site of the new Margaritaville, a joint venture in Dania Beach between Kimco and Bob Shapiro's Master Development has assembled land for a 102-acre mixed-use project known as **Dania Beach Live** on land that once housed a giant wooden roller coaster and Boomers Amusement Center. Plans for the development, estimated at \$250 million, include an open-air shopping center, restaurants, a hotel and apartments. The developers plan to break ground on the first phase later this year.

In Hallandale Beach, Romagnole Investment Properties plans to redevelop a site as the **Regency Park** mixed-use development. In 2013, the developer paid \$12 million for the property, a 5.3-acre site with existing commercial space. Now, plans are to add 250 high-rise units, as well as retail and office space. The site is just north of Gulfstream Park, a mixed-use project that is also slated for condo development in its next phase.



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To the west, in Miramar, construction is underway on **Miramar Town Center**, a 54-acre project with everything from a new city hall to residential, retail and office space. The City of Miramar has partnered with the Rockefeller Group Development Corp/Kimco Realty for the development of the center, which broke ground on its first phase in 2006.

In Plantation, the new owner of the former Fashion Mall plans to redevelop the site as a mixed-use property with residential units, office space, shops and restaurants. An entity affiliated with Encore Housing Opportunity Fund, where Art Falcone is co-founder and managing principal, made the winning bid in an auction for the site. The \$37.7 million sale was approved by a judge in late March. Current plans call for mid-rise residences both for rent and for sale.

“Today’s demographics are looking for what we call a lifestyle center where they can live, work and play,” Falcone said.

The retail and office sectors in South Broward market are also gaining strength.

Retail rents have rebounded to pre-recession prices in Class-A centers, according to Lisa Ferrazza, a vice president with CBRE Brokerage Services who specializes in retail agency leasing.

“Space has become tight in major markets in South Florida, and in the Southwest Broward market, vacancy is at 5.3 percent,” Ferrazza said. The lower vacancy and increased demand have affected rents. “It started in mid-2014, but in the last six to eight months we’ve seen about a 20 percent increase in asking rents.”

A CBRE report on the Broward County office market shows strong performance in that sector, too. In 2014, as unemployment rates declined, South Broward’s office buildings experienced positive absorption. Southwest Broward experienced increased leasing activity and a vacancy rate of 10 percent, the lowest of the submarkets.

And, the continued demand for construction loans in South Florida means residential building will continue. South Broward is no exception, lenders say. In Southwest Broward, housing communities that sat unfinished during the recession have been taken over by new developers and construction has resumed. Provence and Parkside Estates Homes, luxury home communities in Davie, are two examples.

Condominium construction also continues unabated. In Southeast Broward County, developers have found pockets of land and proposed almost 4,450 units, with most of them — 3,250 — announced for sites in the Hollywood-Hallandale Beach market, according to CraneSpotters.com data. Most are trying to sell their units to wealthy domestic buyers and foreign nationals, and require large down payments.

The Related Group has three new condo towers in various stages in the Hallandale Beach/Hollywood area, including Beachwalk by Pininfarina in Hallandale Beach, Hyde Hollywood Resort & Residences, and a few steps north of the Hyde site, the 24-story Apogee Beach.

Condo construction is also planned in Dania Beach. Seaside Village is scheduled to rise on a 3.3-acre parcel that once housed the restaurant Martha’s on the Intracoastal Waterway. Developer John Passalacqua bought the property at a foreclosure auction.

And in Sunrise, plans for the much-vaunted \$1 billion **Metropica** — a 65-acre mixed-use project developed by K Group Holdings and the Trillist Companies — include eight residential towers. In January, Metropica launched sales of its first residential project, YOO at Metropica, a 28-story tower with 263 units.

Because of higher construction costs, RMA’s Ginsburg expects new residential properties to be sold at higher price points. “If it’s eight stories or higher, it has to be a luxury high-rise,” he said.



Metropica in Sunrise will have eight residential towers.