



# COMEBACK

Big-name developers and national retailers make their mark

## Story Highlights

- Developer Michael Comras acquired five Lincoln Road properties for \$130.8 million.
- Average rents stabilized at \$225 per square foot, down from \$250 pre-pandemic.
- Miami Beach committed \$29.4 million to street improvements on Lincoln Road.

Few retail corridors in the country carry the global cachet of Miami Beach's Lincoln Road pedestrian mall, a longtime draw for locals and a magnet for international shoppers.

But Lincoln Road lagged many shopping districts during the post-Covid rebound, with a sharp dip in foot traffic and steep rents that led to ongoing store closures and a prolonged downturn.

Now, Lincoln Road is at a key turning point.

Rents have begun to recalibrate, space in other major shopping districts has dwindled and affluent people continue to move to the region, creating new

[Link here](#)

Secured by

**DANA**

AGENCY

momentum for a comeback. Miami Beach officials have also stepped in, committing millions of taxpayer dollars to upgrades that aim to revive foot traffic and restore the corridor's status as a premier shopping destination.

The result is a wave of prominent local developers and nationally recognized retailers making significant bets on Lincoln Road's retail comeback.

"Lincoln Road has been rediscovered," said Lyle Stern, president of the Lincoln Road Business Improvement District and co-founder of Miami Beach-based Vertical Real Estate. "There's certainly a lot more engagement now."



Lyle Stern heads the Lincoln Road Business Improvement District.

KEVIN SPRAGUE

[Link here](#)

## Open for business

Experts say there are several factors behind Lincoln Road's revitalization.

"The reality is there is no other space. The Design District is fully leased. Brickell City Centre is almost 100% leased," said Colliers VP Ryan Brodsky, who specializes in South Florida high-street retail. "Now all of that spillover is coming onto Lincoln Road."



Ryan Brodsky is vice president at Colliers and specializes in South Florida high-street retail.

COLLIERS

At the same time, rents on Lincoln Road have stabilized, he said.

Average rents per square foot were at \$225 last year, according to Cushman &

[Link here](#)

Wakefield's annual "Main Streets Across the World" report. That made Lincoln Road the 14th most-expensive shopping district in the country.

Compare that to the pre-pandemic era, when rents reached \$250 and Lincoln Road ranked as the nation's fifth most-expensive shopping district.

The shift has left an opening for both real estate investors and retailers to return.

One of the biggest recent transactions was by developer Michael Comras, who acquired five properties on Lincoln Road for a combined \$130.8 million in November. That's a big discount from the \$342 million the properties yielded when sold more than a decade ago.



Michael Comras, President and CEO of The Comras Company.

JOCK FISTICK / SOUTH FLORIDA BUSINESS JOURNAL

Comras, president and CEO of Miami Beach-based Comras Co., plans to redevelop the assemblage as a 40-storefront retail and lifestyle microdistrict called NoLi, short for North Lincoln Road.

[Link here](#)



A concept image of Comras Co.'s NoLi project on Lincoln Road, including the Via NoLi covered walkway.

3D DESIGN PLUS INC.

“By putting all these [properties] together, it gives me the critical mass,” he said. “I’ll be able to curate and merchandise it effectively.”

The project notably includes the construction of a walkway through one of the buildings, connecting Lincoln Road with North Lincoln Lane, which currently functions as a service alley for stores on the north side of Lincoln Road.

“When Lincoln Road was renting at \$300-\$350 per square foot, the world of potential tenants was so much less,” Stern said. “Having a new cost basis allows transactions and leases at a rental value that makes more sense.”

Retailers have taken notice. Just this year, Japanese retail giant Uniqlo tapped Lincoln Road for one of its first two Miami-area stores, while Danish variety store chain Flying Tiger Copenhagen unveiled plans for Lincoln Road to serve as its U.S. base.

[Link here](#)

“The big players are coming, and they’re here to stay,” Colliers’ Brodsky said.

### **Building boom spills over**

Meanwhile, there’s been a surge in development in the area around Lincoln Road. Miami Beach, with its famed waterfront, architecture and nightlife, has been one of the big winners of the post-Covid influx of wealth and businesses to South Florida.

“On the east end of Lincoln Road ... there’s about \$3.5 billion in new residential and hotel development,” Stern said, listing new projects at the Ritz-Carlton, Delano, Shore Club and others.

That also includes the Grand Hyatt Miami Beach hotel, a public-private partnership project that Miami-based Terra and Aventura-based Turnberry broke ground on last year. It’s set to be the first hotel in the area to offer room block agreements that provide conventions a guaranteed number of rooms at fixed rates.

“Everybody wants to be in Miami Beach, but meeting planners would not send conventions because there was no room block agreement,” Terra CEO David Martin said. “This hotel is going to grow the number of tier 1 conventions ... and the economic impact is going to be extremely significant.”

Nearby, Robert Rivani plans a revamp of a decades-old building on Michigan Avenue as an ultra-luxury “Class X” office building with hospitality-style amenities. The cost of the acquisition and renovation together exceed \$100 million, according to the developer. His namesake firm also owns the Lincoln Theatre building on Lincoln Road that’s home to an H&M store.



David Martin, CEO of Terra Group, at Grove Central in Coconut Grove.

JOCK FISTICK / SOUTH FLORIDA BUSINESS JOURNAL

“We’re bullish on this market,” said Patrick Khoury, Rivani’s chief investment officer. “There’s been an influx of folks from California and New York, and Miami Beach seems to be the epicenter of where they want to be.”

To that point, Stern said Lincoln Road’s revitalization isn’t just due to the nearby building boom – it’s also about the people behind it.

He credits much of the building boom to the major corporations, family wealth offices, investment banks, financial firms, health care institutions and technology companies that have flocked to the region in recent years.

“Tenants are recognizing that Miami Beach is actually a completely underserved market,” Stern said. “For example, we’ve got thousands of school-age kids, but there are barely any children’s stores on Lincoln Road.”

[Link here](#)

## **City steps up**

Building on this momentum, the city of Miami Beach has started to take a more active role in promoting Lincoln Road. That includes a \$29.4 million street improvement project that's underway.

The revamp will add wider sidewalks, more public seating and new landscaping on Drexel and Meridian avenues. In a nod to a more walkable city, a section of Drexel Avenue will be for pedestrians only, while parking will be eliminated on part of Meridian Avenue.

"Our vision is to create a smart, walkable district anchored by Lincoln Road and energized by the surrounding convention center campus and upcoming hotel," Miami Beach Mayor Steven Meiner said.

In addition, a new ordinance the City Commission unanimously approved will temporarily ease rules for restaurants and entertainment venues in certain sections of Miami Beach, including Lincoln Road.

Under the new rules, an existing business with occupancy for fewer than 750 people may add indoor live entertainment without going through the lengthy permitting process. That adds to other recent city measures to introduce pop-up restaurant permits, same-day permitting and fee waivers.

"We are seeing a powerful resurgence on Lincoln Road that signals its next great chapter ... [and] we are investing heavily," Meiner said.

## **Challenges remain**

Still, that doesn't mean Lincoln Road's retail renaissance comes without its challenges.

“The reason [revitalization] hasn’t happened sooner is because of the makeup of Lincoln Road and how it’s designed,” said Comras, who referenced the district’s dozens of landlords. That fragmented ownership can make it difficult to master-plan a good retail mix, he added.

One way to address that issue is to have a single investor assemble a group of properties to manage, as Comras did with his five-property purchase.

Another option is to have some sort of coordinating body to bring all the owners together. That’s exactly what happened a decade ago, when the City Commission approved the creation of a business improvement district.

Lincoln Road property owners pay an additional mandatory assessment to the BID every year, and the funds are then pooled for improvements, maintenance, marketing and partnerships.

“We don’t handle leasing, and we won’t tell you who you can lease to or what rates you should get. But we can help to lift the entire street,” Stern said. “Having a BID makes all the difference in the world.”

He highlighted BID-led initiatives to enhance Lincoln Road with art exhibitions and sculptures, as well as a partnership with Coral Gables-based Fairchild Tropical Botanic Garden to install orchids and offer guided tours showcasing Lincoln Road’s plant life.

“People have no idea what’s here,” Stern said. “We have one of the most amazing botanical gardens in North America on Lincoln Road ... and species here that no one else has.”

Another challenge that Lincoln Road faces, according to Comras, is that many of the lots are narrow and deep, a layout that’s often not conducive to retail.

“It’s the worst configuration for a retailer or restaurant,” he said. “Nobody wants to have a little storefront [with] big, deep space.”

To address that challenge, Comras plans to reconfigure some of the storefronts in his new assemblage so that they front the planned walkway, rather than Lincoln Road itself. This would allow for retail spaces starting at 400 square feet, which are better suited to boutique retailers and far smaller than most existing storefront options on Lincoln Road.

But despite these potential difficulties, industry insiders say they expect Lincoln Road’s resurgence to only accelerate. They again point to the availability of space, lower rents and surrounding development boom, which creates opportunities for developers to make big, bold moves.

“Lincoln Road is a very strong part of the identity of our region,” Terra’s Martin said. “And we need landlords that have leadership and vision, and are willing to take risks to do special things.”