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Bal Harbour Shops to Codevelop Mixed-Use Project in Miami

By DAVID MOIN



A rendering of the Brickell CityCentre mixed-use project.
Photo By Courtesy Photo

Bal Harbour Shops and for decades has maintained a singular focus on the highly productive luxury center. “It is a big step,” said Matthew Whitman Lazenby, operating partner at the 48-year-old Bal Harbour Shops and grandson of founder Stanley Whitman. “What’s so great here is that we’re not trying to take our formula to some foreign, distant land. This project is a part of the city we know very well.”

Partnering with Swire represents a major shift in the family’s business model, which seems to be evolving. It is in the running to be part of a master team to redevelop the Miami Beach Convention Center and Hotel, and there’s a realization that the Miami market, with its growing tourism, particularly from Brazil, and appetite for luxury, is bigger than just Bal Harbour. The Whitmans have also set in motion a 200,000-square-foot expansion of the 450,000-square-foot Bal Harbour Shops to accommodate more tenants and provide more space to those already there.

At Brickell CityCentre, Swire remains the primary developer, while Bal Harbour Shops has

Bal Harbour Shops is spreading its wings.

The South Florida luxury center has become a codeveloper and equity partner in the 500,000-square-foot retail component of the 2.9-million-square-foot Brickell CityCentre mixed-use project being built in Miami’s financial center by Swire Properties.

It’s a surprising move for the Whitman family, which owns Bal

taken an equity stake and will bring its high-end retail expertise to help develop and lease the shopping center. The size of the stake was not disclosed.

“When our tenants started telling us that they were increasingly seeing Miami as a gateway and a city with a growing international tourist draw, we saw the opportunity to have more than one center,” Lazenby told WWD. “We see Brickell CityCentre to be a strategic fit, enabling us to meet the increasing demand for high-end brands by shoppers from all over town and, indeed, from all over the world. We have a long-term view. We think the future of Miami in terms of tourism is definitely the Brickell area.”

Stephen L. Owens, president of Swire Properties Inc., said, “Built over generations, the credibility of Bal Harbour Shops with the luxury retail market, evidenced by the extraordinary sales performance of their center, will be of tremendous value to the market positioning of Brickell CityCentre as a destination shopping experience for residents and visitors alike.”

Bal Harbour Shops, according to Lazenby, generated \$2,729.60 in sales per square foot in 2012, up 14.5 percent over 2011. It’s considered one of the most productive shopping centers in the world. “We believe our stores flourish simply because of tourism,” Lazenby said. “Luxury centers that cater to and have tourism in abundance will thrive.”

Aside from being highly productive, 2012 was also a controversial year for Bal Harbour Shops. Louis Vuitton, Celine, Emilio Pucci and Christian Dior — all part of the LVMH Moët Hennessy Louis Vuitton luxury conglomerate — closed their shops to reopen in either Miami’s Design District or the Aventura Mall in north Miami. They left over disagreements over the Whitmans’ “radius” clauses, which limit tenants from opening additional stores to outside a specified number of miles and are geared to preserve the center’s exclusivity. The LVMH brands can still be purchased at Bal Harbour Shops inside either Saks Fifth Avenue or Neiman Marcus, the two anchors. Cartier also left Bal Harbour Shops.

Considering Bal Harbour Shops is 14 miles from Brickell, some of the same designers and brands could appear at Brickell, which Lazenby said will have both luxury and premium brand components. He described premium brands as those that are commonly situated in better malls, such as Tiffany. He also said he expects Brickell to have at least one major anchor of 90,000 to 100,000 square feet.

The Brickell retail center will include food, beverage, entertainment, fine dining and a rail transit link to downtown and the airport. The \$1.05 billion project broke ground last year, and will open almost all of its elements, including the shopping center, a hotel, a wellness center and parking, in 2015, aside from one of the office towers.

Meanwhile, the buzz at Bal Harbour Shops hasn’t let up, even after last year’s defections. In December, Dolce & Gabbana expanded to 4,876 square feet, adding 1,000 square feet, and Yves Saint Laurent relaunched its newly branded and first Saint Laurent Paris in the U.S.,

adding 1,400 square feet to its previous 2,000 square feet. Earlier this month, Tory Burch opened a 3,000-square-foot store, adding 2,000 square feet.

In the near future, Brioni will grow from 900 to 2,000 square feet; Audemars Piguet will grow to 1,000 square feet, from 750 square feet; Loro Piana will double in size to 2,000 square feet, and de Grisogono will open a new 750-square-foot shop.