

Miami Residential Developer Bullish on Transit-Oriented Projects

Motion Apartment Tower Located Near New Commuter Train

By Paul Owers



A residential developer has created a new division that focuses on building near public transportation hubs, helping Miami's traffic-weary commuters become less reliant on their cars.

The latest venture from 13th Floor Investments is a 25-story apartment building called Motion at Dadeland. The recently completed, transit-oriented development at 8400 S. Dixie Highway is adjacent to a Metrorail station that can take residents north to Brickell Avenue and downtown Miami.

Other developers are also seeing the benefits of building apartments, shops and offices near public transportation now that the Brightline commuter train is running, offering passenger rail service to the downtown areas of Miami, Fort Lauderdale and West Palm Beach, with eventual service expected to continue on to Orlando.

More than 4,300 apartments are under construction within a half square mile of the three Brightline stations in South Florida, according to CoStar data. Economic development officials have said the Brightline will better connect Palm Beach, Broward and Miami-Dade counties, making it easier for some of the more than 6 million people who live in one county and work in another area.

“When you put yourself in our shoes as developers, we have to find ways to differentiate our product,” Aaron Stolear, an associate vice president of 13th Floor, said in an interview. “The transit component moves the needle for the renter.”

13th Floor did not release a total cost of construction, but said it paid \$6.2 million for a ground lease and financed the project with a \$50 million construction loan, as well as the balance equity. The firm built Motion at Dadeland in partnership with Adler Group on a site owned by Miami-Dade County.

The new division at 13th Floor seeks to work with local municipalities to develop projects through public-private partnerships, Stolear explained.

Motion at Dadeland is one of three transit-oriented developments by 13th Floor. The first one at 1010 Brickell is a 387-unit luxury rental in Miami that opened in 2017 and the other is a mixed-use project, Link at Douglas, in South Miami that is expected to break ground this year.

Other developers building next to transportation hubs include Florida East Coast Industries, which completed offices and is planning apartments at MiamiCentral next to Brightline's downtown Miami station. Melo Group's Square Station, a 710-unit rental, opened last year in downtown Miami, a half block from the Miami Metromover station. And Pinnacle Housing Group is building a rental, Caribbean Village in South Miami, on the South Dade Busway on U.S. 1, which connects to MetroRail and other public transportation.

Meanwhile, in downtown Fort Lauderdale, the Stiles real estate firm's The Main Las Olas is four blocks from Brightline. The project, under construction now, includes an office tower and apartment building, and workers and residents will be able to take a trolley in front of the building to the Brightline station.

The first residents have started moving into Motion at Dadeland, where monthly rents for the 294 units range from about \$1,600 to nearly \$4,000, Stolear said. Dadeland is a residential neighborhood and business district south of downtown Miami.

Within a mile of Motion at Dadeland, there are 3,700 rental units, up 9 percent from the end of March 2018, CoStar data shows. The vacancy rate is 12.6 percent, down from 14.9 percent a year ago.

It is noteworthy that the vacancy rate declined while supply increased, and that is a result of more people moving into units than were delivered, according to Christos Costandinides, an economist for CoStar Market Analytics .

"This market is performing well," he concluded. "This is the suburbs, and a lot of people are choosing the suburbs because they're less-congested and way cheaper than downtown Miami."