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REAL ESTATE

5Qs for Spencer Bomar on Florida's growth spurt

BY CSA STAFF

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Veteran retail real estate broker and Avison Young principal Spencer Bomar knows Florida. He's been brokering deals there through the ups and downs of 20 years and now finds one of his favorite states in an historic upswing. Despite a paucity of new retail construction there, Bomar tells us why there is a place for every retailer in Florida and why every retailer should be looking to expand there.

It's been said that a thousand people a day are moving to Florida. Who are they and why are they going there?

Florida is growing at a staggering rate — 21.6 million full-time residents. Third largest state in the union. But what's interesting is that the demographic profile continues to widen. Weather and the lack of a state tax lends itself to retirees. Then you have the people servicing the retirees. You have new schools, more tourists. Hospitality employment has grown at 4% year after year. It's exponential growth. The State of Florida economy ranks 18th in the world economy.

What's the retail stock like? There hasn't been a lot of new GLA built in recent years.

There's very little inventory in the trendy popular areas. Construction costs continue to rise. Land prices rise due to interest rates and foreign investment. What's happening is that the investors and REITS are worried about cap rates. The question is, is there enough padding in the deal to make it profitable? Because of construction costs, it's hard for that to be possible. Emerging areas and re-emerging area are the places bringing in a redevelopment component.

Name a project—one you don't represent—that you think epitomizes the future of retail in the state.

Pinecrest is an area in south Miami where Regency recently took over an old Winn-Dixie, converted it to a Whole Foods, and added 20,000 sq. ft. of Internet-resistant retail. They took an old center, shined it up, and filled the shops with market-friendly businesses. That's a trend that's beginning to spread.

What kinds of deals are you doing in the Sunshine State?

Across the board. We're working on some of the smaller, adaptive Target concepts, 18,000 to 65,000 sq. ft. We're working on a couple of Dave and Busters. BJ's Wholesale. I represented Alamo Drafthouse in the deal at Vineland Pointe in Orlando, one of the only big, new ground-up centers being built in Florida. Vineland is reminiscent of the older days. The boxes are right-sized, smaller.

Should every retailer be looking at Florida? Even if they're not necessarily considering Southeastern expansion?

Yes, but you have to choose your locations wisely. Florida is like Europe. Whatever your concept is, it may not work in Naples, but it'll work in Miami or Jacksonville. There is a spot for everybody in the state of Florida.