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THE PROPERTY REPORT

Developers Move to Hip Miami District

Wynwood area, fostered by art fair, is contending with gentrification

By ARIAN CAMPO-FLORES

As tens of thousands of visitors descend on Art Basel Miami Beach this week, Miami's evolving Wynwood district will be in the spotlight.

The contemporary art fair has helped nurture Wynwood's transformation from a gritty industrial zone to the city's hippest neighborhood, with street art emblazoned on nearly every building.

Now, a stampede of real-estate developers is ushering in another makeover, as sleek new apartments, offices and hotels rise in the area. That is presenting the neighborhood with a crucial test: how to preserve its character amid an influx of investment.

Once a working-class area, Wynwood has become a draw for young creative workers and professionals, teeming with breweries, stylish shops and trendy restaurants.

"We're going from a very horizontal neighborhood to what will become more of a vertical neighborhood," said Jessica Goldman Srebnick, chief executive of Goldman Properties, which began buying properties in the district more than a decade ago and helped revitalize it. "That is a wonderful thing as long as it integrates art and creativity in a deeply authentic manner."

Wynwood's challenge echoes what other neighborhoods around the U.S. have grappled with over the years, when their broadening appeal led to gentrification.

In the 50-block Wynwood arts district, north of downtown Miami, the landscape of low-slung warehouses is now rife with new building. Nearly



Once a gritty industrial zone, the neighborhood has become a draw for creative workers and professionals, filled with breweries, stylish shops and restaurants.

1,000 residential units were completed this year or are under construction, with another 1,800 planned, according to the Wynwood Business Improvement District, a city agency that advocates for the area's interests. More than 525,000 square feet of new office space is finished or under way, with another 550,000 square feet planned.

Six years ago, land in Wynwood was selling at roughly \$100 a square foot, said Charles Penan, executive vice president at investment-banking firm Aztec Group Inc. Today, it is selling at about \$600 a square foot on average, he said.

Wynwood was once a magnet for Puerto Rican migrants and home to a thriving garment district, but economic decline left it barren and neglected.

In the 2000s, street artists lured by the area's warehouse walls filled them with murals. That edginess attracted artists and galleries, then bars and nightlife.

In 2009, Tony Goldman, the now-deceased founder of Goldman Properties and father of Ms. Goldman Srebnick, unveiled Wynwood Walls, a complex of warehouse buildings his company owns that are covered in murals by street artists. It was a hit, fueling further growth in the neighborhood, which sprouted boutiques and restaurants.

With interest in the area surging, local commercial property owners created the Business Improvement District in 2013 to attract and guide development. Two years later, the city approved a revitaliza-

tion plan that allowed greater density and more residential, retail and office projects.

It capped building heights at eight to 12 stories and sought to promote pedestrian-friendly streets. It also required new developments to incorporate art and created a design review committee to examine building plans.

The aim was "to develop in a way that is anchored in the artistic character of the neighborhood," said Albert Garcia, chairman of the BID.

Wynwood 25, a 289-unit apartment building by Related Group and East End Capital that opened in September, has a facade featuring a massive mural. Wynwood Garage, a parking structure with office and retail space by Goldman Properties that opened last

year, is clad in raised geometric patterns. Developer Sterling Bay commissioned sculptural pieces for the base of 545wyn, the 10-story office building it is constructing.

Some locals are turned off by all the development. Camila Alvarez, who produced a documentary, "Right to Wynwood," on the gentrification of the area, said the authentic character was quickly consumed by commercial interests. Many artists and galleries left as investors bought up properties and rents escalated.

These days, Ms. Alvarez, 31 years old, avoids Wynwood. "It's kind of like going to a mall," she said. "I feel claustrophobic and want to leave."

Azeez Bakare, on the other hand, finds the area stimulating. A resident of Wynwood

25, he likes being able to walk to cafes, restaurants and bars, surrounded by art.

"The neighborhood is the amenity," said Mr. Bakare, a 31-year-old 3-D architectural visualizer. "I'm excited to see what will come."

Plans for Wynwood include novel elements for Miami. Domo Wynwood, a 175-unit apartment building opening in the next few weeks, will offer only short-term rentals. Bel Invest SRL, an Italian developer, has seven projects planned to break ground next year—two buildings with "micro apartments" and a co-living building.

Also on the drawing board: three traffic-calming stretches where vehicles must yield to pedestrians and cyclists. They will feature landscaping, benches—and art.