

Simon Property Group sells Shops at Sunset Place in South Miami for \$110M

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Simon Property Group sold the Shops at Sunset Place open-air mall in South Miami for \$110.2 million to a joint venture between **Federal Realty Investment Trust** and two local partners.

The Rockville, Maryland-based company (NYSE: FRT) now owns 85 percent of the 515,000-square-foot center with the remaining interest owned by Coconut Grove-based Grass River Partners and Miami Beach-based the **Comras Co.** The deal includes the assumption of a \$70.8 million mortgage from Simon (NYSE: SPG) with a 5.6 percent interest rate and five years left.



The Shops at Sunset Place in South Miami sold for \$110.2 million.

The same three partners teamed up to buy the CocoWalk shopping center in Coconut Grove earlier this year, so they now control two of the biggest retail destinations in the area.

"As Miami becomes an increasingly urban and dense market, walkable, authentic neighborhoods like Coconut Grove and South Miami are becoming increasingly attractive destinations to live, work, shop, dine and be entertained," said Dawn Becker, executive VP at Federal Realty Investment Trust. "Like Cocowalk, Sunset Place presents a compelling opportunity to create value through integrating it with the vibrant streets that border the property, adding new tenants and delivering a mix of uses that meet the demand of the affluent, year round communities it serves."

The three-story Shops at Sunset Place was built on the 10-acre site at 5701 S.W. 72nd Street (Sunset Drive) in 1999. It's near the University of Miami. This is the first time it was sold.

It has 408,000 square feet of retail, 107,000 square feet of offices and a 1,700-space parking garage. Tenants include AMC Theatres, LA Fitness, Barnes & Noble, GameTime, Forever 21, Banana Republic, Splitsville and Z-Gallerie.

The mall opened with FAO Schwartz and Virgin Megastore but those tenants left. The northern building on U.S. 1 was converted to office by Simon.

"With the right vision, balanced approach and creative thinking, The Shops will complement the area's popular restaurants, cafes and boutiques, while becoming a vital retail anchor that caters to the locals and surrounding communities," Comras Co. CEO Michael Comras said. "We are looking forward to working closely with all to improve and evolve this vision together."

Grass River Property Principal Tom Roth said the occupancy rate for Shops at Sunset Place is 80 percent, but that's largely because of the mostly empty office building. The occupancy rate for the retail space there is 95 percent, he said.

Roth said the new owners would listen to neighbors as they craft a plan to revamp the property. They hope to make the property more pedestrian friendly by opening it up to Sunset Drive, instead of presenting a big wall along South Miami's main street.

"It's probably time to rethink the direction there," Roth said. "We aren't buying it for what it is today. We are buying it for what we think it should be and can be in the future."

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