

# Vertical Dadeland Station mall may not mark area trend

By DANIELLE BECK

While Dadeland Station, one of South Florida's first vertical shopping centers, has been well received by shoppers, many retail industry experts say they aren't yet convinced that this sort of design marks the next trend in retail construction.

Instead of the traditional, horizontal mall structure with stores laid out side by side, vertical construction is building upward — with large stores atop each other and accessible from one another via stairs, escalator or elevator.

Many retail and real estate experts, such as John Schuenzel of Coconut Grove-based Retail Estate, say vertical construction makes sense, but usually in instances in which there is no space to go the traditional route.

"I think it only works in certain areas where the demographics are very strong, land prices are driven up so high and there's not a lot of

land left," he said. "Dadeland Station is a perfect example. Traditional-type malls eat up a lot of land and in going vertical you use less land and it has a less dense use."

The three-story, 319,000-square-foot Dadeland Station, on the west side of US-1 between Southeast 72nd and 88th streets, opened in November and features five anchor retailers, seven smaller tenants and six levels of parking.

While multi-level retail isn't new in places such as South America, China and Manhattan, it's still considered new to South Florida, Mr. Schuenzel said.

"It really does make a lot of sense for us here. People don't want to have to walk across a huge mall parking lot to drop off packages in between shopping, especially if it's very hot or raining," he said. "In a vertical mall, the parking is covered and it's very close to the front door of

each store. Then you just take an escalator right to the next level and to the next store."

Although Dadeland Station is so far faring well and customer response has been positive, vertical construction isn't a trend in the making, said Marc Milgram, a partner with Jeff Berkowitz in Florida Shopping Center Group, which developed Dadeland Station.

"I don't think it will become a great big trend," he said. "There are very few in the US because in many places they don't need to be done. Vertical centers are built in very urban areas that have great sales by existing retailers but not the availability of land."

When ample land exists, the first choice usually is to go horizontal, Mr. Milgram said.

"It's simpler to do a huge project on more acres," he said. "While verticals can be done and they can be very successful, I don't think there will be many situations to

justify it."

But for certain circumstances and areas, vertical construction is the key to making more out of less, said Jeff Berkowitz, president of Berkowitz Development Co.

"They're not making land anymore, so you have to go up," he said. "It's going to be more common in urban areas. I fully expect that our design will be widely copied throughout the US. If I could have patented it, I would have."

Because Mr. Milgram and Mr. Berkowitz took the lead with Dadeland Station, it will be less difficult for other retail developers to follow suit, said Joe Corral, senior associate with CB Commercial.

"If something is successful, then the next time it's easier for the next guy," he said. "Retailers usually follow each other."

Vertical retail construction is

not a passing fancy, said Stephen Bittel, president of Terranova Corp., a third-party commercial real estate advisory firm.

"I don't believe Dadeland Station to be an aberration," he said. "I think it will take the consumer some time to get comfortable with an unconventional layout, but in time the stores will perform like they are on the ground level."

Mr. Bittel said he predicts vertical retail construction will become more prevalent in Dade in the coming years.

"You can look at the highly successful retail pockets and predict it could happen in about 10 years," he said. "Some of the areas to watch are those like Adventure Miami Beach, Key Biscayne, Coconut Grove and the area by Miami International Mall. Retailers are beginning to get used to being on the second floor. I think more of that will continue."

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