



LIVING ABOVE THE STORE

With the benefits of saving gas and avoiding the costs and stress of commuting, shopkeepers and professionals are turning to live-work spaces in South Florida.

BY CARLOS HARRISON
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When Sergio Piazza rolls out of bed in the morning, he can be at work in under 10 seconds. He sleeps just feet from his desk in a live-work loft at the edge of Wynwood. That allows the Italian jewelry company's South Florida representative to clock in without ever getting into a car, 24 hours a day.

Attorney Lawrence Blacke lives with his wife in an apartment directly above his law office and mortgage title company in Fort Lauderdale's North Beach area. "I have zero commuting expenses," he says. "So I'm not as concerned when I see the increases in gasoline prices, because it doesn't affect me every day. Of course, it affects me when I'm traveling on business. But on a day-to-day basis, it doesn't impact me directly."

Jami Baker has to go a little farther. The marketing associate lives two doors down from her office, on the 39th floor of a Brickell Avenue condominium. "Sometimes," she says, "the longest part of my commute is the elevator ride."

All are part of a growing cadre reverting to the days when shopkeepers lived above their stores or behind their shops. Many are back from the burbs, taking advantage of more urban enclaves and new live-work spaces in South Florida. In today's economy, with rising gas prices and tight budgeting, the old-fashioned solution makes sense. Just ask a commuter stuck in rush-hour highway traffic about the prospect of stumbling out of bed and into the office.

South Florida's live-work devotees are part of a growing national trend. Nationally, the 2010 American Community Survey reported that about 4.1 percent of the nation's labor force (about 5.7 million) worked at home and 2.8 percent (about 3.9 million) walked to work. That's a significant increase in the number of at-home workers over the past decade, up from 4.2 million to 5.7 million; and a small increase in the number of walkers, from 3.8 million in 2000 to 3.9 million in 2010.

The Florida percentages were similar, with about 2.2 percent of the labor force walking to work and 4.4 percent at-home workers. That adds up to about 132,000 pedestrian commuters state-

wide, and almost 358,000 home workers. Percentages fluctuate widely throughout Miami-Dade and Broward counties, but the census shows about 106,000 working at home and an additional 46,000 walking to work.

Tadd Schwartz, a real estate marketer, sees more evidence of the walk-to-work trends in downtown Miami's robust occupancy rates.

"Literally within the last five years, it's gone from it being dead at night to where now you have 93 percent occupancy," he says. "We've seen this shift of people only coming downtown to work and then would migrate back to the suburbs. Now you're seeing the migration back to the urban core. And if people are going to work there, why the hell not live there? Who wants to sit in the traffic?"

Still, the market trend is nascent, and niched, says real estate analyst David Dabby.

"In South Florida in general, live-work units have not caught on. It's a small market, compared to other types of mixed-use or commercial-residential new development," Dabby says. But, he adds, "If you're talking about living close to work, the major trend is, yeah, you work in Brickell and you live in Brickell. People want to live closer to work. There's so many reasons: the hassle factor, the cost factor."

True live-work space, zoned to allow commercial and residential use in a condo or house, remains a rarity in the region. Frequently, the obstacle is adequate parking to accommodate the comings and goings of customers, or more stringent building code requirements necessary for commercial occupancy.

The majority of mixed-use units built during the real estate boom went up in downtown Miami, because that's where the majority of the condos were added. Some 22,250 new condos went up in the area from 2003 to the end of last year, says Peter Zalewski, principal in the real estate consultancy Condo Vultures. Downtown Fort Lauderdale added only 5,400, he says. And the majority were not mixed-use.

Most residents in those new downtown Miami buildings — 9 out of 10, Zalewski says — rent. That makes it hard to say precisely how many live and work in the same building.

"That's not to say that sometime in the future that some of these condos won't be operated as businesses by owners that actually live there," he says. "But at this point, it's probably a little premature because, for the most, part owners do not live in their units in downtown Miami. Renters live in their units in downtown Miami."

Many South Floridians are turning to live-work spaces

However, he says, the shock and pain developers suffered in the housing market collapse may spur more mixed-use projects as development bounces back — which, in turn, could bring in more business owner-dwellers.

"Developers really got burned during the crash when they went all condo,"

Zalewski says, "so a mixed-use project is a great way to diversify against the next crash. For instance, if you can incorporate office space, you can incorporate retail space, you can incorporate, maybe, a condo hotel, and you can incorporate condo into it, now you've got a better chance if one sector goes bad, as a devel-

oper, to be able to sort of still keep your head above water and kind of float along."

Some real estate agents in Broward and Miami-Dade say they see signs of increased demand for live-work options.

"I've been doing lofts for about 10 years," says Miami Beach real estate agent Josh Stein. "It was never so im-

portant to have a live-work as it is now. People just wanted a cool loft space. But now I'm starting to get people from New York and California who run their business in other parts of the country and they want to have a satellite office here. ... I'm definitely seeing a lot of that. In the last week alone, I've probably gotten three or four calls on that."

But there's not enough live-work space available, Stein says.

Fort Lauderdale's municipal code restricts home-based businesses to occupations that offer no "external evidence" of their existence. That means no signs, no storage and no noise. Plus, the code says: "No traffic shall be generated by the conduct of such home occupation by other than those persons residing on the premises."

Still, places such as Bamboo Flats in Flagler Village and Belle Isle Townhomes in Wilton Manors offer a few, limited live-work spaces. The Avenue Lofts in Flagler Village "were the first properties built with the idea of live-work in mind," but even those lofts permit only businesses with no foot traffic, Beth Daly, ReMax Preferred broker associate writes in an email. Nonetheless, she added, "We could sell many, many of the live-work units if only there were more!"

Some of the best-known live-work spaces in the region came about through Artspace, a national non-profit dedicated to creating affordable living spaces for working artists. The 37-unit Sailboat Bend Artists Lofts provides reduced-rent lofts only to residents who fall within specific income limits. Photographer Jeremiah Jenner waited two years after applying before a unit became available. He left his crowded Coral Springs one-bedroom apartment and moved to a 1,100-square-foot loft three years ago.

"Most studios are sort of rent on top of your regular rent," he says. "It's a substantial savings for us. We can invest back into our art, buy materials."

The benefits, he says, extend far beyond the financial savings. The complex also offers a three-story gallery where the residents can display their work, and invites the public in for monthly art walks. It also puts him in the heart of a like-minded arts community.

"We're surrounded by great minds here that think alike," he says. "That's a big plus that I like. We're all on the same page. We're all musicians, artists, photographers, painters, poets — a lot of the same sort of mindset, which is great."

Being in Miami's booming Wynwood art district at-

tracted the investors behind Cynergi, the 100-unit, 10-story tower where Piazza, the jewelry rep, rents. They put the building on the neighborhood's art-walk circuit, open it for displays during Art Basel and maintain a year-round exhibit in the lobby.

"We believed the area had a lot of potential," says Hugo Amaya, president of Cynergi's owner-company, Wellmeaning Properties. "We made a bet, and it's been a success. The building is 100 percent occupied. Many of the tenants we have are artists who work on their art in the building and live in the building."

It's not only artists who make their home there, though. The tenants also include at least one Web designer, a photographer who also rents out his space as a photo studio, and a hair salon that schedules only one client at a time. Rents at Cynergi are \$1,000 and \$2,000 a month, Amaya says, with units ranging from about 750 square feet to about 1,200.

Cynergi is only one piece of the company's Wynwood strategy. Wellmeaning Properties bought the building in foreclosure and turned it into a live-work rental property. The firm also opened an art gallery across the street, and bought up a full block down the street where they creat-

ed another gallery and are considering establishing a cluster of restaurants around it.

"We're trying to combine all of the economic parts in the world of art to give it that primacy that culture needs here in Miami," Amaya says.

About a mile away, by Dorsey Park, the Parc Lofts weathered the recession and remained a primarily owner-occupied live-work building. Its 72 units have 15- and 20-foot ceilings, and range in size from a compact 750 square feet to 5,400. Real estate agent Jocelyn Bagge, who lives and works in one of the units, says the combined space was a draw for artists, photographers, lawyers and other small-business operators who saw an opportunity to reduce costs.

"They can actually have inside galleries, offices; have their assistants come in, work a nine-hour day and then they leave," she says. "But the kitchen and bedroom upstairs is their home and they kind of work and live in the same spot. It's convenient for them because they don't have to have the commercial space that costs a lot of money and keep their office or studio at home."

A similar project on a vacant lot across the street fell victim to the real estate collapse and remains on hold, Bagge says. But she worked with the developers there to

incorporate some of the lessons the tenants learned at Parc Lofts.

"We wanted more parking," she says. "We want this particular building, instead of having one space per unit, we want to have more like two-plus spaces per unit. We need actual retail space on the ground floor. We took a lot of the concepts that we liked in this building and put it in that building and made it a little bigger and better."

Another building that went up during the boom sits across from CocoWalk in Coconut Grove, within easy walking distance of restaurants, shops, schools and Peacock Park. Completed in 2007, the 99-unit Lofts at Mayfair offers live-work spaces with luxury amenities, including marble floors, granite counters, a concierge and valet parking.

Jewelry designer Cecilia Gonzales moved into a two-story ground-floor unit at the lofts in 2009. She keeps her work area on the ground level.

"I chose it because I needed a location where I could live and work," Gonzales says. "I established a space in my apartment as my showroom. My clients can come and order pieces, try pieces on, and buy."

Developer Scott Greenwald says he saw the need, and what he thought was an ideal location, when he converted the former Bell South

building in South Beach to the live-work Industry Lofts.

"This reflects a move to not be as dependent on an automobile in an urban setting," he says, "and Miami Beach is one of the few areas in Miami where you can operate and live without having to drive all day."

Getting people out of their cars and into walkable neighborhoods is something Miami hopes to foster. The Miami 21 zoning code adopted in 2010 includes a variety of mixed-use categories aimed at removing the impediments that have limited the inventory of available spaces for workers who want to stop commuting.

"I think it's just time," says former Miami Mayor Manny Diaz, who pushed the Miami 21 plan. "We were a city that in our short life, 100 and some years, lived under the old zoning code — one-use, emphasis on 'use,' type of zoning code. Now with Miami 21 and its emphasis on mixed-use zoning, I think you'll begin to see that change more and more."

It's already happening in places like Midtown, the Design District and Wynwood, where new condos and conversions stand amid — and atop — commercial office, retail and restaurant spaces.

"Mixed-use zoning is not just necessarily living in the same building where you

work," Diaz says. "It's also about creating a pedestrian experience — street-level retail, requiring glass coverage on the retail so it really connects to the experience."

Walkable neighborhoods need to be livable, too, he said, allowing people to find necessities and amenities like grocery stores, pharmacies, dry cleaners and dentists within strolling distance.

Baker, the marketing associate whose biggest traffic jam comes aboard her condo elevator, made the move to Brickell while she still worked for a Plantation public relations firm. When she decided to look for another job, finding one close to home took top priority. Cutting out her two-hour-a-day commute meant an instant financial savings. More importantly, though, she says, she "added two hours of healthy living."

Since moving, she says, "I've gone more than two weeks without moving my car. I take the Metro Mover if I'm going to a Heat game from Brickell. On the weekends, I go out around Brickell. I eat around here. And I take a cab. So I rarely if ever move my car."

Convenience made the difference for entrepreneur Jose Goyanes. He moved from Coral Gables to downtown Miami four years ago. Now, his Corvette remains in its space at the Epic most of the time.

"The only bad thing is that you kind of get accustomed to living in your little

world," he says, "and when somebody invites you to their home in South Miami, it's like, 'Wow! South Miami, that's far!'"

A common theme among the near-zero commute crowd, though, was that the real value of working within walking distance was not measured in dollars.

"There is somewhat of a financial savings, certainly. But that's not the overriding benefit. The overriding benefit is to have a reduction in your stress and responsibility and obligation," says Blacke, adding that eliminating the commute means "just one less thing to worry about."

Technically, Patti Reid no longer fits the bill of a walk-to-worker. But she still lives in the apartment above what used to be her husband's TV repair business, in the same tree-dotted enclave between the Galt Ocean Mile and the Intra-coastal where Blacke lives above his law office. Blacke calls her a "pioneer." She and her husband gave up their commute in 1975, when they moved in. "We were very happy when we moved in here," Reid says. "No traveling anymore."

Working at home also brings flexibility for jewelry rep Piazza.

"I can go out and have a coffee and come back and do some work and then do laundry and stay at the pool for an hour and come back and do some work. Nobody knows what my schedule is.

Live-work choices

A look at what portion of the labor force is either working at home or walking to work:

- Nationally: 5.7 million Americans work at home; 3.9 million walk to work.
- In Florida: 358,000 work at home; 132,000 walk to work.
- In Miami-Dade and Broward counties: About 106,000 work at home; 46,000 walk to work.

SOURCE: 2010 AMERICAN COMMUNITY SURVEY

I can work until midnight."

Some, though, find the live-work arrangement brings their professional and personal lives too close for comfort.

Models and actors still frequent Front Management at the Industry Lofts on South Beach, but owner Christian Alexander now lives a few blocks away. He took advantage of the building's live-work adaptability when he first started the company, he says, but moved out in less than six months.

"It seemed weird to wake up in the morning and have the staff go through the office part," he says. "I had to have the maid there every other day, actually every day, instead of once a week, to make sure that things look tidy and it didn't look like it was lived in. ... No one wants to see the underwear lying around."