

Miami Office Space Can Be Found by Those Who Search

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Businesses searching for space in Miami's urban core have more options than they might think.

While vacancy rates are down across the board, significant chunks of space are available in several Class A buildings in downtown and the Brickell Avenue financial district.

"There are more alternatives available for those companies that take the time to appropriately investigate the market," said Chris Lovell, a senior managing director with Savills Studley in Miami.

Leasing space on an upper floor with a view may be difficult since only six buildings on Brickell have a full floor above the 20th story available for lease. For tenants that can live without the view, there is plenty of open space to choose from.

Four downtown Class A buildings have at least 75,000 square feet of contiguous space available, one Class A building on Brickell has a 65,000-square-foot block — "and we don't have tenants of that size standing in line to the claim the space," Lovell said.

Savills Studley has found many of the large available blocks are in older downtown buildings.

"You're always going to have buildings that are going to have certain pockets available," said Tere Blanca, founder of Miami-based Blanca Commercial Real Estate Inc.

She said the market is responding well to the new Miami Central project, which is under construction with 60 percent of its office component pre-

leased. The mixed-use development will serve as Brightline's downtown train station and will add 286,000 square feet of office space in two buildings.

Blanca points to a steady stream of companies migrating to Miami. About a third of the lease deals inked last year in the county's four major office markets, including downtown, Brickell, Coral Gables and the Airport West areas, were with new-to-market companies.

"That has the potential of growing as we continue to mature as a city," she said.

But Lovell said that's not enough. Considering the city's rapid growth, especially in terms of population, he questions why there hasn't been a more significant move by companies to Miami.

Lovell said the lack of new market entries plays a role in the amount of available space found in top-tier buildings.

The availability rate in Class A buildings in downtown Miami hit near 26 percent at year-end, compared with 21 percent a year ago. The rate decreased slightly in Brickell to 14.4 percent.

What's Available?

Over a quarter of downtown Miami's Southeast Financial Center is available for lease, including a 134,000-square-foot block of space, according to Savills Studley.

[Wells Fargo](#) will vacate the tower and consolidate offices two blocks away at the Wells Fargo Center at 333 SE Second Ave. later this year. The move pushed the Southeast Financial Center's availability rate to 28 percent at year-end, up from 16 percent in the third quarter. The two-tower complex at 200 S. Biscayne Blvd. recently [sold for \\$517 million](#).

Over one-fifth of the space at the Miami Center at 201 S. Biscayne Blvd. and the Miami Tower at 100 SE Second St. is open, with availability rates of 27 percent and 21 percent, respectively. The SunTrust International Center, which lost [Akerman](#) as a major tenant last year, is 38 percent vacant, the highest among downtown buildings.

Akerman moved into smaller quarters at the new Brickell City Centre. The firm was able to shed 10,000 square feet by adopting a single-size office concept, said Blanca, who guided the firm's move.

"In the last several years, companies have become increasingly efficient in their use of space," Lovell said. "Even companies that traditionally would occupy large amounts of space per employee like law firms, for example, are moving to more efficient space and are occupying less square feet per lawyer."

Businesses of all kinds are reducing their real estate footprints by 10 percent to 15 percent when they move, he said.

Because there aren't many large users entering the Miami market and the established companies are giving back space, it will take some time for landlords to backfill the large downtown chunks. In many cases, landlords will divide floors and lease them to smaller tenants.

The availability of large spaces puts pressure on the market, which is a good thing, Lovell said. Landlords end up competing with one another on rental rates, which can lead to substantial savings for businesses willing to search for a better deal.