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**NEW OFFICE TOWER IN MIAMI**

**BIG TOP CLOSES AFTER 60 YEARS**



Pickard Chilton Associates

The illuminated building in white is an architectural rendering of the 45-story 110 NE 10th St. office tower, which will round out Miami Worldcenter's mix of condos, rental apartments, retail, hotel and parks. Construction will begin in 2018.

# Downtown Miami is getting its first new office tower in six years

■ The real-estate investment firm Hines will develop a 45-story tower of Class A office space at the Miami Worldcenter project. Groundbreaking will be in the second quarter of 2018. Initial occupancy will be late 2020 or early 2021.

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Another piece in the ambitious Miami Worldcenter project has clicked into place.

Hines, the privately-owned real-estate investment firm with a presence in 189 cities in 20 countries, will build a 45-story tower with 600,000 square feet of Class A office space at 110 NE 10th St. in downtown Miami.

The tower, to be called 110 10th, will fill one of the last remaining parcels of vacant land at Miami Worldcenter, the \$2 billion, 27-acre mixed-use development covering 10 blocks in downtown.

In development since 2006, Miami Worldcenter aims to bridge the blighted gap between the Central Business District and Edgewater and Wynwood to

the north with up to 450,000 square feet of retail, 2,000 residential units, 1,700 hotel rooms, 500,000 square feet of expo space and 100,000 square feet of parks and public spaces.

The project will be within walking distance of All Aboard Florida's Central Station, a Brightline train due this summer that will take riders from Fort Lauderdale to Miami in 28 minutes.

## LOCATION, LOCATION, LOCATION

Michael Harrison, senior managing director of Hines, said that location and timing were two key factors in the company's decision to proceed with the project after a year of planning.

"There hasn't been significant standalone signature office space construction in Miami since the

recession," he said. "Vacancy rates have been tightening, and that has put upward pressure on rental pricing.

"The other thing that's transformative to this location is traffic and access. People who drive from downtown to Brickell are frustrated by having to sit in their car for 40 minutes. You have to leave more time now to get to meetings.

"Hines focuses very heavily on providing superior access and transit to our occupants. The combination of being located a block and a half south from the on-ramp to 395, which gives you access to 836 and I-95, is key. The downtown transit hub of Metrorail, the Brightline and the Tri-Rail is going to be a game-changer for the area. The buildings that are closest to that hub are going to be the ones that benefit disproportionately."

After years of slumber, Miami-Dade's office market has started to heat up, with vacancy rates dipping

to 9.7 percent — a reflection of the city's population increase and job growth.

A recent report by the real-estate brokerage firm JLL showed the average asking price per square foot of office space in the first quarter of 2017 was \$36.99. But the column-free floor designs for the new 110 10th building will allow companies currently renting large offices to move into smaller, more customizable digs.

The building will also feature the kinds of amenities usually associated with luxury condos, such as a

gym, common work spaces, valet parking and even a separate elevator for employees to bring their pets to work.

## HIGHER PRICES

Analysts say that these types of unique features, combined with the building's prime location, could fetch as much as \$60-\$65 per square foot, even though downtown Miami's vacancy rate is at an above-market 18 percent.

"A lot of the space that's available is commodity space — no unique views and lower floors," said Mat-

thew Goodman, managing director for JLL specializing in corporate tenant representation. "This building will offer a unique value proposition to tenants: easy in and out, new retail amenity base and All Aboard Florida. Rates in Class A office buildings are reaching historical highs. We're steering into uncharted territory on pricing, notwithstanding the fact that there are still significant vacancies."

Goodman points to the 35-story tower 1450 Brickell as an example of office space renting at nearly \$60 per square foot. That building opened in 2010.

Established in 1957, Hines manages \$96.5 billion in assets around the world, including an office building at 2525 Ponce De Leon in Coral Gables and a high-end apartment complex at 8800 Doral Blvd. in Doral.

Hines is a current partner in The Parks at Walter Reed, a \$1 billion mixed-use development under way in Washington, D.C. Hines oversaw the development of the massive Diagonal Mar Centre in Barcelona.

The architecture firm of Pickard Chilton Associates, from New Haven, Connecticut, won a competition to design the building, which will feature a futuristic diagrid structure. Construction is expected to begin in the second quarter of 2018. Initial occupancy will be late 2020 or early 2021.

