
Greenberg Traurig considers new digs in downtown Miami

South Florida Business Journal - by [Oscar Pedro Musibay](#)

Miami-based law firm **Greenberg Traurig's** lease will be up in 2010 and it is looking at its prospects - including space in one of three new office buildings under construction in Miami.

Greenberg Traurig occupies 160,000 square feet at 1221 Brickell Ave.

Several brokers say Miami's most recognizable law firm has been shopping for more than a year, and has offers from two of the three downtown buildings under construction, the details of which are unknown.

"We have not accepted any offer," firm President Matt Gorson said. "We are looking at the marketplace. We are reviewing all our options."

However, a relocation is not a given and the firm may stay put at its current digs, several sources say.

To understand what Greenberg Traurig might be mulling over, consider the recent offer made to Bank of America, which has offices at 701 Brickell Ave. and the **Bank of America Tower at International Place**.

The developers of Metropolitan Miami 2, a 700,000-square-foot office building in downtown Miami, offered BofA space at \$38.50 a square foot plus some free rent and a nice premium for buildout at \$50 a square foot. Builder **MDM Development Group** also offered the bank signage and "every right in the book for expansion and contraction," according to Richard Schuchts, office director for commercial brokerage **Staubach Co.**

But the Met 2 deal with the bank fell through. Schuchts said the lender now plans to renew and expand at 701 Brickell Ave.

Tim Weller, MDM VP of development, did not return a call seeking comment.

BofA may move when its lease is up in 2009, confirmed Tony Puente, senior VP at Coral Gables-based Fairchild Partners, which signed a contract in the last two weeks to manage leasing of the building.

Puente said the bank's potential departure, combined with 50,000 square feet already available, would allow for more than 100,000 square feet at the building made famous by "Miami Vice."

Puente said the timing of BofA's prospective departure might be perfect for other big-space tenants looking for new digs. Bilzin Sumberg Baena Price & Axelrod, whose lease at Wachovia Financial Center is up in 2010 or 2011, and Hunton & Williams, whose lease at 1111 Brickell Ave. expires in 2011, are also being courted by the developers of more than 2 million square feet of office currently under construction between downtown Miami and the Brickell Avenue area. Bilzin Sumberg is looking for about 100,000 square feet, while Hunton is seeking 75,000 to 100,000, Schuchts said.

In addition to Met 2, Alan Ojeda has begun construction on a nearly 600,000-square-foot office tower at 1450 Brickell Ave. Foram Group is building 554,208 of rentable square feet dedicated to offices, at 600 Brickell Ave.

Puente echoed absorption concerns voiced by other brokers.

Downtown absorption typically is between 250,000 and 500,000 square feet a year.

If all the office space under construction is completed, developers will add a significant amount of new space into the existing 12 million-square-foot market. It's a big change that could drive lease prices down significantly, leasing experts said.

Puente said he expects the builders of the three new buildings to be aggressive in their search for lead tenants because their financing depends on it. Lenders are more stringent with vetting projects and won't fully fund an office projects until lead tenants have been signed.

For now, the office market continues to look strong, especially the Class A offerings, and rates should continue to rise although not at the pace of last year, according to John Marshall, Cushman & Wakefield office director.

He writes in the brokerage's 2007 fourth quarter report that tenants gravitated toward higher-quality space last year. The evidence is in the vacancy rates in the three largest submarkets, which shrank to all-time lows. Brickell's vacancy was 6.8 percent, downtown Miami's rate was 6.5 percent and Coral Gables had a vacancy rate of 5.5 percent.

But lending market woes and recession concerns may prompt some companies, especially financial institutions, considering relocation to stay put, Schuchts said.

"If you don't do anything and there is status quo, you keep your job," said Schuchts, who is representing Hunton & Williams in its search for new space. "If you move and the company has a bad quarter, your head could be on the chopping block."

omusibay@bizjournals.com | (954) 949-7567

THE SOUTH FLORIDA BUSINESS JOURNAL

SouthFloridaBusiness.com March 2008 Edition

February 15, 2008

Circulation: 123,500