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Bank of America Tower ready for commercial competition

By Jennifer LeClaire

The Bank of America Tower. People around the country recognize it as the 47-story structure that gives Downtown Miami's skyline a splash of illuminated color through its three dramatic glass tiers. It's been featured as a backdrop on the stage of the Tonight Show and shows up in music videos, television commercials and movies.

Built in 1987, Downtown Miami's classic modern tower must now compete with three new buildings in a commercial real estate market suffering the worst downturn in decades. Brickell Financial Centre, 1450 Brickell and Met 2 will add nearly 2 million square feet of Class A office space to the Downtown area and offer competitive options to tenants whose leases expire in 2010, 2011 and beyond.

But the Bank of America Tower has an edge. It just won the "Office Building of the Year" from the Building Owners and Managers Association of Miami for the third straight year. Manager Vince Croce remains confident the building can keep pace against its forthcoming competition. *The Real Deal* caught up with Croce, general manager for Wealth Capital Management, owner of the tower, to discuss how to stay innovative -- and competitive -- as the market heats up in Downtown Miami.



To what do you attribute the BOMA winning streak?

An office building should be in shape to win this award all the time, not just when the judges come in. It takes capital improvements to keep an older building in this shape. We have to keep up with repairs and maintenance and keep an eye on energy usage and its impact on the environment. Even with the exterior lighting on the building, we still qualified for our Energy Star Rating.

Is there a cost to making sure the building is a beacon of light that illuminates the Downtown Miami skyline?

The ownership recognizes it's important to continually upgrade the mechanical side to make sure we have the most energy efficient equipment possible. We have also made several renovations on the HVAC systems and the water pumps. We have refit the lighting in the building, changed out and installed the electronic ballasts in all the common and tenant areas and reduced the size of the lighting wattage and still maintained the proper luminance for occupancy. All of this helps us reduce our energy consumption.

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Miami's office vacancy rates are rising, but your building seems to be one of the exceptions. What's the occupancy rate at your building right now, and has that changed much over the last few quarters?

Ninety-five percent. The average around town is 80 to 85 percent. We have 56 tenants in total. Our occupancy rate hasn't changed much. Tenant retention is our top priority. We just did four renewals with tenants.

Have you lost any tenants in the meltdown?

One or two small tenants had difficulties. One asked for assistance. The other packed up and left. We've been luckier in Miami than in New York. We have a heck of a lot of law firms versus financial firms here, so we didn't take as bit a hit.

Beyond the energy savings, tell me about the innovative environmental initiatives at the building.

A year and a half ago we instituted the green cleaning. That was before it was so popular. We did the same thing with exterminating. Instead of just throwing chemicals around, we bait. We don't use chemicals until there's a need for it. Even those chemicals are now green.

With nearly 2 million square feet of office space coming online next year, how are you preparing for the competition?

We are prepared. The bottom line is we have strong ownership and management staff and a good product. We are not leaving anything uncovered.

Are your rates lower than the new buildings coming online?

I am not sure if the rates are lower here. These newer buildings are coming online as shell space. The landlord has to give tenants much larger improvement concessions. Honestly, the first thing the new buildings have to do is get permanent financing in place. The only new building I know of that has tenants right now is the Met 2. If you are the first or second tenant in a new building, you are going to be living through a lot of construction for a couple of years until the building settles. It's going to take a while to fill up a building in this economy. The new buildings have their work cut out for them. But we still have to keep our A game in place -- and we will.