

# MIAMI TODAY

WEEK OF THURSDAY, JULY 16, 2015

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## COMMERCIAL & OFFICE SPACE

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### Exploding Doral office market supports growing population

By CATHERINE LACKNER



Photo by Maxine Udan

"If your population moves west, you need infrastructure to support that population," said Jon Chassen.

When it comes to Doral's office market, the maxim "if you build it, they will come" is frequently cited as a rationale for its success.

"Doral has been exploding in the past few years," said Jon Chassen, partner in the law firm Bilzin Sumberg's real estate and distressed property groups. "If your population moves west, you need infrastructure to support that population, and that includes residential and office space. And the population there is increasing significantly."

There are large office complexes occupied by owner-users, including Lennar Corp., but the vast majority of offices are occupied by small- to mid-sized companies, he said. Many locate there to be easily accessible to their employees, as the area has good access to the Florida Turnpike, State Roads 826 and 836, and I-75. Conversely, companies that open

offices in Doral can offer employees who live farther east a less-stressful reverse commute, he added.

"It's not going to be for everybody," Mr. Chassen said. "Certain businesses need to be downtown or in Brickell - law firms, financial institutions - and those guys are not going to change. But for a lot of other folks, if you don't need to be downtown, and your employees live out west and they can be working and living in the same place, it's a no-brainer."

"Running a company in Doral has been traditionally been less expensive, both in terms of operating expenses and rent, than in the central business district or Brickell," said David Martin, president and co-founder of Terra Inc., which has retail and residential projects in the area. "It's cost-effective, there is good employment here and the city is pro-business."

Rates for class A space are about \$35 per square foot gross and around \$28 per square foot for class B, observers say.

Terra's latest project, Doral Commons, a 140,000-square-foot retail center at Northwest 107th Avenue and 74th Street, is 90% leased, with tenants including Publix supermarket, Citibank, GNC, AT&T Wireless, McDonald's and TJ Maxx, the company said in a release.

"We've been in Doral for 10 years," Mr. Martin said. "It's always been a strategic location for office and residential," given its proximity to major roadways and Miami International Airport. "It started out as an industrial area; then office and residential started to grow," he explained. "Now there are homes available to employees of major companies, and that did not exist 20 years ago. It crosses off every check mark in the box, and when employees want to live here, that creates demand for office space."

Masoud Shojae, president and chairman of the board of Shoma Group, has said his company has the only class A building in Doral, referring to One Park Square, part of the 51-acre, mixed-use Park Square complex.

Completed in 2010, the 281,000-square-foot building is 90% leased, with Amadeus North America occupying 100,000 square feet. Blanca Commercial Real Estate Inc. is the leasing agent.

He is eager to firm up plans for a second class A building, which could be delivered within two years, Mr. Shojae said this week. Bernard Zyscovich will be the architect. "It will be something different, something people have not seen before," Mr. Shojae said.

Asked how traffic - challenging enough now during morning, evening, and lunch rush hours - will accommodate all of the new growth, he suggested the city beef up existing trolley program.

"The city should ask the developers to pitch in," Mr. Shojae said. "The developers should assume some of the cost. Leave a legacy, that's our philosophy."