

Rivergate Tower looks likely to win downtown Tampa's next big office deal

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A shrinking availability of office space in downtown Tampa has set the city's most iconic structure up for success.

Rivergate Tower, the cylindrical office tower at the corner of Kennedy Boulevard and Ashley Drive, looks likely to win the next big office deal, if only by default: It is the only downtown office building with more than 100,000 square feet of vacancy.

Nicknamed the "Beer Can" building by locals, almost half of the the tower's vacancy is on three contiguous floors, according to JLL's annual skyline report, which was released this week and takes stock of the core buildings in the city's central business district.

It's also a less expensive option than some other towers, with rents ranging from \$19 to \$23 per square foot. Some floors of SunTrust Financial Centre, 100 North Tampa and Bank of America Plaza are commanding rents of \$30 per square foot.

At \$30 per square foot, Tampa's top-of-market rents are not close to being able to justify new construction. But the data from JLL paints a picture that suggests the market is inching closer and closer to new construction — in a city that hasn't built a multi-tenant office tower in its urban core in more than 20 years.



Rents may not have caught up to demand just yet, but if vacancies continue to dwindle and companies want to be in the urban core, they will have no choice but to build new.

Rivergate Tower's rents will likely rise in the coming months. It's being marketed for sale by CBRE Group Inc., and if a deal comes to fruition, the new owners will likely raise rents to make the returns on which they based their offer.

Bank of America Plaza, the Wells Fargo Center and Tampa City Center do not have even one full floor available each, according to JLL.

The SunTrust tower (which is on the market as part of a mammoth portfolio) has an entire floor available and four more floors that are anticipated future vacancies.

Park Tower, the Tampa Bay Times building and Franklin Exchange have more than one vacant floor available.

http://www.bizjournals.com/tampabay/news/2015/06/05/rivergate-tower-looks-likely-to-win-downtown.html?ana=e_du_pub&s=article_du&ed=2015-06-05&u=txOErqPNTYSV48oEDpCtqT8uEcu&t=1433531863