

Nuveen Closes On Sale Of Brickell Office Tower For \$443M

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Nuveen sold the 685K SF office tower at 701 Brickell Ave. in Miami's financial district for \$443M, more than twice what it paid for the property two decades ago. The deal shows that there is still big investor appetite for prime office buildings in desirable markets.

Boca Raton-based Morning Calm Management and an unnamed partner purchased the 33-story tower in an all-cash deal that is the second-largest office transaction in Florida history, according to JLL, which brokered the deal for the seller.

Bloomberg reported in September that Elliott Management was planning to purchase the property. The rumored purchase price at the time was \$450M.

The buyers paid cash for the office tower, CEO Mukang Cho told Bisnow in an email Tuesday afternoon, emphasizing the building's views, recent renovations and prominent tenants as driving factors in the purchase. BlackRock, Apollo Global Management, Kaseya and Holland & Knight all lease space at the property.

"701 Brickell is a premier office asset that sits on an irreplaceable location in one of the most dynamic office corridors in the country," Cho wrote. "As Miami becomes an established gateway market, we believe the premier office buildings on Brickell will continue to disproportionately benefit vis-a-vis other buildings in the broader market."

Officials with Nuveen, JLL and Elliott didn't immediately respond to a request for comment about the sale. It's not clear if the investment giant is the undisclosed partner in the transaction — Cho didn't respond.

Nuveen, the real estate investment arm of the Teachers Insurance and Annuity Association of America, listed the property for sale in April with a \$500M asking price. TIAA purchased the office tower in 2002 for \$172M.

It recently underwent a \$30M renovation, and the tower was more than 90% leased as of last year. Available office space is listed for \$140 per SF online.

The seller was represented in the deal by a JLL capital markets team based in Miami of Manny de Zarraga, Matt McCormack, Ike Ojala and Hermen Rodriguez. JLL's Mike McDonald provided national support, while Charles Russo, Nuveen's asset management lead for East region workplace, shepherded the deal internally.

The \$443M price tag is the second-biggest in Miami history for an office tower, just behind the \$540M sale of Miami's Southeast Financial Center in 2016, according to JLL, and the deal comes amid a slowdown in office transaction volume for the city.

The deal dwarfs the \$305M in total office sales across all of Miami through the first half of the year, which was down 70% from 2023 levels, according to Avison Young.

Brickell continues to outshine other Miami markets as the city's most expensive neighborhood and the epicenter of corporate leasing. The highly awaited 556K SF 830 Brickell office tower delivered fully leased in the third quarter after years of delays.

Limited Class-A vacancies have helped push those asking rents in the neighborhood to \$109.08 per SF at the end of the third quarter, according to Cushman & Wakefield. It's the only market in Miami with Class-A asking rates that average triple digits. Rents in Brickell are 52% higher than the county average of \$63.39 per SF.

Citadel, the hedge fund that relocated to Miami from Chicago in 2022, is the largest tenant at 830 Brickell but is also planning a 1,032-foot-tall tower that would add 1.3M SF of office space and 212 hotel rooms to the neighborhood.

Other developers are looking to capitalize on the demand for high-quality space in Brickell. Sterling Bay and Key International want to build a 51-story tower at 848 Brickell Ave., and Related Cos. and Swire Properties have plans for a supertall office tower called One Brickell City Centre.

Most recently, Santander Bank began moving employees out of the office it owns at 1401 Brickell Ave. ahead of a planned demolition that will clear the way for a new, 41-story tower with 800K SF of office space, a 1,496-car garage and seven restaurant spaces.

<https://www.bisnow.com/south-florida/news/office/brickell-office-tower-trades-for-443m-doubling-miamis-2024-sales-volume-126214>