

Real Estate

New York buyer pays near-record price for Courvoisier Centre

By Polyana da Costa
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New York-based Tishman Speyer bought the Courvoisier Centre office complex on Miami's Brickell Key for about \$150 million in its first Florida investment, sources said on condition of anonymity.

The 327,000-square-foot complex, which includes a small retail segment, is the only office space on Claughton Island, just east of Brickell Avenue.

At about \$459 per square foot, Tuesday's deal is close to the record for the Miami-Dade County office market. The record was set by the purchase of The Lincoln on Miami Beach, which sold in January for \$30 million, or \$465 per square foot.

"The price is reflective of a long-term buyer that believes in Miami's future and expects significant rent appreciation as we all do," said Charles Foschini, CB Richard Ellis South Florida managing director. He was not involved in the sale.

Florida Office Property bought the office buildings from Swire Properties in 1998. The Hong Kong-based developer built the Courvoisier Centre's two eight- and 12-story buildings in the late 1980s.

Jubeen Vaghefi and Tom Beneville, Jones Lang LaSalle capital market group directors, brokered the Tuesday sale for Florida Office Property, a private real estate investment trust managed by Chicago-based Steelbridge Capital.

The brokers had no comment on the sale price but said the property with 941 parking spaces attracted many bidders, including international investors as well as institutional and private interests. Negotiations with Tishman took more than a month.

Tishman "had been studying the Miami market for some time," Vaghefi said. "They are a very reputable, high-quality institutional buyer that we had a lot of confidence in as a buyer."

Tishman Speyer owns assets in the U.S., Europe, Latin America and Asia. It has acquired, built or developed properties worth more than \$24 billion since 1978. The company owns several New York landmarks including Rockefeller Center and the Metlife building.

Courvoisier Centre I is fully leased, and Courvoisier Centre II has a 14 percent vacancy rate with an asking price of \$43 per square foot, according to CBRE data released last month.



"I'm not sure what the new owners are going to charge, but I'm certain they will continue to raise it. There is office space leasing for \$45 in the area," Vaghefi said.

Tenants include advertising agency Young & Rubicam and Credit Lyonnais but the office buildings generally cater to small firms.

Tishman did not return calls by deadline.

Class A office rents in Miami have been climbing at about five percent to 12 percent annually, said Tom Capocéfalo, managing director of Studley, a commercial real estate adviser that represents some Courvoisier tenants.

"The Courvoisier has historically been on a higher side of that," Capocéfalo said. "It is however that building that's across the bridge, and some people view it as a negative at times. But it will always have an appropriate place in the Brickell corridor," he said.

The Courvoisier sale marks the sale of Florida Office Property's last asset in South Florida.

The REIT sold its 185,000-square-foot Amadeus Centre in Doral to New York-based Delma Associates for \$23.1 million, and Hines Real Estate Investment Trust bought its 45-acre Airport Corporate Center near Miami International Airport for \$157 million last year.

The Florida Office fund was formed in 1995 with a planned 15-year life cycle.

"We've been slowly divesting it," Gavin Campbell, president of the firm, said in an interview with the Daily Business Review when Courvoisier went on the market last October. "But we will continue to invest in the area."

Campbell confirmed the sale Wednesday but declined to comment on the sale price.

He said Florida Office has three remaining properties in the state. The properties worth about \$100 million are in Orlando, he said. Campbell hopes to sell the properties by the end of the year.