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## REAL ESTATE JOURNAL

# SKYSCRAPER CITY

The next wave of development  
poised to change Miami's skyline

**F**lorida has 411 municipalities and hundreds of unincorporated neighborhoods. Yet the city of Miami stands out for being home to the lion's share of the Sunshine State's tallest towers.

It's a response to the scarcity of land available for building residences at a time when more people, including affluent transplants, are flocking to the region. Many of these new arrivals want to live closer to their workplaces. Residences and offices with scenic views also are in high demand.

"Most people come to Miami to have great views, especially of the water," said Edgardo Defortuna, a broker and developer who leads Fortune International Realty. "And when you're not on the water's edge, and waterfront sites are very limited, you need to go up."

Most of Florida's 10 tallest buildings are in Miami's Brickell Financial District and the neighboring downtown area. The most notable exception is Muse Residences in Sunny Isles Beach.

The tallest building in Florida is currently Panorama Tower, which comes in at 868 feet. Completed in 2018 by Miami-based Florida East Coast Realty, it includes 2.6 million square feet of apartments, offices and retail space.

But in less than a decade, Panorama Tower will likely lose its title.

Five projects proposed in Miami will surpass Panorama Tower's height. One of them, Okan Tower, has already broken ground. The other four are slated to rise 1,049 feet, the maximum height the Federal Aviation Administration allows in the Brickell-downtown area.

Brett Atkinson, president of Moss Construction's South Florida business unit, said the proposed skyscrapers – and many other residential and commercial

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projects being built throughout the region – show just how popular southeast Florida is as a place to live and work.

"We are in a beautiful place," he said. "You have more money and more jobs coming to the South Florida region than any other area in the country. And when you bring jobs, you bring in sustainable construction and a sustainable market."

Still, rising interest rates are slowing property sales, including expensive condo units. Plus, building a massive tower is not easy, especially in the current climate.

"The obvious challenges right now are inflation. The cost of construction has gone up dramatically. You've also got a high demand for [new development] with a supply and logistics chain that's very fragile since the pandemic," Atkinson said. "At the end of the day, it takes a lot to be in tune with the market. You got to roll with the punches."

Developers of Miami's next wave of skyscrapers have told the *Business Journal* they're still confident their projects will come to fruition, but likely not for several years.

Here are five upcoming projects:

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Fortune International Realty

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### WALDORF ASTORIA HOTEL & RESIDENCES

Crafted by Miami architecture firm Sieger Suarez and Uruguayan architect Charles Ott, the Waldorf Astoria is on track to break ground at 300 S. Biscayne Blvd. in September, according to a spokeswoman for the developers, New York-based Property Markets Group and Toronto private equity firm Greystar. When it's finished in 2026, the Waldorf Astoria will be "the tallest residential building south of New York."

About 87% of the planned 360 condo residences – priced between \$1 million and \$5 million – have already been sold, the spokeswoman said.

Waldorf Astoria will have 205 Hilton hotel rooms, a 21st-floor pool deck, a 17th-floor ballroom, lounges, a Peacock Alley Lounge, fitness centers, spas, a beach club, a kids' club and a slew of other amenities. Retail and restaurants will occupy the ground floor.

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### ONE BRICKELL CITY CENTRE

Swire Properties and the Related Cos. have teamed to replace a 10-story, 51-year-old office building at 700 Brickell Ave. with an 80-story skyscraper. Designed by Miami-based Arquitectonica, it will house 1.6 million square feet of office space. When finished, it will be the tallest non-mixed-use office building in Florida.

"It is designed with the modern office in mind and is ideal for tenants in Miami's fastest-growing sectors, including financial services and technology," said David Martin, VP of retail at Swire Properties. Features include spacious floor plans, outdoor terraces on every floor, meeting spaces, column-free interiors and "stunning 360-degree views of the ocean, Miami River and downtown Miami," Martin said.

The proposed tower is part of the \$1.05 billion, 4.9-million-square-foot Brickell City Centre project, which includes a 500,000-square-foot shopping center that opened in February 2019.

This month, the Miami City Commission is scheduled to tweak the property's zoning to allow for larger floor plans, Martin said. If all goes smoothly, construction on One Brickell City Centre will start in 2023.

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### OKAN TOWER

In June, Turkish developer Bekin Okan broke ground on Okan Tower at 542 N. Miami Ave. Designed by Coral Gables architecture firm Behar Font & Partners, the 902-foot-tall building will consist of 316 Hilton hotel rooms, 236 short-term rental condo units (also managed by Hilton), 177 residences (including 14 two-story lofts), 64,000 square feet of office space, a wellness spa, a 4,500-square-foot ballroom, conference rooms, fitness centers, a 27th-floor pool for hotel guests and residents, and a residents-only pool on the 70th floor.

Defortuna, whose company is handling sales at Okan Tower, said the property is generating plenty of interest from buyers. The cheapest price for a unit is now \$670,000 "because we've sold some of the lower-end inventory." The most expensive units are \$5 million.

And construction continues unabated.

"They're putting in pilings and the foundation," Defortuna said.

He estimates 3.5 years of construction lie ahead, with its anticipated completion in 2026.



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## 888 BRICKELL

This 90-story tower, slated to be built at 888 Brickell Ave., was originally going to be a joint venture between two New York-based companies: Michael Stern's JDS Development Group and restaurant company Major Food Group.

But in July, Stern and Major Food Group co-founder Jeff Zalaznick decided to part ways. No reason for the professional breakup was given.

Even though the restaurant company – responsible for creating such popular eateries as Carbone, ZZ's Clam Bar and Dirty French – opted out, the project is still on. A spokesman for 888 Brickell said the project "remains on schedule" and will launch condo sales this fall, announce a hotel partner later this year and break ground by the first quarter of 2023. The groundbreaking will include knocking down a 50-year-old, seven-story building on the 22,568-square-foot site, which JDS Development Group had not yet closed on.

Designed by New York architect William Sofield of Studio Sofield, 888 will feature 259 "custom residences with the flexibility and ability to transform into private suites," according to a spokesman for the project. Most of the condo units will be priced between \$1.6 million and \$11 million, although "prices for the penthouses have yet to be announced."

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## ONE BAYFRONT PLAZA

Six years ago, Florida East Coast Realty hadn't finished building Panorama Tower when it proposed two more projects reaching the FAA height limit.

One of those projects, comprising two 80-story condominium towers designed by award-winning architect Norman Foster, is in limbo after an LLC reportedly backed by Chicago billionaire Ken Griffin paid \$363 million for the 2.5-acre site at 1201 Brickell Bay Drive. The parcel will likely serve as the future headquarters of Griffin's two financial firms, Citadel and Citadel Securities. A spokeswoman for Sterling Bay, co-developer of the project, said the headquarters' design is still being crafted.

One Bayfront Plaza, on the other hand, remains on track to be built at 100 S. Biscayne Blvd., according to FECR Executive VP Jerome Hollo.

"We continue to be bullish on the downtown Miami and Brickell submarkets, and see strong demand for Class A mixed-use product for several years to come," he said.

Designed by New York architecture firm Kohn Pedersen Fox Associates, One Bayfront Plaza would be a 3.3 million-square-foot tower with 902 apartments, 200 hotel rooms, 532,000 square feet of offices and 1032,959 square feet of retail.

Hollo said FECR is already working on the first stage of One Bayfront Plaza's development: securing the necessary permits to demolish the 30-story, 59-year-old Bayfront Executive Center currently on the site. Demolition should start in the first quarter of 2023 and take "six months or so" to clear. After that, Hollo said, construction is expected to begin in 2024.

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