



## Map: Here are South Florida's canceled or delayed office projects

Some developers couldn't get enough preleasing, others nixed plans due to tariffs

Swire Properties CEO Tim Blackburn and a rendering of One Brickell City Centre (Swire Properties, Getty)

In recent years, South Florida's office market appeared resilient to financial woes experienced elsewhere in the U.S. Major companies leased across the tri-county region, making brokers giddy. Developers announced plans for new South Florida office projects, offering flashy renderings.

Yet by now, some of these projects are canceled or paused. The progress and success of others remain in doubt due to a lack of preleasing.

The market "was a little bit bullish early on because you saw so many companies coming into town, lots of law firms, lots of financial firms," said Lisa Colon, a real estate development attorney at Saul Ewing. "That has definitely slowed a little bit ... lenders are just requiring more."

Indeed, while companies never preleased office space years in advance in South Florida before, this has changed. Financiers generally want to see 30 percent to 40 percent of space preleased before providing a loan for a large project. Brokers said they are seeing a revival of demand in the past three months, which they attribute to the end of uncertainty after the presidential election. But most tenants are looking for small to medium-sized offices and not big headquarter spaces, meaning the uptick in demand isn't enough to secure the preleasing necessary for major office projects.

“The majority of the demand I am seeing right now is 5,000 square feet to 10,000 square feet or less,” said Cyril Bijaoui of Longstead at Corcoran. “And that’s why it’s more entry level sort of sizes, and to lease-up a mega floor plate [project], especially prelease it, that’s tough.”

*The Real Deal’s* analysis of the status of office projects proposed from 2021 to 2023 shows that the larger towers are either canceled or paused. One developer put an office project on hold to focus on a smaller one.

Skyrocketing insurance and elevated interest rates have also played a role. Although the Federal Reserve lowered the benchmark rate three times last year, after 11 aggressive hikes in 2022 and 2023, hopes for more decreases this year are dwindling. The Secured Overnight Financing Rate remains at over 4 percent, though developers tend to pay more than this to cover lenders’ spread.

Plus, the Trump administration’s tariffs on Canada and Mexico, as well as its deportation policies also are expected to boost construction costs. The U.S. construction industry procures most of its lumber from Canada and aluminum and steel from Canada and Mexico, according to Colon.

Here are the South Florida [office](#) projects that developers are canceling and pausing, as well as those that remain in question.

## [One Brickell City Centre](#)

In 2022, Swire Properties and Related Companies revealed plans for One Brickell City Centre supertall, marking likely the biggest office project ever envisioned for Miami.

The roughly 1,000-foot tall tower would have 1.4 million square feet of offices, with floor plates ranging from 40,000 square feet on upper floors to 60,000 square feet on lower floors. It was slated to rise at Swire’s Brickell City Centre mixed use complex.

But in January, Swire nixed One Brickell City Centre, with President Henry Bott [telling](#) Bloomberg “the pre-leasing for that specific scheme has not materialized in the way that we had hoped.” (Related wasn’t involved in the project by then.)

To meet lenders' pre-leasing requirements, the developer would have had to secure tenants for 420,000 square feet to 560,000 square feet of the space before securing construction financing.

While interest in One Brickell City Centre was strong, demand ultimately didn't meet the needed threshold, according to a source familiar with the project.

The 2.8-acre site at 700 Brickell Avenue and 799 Brickell Plaza is for sale. An asking price hasn't been disclosed.

### [Gateway Group's Mid-Beach offices](#)

Last year, the Giller family jumped on Miami Beach's office trend with plans for a seven-story building near Mount Sinai Medical Center.

The seven-story building at 976 Arthur Godfrey Road and 3915-3925 Alton Road would have had 28,200 square feet of offices on the top three levels. The family's Gateway Group was betting on both new-to-market and longtime South Florida tenants, as well as medical office demand, Ira Giller said last year.

Construction was supposed to start in January. Instead, the Gillers [sold the site](#) last month.

They had budgeted for elevated interest rates and other economic headwinds. But once the Trump administration imposed tariffs and deportation policies, the equation changed, Giller said.

"That would have a direct impact on the cost of construction. We bring in a lot of construction materials from Canada and Mexico [such as] steel and aluminum," he said. "My assessment of my cost to build didn't take into account the implementation of those elements. With 20 [percent] to 30 percent of tariffs and [deporting] 10 million people in labor, I felt like costs were going to go up significantly."

### [One Thousand Group's office-to-condos switcheroo](#)

One Thousand Group -- led by Louis Birdman, Kevin Venger and Michael Konig -- proposed a 47-story tower with 312,000 square feet of offices in Miami's Edgewater in 2023.

In December, One Thousand Group paid [\\$53 million](#) for the 1.6-acre development site at 3601 Biscayne Boulevard and 345 and 409 Northeast 36th Street.

Yet, this time its plans are for a mixed-use branded condo tower with a helipad.

The move is in line with South Florida market trends. Last year, offices already experienced less interest from out-of-state firms, more [sublease availability](#) and higher interest rates, prompting some tenants to pause leasing plans. The condo market remains more resilient, with demand from out-of-state buyers continuing.

In a statement, Venger said One Thousand Group didn't switch to condos due to any issues with Miami's office market, arguing the asset class "remains strong."

The development firm "still considers office use within its commercial programming [at the tower], but with tenants re-leasing close to lease end, preleasing is limited," Venger said.

One Thousand Group is best known for completing the Zaha Hadid-designed [One Thousand Museum](#) condo tower at 1000 Biscayne Boulevard in downtown Miami.

### [Abbhi Capital hits brakes on Miami Worldcenter offices](#)

In 2023, Abbhi Capital wanted to bring offices to the massive Miami Worldcenter mixed-use complex, mostly home to condos, apartments and retail.

The Coral Gables-based firm proposed a 33-story tower with nearly 370,000 square feet of offices, as part of a larger project that included a 59-story, 558-unit residential building.

Plans are currently on hold, according to a source familiar with the project, declining to elaborate on the reason.

### [Goldman's Core Wynwood](#)

Goldman Properties' Core was supposed to be an eight-story building with 99,400 square feet of offices in Miami's Wynwood.

In 2022, Goldman -- founded by the late Tony Goldman, a pioneer developer in the neighborhood -- scored approval for Core on the 0.6-acre site at 373-391 Northwest 24th Street and 376 and 390 Northwest 25th Street.

But construction never started.

“We are putting it on hold because of rising construction costs and interest rates,” Goldman CEO Scott Srebnick said, adding that Core is paused for about three to five years.

Yet, the firm is still betting on Wynwood’s office market. This year, the city approved Goldman’s five-story 2400 building with 10,000 square feet of retail and 38,000 square feet of offices. It is planned for 2400-2500 Northwest Second Avenue.

So how is the 2400 building a better investment now than Core? It will offer smaller suites, ranging from 1,600 square feet to 2,000 square feet, which are in high demand in Wynwood, Srebnick said.

“Wynwood in particular attracts the entrepreneur, the creative user, the startup. They typically require a smaller office plate,” Srebnick said. It “is very much an entrepreneurial culture with small VCs, small companies, architecture firms, designers.”

Construction is expected to start in July, he said.

## [Bancroft Hotel](#)

A hotel-to-office conversion on South Beach was first announced in 2021.

At the time, Boca Raton-based Pebb Capital, Coconut Grove-based Maxwelle Real Estate Group and Russell Galbut bought the shuttered five-story hotel at 1501 Collins Avenue and a building next door for \$47 million from a Galbut affiliate. They announced plans to convert about half the 100,000-square-foot hotel into offices.

The project is paused, with other development options under review, Pebb said in a statement.

## [Key International’s 848 Brickell](#)

The [Ardid family’s](#) Key International seized on Brickell’s office boom in 2023 with a proposal for a 51-story, 750,000-square-foot office tower.

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The project, called 848 Brickell, would replace Key International's existing 13-story office building on the site at 848 Brickell Avenue in Miami. The firm has its headquarters there.

Key International, founded by patriarch Jose Ardid and led by his sons, Inigo and Diego Ardid, didn't immediately return a request for comment. The firm hasn't formally canceled or announced delays of the project.

The Ardids aim to prelease 40 percent to 50 percent of space before pursuing construction financing, Inigo and Diego Ardid told *TRD* last year.

The plans also come as Santander Bank and billionaire Ken Griffin pursue their own office towers in Brickell. While most of the space in each will be owner occupied, they also may offer space for lease, posing competition for 848 Brickell, amid less activity from out-of-state firms.

Santander plans to convert its 14-story building at 1401 Brickell Avenue into a [41-story tower](#) with about 800,000 square feet of offices. The Spanish bank has its offices at the existing building and will occupy part of the space in the new building.

Griffin [filed plans](#) last summer for a supertall that will serve as headquarters for his Citadel and Citadel Securities. The tower at 1201 Brickell Bay Drive, 1221 Brickell Avenue and 1250-1260 Brickell Bay Drive also will have a luxury hotel, retail and restaurants.