

Brickell rent, up 32% in five years, called nowhere near peak

BY SUSAN DANSEYAR

Miami is a hot market for condo dwellers now that there's more employment and new office spaces are bringing people with better jobs to the city, industry experts agree.

The Brickell/downtown area is nowhere near the peak of rental demand, said Gerard Yetming, senior vice president at CBRE.

"The demand will continue to be driven by population growth," he said. "A lot of people have a preference for an urban area where they can work, live and play."

Mr. Yetming said CBRE uses MLS and the Miami Downtown Development Authority as sources for condo rental data. They report rents in 2013 increased 7% from 2012.

"If you go back a little further, rents are up 32% over 2009, which is a huge increase," he said.

It's an owner's market, Mr. Yetming said.

"We're seeing asking rents are 5% higher than the actual, with condos averaging over the last six months at \$2.35 per square foot."

Prices were rising rapidly from 2010-2013 but have now leveled off, said Denise Sicuso, vice president of EWM Realty International and managing broker of the Brickell office.

In fact, Ms. Sicuso said the change in rental rates for con-

dos was a half percent increase from the first quarter of 2013 to the first quarter of 2014.

"We're now in the process of getting the first wave of the new construction delivered. It's quite possible that, going forward, we will see the Brickell/downtown rental market soften when the construction is completed around 2015-2016," she said.

Using EWM's TrendGraphics/Facts and Trends, Ms. Sicuso conducted in-depth studies – including Central Brickell, Brickell Key, Old Brickell (south of 15th Street) and downtown – to determine average condo rents and said the average monthly rent is \$2 to \$3 per square foot.

Rents per square foot vary according to the buildings and units themselves depending on location and building amenities, Ms. Sicuso said.

Generally speaking, Brickell condo rents are a bit higher than across the river in downtown with the exception of some higher-end downtown buildings such as Marquis Residences, Ten Museum Park and 900 Biscayne, said Diego Ojeda, vice president of the Rilea Group.

At Rilea's One Broadway in Brickell, he said, studios are renting for about \$2,000 monthly; one-bedrooms \$2,200-\$2,500; two bedrooms \$2,800-\$3,200; and three bedrooms for \$4,000.

"Brickell has many more restaurants and amenities with City

Centre bringing new retail," Mr. Ojeda said. "There's more employment with new office buildings bringing people with higher-paying jobs and others in the suburbs who don't want to commute an hour to get to work."

Thus, he said, prices are definitely up about 20 cents per square foot per month from last year.

Using data compiled by the Miami Downtown Development Authority, Mr. Ojeda said prices per square foot were \$1.80 per month in 2008; \$1.60 in 2009; \$1.58 in 2010; \$1.57 in 2011; \$1.80 in 2012; \$2.05 in 2013; and \$2.25 for the beginning of 2014.

At the end of the day, one needs to look at more than just what a square foot of condo space costs, said Alan Ojeda, president and CEO of the Rilea Group.

Prices for condo rentals in Brickell and downtown are essentially quite similar, but it's the level of service one receives that can be different, Alan Ojeda said.

"If you're renting from an absentee landlord (possibly one who lives in another country), you're on your own, whereas in a building with a maintenance staff, you have amenities."