

## **This South Florida city has one of nation's best suburban office markets, study says**

Feb 3, 2016 Brian Bandell Senior Reporter

A study of operating costs in suburban office markets across the country found that Miramar was among the most desirable locations.



John Boyd, Principal, The Boyd Co.

Princeton, New Jersey-based corporate relocation firm Boyd Co. ran a study of 50 relatively low-cost suburban markets to see which had the lowest operating costs for a significant operation: 125,000 square feet with 500 administrative employees. Those are the type of projects that Florida is competing hard for.

The Miramar area had the eighth lowest annual operating cost at \$34.6 million. The highest costs were in Redwood City, California (outside Santa Clara) at \$44.8 million and the lowest were in Estero (outside Fort Myers) at \$33.5 million.

The trend of companies moving into downtown markets across the country is overstated, said Boyd Principal John Boyd. While

downtown office markets can help companies draw young workers and be near public transportation, he said many large companies still prefer suburban office environments for administrative operations because they're desirable places to live - and less expensive.

"Developers are realizing this trend and bringing urban environments to the suburbs and that is what happened with Miramar Town Center," Boyd said. "They can live and work and have cultural amenities without negatives like crime, traffic, parking and inflated cost structures."

Boyd noted that major companies such as Carnival Cruise Lines, Quest Diagnostics, Royal Caribbean Cruises, Elizabeth Arden, Spirit Airlines, and CVS Caremark all have corporate offices in Miramar. United Data Technologies recently received city approval to build a headquarters building in Miramar.

Boyd said Miramar has relatively low labor costs because South Florida's rapidly growing population makes the supply of clerical workers plentiful and the cultural diversity and foreign language skills of the workforce help companies reach Latin America. Its real estate occupancy and utility costs are also relatively low. A confidential company (most likely Ecolab) recently applied for job growth incentives to open a Latin American headquarters in Miramar.

"We identify Miramar as a premium submarket for office investment," Boyd said. "Companies very much want to associate themselves with pro-business states like Florida."

Boyd said that Gov. Rick Scott's aggressive recruitment and incentive deals for companies has caught the attention of companies looking to relocate, and Broward County is well known as an area that's friendly for job growth incentives.

Of course, there's always competition. In addition to Estero, the suburban markets that were less expensive for companies than Miramar were Canonsburg, Pennsylvania (outside Pittsburgh), Orchard Park, New York (outside Buffalo), South Park, North Carolina (outside Charlotte), Blue Ash, Ohio (outside Cincinnati), Minden, Nevada (outside Reno), and Carmel, Indiana (outside Indianapolis).

The suburban markets that were only slightly more expensive for offices than Miramar were Round Rock, Texas (outside Austin), Chesterfield, Missouri (outside St. Louis), Westerville, Ohio (outside Columbus), Briargate, Colorado (outside Colorado Springs), Brighton, New York (outside Rochester), and Alpharetta, Georgia (outside Atlanta).

Only a handful of those cities offer the same foreign language proficiency, international airport access, and warm climate that Miramar has. The Austin, Charlotte and Atlanta areas are certainly big competitors.

What could give South Florida the edge over those cities? Boyd said that reducing the sales tax on commercial leases - a priority of Governor Scott - would bring operating costs down further.