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## Northbridge Centre trades hands for \$98 million

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The Northbridge Centre office tower last week traded hands for \$98 million, as investors continue to pour money into West Palm Beach property.

The 21-story office tower at 515 N. Flagler Drive sold to 515 N. Flagler Drive Owner LLC, a partnership of C-III Capital Partners and Vanderbilt Office Properties, according to sources. A C-III spokesman said the company would not comment.

The tower's prior sale was in 2016, when it sold for \$68 million.

Vanderbilt, based in Chicago, just paid \$40 million for Emerald View at Vista Center, a two-building, Class A property that was built as a hurricane resistant project at the Vista Center Business Park, at the northwest corner of Okeechobee Boulevard and Florida's Turnpike, west of downtown.

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The Northbridge sale took place after its recent owners, Connecticut-based Greenfield Partners and Crocker Partners of Boca Raton, spent three years and an estimated \$15 million upgrading the office complex.

The black-glass office tower, nicknamed the Darth Vader building, underwent a renovation that included upgrades to its lobby and common areas and the construction of a conference facility. Some space was built out for prospective tenants, too.

The 294,000-square-foot Northbridge leased up with law firms and hedge funds but reportedly lost out on a big tenant, WeWork, the trendy co-working space. Word is WeWork took a hard look at Northbridge but decided not to lease space

in West Palm Beach. Instead, the co-working space leased four floors in a new office tower in Miami.

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As it stands, Northbridge still has plenty of vacant space, at a time when two new office complexes, Rosemary 360 and One West Palm, are being built.

Peter Reed, managing partner of Commercial Florida Realty Services, which handled Northbridge's leasing, said new tenants such as Evercore Wealth Management and Atlantic Street Capital bolstered the county's efforts to brand downtown West Palm Beach the "Flagler Financial District."

Law firms such as Fisher Potter Hodas also took space in the tower, which Reed, a golf aficionado, said was a "chip shot" away from the courthouse.

Nevertheless, Neil Merin, chairman of NAI/Merin Hunter Codman in West Palm Beach, said the office tower still has about 54,000 square feet of vacant space.

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Merin said two full floors remain vacant, meaning that tenants wanting to be on the water still have good choices for space.

Constructed in 1985, Northbridge is an older tower featuring low ceilings. In addition, the windows also are not hurricane resistant, unlike the Vista Center buildings that Vanderbilt bought in May.

It's unclear whether Vanderbilt plans to further upgrade Northbridge or make other changes. Officials with Vanderbilt and C-III could not be reached for comment.

It's also unclear why the Northbridge sale took place now.

Real estate experts said the former owners might have wanted to sell before the West Palm Beach market becomes saturated with large blocks of space, thanks to the construction of Rosemary 360 by the Related Cos. of New York and One

West Palm, by Palm Beach billionaire Jeff Greene.

Brokers say there's already plenty of office space available in downtown West Palm Beach right now. In fact, Merin recently made a presentation before an Urban Land Institute conference in West Palm Beach on the topic. In his speech, he noted downtown's 17 percent vacancy rate, featuring about 285,000 square feet of available space.

There also is space available to sublease. For example, at the Class A Phillips Point office complex, AMG is seeking to sublease space on two of three floors, sources said.

In addition, prime space is available for rent on the two top floors of CityPlace Tower, thanks to a decision by Intech to move to One Clearlake Center on Australian Avenue.

More space in the Class A, CityPlace Tower is opening, too: Comvest Partners recently announced it will move to 360 Rosemary when the 297,000-square-foot office is completed.

Reed and other brokers characterized the West Palm Beach office market as a "move around market," with new office buildings usually poaching tenants from existing buildings. Few large new office users come to the market. The Comvest deal is a perfect example of this trend, they said.

This fact contradicts statements by developers, business and government leaders who maintain there is an immediate and desperate need for more Class A space downtown.

Merin said in the short term, the supply of office space might swell to more than 786,000 square feet with the addition of two more office complexes, keeping office rents in check.

In the long run, however, Merin expects downtown West Palm Beach's office space will fill up as more financial and business firms move to Florida from high-tax states in the Northeast.

Angelo Bianco, managing partner of Crocker Partners, confirmed the Northbridge sale but declined to comment on reasons for the sale.

A Greenfield official couldn't be reached for comment.

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