

[HOMEPAGE](#)

## Wall Street South? Downtown Miami finance firms now manage more than \$150 billion

It's a claim the city has long made — but now there's proof. New data show Miami is cementing its status as the country's next major finance capital.

According to a study by analytics firm Convergence and commissioned by the Miami Downtown Development Authority, the number of registered investment advisers located in the city's urban core climbed from 82 to 111 between 2018 and 2020, bringing total assets under management in the district from \$75 billion to \$152.4 billion.

On balance, the central business district added 40 new firms during the period, while 11 closed or moved.

George Evans, Convergence co-president, said no other American city comes close to the activity Miami is seeing with respect to attracting new finance tenants. While Palm Beach County also continues to land big money firms, they are now significantly outnumbered by ones in Miami-Dade, with 172 in Dade compared with 112 in Palm Beach.

"A lot of [clients] have made life-changing decisions to move out of [the New York area] and move South or Southeast," Evans said, "and these firms have to follow what's happening with where people are going."

And while many heads of these firms are making their homes in Miami Beach, they have chosen to locate their offices downtown. Evans said that is no accident: In efforts led by Miami Worldcenter Associates managing principal and DDA board member Nitin Motwani, the DDA has made attracting finance its explicit goal.

"They have very well-defined mission around this," Evans said.

While economic development agencies in other cities may take a more scattershot approach, the DDA has been "laser-like" in targeting finance — an industry whose growth is outpacing many others' thanks to rising asset prices.

"People are making more money in that industry than many others," Evans said. "And Nitin knew he was sitting on a great asset he could lever there."

## Credible sale

The DDA's efforts to bring in finance firms pre-date the pandemic. Motwani said the DDA began targeting the industry in 2013, with the goal of using a then-limited budget to capitalize on the recent arrival of a J.P. Morgan outpost to the Miami area. Today the agency's enterprise and business development team enjoys a budget of nearly \$1.4 million.

"It's easy to say, 'It's Miami; of course they're going to come.' That is factually false," Motwani said. "We've always had low taxes and the quality of life, but it's been a proactive effort, working diligently to set the stage and establishing our credibility."

The DDA built up a string of relocation victories in the ensuing years but found its true footing amid the repeal of the state and local tax deduction, which took effect in 2018. At that point, the DDA doubled down on its recruitment efforts — including enlisting the very arrivals it had already convinced.

For instance, leadership at I Squared Capital Advisors, a global infrastructure investment manager with \$46 billion in assets under management, is frequently tapped to help make the downtown sales pitch. I Squared, downtown's largest asset manager, began its move from New York to Miami in 2018; in fall of 2019, co-founder Sadek Wahba published an editorial in the Miami Herald [calling for increased infrastructure spending](#).

A representative for I Squared said the company had no comment.

"Now people are discovering that what we have created is credible," Motwani said. "I can reach out to I Squared and say, 'Will you speak to this firm, about how you were able to grow and build a team here...The story of Miami is now far beyond fun and sun — it's a diverse, dynamic environment where you can attract and retain top talent and enjoy life doing it.'"

## 'Gold rush'

The DDA's efforts reached a crescendo last year [with the arrival of Blackstone](#), when the global investment giant announced its Miami location would be a home for developing the company's internal software functions. As part of its arrival, Blackstone received a job-creation package that included \$150,000 from what is now the DDA's formal recruitment effort, known as "Follow The Sun."

The next largest recent downtown arrival is SoftBank's Latin America fund, announced at \$5 billion. [In a recent interview with the Miami Herald, SoftBank Group International CEO Marcelo Claude said](#) LatAm fund personnel would soon be joined by management of SoftBank's \$100 million opportunity fund at a soon-to-be-announced new SoftBank Miami office.

"You haven't seen anything else like this in the world; it's like a gold rush," Claude said of the movement into Miami. "This is now where everyone wants to come. We want to make sure we're creating and providing the capital, talent and resources these companies need to keep going and be successful."

The largest registered investment adviser in Miami-Dade, Starwood Capital Group Management in Miami Beach, moved from Connecticut in 2018. Its 144,430-square-foot headquarters at 2340 Collins Ave. topped off in December and is expected to open later this year. A representative for Starwood did not respond to a request for comment. Starwood founder Barry Sternlicht — also creator of W Hotels — began building his [designer residence from scratch on North Bay Road in Miami Beach in 2015](#).

## Plugging vacancies

The new firms are coming in the nick of time — helping stem what would otherwise be a pandemic-fueled surge out of the city's central business district. According to data from commercial real estate firm CBRE, the downtown and Brickell sub-markets saw 90,000 square feet of space become available in the first quarter of 2021.

Yet that trend is likely to soon reverse.

"Interest in the [central business district] has far exceeded available inventory with multiple new-to-market tenants touring premium spaces simultaneously," CBRE analysts led by managing director Josh Bank wrote in its most recent report. "Top floors with water views in trophy buildings were in high demand with fewer options available."

Tere Blanca, founder, chairman and CEO of Blanca Commercial Real Estate, Inc., agreed that downtown's newcomers will offset pandemic vacancies.

"These companies that are announcing new offices or relocating here are announcing bigger footprints than we've ever seen," Blanca said, with demand for as much as 1 million in new commercial square footage.

"The office is not going away," she continued. "You still need that social interaction, and for that you need to have an open office."

Commercial office firm Jones Lang LaSalle agrees, saying [in its latest Miami report](#) that recent leasing activity suggests occupancy gains will resume before the close of the year — and that newer inventory is most in demand.

[830 Brickell](#), the area's first Class A+ office space to be built in more than a decade, has already signed WeWork as a tenant and is in active talks with firms accounting for approximately 400,000 square feet of space, according to the property's leasing team.

"Corporate and capital in-migration remain central themes in the Miami office market as firms and executives alike consider tax advantages, labor costs and a truly unique quality of life," wrote JLL Research Analyst Benjamin Landes. He added: "Rising vacancy may start to contain rent growth as new product comes online throughout the year. However, demand remains concentrated in modern, quality assets and vacancy tends to come from older buildings."