

LAND LETTER

CENTRAL FLORIDA LAND NEWS AND VIEWS

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Fall 2010

WHAT'S SELLING

More land sales to report! While summer / early fall 2010 land sales of over \$1 million are still dominated by single family residential and small retail sites, there were more of them as we passed the halfway mark for the year, and some at strong prices.

Restaurant sites

On **International Drive**: Tavistock sold the former Race Rock restaurant to CNL, which will raze the building to create a new Dave & Busters. The sale price for this highly visible location was an eye-popping **\$2,403,501 per acre** for 3.37 acres. *June 2010*

Darden plans a **new Longhorn** at 8398 Vineland Ave near Little Lake Bryan Parkway and paid **\$1,076,224 per acre** for the 2.53 acre site. *September 2010*

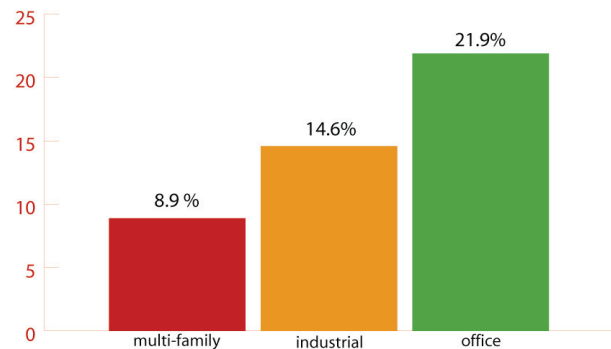
A **new Applebees** is coming to the entrance to Orange Lake Country Club off US 192 in Kissimmee. The site sold for **\$860,000 per acre** for 1.24 acres. *August 2010*

Retail

Boyd Development purchased 22.86 acres in Windermere at 7798 Winter Garden Vineland Road for **\$255,474 per acre** for retail and office use. *September 2010*

Orlando vacancy rates

source: Cushman & Wakefield Research



Residential

Nearby, Avatar Holdings bought **445 acres on Reams Road** which included 839 partially developed lots, a multifamily site, and a commercial outparcel. Avatar is known for its active adult communities, locally including Poinciana in Kissimmee. *October 2010*

Taylor Morrison displayed continuing confidence in Lake County with its purchase of **72 acres in Clermont** on Hammock Ridge Road for \$4,800,000. *October 2010*

Meritage Homes picked up **27 acres** at 7913 **Chase Road** in Windermere for \$2,444,200 or \$91,853 per acre. *July 2010*

Toll Brothers sold 48 finished town home sites in Woodland Terrace at Timbers Springs to Equity Woodland of Boca Raton for **\$22,200 per unit**. *August 2010*

C&W handled the REO sale of 750 paper lots in Pasco County at SR 41 and SR 52. The lots were permitted, but undeveloped and sold for **\$3,000 per lot**. *November 2010*

Commercial

The **26 acre former Delta Court of Flags site**, renamed "City Mark," on Major Blvd. and facing both I-4 and the Turnpike has sold for **\$10 million**. An auto dealership is planned for the site. *November 2010*

On the NEC of International Drive and Grand National, a 35860 sq ft parcel sold for **\$23.70 per sq ft**, the equivalent of \$1,032, 510 per acre. *August 2010*

OTHER

While 2009's SB 360 passed by the Florida legislature was declared unconstitutional, don't forget that 2010's **SB 1752** re-authorized the two year **permit extensions** and allows for a two year additional extension. Extensions also apply to DRI build-out dates---*again, the permitting agency must be notified by the end of the year.*

DEMOGRAPHICS

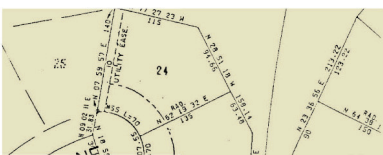
At the ULI Fall Meeting, speakers from the **Brookings Institute** noted that **migration** is historically low in the US due to the economy, but is anticipated to rebound with the economy, especially among the young.

Expect to continue to hear about the **Baby Boomers** as they move into retirement. They are expected to continue to work past age 65 and even **past age 75**, some because they enjoy the stimulation of work, others because they must financially.

Smart growth continues to bump up against what the population wants: while urban planners seek to diminish the use of the automobile, the US populace still relishes the use of their cars.

FINANCE

The delinquency rate for **CMBS** loans fell in October to 8.58%, but rebounded in November to 8.93% or \$60.3 billion. Curiously, the multifamily sector, which is seeing cap rate compression again for Class A properties and is seeing better occupancy rates in most of the country, also had the highest delinquency rate of any property type, overtaking hotels with a rate of 15.8% in November. CMBS delinquencies were 14.56% for hotels, 7.59% for retail, 6.95% for office, and 6.64% for industrial properties.



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