

# LAND LETTER

CENTRAL FLORIDA LAND NEWS AND VIEWS

WRITTEN BY: **Margery Johnson**, CCIM, CIPS Senior Director, Land Brokerage, Cushman & Wakefield



## WINTER 2014

### Residential: Tourist area land sales rise

While frenzied single family and multifamily land sales have calmed into relative tranquility (due primarily to last summer's rise in interest rates and the subsequent decline in buyer traffic), development of land for short term tourist rentals has continued apace, led in part by Lennar's 900+ unit commitment to the product at ChampionsGate. An estimated 8000 lots are reported in the pipeline in Osceola and Polk Counties for short term rentals.

Encore Housing Opportunity Fund, which earlier announced 850 short term units at Reunion West, has taken over the 315 remaining acres at Rolling Oaks (the former Splendid China theme park and associated land once owned by the Chinese government) and will develop 1200 units there, with a combination of multifamily, short-term rental, and timeshare. Encore Housing limited partners include institutional investors, insurance companies, family offices and high-net-worth individuals in the US, Europe, Middle East and Latin America.

Other recently announced short term rental/resort residential include 181 lots being permitted for Cassidy Highland and Condev on Dunson Road, off US 27 just north of I-4. Nearby, Avalon Park Group will develop 126 lots at West Haven.

At Osceola's Westside, Golden Cay purchased 16.62 acres fronting Westside Boulevard across from the high school for \$2.5 million (\$150,420/acre) in October 2013.

Other active players in the short term rental market include Park Square Homes, which purchased 26.86 acres off US 27 on the south side of Sand Mine Rd for \$2 million (\$74,000/acre) in October 2013. Another strong area has been south of Ronald Reagan Parkway east of I-4 with players such as Kolter and Beazer among others active there with purchases in the past 6 months.

Garrett Kenny, a leader in short term resort rentals up until just before the financial crisis of 2007, purchased about 11 acres net at ChampionsGate

north of the I-4 /CR 532 interchange for \$2.2 million in November 2013.

Interest in creation of new master planned communities remains high, however, with such developers actively looking for land. Narcoossee Land Venture LLC paid \$11 million for a 229 acre parcel on Hickory Tree Road at New Nolte Road in Saint Cloud. Emerson International is a partner in this residential development.

### Timeshare Osceola County

Timeshare continues to show strength at the major area projects, Both Silver Lake and WestGate off West US 192 are expanding facilities. East of I-4 next to Old Town, Regal Resorts is reviving a project abandoned years ago when Engle Homes ran into difficulties.

### Luxury Tourist Residential

Development has been steady at Disney's Golden Oak Resort, where single family homes start \$1.2 million and The Four Seasons 444 room hotel is under construction. A home site sold there for \$793,571 in September 2013, another for \$716,000 and others in the \$523,000+ range. A sign of overseas interest: the Golden Oak website may be viewed in Portuguese as well as English. Many buyers of resort residential properties in all price ranges are from Brazil.

### Industrial Land Selling Again

With leasing results improving for industrial buildings (C&W reports an overall vacancy rate of 9.4% in the metro Orlando market), the logical next step is broader preparation for new development. A parcel sold at 550 Gills Drive (Crossroads) in December 2013: 9.83 acres for \$1,060,000 (\$2.48/sq ft), zoned IND 2 & 3, bought by Hill Capital out of Oklahoma City.

At the Winter Garden Commerce Center, 17 lots, mostly 1 – 1.5 acres with a frontage lot of 4.8 acres on East Story Road. The buyer, TAM Industrial Park, paid \$2.3 million for this REO sale in September 2013.



## Industrial cont.

At South Park Circle off John Young Parkway, C&W (Andy and Margery) represented the Seller in the sale of 1.98 acres at \$4.52/ sq ft, for probable flex space development. The buyer was a Brazilian group, closing in December 2013.

## Commercial Land

Strip retail shows signs of coming back, as existing bays fill up. In a project shelved since 2009, Reich Properties will develop 11,000 sq ft on Narcoossee Rd just south of Moss Park Rd, with a second 11,000 sq ft planned for future development. Nearby, Equinox is planning the next phase of Nona Park at Narcoossee Rd and Innovation Way.

Tupperware's Deerfield Land Corp plans a TOD (Transit-Oriented Development)—The Crossroads—at their Osceola Corporate Center. The mixed use project would be on 100 acres at US 441 and Osceola Parkway and would include retail and residential uses and possibly a hotel.

Nonetheless, free-standing “necessity retail” in the form of grocery, gas, restaurants, and dollar stores continues. In Osceola County, Hutton & Co, paid \$495,000 for 1.4 vacant acres on Cypress Parkway in Poinciana for another Family Dollar Store. (Could all these dollar stores be a cause of lower profits at Walmart?)

Will another long-delayed project, Flamingo Crossing, Disney's western gateway, be finally underway with a reported sale to Hess of a site for \$2 million?

A 6 acre net site zoned C-2 at the southwest corner of the interchange of SR 436 and Colonial Drive, with frontage on 436, sold for \$1.225 million in September 2013. It had sold for \$1.7 million and was foreclosed by Fidelity Bank. September 2013.

## Other Residential – Orange County

For the long-planned Jubilee Park multifamily community, LeCesse has joint venture with Famlee on 24.658 acres for its first phase of 330 units, with almost 1000 units ultimately planned at this location in Lee Vista.

Kyngs Heath VII sold about 9 net acres at 545 S Keller Rd, southwest of Maitland Center in November 2013 for \$3.95 million. The site has frontage on Lake Shadow and PD zoning.

The long-proposed UCF retirement community closed in January 2014 on 59 gross acres about a mile from the UCF campus. The project will serve about 500 residents in facilities ranging from

independent living (ILF) to assisted living (ALF) to memory care. The price was \$6 million.

## Polk County Notes

With all of the short term rental activity in northeastern Polk, there was also a sale of 9.75 acres for \$1.3 million for a new medical office building. The site is on US 27 about half way between I-4 and Haines City, near the hospital.

## Lake County Notes

Aside from Clermont, which has been coming back as a bedroom community for Orlando, Lake County has been waiting for the return of retirees, 55+ having been a strong suit for Lake prior to the financial crisis. C&W (Margery and Andy) has now sold two tracts in Leesburg to the same Georgia investor: 19 net acres fronting Lake Harris for future multifamily development (\$975,000) and 54 acres on Dixie Avenue for mixed use, including an ALF, mixed residential, and commercial at the frontage for \$2.454 million..

## Brevard County Notes

The re-development of Titusville's Miracle City Mall, which never recovered after damage to the roof in the 2004-2005 hurricanes and the shutdown of the space shuttle program, may become a reality. The shuttered mall has been sold to A G Development of Tampa, which plans a mixed use development on the 31.4 acres across from the Indian River. The reported price was over \$6 million.

## HOSPITALITY CORNER

Downtown Disney's transformation to the twice-as-big Disney Springs is under way with the construction of a parking garage (6000 parks) and Pleasure Island giving way to “the Landing” for waterfront dining.

Legoland is planning a 152 room Lego-themed hotel near the main entrance to their park in Winter Haven.

### C&W LAND BROKERAGE TEAM for East Central

#### Florida: JOHNSON & SLOWIK

**Margery Johnson, CCIM, CIPS** (Certified Commercial Investment Member and Certified International Property Specialist) has been representing sellers and providing brokerage services in the Orlando area for over 25 years. She is joined by **Andy Slowik**, a UCF Real Estate and Finance graduate who has been at C&W since May 2011. Together they assist owners in the valuation, positioning and disposition of properties, and buyers and tenants in identifying the right land purchase. Note: Land Letter often relies on public information that has not been otherwise researched.