

# LAND LETTER

CENTRAL FLORIDA LAND NEWS AND VIEWS

COMPILED BY: **Margery Johnson**, Senior Director, Land Brokerage, Cushman & Wakefield

First Quarter 2010



*Finding land sales of about \$1 million and up remains a challenge. Unless they involve failed banks and companies... For example:*

Home builder Lennar announced in February it was paying the FDIC \$243 million for a 40% stake in two loan portfolios. The portfolios contain 5,500 loans on commercial and residential properties with a combined \$3.05 billion unpaid balance from 22 failed banks. The FDIC provided \$627 million of non-recourse financing at 0% interest for 7 years.

In another large deal in February, Lennar acquired or optioned 2,700 home sites throughout Florida that were formerly held by TOUSA and had been purchased by Starwood Land Ventures (SLV) in January. A number of these communities are in the Orlando Market.

## WHAT'S SELLING

**RCB Bank** sold 23.6 acres of entitled land on Palm Parkway to **Daryl Carter, Tr.** for \$7,325,000 or \$310,250 per acre in January 2010.

Also in January 2010, **Pulte Homes** sold 24.62 acres of developed condo lots on Destination Parkway and Shingle Creek Golf Course to **Harris Rosen** for \$3 million or \$121,852 per acre in a short sale. In July 2004, this parcel sold for \$16,884,500.

**Ritchie Bros.**, whose heavy machinery auction site on US 27 can be seen from I-4, added 26.47 acres on US 27 and Dunson Road, adjacent to their current site, for \$5,700,000 in December 2009. The seller was First Carolina Bank, Mercantile Bank's parent, which had financed Shoppes of 4 Corners, which paid \$7,000,000

for the site in May 2006.

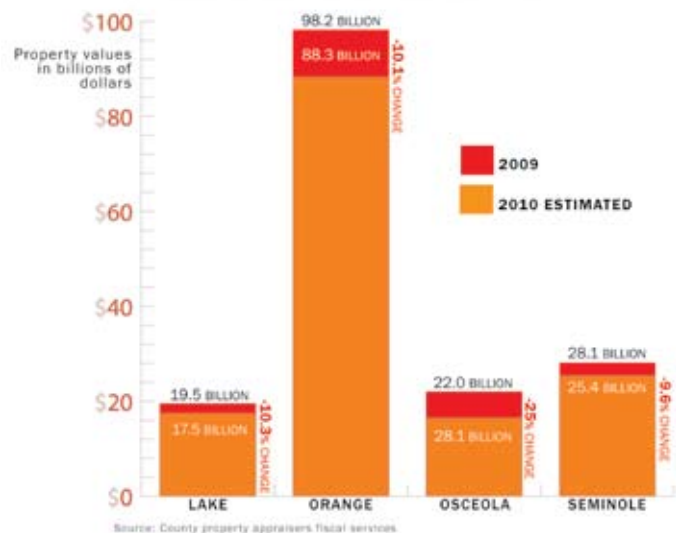
**Racetrac still active:** The petroleum company purchased 1.6 acres in Eustis on SR 19 just north of the US 441 off-ramp for \$900,000 on February 10, 2010. Racetrac also purchased a 1.72 acre site at 8890 W. Irlo Bronson Memorial Highway in Kissimmee (Westside) from K&B investors in January. The price was \$1,000,000.

**SkyVenture**, the vertical wind tunnel on just over an acre on Visitors Circle off International, was sold to IFly on February 26, 2010 for \$1,000,000.

**World Gateway**, the large DRI in southwest Orlando, sold 10.27 acres to **Florida Power Corp.** in September 2009 for \$4,500,000 or \$438,169 per acre. The site is well off I-Drive, and abuts but has no access to SR 417.

**Aldi** is still buying sites for its limited service grocery stores, the latest being 2.42 acres at Clermont Crossings

CUTS IN ASSESSED REAL ESTATE VALUES 2009-2010



Source: County property appraisers fiscal services



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at Lost Lakes on US 27 south of SR 50. The price was \$1,600,000 in March 2010.

## NEWS OF NOTE

While land sales remain scarce, the county property appraisers nonetheless have adjusted their valuations, though not always as low as owners might. Overall, falling property values have created an enormous hit for local governments.

2010 is on course to be another record year for personal and business **bankruptcies**. Recent filings include Hudson Furniture, Celebrity Resort Timeshare, and Downtown Maitland Property Developer, LLC, which was to develop the new pedestrian friendly downtown area for Maitland.

In March, the Orange County Commission turned down, 6 to 1, a proposed new mega development, **Rybolt Park**, for being on the east side of the Econolockhatchee River. At buildout, the \$1.2 billion project would have had 5,000 homes and 2 million square feet of office and research facilities on it 1,440 acres, now a cattle ranch.

**Latest overall vacancy rates** per C&W and others (does not include shadow space):

<b>Office</b> .....	21.1% <sup>1</sup>
<b>Industrial</b> .....	14.2% <sup>2</sup>
<b>Retail</b> .....	28.1% <sup>3</sup>
<b>Multifamily</b> .....	11.8% <sup>4</sup>
<b>Hotel</b> .....	60.7% <sup>5</sup>

<sup>1</sup> Cushman & Wakefield (1Q 2010)  
<sup>2</sup> Cushman & Wakefield (1Q 2010)  
<sup>3</sup> Property & Portfolio Research (1Q 2009)  
<sup>4</sup> Carolina Real Data  
<sup>5</sup> CVB (December 2010 YTD)

Rents have been falling along with occupancy.

## LAND BROKERAGE AWARDS

C&W Orlando's **Margery Johnson** was recognized as top land broker for 2009 by both NAIOP Orlando and CFCAR (Central Florida Commercial Association of Realtors).

## UPCOMING EVENTS

**April 16:** Chris Chocola, national president of the Club for Growth will speak at Coalition for Property Rights luncheon at the County Club of Orlando. Reserve a seat via email: [April16rsvp@gmail.com](mailto:April16rsvp@gmail.com). See [www.proprights.com](http://www.proprights.com).

**April 21:** CREW luncheon at the Citrus Club: "How Rail Will Help Move Development and the Economy." Go to [www.creworlando.org](http://www.creworlando.org).

**April 29:** ULI morning program on the coming rail projects. Mayor Buddy Dyer will participate. [www.centralflorida.uli.org](http://www.centralflorida.uli.org).

## QUOTABLE

Stewart Miller, President and CEO of Lennar, in a press release:

*Acquiring and working out distressed real estate loans was a large and extremely profitable part of our business during the last major real estate down cycle in the early 1990s. We are pleased to return to this business and honored to partner with the FDIC...*

