

Commercial Real Estate

Here's the latest on this 10-story, \$90M downtown apartment project

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A planned 10-story, \$90 million downtown apartment project could start construction next year on a site currently used for a church parking lot at the northwest corner of Orange Avenue and Robinson Street.

Memphis-based apartment investor Mid-America Apartment Communities Inc. (NYSE: MAA) expects to close on a 2.09-acre land deal in early 2019 for the Orange and Robinson Apartments, said Matt Smith, senior vice president of investments at Mid-America Apartment Communities. The Diocese of Orlando currently owns the land, which has a value of \$5.1 million or \$2.4 million an acre, according to Orange County records. The land is used as the parking lot for the nearby St. James Catholic Cathedral.

The parking lot isn't going away — the Diocese of Orlando still wants 200 spaces available to the church. Mid-America Apartment Communities is mulling other ideas for project's planned street-level retail space, which would require parking and could

interfere with the church's parking. "(Retail) works better when you're doing it in bulk like the guys two doors down," Smith said in reference to the 41,000 square feet of retail planned with the Golden Sparrow project at 434 N. Orange Ave.

The Diocese of Orlando couldn't be reached for comment.

Mid-America Apartment Communities has selected Apopka-based Finfrack as the designer and general contractor for the project. The developer submitted plans around September for the 325-unit Orange and Robinson Apartments project. Original plans included retail space, an 11,494-square-foot courtyard and a 606-space parking garage at 336 N. Orange Ave.

The proposed downtown project adds to Orlando's hot apartment sector,

which has a low 3.4 percent vacancy rate, according to a September report from Charlotte, N.C.-based Real Data Inc. Occupancy rates are expected to remain higher than 95 percent over the next year, well above average among Southeastern cities, which should trigger rent growth, according



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to the report. There are more than 9,700 apartments in the local construction pipeline, and one-third of those are being built in or near downtown Orlando.

"Apartment demand in Orlando's core continues to be strong due to record job growth, which is really exciting for the city," Adam Wonus, who owns Lake Mary-based Atrium Management Co. and isn't involved in the project, previously told Orlando Business Journal. "Orlando is one of the few metro areas that currently has a healthy demand and supply. We are currently in the equilibrium phase of the cycle, which attracts capital from all over the world. We are seeing strong year-over-year rent growth, which makes us a very attractive city to live and invest."