

Commercial Real Estate < CRANE WATCH

\$65M apartment complex planned for downtown Orlando

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A new nine-story, estimated \$65 million apartment building is slated to be built at the northwest corner of Orange Avenue and Robinson Street in downtown Orlando.

Memphis-based apartment investor Mid-America Apartment Communities Inc. (NYSE: MAA) is developing the 325-unit Orange and Robinson Apartments project, which includes a retail space, an 11,494-square-foot courtyard and a 606-space parking garage at 336 N. Orange Ave., according to city documents. The project would be on about 2.09 acres and is part of a wave of new apartment construction in the Orlando area, spurred by rising rents and population growth.

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 Diocese's Diocese Of Orlando Bishop Norbert M Dorsey bought the land for \$2.3 million from Ncnb National Bank Of Florida in January 2000.

Mid-America Apartment Communities and the Diocese of Orlando couldn't immediately be reached for comment. The project's engineer and landscape architect is Raleigh, N.C.-based Kimley-Horn & Associates Inc. Apopka-based Finfrock Design Inc. is contributing to the project's design.



"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, 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."

The proposed downtown project adds to Orlando's hot apartment sector, which has a low 3.2 percent vacancy rate, according to a March 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 to the report. There are more than 11,700 apartment units in the local construction pipeline, and 30 percent of those units are being built in downtown Orlando.

Multiple downtown apartment projects have been proposed, including several at the \$1 billion Creative Village, the new University of Central Florida and Valencia College shared campus. Another is the \$90 million luxury mixed-use apartment complex dubbed Radius. One of the biggest projects is Property Markets Group Inc.'s proposed three-tower project at 434 N. Orange called Golden Sparrow, a 900-unit, mixed-use development.