



Florida Commercial Real Estate News | Nov. 24, 2009



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## OFFICE VACANCY INCREASES IN ORLANDO

ORLANDO - Vacancy in Orlando is expected to push up above 17% this year, while the gains in asking and effective rents recorded since 2006 will be erased, according to a fourth-quarter Office Research Report by Marcus & Millichap. As fundamentals continue to weaken, property owners and prospective investors will increasingly try to determine when the bottom will be reached and a reversal of vacancy rises and rent declines will begin.

"Concerns over property fundamentals and lower loan-to-value ratios on acquisition loans have sidelined many investors in Orlando," says Dan Colachicco, regional manager of the Orlando office of Marcus & Millichap.

Following are some of the most significant aspects of the Orlando Office Research Report:

- In 2009, local employers are forecast to cut 47,000 jobs, a decline of 4.3%. Last year, total employment fell by 39,500 positions. Office-using employment will contract 6.2% this year with the loss of 16,500 workers; 14,800 office jobs were shed in 2008.
- Completions will slow in 2009 to 220,000sf, consisting entirely of the third phase of the Maitland Summit Park. Last year, 525,000sf was delivered.
- Slumping space demand will push up the vacancy rate 440 basis points this year to 17.1% on negative net absorption of 1.5 msf. The vacancy rate rose 180 basis points in 2008.
- Asking rents are projected to reach \$20.96 psf at the end of 2009, a decline of 3.8% from last year. Effective rents are forecast to decrease 7% to \$16.89 psf. In 2008, asking rents were flat, while effective rents tumbled 1.6%.

## CBRE, PRUDENTIAL ANNOUNCE SWEETBAY CENTER SALE

TAMPA - CB Richard Ellis and Prudential Real Estate Investors announce the sale of Sweetbay Shopping Center, a neighborhood shopping center at the intersection of North Dale Mabry Highway and Beach Street in Tampa. The property was acquired by S-O Sweet FL Retail I LLC.

The CBRE Florida National Retail Investment Group exclusively represented the seller, which was a fund advised by Prudential Real Estate Investors. The buyer is a private investor based in Ohio.

Anchored by a 46,147sf Sweetbay grocery store, the 56,097sf shopping center features national and regional tenants including Moe's Southwest Grill, Smoothie King, GameStop and Quiznos.

## BROKER MAURY L. CARTER SR. INDUCTED INTO UF REAL ESTATE HALL OF FAME

GAINESVILLE - Longtime Central Florida property broker Maury L. Carter Sr. was inducted into the University of Florida's Real Estate Hall of Fame in recognition of his lifetime achievement in the real estate industry and contributions to the University of Florida's Real Estate program. The award was presented by John Crossman, president of Crossman & Company, a third-party retail leasing and management company.

Happy Thanksgiving from FREJ