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COMMERCIAL REAL ESTATE

Land owners will have to adjust to lower prices

By David Wilkening

For land broker Darryl Carter, the first six months of 2007 were among the most active in his career. "Then the market basically shut down," he said. "It was like somebody flipped a switch."

Despite that, land is still trading hands, though activity has slowed.

The slowdown is something of a shock because speculators were often seeing 15% a year increases in land values for the past five years, Carter said.

"People are starting to adjust" to the slowdown in value, Carter said. But some sellers are in a bind even if they lower prices.

"Some sellers are in a situation where they may be ready to make adjustments and cut their losses but find themselves in a predicament

where they can't make their mortgage for what they can sell (their property) for," he said.

Carter and his associates, however, find themselves in a good position because they have cash available for their own land purchases.

Still, in common with other commercial areas, Orlando's situation is better off than many other places in Florida.

"I've been reading that in some areas like Fort Myers, some properties are off as much as 70%," Carter said.

In Orlando, prices may have plummeted 20% or so, brokers say.

One of the most recent significant deals in January was the sale of 120 acres near the busy Orlando International Airport.

The acreage near the

BeachLine Expressway and Semoran Boulevard is "one of the last significant developable parcels near a major airport in the United States,"

according to Bill Parke, a Carter vice president of transaction services in the Orlando office.

Carter, an Atlanta-based commercial real estate company not associated with Darryl Carter, represented the seller, Sunnyside Investments NV, a Netherlands Antilles company that has owned the property since 1979.

The buyer was Orlando Gateway LLC, a joint venture of Southeastern Investment Properties and Hendon Properties, LLC. News reports say development should be underway within six months.

"That property is the front door to Orlando for 35 million

visitors," said Southeast President Steven Smith.

About 87 of the 120 acres are useable. Orlando Gateway Partners sold 12 acres for \$8.3 million to McKibbin Hotel Group and another 17 acres for \$11.75 million to Chavez Properties.

The property is zoned AC-3, which opens it up to a range of uses that include high or mid-rise office space, hotels and restaurants.

Another significant land sale late last year was one of the last pieces of open land along I-4 in Altamonte Springs. Investor Sid Monzadeh paid \$3.6 million for 7.67 acres, where he plans a range of mixed uses ranging from high-end hotels to restaurants, offices and medical buildings. Progress Energy sold the land.