

Unicorp, partners secure Orlando Fashion Square dirt for \$25M

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The redevelopment of a long-struggling Orlando mall moved forward on Sept. 27.

Orlando-based developer Unicorp National Developments and Maury L. Carter & Associates Inc. purchased the roughly 46 acres of dirt beneath Orlando Fashion Square for about \$25 million, Unicorp President [Chuck Whittall](#) said. The mall, which opened in 1973, was in its prime in the 1980s and '90s, but since has seen a decline. The development team is the latest to attempt to resuscitate the 838,865-square-foot mall on Colonial Drive, which has changed hands at least four times since 2004.

[Jill Rose](#), vice president of retail services for Orlando-based real estate firm Bishop Beale Duncan, represented Unicorp in the negotiations. Whittall said it was an all-cash transaction.

The development team wants to break ground in a year on new apartments, retail and more on the site. But first they must purchase the improvements, or the buildings above the dirt, from the master lessee of the mall, Philadelphia-based lender The Bancorp Inc.'s (Nasdaq: TBBK) related TBB Orlando LLC. Bancorp became the master lessee of the mall after UP Fieldgate US Investments-Fashion Square's Chapter 11 bankruptcy reorganization settlement was approved.

Whittall said he expects to start conversations soon with Bancorp. The Philadelphia lender couldn't be reached for comment.

"We believe Bancorp has a failing asset, and the property has to be redeveloped," Whittall said. "With 50% of the mall closed, I can't imagine they're doing a happy dance."

The redevelopment is expected to include:

1,500-1,600 mid- to high-rise apartments

500,000 square feet of retail and restaurants that may include a bowling alley, dine-in theater, indoor karting and high-end arcade

200,000 square feet of office space

A parking garage

A hotel

The future Orlando Fashion Square, which will retain the name, will be built around plush landscaping, gardens and water features. No plans have been submitted to the city of Orlando.

The architect is Orange, California-based Architects Orange, and the engineer is Raleigh, North Carolina-based [Kimley-Horn & Associates Inc.](#) No one else has been selected for the development team, Whittall said.

Despite the challenges, a successful project's payoff could be a big win for Unicorp and Maury L. Carter & Associates. The demographics around Orlando Fashion Square for a mixed-use project are favorable due to the area's high population density and affluent residents. In addition, there are many families with kids and, with a dearth of nearby entertainment options, the redeveloped mall could attract them, too.

"Fashion Square is one of the greatest potential sites in Central Florida," retail expert John Crossman, CEO of Orlando-based commercial real estate firm Crossman & Co., who isn't involved in the project, [previously told OBI](#). "That said, it is immensely complicated and is not for the faint of wallet."

Jack Witthaus

Staff Writer

Orlando Business Journal



JIM CARCHIDI

A development team acquired the dirt beneath Orlando Fashion Square for roughly \$25 million on Sept. 27.

Kissimmee Park Road to the Three Lakes Toll Plaza in Osceola County — for \$40 million, or roughly \$28,571 per acre. Development may start in mid-2020. The land has approvals for 5,000 residential units and 2 million square feet of commercial uses. The sellers were entities related to the Whaley family, who had owned the Osceola County land for generations.

That said, the number of land sales grew in the second quarter by 42% when compared with first-quarter 2019, according to research by [Andy Slowik](#), director of the land advisory group for Chicago-based [Cushman & Wakefield Inc.](#) (NYSE: CWK). In addition, sales volume totaled \$426 million, which surpassed the previous quarter by about 46%. Central Florida's most populous county, Orange County, led the way in land sales with \$235.3 million recorded in second-quarter 2019. The deals that were examined surpassed a minimum \$1 million each.

Here's more, below, on the top land deals so far in Central Florida:

Permit watch: C. Fla. commercial construction starts continue to soar

Costs for new construction work continue to grow in the Orlando area. Construction starts have increased 18% year over year in Lake, Orange, Osceola and Seminole counties, according to an August report from New York-based Dodge Data & Analytics. The report tracked construction starts in office, retail, hotels, warehouses, manufacturing, educational, health care, religious, government, recreational and other buildings. Here's a breakdown of construction starts by month:

August: \$241.6M

July: \$297.4M

June: \$156.9M

May: \$236.3M

April: \$340.1M

March: \$111.9M

February: \$326.6M

January: \$144.1M

SOURCE: Dodge Data & Analytics

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Jack Witthaus

Staff Writer

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