



ON RESIDENTIAL REAL ESTATE

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CLOSER LOOK

Nearly \$200M in 'merchant-built' apartment properties on tap for SeaWorld area

Russ Appel knew the Central Florida tourist market was a solid one his company could get great returns on.

The founding principal of New York-based The Praedium Group LLC said his firm had its eye on Orlando's booming International Drive tourist corridor for some time. In June, the firm spent \$60.4 million to buy Integra Cove, a new 338-unit apartment complex at the southwest corner of Central Florida Parkway and Westwood Boulevard.

That complex, just down the road from SeaWorld Orlando, has attracted quite a bit of interest, as more than 10 offers were made on the property, which debuted about a year ago and was nearly 90 percent occupied as of the sale date.

"When we look at Orlando, and more broadly Florida, we see a very dynamic market that has significant job growth," Appel told *Orlando Business Journal*. "Our interest in investing in Orlando relates to this dynamic job growth market. [Integra Cove is] in the center of a lot of the growth."

There's even more apartment activity on the way, as at least five new multifamily projects totaling close to \$200 million worth of construction are in the works nearby, including three that are part of the redevelopment of the former Marriott Grande Pines Golf Club on International Drive.

And if recent history is any indication, many of these projects may have interested buyers lining up before they are completed. "Merchant-built" properties –



Ken Delvillar

Cos. LLC plans to start construction in September on a \$52 million, 322-unit apartment complex dubbed Bainbrige Grande Pines on Westwood Boulevard just north of Oasis at Grande Pines.

▶ A third former golf course parcel on the east side of Westwood Boulevard south of Central Florida Parkway, which currently is approved for nearly 100 units, reportedly was under contract but details were unavailable.

▶ Altamonte Springs-based LeCesse Development Corp. and Orlando-based Phoenicia Development LLC plan to build the \$46 million, 289-unit Ancora Apartments on the other side of I-Drive from Bainbrige's site.

▶ Columbus, Ga.-based Flournoy Partners and the Washington, D.C.-based Carlyle Group is underway on the 268-unit, estimated \$40 million Axis West apartment complex on Westwood Boulevard, adjacent the Integra Cove apartment complex.

Bainbrige is one of those merchant builders with an eye for properties that will trade quickly and at a solid price, Vice President of Development Bob Thollander told *OBJ*. "We know what investors are looking for before we build them. We know what they want and where they want to be."

ones that are built to sell – are coming to market soon after most of the new complexes have leased up.

In fact, Integra Cove was one such project.

"This is just the next one in a line of many out that way that will be merchant-built," said Ken Delvillar, director of apartment investment sales for Cushman & Wakefield of Florida, who represented the seller in the Integra Cove deal. "The I-Drive corridor, outside of Lake

Nona and the central business district, is very active. It's dynamic in terms of supply and sales activity."

Here's a closer look at some recent projects on tap for the area:

▶ Altamonte Springs-based Picerne Development Corp. of Florida began vertical construction in the spring on the \$40 million, 282-unit Oasis at Grande Pines apartments on the south side of Westwood Boulevard near I-Drive.

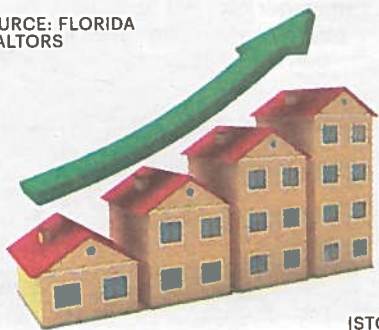
▶ Wellington-based The Bainbrige

▶ THE BIG NUMBER

\$225,000

Median sales price of an existing Orlando-area home in May, a 12.5 percent boost from the year prior

SOURCE: FLORIDA REALTORS



ISTOCK

▶ WHAT'S HOT

SIZZLING SUBMARKETS FOR YOUNG WORKERS

Pittsburgh-based Niche.com Inc.'s recent report looks at the best suburbs for young professionals based on the millennial population; job opportunities; and access to bars, restaurants and affordable housing. Here's a look at the metro Orlando cities and neighborhoods that landed on Florida's top 25 list:

- | | |
|-----------------------------------|----------------------------------|
| NO. 2
Maitland | NO. 12
Fairview Shores |
| NO. 5
Altamonte Springs | NO. 15
Oak Ridge |
| NO. 9
Dr. Phillips | NO. 16
Heathrow |
| NO. 11
Lockhart | NO. 17
Goldenrod |

- NO. 23**
Hunter's Creek
- NO. 25**
Pine Castle
- See more at <http://bizj.us/1n4saq>.



▶ BUSINESS PULSE

DO YOU THINK APARTMENTS ARE A GOOD REAL ESTATE INVESTMENT RIGHT NOW?

14%: I'd rather invest in other types of real estate

