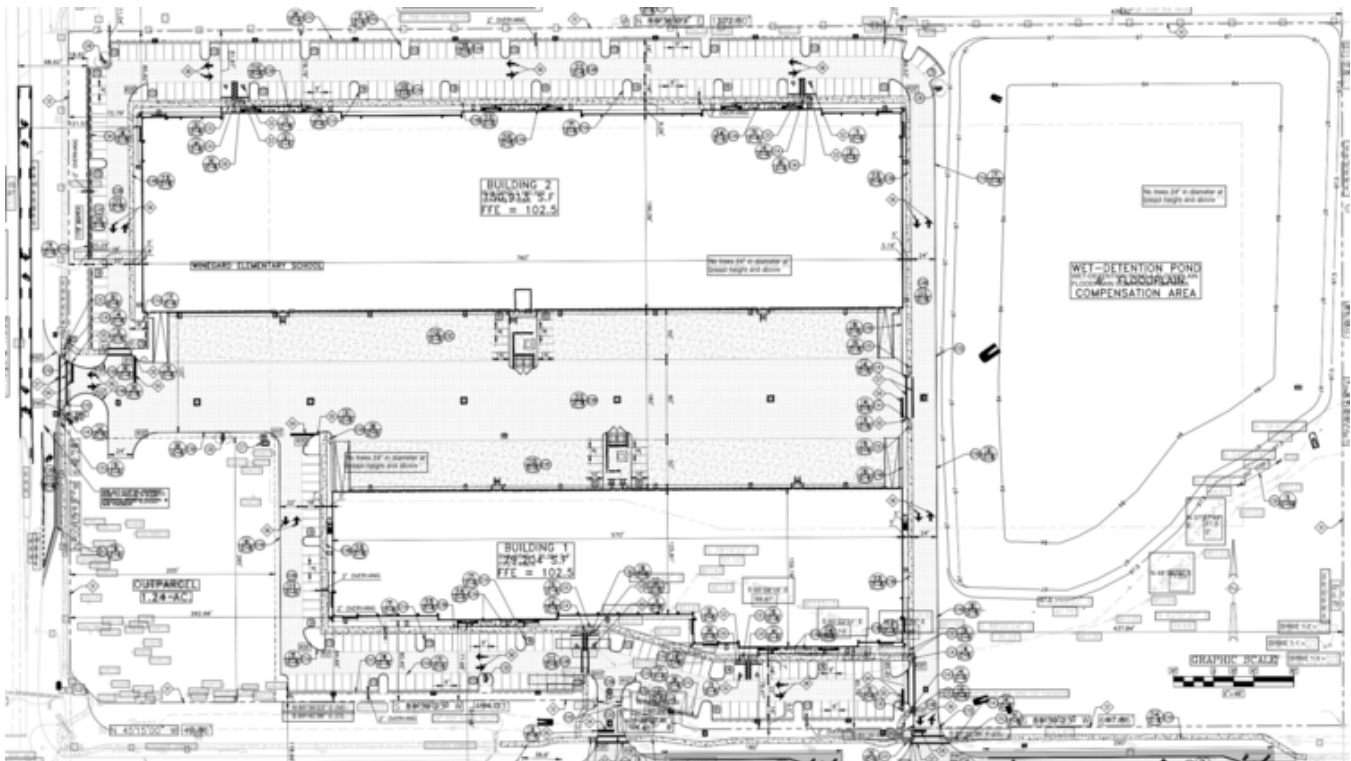


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New \$17M spec development slated near Florida Mall



McDonald Development plans to build a total of 230,117 square feet of industrial space on a roughly 20-acre site near Sand Lake Road and Winegard Road. [Courtesy St. Johns Water Management District]

An Atlanta-based developer is looking to build a pair of spec industrial buildings near the Florida Mall, as the industrial sector continues to heat up in Central Florida.

McDonald Development plans to build a total of 230,117 square feet of industrial space on a roughly 20-acre site near Sand Lake Road and Winegard Road, according to plans filed with the state. The developer also wants to build another roughly 1-acre outparcel at the site.

The project, called Sandlake Commerce Center, has an estimated cost of \$17.2 million, according to industry standards. Construction is expected to begin this fall with delivery in summer 2019.

McDonald has been in the Orlando market for 20 years, developing over 2 million square feet, said Austin McDonald, President and COO with McDonald Development. "This site was acquired two years ago with the plan to develop it once entitled and permitted. Market leasing activity is strong and the property is ideally situated in the South Orlando industrial market."

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Co-Presidents Bo Bradford and Tom McFadden with Lee & Associates of Central Florida are handling the leasing of the space. McFadden said in an email that no leases have been signed but they are “very active” with prospects.

McDonald Development’s McDonald Ventures Xxxv LLC bought the property in October 2015 for \$2.9 million, according to Orange County property records.

Rising rental rates and increasing demand are spurring spec industrial construction in Central Florida, local brokers told Orlando Business Journal. Developers may be more keen to pursue new industrial projects now than delay into the future as construction costs soar, said Trevor Hall Jr. of Colliers International Central Florida.

In addition, Sandlake Commerce Center’s central location near Interstate 4, State Road 417 and Orlando International Airport is also a key factor in its development. “You can look in three directions and see good leasing activity,” Hall said. “It’s a regionally significant location.”



David Perez, a senior director with Cushman & Wakefield (NYSE: CWK) in Orlando, said demand for industrial space is so intense in Central Florida that his office is fielding weekly inquiries from industrial developers looking to enter the market. And it’s not just calls from local developers. Perez said the national perception of Central Florida is changing as the region sees growth in population and jobs.

“It’s no longer seen as inferior to South Florida,” Perez said. “We’re starting to get to a point where it’s teetering on the edge of a primary market.”

David Perez, Cushman & Wakefield Industrial Brokerage Services Director

Orlando’s industrial vacancy fell to 4.8 percent from 5.6 percent year over year, according to Cushman & Wakefield. Rental rates also rose to \$6.60 from \$6.29 in that period.