

From the Orlando Business Journal:

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Developer eyes 'home run' site for estimated \$100M project near Disney

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A real estate investment trust plans to build one of the region's biggest industrial developments near Walt Disney World, which may impact companies supporting the largest employer in Central Florida.

Jackson, Mississippi-based [EastGroup Properties Inc.](#) (NYSE: EGP) is under contract for 160 acres north of Interstate 4 and State Road 429 and east of Old Lake Wilson road for a 1.5 million-square-foot industrial distribution project, according to parties involved in the deal.

The project may cost an estimated \$97.5 million to build, according to industry standards, and would be one of the largest industrial projects planned in Central Florida.

EastGroup Properties couldn't be reached for comment. [CBRE Group Inc.](#) (NYSE: CBRE) represents the landowner, Gp Limited Partnership, and [Cushman & Wakefield PLK's](#) (NYSE: CWK) [Jared Bonshire](#), [David Perez](#) and [Andy Slowik](#) represent EastGroup Properties. Gp Limited Partnership is related to the developer of [Xentury City](#), which totals more than 280 acres next to the Gaylord Palms Resort & Convention Center with entitlements for hotels, timeshares, retail and apartments.

EastGroup Properties wants to rezone the property, and a pre-application meeting will occur June 19 with Osceola County, according to [Jane Adams](#), the senior development coordinator for the county. Osceola County hasn't received documents relating to the project, Adams said.

The land deal may close in four to six months after securing approvals from Osceola County, said [Robbie McEwan](#) with CBRE, who represents the landowner. No construction timeline exists, but part of the development would be speculative.

The new development would target users specifically catering to Burbank, California-based Walt Disney Co. (NYSE: DIS) and would represent the closest industrial development to the park, said [Bo Bradford](#), co-president of Lee & Associates Central Florida, who isn't involved in the deal. That proximity reduces costs for users supplying the largest tourist operator in Central Florida, a region that attracted a record-setting 75 million visitors in 2018. "That's a home run location," Bradford said.



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A real estate investment trust plots a major industrial development near Walt Disney World.

The Osceola/Kissimmee submarket has a 99.2% industrial occupancy rate, which is much higher than the Orlando-area average of 95.1%, Cushman & Wakefield reported. In addition, the submarket commands higher industrial rental rates of \$8 per square foot for warehouse and distribution space, which exceeds the Orlando-area average of \$6.04. Those factors show demand for industrial for the area and make the submarket an attractive site for new development.

Industrial is a hot sector, mostly because of the e-commerce boom led by Seattle-based giant [Amazon.com Inc.](#) (Nasdaq: AMZN). Retailers want distribution centers closer to customers so they can deliver products faster, which is why new users are lining up for industrial space.

The region's overall population and business growth also have helped drive demand for warehouses, distribution centers and manufacturing plants. Since industrial vacancies are low, there's a big need for new projects even as developers are facing headwinds due to rising land and construction costs.

Want to learn more about new development in Central Florida? Check out [OBJ's interactive Crane Watch map](#) for the latest news on all the region's most significant construction projects.

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