

Orlando tower fetches \$67.8M in 'game changer' deal



By [Jack Witthaus](#) – Staff Writer, Orlando Business Journal

A downtown Orlando skyscraper sale may have fetched the highest price per square foot transaction in the urban core.

The [Regions Bank](#) Tower at 111 N. Orange Ave. sold to an entity related to Miami-based [Black Salmon](#) Capital LLC on Dec. 18 for \$67.8 million, or roughly \$275 per square foot, according to a news release. The sale hadn't hit public records as of the afternoon of Dec. 19.

However, the seller was G And I VIII 111 N Orange Ave LLC, a joint venture between New York-based DRA Advisors LLC and Orlando-based Tower Realty Partners Inc. The companies jointly purchased the Regions Bank Tower [in May 2015 for \\$51 million](#) — and Tower Realty will remain a partner in the new ownership, as well as handle property management. [Avison Young](#) Inc. will oversee leasing; [CBRE](#) Group Inc.'s [Ron Rogg](#) and Chip Wooten represented the seller.



Ron Rogg
CBRE GROUP INC.

Tower sales are rare in the urban core. One of the most recent downtown skyscraper sales [closed in December 2017](#) when San Diego-based [Southwest Value Partners](#) purchased three high-rises for about \$210 million — a transaction that was [one of OBJ's 2018 Structures Awards winners](#). So, the Regions Bank Tower sale is significant.

"It's a game changer for downtown Orlando," said [Jeff Patterson](#), Orlando market director with Columbus, Ohio-based Equity Construction Solutions Inc., who was not involved in the deal. "The new buyer is very bullish on downtown."



Jeff Patterson
EQUITY

While tower sales are rare in downtown, two Orlando submarkets have witnessed a bevy of activity year to date. The University/Research Park submarket saw 840,000 square feet trade hands and the Maitland submarket saw 750,000 square feet of office space sold, according to a third-quarter Cushman & Wakefield report. The sales are due to the owners increasing rental rates, which has attracted investors.

In fact, the central business district office submarket — which includes downtown — has a 10.9% vacancy rate, which compares to the Orlando-area average of 9.3%, Cushman & Wakefield reported. In addition, the downtown submarket's Class A office rental rates were \$28.46 per square foot, which is higher than the Orlando-area average of \$26.62.

Building facts

- Year built: 1986
- Size: 245,201 square feet
- Percent leased: 94%
- Significant tenants: Regions Bank, UBS, [Geico](#)