

## Maitland Complex Wins 85% of Market Absorption

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New Boston Fund's Pryse Elam is beginning to see some positive absorption that could soon turn the tables.

ORLANDO—Orlando is still a tenant's market, but creative landlords are finding ways to get new deals done. New Boston Fund just inked three new leases spanning 14,438 square feet at its Maitland Green I and II.

The adjacent office buildings are tucked away in Orlando's Maitland submarket. The space went to BookIt.com, the American Diabetes Association and New York Deli. The latest round of leases rounds the deal flow over the past year to 12 on more than 80,000 square feet. Maitland Green I and III account for more than 85% of the net office space absorption in the submarket in the past year.

"Since we acquired Maitland Green I & II along with Southpoint, we have completed 97,000 square feet of new leases," Pryse Elam, southeast regional director for New Boston Fund, tells GlobeSt.com. "Despite these successes, leasing activity remains very sluggish at best. While we

have made significant gains, our competitors have actually lost occupancy."

New Boston has also witnessed some challenges of its own. For every deal the firm has inked, New Boston has lost two to renewals in their existing spaces. As Elam sees it, the challenge now is for buildings with vacant space to attract tenants in the face of a furious effort on the part of their existing landlord to retain them.

Maitland Green has a locational advantage. It is located in the heart of Maitland Center, with visibility and frontage on I-4, Orlando's main north-south artery. The buildings also offer a full-service cafe, energy management systems, security card access and on-site property management. New Boston also recently completed extensive upgrades at Maitland Green I.

Elam says Orlando is still very much a tenant's market as landlords scramble to retain existing tenants and lease their remaining vacancies. That said, he is beginning to see some positive absorption that could soon turn the tables.

"While are not yet seeing it in Orlando, we are seeing significant tightening in other office markets across the southeast," Elam says. "Typically, the best submarkets are tightening first before spreading to other submarkets. In several cases we are seeing vacancy rates falling below 10%, and when it starts, it happens fast."

From Elam's experience, in markets where vacancy has fallen below 10% there are significant rent increases for the first time in nearly five years. He expects that trend will become increasingly pervasive as the economy continues to add jobs—and he predicts Maitland will be one of the first submarkets to see this kind of tightening.

New Boston was represented by Alex Rosario, vice president of brokerage services at CNL Commercial Real Estate, in all three transactions. BookIt.com was represented by Craig Castor, senior vice president of CRESA. New York Deli represented itself. Chris Sproles, first vice president at CB Richard Ellis, acted on behalf of the American Diabetes Association.