

# Commercial real-estate market in Brevard holds steady; Ullian Realty Corp. sees flurry of activity as more businesses reopen in county, confidence builds

By Ken Datzman

The commercial real-estate market in Brevard County seems to be holding steady and is back on an upswing after a slow-down from mid-March through April caused by coronavirus concerns.

Gov. Ron DeSantis' phased reopening plan for businesses around the state has fueled new optimism among residents.

On June 3, he announced that 64 Florida counties, including Brevard, can reopen bars and movie theaters (at 50 percent capacity), while retail stores can go to full capacity.

This is phase two of Gov. DeSantis' economic reopening, which is good news for commercial real-estate brokers and other professionals who work in the huge industry.

"Toward the end of March and throughout April, activity slowed down, compared to my previous months on the job," said Zachary "Zach" Ullian, a sales associate at Ullian Realty Corp. in Melbourne, a longtime brokerage firm specializing in commercial and industrial real estate.

"But when Gov. DeSantis started rolling out his phased reopening of the state, we saw a huge uptick in both inbound calls and people responding to emails. I'm optimistic right now. We've just picked up a couple of new listings. Additionally, I secured a contract for a 14,000-square-foot commercial office building."

He was also able to sign leases for 11,000 square feet of industrial space.

"My hope is as Florida continues to reopen phases of its economy, people will begin to feel more comfortable, while still doing social-distancing and following the protocols established by the Centers for Disease Control and Prevention."

He joined the family business in July 2019. Ullian Realty Corp. was founded by his father, Mike Ullian, who has worked in the local commercial real-estate industry for 35 years.

Zach Ullian is a business graduate of Rollins College and attended the Winter Park institution on an academic and athletic scholarship. While in school, he worked for the Orlando Magic for two years in various capacities, including statistics and analysis.

He said he is enjoying his new career in commercial real estate. "I knew it wasn't going to be easy coming into this job."

He added, "The most important lesson I've learned since joining the firm is the timing of the follow-up call to a client, when that call should be made. There has to be a fine balance — it can't be too soon and it can't be too late. In the past months, I think I have been able to figure out that balance."



BBN photo — Adrienne B. Roth

The Ullian Realty Corp. in Melbourne, a longtime commercial real-estate brokerage, is seeing increased activity since the phased reopening of Florida's economy. Team members are gaining new listings, closing sales, and securing leases. The industrial sector is one of their company's niches. From left, the team includes: Lyn Brown, Mike Ullian, Zach Ullian, and Adam Rathbun.

Ullian Realty Corp. is revamping its website, with the finished product expected to be completed within two months. "We're also reworking our Facebook page and our LinkedIn as we look to have a bigger presence on social-media platforms," said Zach Ullian.

Industry veteran Adam Rathbun of the Ullian Realty Corp., who runs a sizable property-management portfolio and is involved in other segments of the commercial real-estate market, also said the reopening of Florida "was like flipping the switch back on. People started looking for space again and calls picked up significantly. The activity has been steady since then. There seems to be a pent-up demand for small industrial spaces in the county. In general, I think demand for space is going to pick up over the next two quarters."

Many economists and forecasters

anticipate a strong rebound in the second half of the year.

Rathbun, who holds the Certified Commercial Investment Member designation, recently closed a transaction on an industrial condominium unit at a business center on Wickham Road in Melbourne, around the time the pandemic started to gain traction in the county.

The property seller was businessman Dave Price of Powercat Enterprises. He sent a letter commenting on the fast turnaround on his listing with Ullian Realty Corp.

"With the economic uncertainty we face as a result of the coronavirus, I'm writing to thank you for the great service. Mr. Rathbun took care of the necessary repairs and actions to facilitate the sale of my unit immediately and relieved me of flying back to Melbourne to take care of

things. In addition, he provided a qualified buyer very quickly with a favorable closing date as well. This quick closing was very much appreciated."

Rathbun also worked closely with his property management clients who were seeking some type of rent modification because of the pandemic. "We were helping to negotiate with the banks that held the loans on the properties to see if there was some type of modification that could be passed on to the tenant. I was expecting a lot of tenants would seek modifications, but so far there's only been a handful. There's been no default with any tenants I'm working with. I have a mix of office, industrial, and retail tenants. So overall it's a big positive to see this."

Mike Ullian said businesses are

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starting to become more confident of the economy.

“Strategically, we have been helping our clients navigate through the process. We are seeing some positive things happening as Florida reopens. We are seeing more confidence in the marketplace. More people are willing to make a decision. I’m talking about business in general. We believe that as progress continues, commerce will start ramping back up.”

He added, “A lot of our clients — from small family businesses to large corporations — are cautiously optimistic. And, we’re seeing some longtime owners of real estate preparing themselves to acquire property from an investment standpoint, if the opportunities present themselves. But we haven’t seen any significant reduction in real-estate pricing and leases. And we haven’t seen a big increase in vacancies. The commercial real-estate market has been stable in Brevard County.”

The commercial real-estate sector is unlike the stock market. It’s slower moving and the leasing fundamentals don’t swing wildly from day to day.

Real estate’s investment popularity has not waned. It has been the most favored investment in the U.S. since 2013 and the top investment choice since 2016, according to a new Gallup survey.

The Ullian Realty Corp. team, which

includes Lyn Brown, executive assistant to Mike Ullian, has stayed in close contact with its clients through the pandemic.

“That has always been our focus, to be in contact with our clients on a regular basis, whether it’s during business hours or after business hours,” said Mike Ullian, a longtime holder of the Certified Commercial Investment Member designation and the Society of Office and Industrial Realtors designation.

He said his company is seeing good demand for office space ranging from 1,200 square feet up to 2,000 square feet. “Small businesses that do not have a lot of employees are seeking out these space sizes. We think there are going to be some opportunities in the small-office component over the long term. There are a lot of functions you do in a small office that you can’t do from home.”

He added, “We are looking at evaluating space where it could be divided into small areas where employees are not close together in an office setting.”

In May, the closely watched “Small Business Optimism Index,” released by the National Federation of Independent Business, rebounded. It increased 3.5 points in May to 94.4, a strong improvement from April’s 90.9 reading. Eight of the 10 Index components improved in May.

The report said “owners are optimistic

about future business conditions.” Twenty-five percent of owners are planning capital outlays in the next few months.

Locally, Mike Ullian believes the industrial sector of the commercial real-estate market will see a lot of activity as warehousing and distribution solutions become key for a growing number of businesses.

“There has been a lot of talk about the industrial market being really active in the near future, everywhere in the United States, and I think that will be true in Brevard County, too. We are bullish on the industrial segment, and have been for a long time. It’s one of our company’s niches.”

With Brevard County attracting new businesses, especially in the technology sector, the multifamily segment is seeing activity. “We are seeing a lot of interest in multifamily units. We think that market is going to be strong countywide because of the new jobs being created. And we anticipate more job creation in the years ahead. Brevard is an attractive county and we have been getting recognized for our attributes,” said Mike Ullian.

In March, the Palm Bay–Melbourne–Titusville Metropolitan Statistical Area was ranked No. 10 on the Milken Institute’s “Best Performing Cities 2020: Where America’s Jobs are Created and Sustained.” This year’s ranking solidifies

the Space Coast’s ability to attract businesses, putting it alongside such job-creating cities as Austin, Texas; Seattle, Wash.; and San Francisco, Calif.

This year’s No. 10 ranking is a jump of 47 spots from the previous year for the Palm Bay–Melbourne Titusville MSA, the largest change of the top-10 performing cities.

The report cites the metro’s “strong performance in several indicators,” including placing fifth in one-year job growth, 10th in high-tech gross domestic product concentration, and ninth in the number of high-tech industries.

The Milken Institute’s “Best Performing Cities” measures metro areas’ economic performance using outcome-based metrics such as job creation, wage gains, and technology developments to evaluate relative growth, showing which cities offer the greatest opportunities for prosperity and innovation across the nation.

“I’ve been selling this county for 35 years, working in the commercial real-estate industry. Today, I believe we are the best positioned we have ever been to attract new businesses and new residents. Brevard County is economically viable and attractive to businesses. So I think the demand for office space and other types of space in Brevard will continue well into the future,” said Mike Ullian.



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