

Memphis Business Journal - July 7, 2008

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Memphis Business Journal

Friday, July 4, 2008 | Modified: Thursday, July 3, 2008 - 9:25 AM

Goodlett Farms offices bought

JP Realty purchases \$32 million portfolio

Memphis Business Journal - by [Andy Ashby](#)

JP Realty Partners Ltd. purchased a 13-property office portfolio, including two Memphis buildings, from **Regions Bank** for \$32 million.

The total portfolio, spread across the Southeast, has 1.3 million square feet of office space.

In Memphis, the company acquired 7130 Goodlett Farms Parkway, a 225,000-square-foot office building, and 1900 Charles Bryan Road, a 130,000-square-foot office building.

It has tabbed **Commercial Alliance Management** LLC to lease the two buildings, which are located on a 52-acre site in Goodlett Farms in the Northeast Memphis submarket.

"For JP Partners, this was probably the top asset out of all the acquisitions," says Sarah Catherine Norris, president of Sooner Management LLC.

Sooner Management handles property management for JP Realty Partners properties.

"We handle all our management in-house," Norris says. "Because we own the buildings, we think we can do a better job managing them ourselves. We think we have a stronger relationship with tenants that way and things get done quicker because you don't have to go through several channels to get to us."

Norris previously worked at **Trammell Crow** Co. and Commercial Alliance in Memphis and is familiar with the market.

Commercial Alliance brokers Bentley Pembroke, Conner Walker and Phil Dagastino, Jr. will handle leasing at the properties.

"We think with their contacts in the market and their ability to bring in tenants, we feel we can bring the building leasing up and have a great asset in that area," Norris says. "That's typically our goal in most markets, to buy buildings and lease them up to capacity. Then we run them for a time period and decide at some point what our exit strategy is."



COURTESY JP REALTY PARTNERS LTD.

7130 Goodlett Farms Parkway part of office portfolio purchased by JP Realty

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JP Realty Partners has some experience in the Memphis market, having owned an office building at 1991 Corporate Ave. near **Memphis International Airport**.

It bought the building in 1991 and brought occupancy from 50% to 100%. JP Realty sold its majority interest in the building in 2007.

"I like the Memphis market if you buy right," says Mark Jordan, owner of JP Realty Partners.

Union Planters Bank, which was acquired by Regions, built 7130 Goodlett Farms in 1991 and 1900 Charles Bryan in 1998.

"I think the property has never been marketed to the city," Jordan says. "It will be a good niche for a lot of people in that Northeast area."

The Northeast Memphis office submarket has 1.8 million square feet of space. Its overall vacancy is 9.7% with average rental rates of \$17.26, according to Commercial Alliance.

Class A properties in Northeast Memphis have an average rental rate of \$19.79 per square foot.

Kemp Conrad, president of Commercial Alliance and senior vice president with **Comercial Advisors** LLC, says the 52-acre site is one of the few true multi-tenant options in the Northeast submarket with any vacancy of note.

"If you're an office user and you want to be in the Northeast, you're either in a residential-style office building or a flex building," he says.

The property has a six-acre lake and walking trails, as well as a common-area cafeteria and workout facilities which make it suitable for multi-tenant occupancy.

Regions is leasing the entire ground floor of the 1900 Charles Bryan building, which is half the building's rentable square footage.

It is also leasing half of the 7130 Goodlett Farms building.

There will be 177,500 square feet available.

The property has a wide range of floor plate options, from 28,000 square feet to 63,000 square feet.

The new JP Realty buildings have several corporate neighbors in the Goodlett Farms area, including **Harrah's Entertainment, Inc.**, **ACH Food Companies, Inc.**, and **Allenberg Cotton Co.**

"We really want to get with other area stakeholders and market Goodlett Farms," Conrad says.

The property could also benefit from its proximity to Shelby Farms, as Whitten Road is going to be extended.

"When Whitten Road is done, it's really going to open it up more to the East Memphis executive housing and decision makers," Conrad says.

The property also has some land available for build-to-suit projects. And JP Realty might not be done in Memphis.

"We're always looking," Jordan says. "It's been a few years since we did our last transaction in Memphis, but if the deal is right, we'll buy."

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