

# NAI Saig Company

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

## Union Row Uniting the City

Downtown Memphis is booming with development. Billions are being invested into expansions, redevelopment, and revitalization. At the center of this progression is the massive, \$950-million office, retail and residential Union Row project. Designed to be built in stages, developers contend that it will create 4,300 jobs and generate \$16 million in annual property, sales and hotel taxes.

In late September, the lead developer, Kevin Adams released the latest revised numbers and drawings for Phase 1 which calls for demolition to start as early as late October. Adams said infrastructure work will begin by the beginning of the second quarter of 2020 with building to follow.

LRK Architects created the project to look like an extension of the downtown density and feel by intentionally designing the buildings to be a mix of heights, looks and covered in varying materials.

Currently, Phase 1 will include 310 hotel rooms between two buildings, 711 apartments between several buildings, a 250,000 SF office building and a 120,250 SF “Lab Office” building. The “Lab Office” building will offer the technology and flexible space needed to attract small start up companies. Phase 1 will also bring about 50,000 SF of retail space and parking for more than 1,600 cars.

Funding is coming from a mixture of property tax revenue raised through Tax Increment Financing, public loans, private loans taken by developers and private equity from wealthy investors. Investors using the federal tax advantage of the Opportunity Zone represent about a fifth of the funds needed for the first phase.

Ben Carson, Secretary of Housing and Urban Development, during a visit praised Union Row for showcasing the potential in the Opportunity Zone program. “I know this is going to be successful. One of the wonderful things about the Opportunity Zone is that the incentive is long-term,” he said, “so you are going to continue to be involved in what’s going on in that area. Those are the kind of things that really make an area thrive.”

Source: Daily Memphian and Memphis Business Journal



## Notable Transactions



**Brian Califf**  
Perimeter Point (5125 Elmore Rd)  
131,000 SF - Office  
\$5,400,000



**Daniel McPhail & Brian Califf**  
4135 Willow Lake  
47,375 SF - Industrial  
\$2,000,000



**Hank Martin & Brian Califf**  
4070 Willow Lake  
65,500 SF - Industrial  
\$2,597,750



**Henry Webb & Brian Califf**  
2021 Latham Street  
93,000 SF - Industrial  
3 Yr Lease Contract



**Elliot Emby & Brian Califf**  
3980 Premier Avenue  
90,705 SF - Industrial  
5 Yr Lease Contract



**Brian Califf**  
1900 Exeter Road  
37,000 SF - Office  
\$6,100,000

6263 Poplar Avenue, Suite 150  
Memphis, TN 38119  
901-526-3100

NAI Saig Company is the market-leading, full-service commercial real estate brokerage firm. Our operation in Memphis and the Mid-South began in 1963. We provide a full range of services in industrial/office/retail/land representation, tenant presentation, and investment brokerage. Our full capability is by design. Our wide array of services coupled with our depth of experience provide uniquely tailored results for our clients.

## INDUSTRIAL TRENDS FOR 3Q19

Total Inventory (SF):	▲	275 M
Vacancy Rate (%):	▲	5.5%
Availability Rate (%):	▲	10.4%
12 Mo Net Absorption (SF):	▼	(235,029)
Rent Rate/SF (\$):	▲	\$3.86
Sale Price/SF (\$):	▲	\$35
Market Cap Rate (%):	▼	8.06%

## OFFICE TRENDS FOR 3Q19

Total Inventory (SF):	=	55.9 M
Vacancy Rate (%):	▲	10.1%
Availability Rate (%):	▲	10.3%
12 Mo Net Absorption (SF):	▼	(161,464)
Rent Rate/SF (\$):	▲	\$18.61
Sale Price/SF (\$):	▲	\$126
Market Cap Rate (%):	▲	8.7%

## RETAIL TRENDS FOR 3Q19

Total Inventory (SF):	▲	89.7 M
Vacancy Rate (%):	=	4.5%
Availability (%):	=	7.7%
Direct Net Absorption (SF):	▲	166,605
Rent/SF Rate (\$):	▲	\$13.40
Sale Price/SF (\$):	=	\$116
Market Cap Rate (%):	▲	8.51%

## Market Development

- A cable-suspended pedestrian bridge and parking garage are the latest projects to open on The University of Memphis campus. But the university is not stopping there. Plans for a wellness center on the south side of campus, a \$40 million music performance space on Central Avenue, a proposed science center and a realignment of Patterson Street at the railroad tracks are all in the works. In addition, the U of M unveiled a \$19 million project to team with the city and renovate Leftwich Tennis Center to create a "world class facility" for the Tiger tennis teams and public players. Construction is scheduled to start this fall. *Source: Daily Memphian, WREG Digital Edition*
- Focal Point Investment LLC received final approval for Phase 1 construction plans from the Arlington Board on August 5th. The Falls is a \$45 million commercial development on the southwest corner of Milton Wilson Boulevard and Airline Road. It will feature a variety of office and retail space along with a proposed assisted living facility. Arlington is an enticing community for young families but their Alderman, Jeremy Biggs, said he would like to see it become a "more attractive community for senior citizens." He cited that Arlington has the lowest tax rate of all municipalities in Shelby County and would "love to see some future residential developments that specifically target the retirement community." *Source: Daily Memphian*
- Surface Dynamics, a subsidiary of Italy-based Unitedcoatings Group, has plans to invest almost \$10 million to expand their medical device manufacturing firm located in Bartlett. Located at 3110 Stage Post Drive, they intend to add 110 employees over the course of the next 5 years including office work, engineering and production. "Each year Tennessee's medical device makers export more than 3.3 billion in products, the second-highest amount among states in the US. This expansion by Surface Dynamics strengthens one of our state's most vibrant and thriving sectors and I look forward to the ways these quality jobs will improve the lives of our residents in Shelby County," said TNECD commissioner Bob Rolfe. *Source: Memphis Business Journal*

## OUR SERVICES

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- Consultancy
- Management
- Marketing
- Valuation & Advisory
- Investment
- Acquisitions & Dispositions
- Sustainability & Environmental

### DEVELOPERS SERVICES

- Consultancy
- Investment
- Marketing
- Management
- Valuation & Advisory
- Sustainability & Environmental

### TENANTS/OCCUPIERS SERVICES

- Consultancy
- Valuation & Advisory
- Corporate Services
- Tenant Representation

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