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Mid-Memphis Tower office building bought by DRA Advisors, Investec Realty Services

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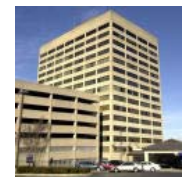
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A partnership of New York-based DRA Advisors and Investec Realty Services LLC has purchased the 214,000-square-foot Mid-Memphis Tower at 1407 Union for \$14 million.

The buyers purchased the office building from an ownership group that includes Malkin Management & Investment Co., the former leasing and management company for the Midtown office tower.

Memphis-based Investec Realty Services will lease and manage Mid-Memphis Tower with principal broker Anthony Lopes and affiliate brokers Michael Donahoe and Chad Fahrenkopf handling leasing and Anita Bunn supervising management.



ALAN HOWELL | MBJ

Mid-Memphis Tower has more than 200,000 square feet of office space, plus parking.

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Mid-Memphis Tower was built by Pace Irby Cooper, founder of Cooper Cos., in 1976. The hotel management and development company still maintains its office on the building's fourth floor.

The 15-story office building, which has a seven-story attached parking garage, is located in the Midtown/Medical District submarket. It's also considered to be in Memphis' Central Business District.

"We are thrilled about the opportunities Mid-Memphis Tower creates for our company and for DRA Advisors," Lopes says. "DRA and Investec are accustomed to working together and our team will work hard to increase occupancy within the office building."

Currently at 70% occupancy, Lopes says his goal is to have Mid-Memphis Tower at 90% occupancy in 12 months.

Lease rates for Mid-Memphis Tower will be in the \$16-per-square-foot range.

"Focusing on medical office users, Investec will immediately begin the process of recruiting new tenants to the building and keeping the existing tenant base pleased with the office environment," he says.

In addition to Cooper Cos., current tenants include Memphis Managed Care, the Equal Employment Opportunity Commission and several other government service agencies.

Mid-Memphis Tower's new owners plan to spend at least \$500,000 in property improvements such as new landscaping, new interior and exterior signage, tenant suite enhancement and improvements to the building's facade.

DRA is the majority owner in the 530,000-square-foot Koger Center office campus in East Memphis. The institutional investment company manages more than \$8 billion in U.S. real estate assets.

Matthew Shore, director of acquisitions for DRA, says Mid-Memphis Tower's proximity to Memphis' burgeoning biomedical district will help grow its tenant base. Investment in the area is strong, with Methodist Healthcare spending \$327 million at Le Bonheur Children's Medical Center and more than \$50 million over five years at Methodist University Hospital.

Gary Shorb, CEO of Methodist Healthcare, says the sale is timely with the level of investment occurring in the medical center.

Methodist is expanding its clinical programs and working with the University of Tennessee to transition to more of an academic enterprise, he says.

"It's a sound strategy for (DRA) because what we see happening in the medical center area from this point on is growth," Shorb says. "I think there is an opportunity for them. If we are successful in our strategies, we'll result in success for them."

Arthur Malkin, president of Malkin Management & Investment Co., says he's encouraged by DRA's investment in the Midtown market.

"It's a great building with a good mix of government tenants and it will be a nice option for medical and biotech tenants," he says. "It will be attractive to growing companies that want proximity to the biotech park."

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