

# In-Rel Focus

## Congratulations

- To **Mr. Ron Riley**, who was elected the incoming President of the Memphis Association of Realtors Commercial Council.
- To **Mr. Bryan Zenchyk**, on earning his Real Estate Broker's License and his CCIM designation..
- To **Ms. Tania Danielian**, for earning her CAM license and for becoming an RPA.

## Plaza 66 is In-Rel's Latest Acquisition

On August 31, 2009, In-Rel purchased the **Plaza 66** shopping center in Kenneth City, Florida. Kenneth City is part of the Tampa Bay Metropolitan Statistical Area (MSA). The 95,320 square foot shopping center is anchored by **Sweetbay Supermarket**. Sweetbay did a \$7 million dollar renovation to their store in 2006. The place looks great! Additional prominent tenants at the center include: Family Dollar, Cici's Pizza and Rent-A-Center. This acquisition marks the first purchase for In-Rel since acquiring the Aria Las Olas Condominium building in November 2008. This makes a total of 36 properties owned by In-Rel Management, Inc.



## In-Rel forges ahead in tough Economic Times by Dana Whitmore

As real estate professionals braced for what contractors, investors and developers are calling the worst real estate crunch since the early 1990's, In-Rel responded creatively to entice new tenants to its properties through various marketing outlets and special deals. The leasing team concentrated on working with quality tenants

who needed help in the midst of the economic downturn and renewing as many tenants as possible. One such effort included a broker event at the Tower Room co-hosted with , Regus, a 28,000 square foot Clark Tower tenant. Even with the rough economy, In-Rel North has completed over 100,000 square feet of new and renewal

leases in 2009. Some notable deals include the 4,500 square foot expansion of Thompson Dunavant at Clark Tower, a 3,600 square foot new lease at Lynnfield Office Park to Physicians Data Services, and the newly constructed—6,000 square foot Poplar Towers out-parcel building leased to AT&T.



Frazier Baker, Director of Leasing North, in Memphis, Tennessee

## Leasing News South by Bryan Zenchyk

In-Rel Management's Florida Leasing Department welcomed Jonathan Davison to the team last April. He has made the transition seamlessly, joining the team in completing over 115,000 square feet in new deals and over 129,000 square feet in renewals thus far in 2009. Of those deals, some notable tenants include ILON Office Solutions at Courthouse Place, Allstate at Oakbrook Plaza, Gateway Home Health (which is a subsidiary of Community Health Systems, Inc.—one of

the nation's leading operators of general acute care hospitals) and Food Giant at the Center Point Shopping Center who took over the grocery anchor space. Also, Tuesday Morning opened its second store with In-Rel Management at Wellaby Square in Sunrise, FL. The 8,755 square foot



Jonathan Davison  
Lake Worth, Florida

store opened in June. Everyone at In-Rel wishes Jonathan and the entire Leasing Team much success in the future.

## What is a "Re-Fi"? By Steve Filosa

Re-Fi is short for refinance. When we acquire a property, we usually finance part of the purchase price with a mortgage. Sometime in the future, either the existing mortgage matures, or the value of the property becomes significantly higher than at acquisition so we "refinance" the property. The ultimate goal is to be able to put a new mortgage in place that is higher than the existing mortgage (example: new mortgage is \$1,500,00 and old mortgage is \$1,000,000), thereby "pulling out" cash at the closing (in this case \$500,000).

In most cases, we Re-Fi a property because the market value is higher than at the time of the original mortgage. This usually happens because we have been able to increase revenues or reduce expenses (in many cases both), which in turn generates more cash flow, usually creating a higher market value.

Additionally, the "valuing of real estate" will affect the market value. In this case, the risk and rewards of owning a building is compared to other types of investments, and is given a "capitalization rate." The "cap rate" (as it is known), affects the market value greatly. A simple example would be two properties that both make \$1,000,000 in profits a year. If one was a Publix anchored shopping center, it might be assigned a 7% cap rate and therefore be worth \$14,285,000 (\$1 million divided by 7%). An old office building in a run-down part of town might only be assigned a 10% cap rate and therefore only be worth \$10,000,000 (\$1 million divided by 10%).

To sum up, there are several reasons to Re-Fi a building. In some cases, the timing is dictated by the loan maturity and at other times it is voluntary (building has maximized its profits,

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real estate is considered a good investment, cash at closing is needed to fund future acquisitions, etc.).

If you would like to learn more about this topic, please contact Steve at [sfilosa@in-rel.com](mailto:sfilosa@in-rel.com)

## Harvey's Looking Good in Bainbridge Town Center by Cathi Galpin

**Harvey's Supermarket**, one of the anchor tenants in Bainbridge Town Center, located in Bainbridge, Georgia, has shown a renewed commitment to the center. Not only do they plan to exercise their lease option, Harvey's also recently completed a two million dollar store renovation to include a new store layout, up-dated fixtures and cases, new registers and customer service area, new deli, and a



Harvey's colorful new interior.

totally fresh color scheme. Store manager, James Woodard, reported store sales up as much as 45% since the remodel with an overall average increase of 10%. Harvey's dedication and new look has

certainly made the center proud!



Customers enjoying the new deli department at Harvey's - Bainbridge Town Center.

## Property Management Check-list by Tania Danielian

Although In-Rel's Property Managers and Maintenance Technicians are the ones who inspect the properties on a regular basis, In-Rel asks that all employees keep an eye out for issues and report them to the Property Managers. Here's what to look for:

- Overall Cleanliness
- Landscaping for dryness, pest issues, etc.
- Parking Lot for potholes, curbing
- repairs, broken car stops
- Building and parking lot signage
- Walkways and lighting
- Exterior for any needed repairs
- Dumpster areas for debris, bulk trash, damaged enclosures,
- cleanliness
- Common area bathrooms for cleanliness, properly operating facilities, stocked supplies

**"In-Rel Management's Property Management team is always on the go and work together to keep the properties running smoothly."**

**Thank you in advance for keeping your eyes open!**

## Positive Changes Abound at the Tower Room

The Tower Room proudly announces **Mr. Bob Rygg** as its new **General Manager**. Bob's responsibilities include full oversight of the entire operation. The Tower Room is also pleased to welcome **Kevin Rains** as the new **Executive Chef**. Chef Rains apprenticed at Denver, Colorado's #1

restaurant, Strings, for two years under the guidance of Chef Noel Cunningham. In addition, he has worked at the Ritz-Inverness, EJ's Brasserie, and Equestria. Furthermore, Chef Noel comes to us from owning his own restaurant,



The Tower Room is located on the 33rd floor of Clark Tower in Memphis, TN

Roustica. The Tower Room looks forward to the innovation, dedication and success these two gentlemen will bring to the Tower Room Team!

## Who Shares Your Zodiac Sign?

- **Aquarius** (1/20-2/18) - Symbol: The Water Bearer, Secret Desire: To be unique and original—**Traci Hamby, Tony Herrell, Andrew Williams, Shari Isbell**
- **Pisces** (2/19-3/20) - Symbol: The Fish, Secret Desire: To Live their dreams & turn fantasies into realities—**Joel (Buddy) Sapp, Cathi Galpin**
- **Aries** (3/21-4/19) - Symbol: The Ram, Secret Desire: To lead the way for others—**Jenna Thomas, Sherri Carr, Tania Danielian, Jonathan Davison, Carras Perez, Jeff Thymius**
- **Taurus** (4/20-5/20) - Symbol: The Bull, Secret Desire: To have a secure, happy & wealthy life/marriage—**Stephen Eller, Melissa Streety, Neil Hegmann, James Mayes, Carol Sardo, Deborah Jowell**
- **Gemini** (5/21-6/20) - Symbol: The Twins, Secret Desire: To be ahead of the crowd—**Bobby Hill, Steve Filosa, Charles Stein, Lorraine Udwin, Bryan Zenchyk**
- **Cancer** (6/21-7/22) - Symbol: The Crab, Secret Desire: To feel safe (emotionally, spiritually, romantically & financially)—**Frazier Baker**
- **Leo** (7/23-8/22) - Symbol: The Lion, Secret Desire: To be a Star—**Sarena Casella, Paula Hernandez, Premdath Mangalie, Ron Riley, Sunny Spain**
- **Virgo** (8/23-9/22) - Symbol: The Virgin, Secret Desire: To love and be loved in return—**Katherine Hartig-Hill, Malcolm Wilson, Charles Young**
- **Libra** (9/23-10/22) - Symbol: The Scales, Secret Desire: To live an easy, uncomplicated life—**Gary Forrester, Dennis Udwin, Dana Whitmore, Richard Cotton, Ricky Vogt**
- **Scorpio** (10/23-11/21) - Symbol: The Scorpion, Secret Desire: To triumph—No one
- **Sagittarius** (11/22-12/21) - Symbol: The Archer, Secret Desire: To make a difference in the world—**Jessica McEvoy**
- **Capricorn** (12/22-1/19) - Symbol: The Goat, Secret Desire: To be admired by their family and friends and the world at large—**Stephen Hecht**

Welcome New Employees: **Jonathan Davison—Leasing Associate**

**Traci Hamby—Administrative Assistant (pictured at right)**

**Malcolm Wilson—Maintenance**



## Center Point Shopping Center to get a new Food Giant by Ron Riley

In February 2009, Bruno's Corporation filed for Bankruptcy. Bruno's occupied 54,172 square feet and served as the primary anchor for the shopping center. Immediately upon hearing the news, the leasing team went to work and actively pursued alternate users. Shortly thereafter, Food Giant was identified as a possible grocery store to backfill the vacancy.

Bruno's had occupied its location for nearly twenty (20) years resulting in a flat base rent, put in place when the Lease was originally executed. The base rental rate that Bruno's was paying was higher than the existing market would bare given the current economic conditions.

In an effort to make the Lease with Food Giant, In-Rel approached the Mayor and City Council on Center Point, AL. After several meetings, the City of Center Point agreed to partner with In-Rel and offer a Sales Tax Rebate derived from the overall sales of Food Giant. The transaction amounted to a shared revenue source for both In-Rel and the City which amounted to a win-win. "We were very excited especially when they came to us and told us they wanted to move in," Mayor Henderson said. "We needed a replacement for Bruno's. That will be a big boost to the economy." In the current economic environment to find a replacement anchor tenant as well as execute the Lease and

negotiate an agreement with the City in a four (4) - five (5) month span is a tribute to all of the parties involved.



The new Food Giant in Center Point, Alabama (artist's rendering)