SOUTHPACE
Commercial Real Estate Specialists

Southpace Properties 2011 NEWSLETTER

STRAIGHT talk
WITH JOHN LAURIELLO, CCIM

Goodbye 2011! Although 2011 was a slightly better year than 2010 we are glad it's over!

As we all know our economy is still in bad shape overall and it does not look like much will change in the near future. Our leadership in Washington is worried about the 2012 elections so we cannot expect much from either party until after the election…if then.

Unemployment is reported to be over 9% but many feel the real unemployment number is 14-15%, all things considered.

Housing is still suffering in most markets across the country. Businesses are cutting staff and not hiring full time employees. Plus, our city, county, state and the U.S. Federal Government is reducing staff and services as they deal with budget shortfalls. Not to mention, new technology has reduced the need for actual employees in very many areas of government and business. All things considered, I do not see the unemployment numbers going down in the next couple of years.

We now have a new Super Committee looking at ways of reducing our federal debt, changing our tax system, revising regulations and reviewing other areas critical to our economy. I'm a little confused why we have another committee since we had a similar situation with a fairly balanced committee of former Republicans and Democrats that worked very hard, but when they presented their recommendations, our leaders in Washington did not have the guts to follow that committee's recommendations. What ever happened to the Simpson-Bowles recommendations? I do not believe we will see some movement from the Super Committee in 2012. I expect in 2013 the economy will slowly start moving in a positive way only because our government will be forced to make some changes.

We all know this country is in one hell of a mess, but that is not new for our country. We have been in all types of bad situations since the United States was founded. Strong leadership and sacrifice has been needed throughout the history

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WANT TO READ MORE "STRAIGHT TALK" WITH JOHN LAURIELLO?

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CCIM SIOR Member RETAIL BROKERS NETWORK naiop IREM of our country. The problem today is we have very weak leaders in both parties and the majority of our citizens do not want to make any sacrifices. We are all for change as long as it does not affect us! Personally I do not want any branch of government to have more of my money to spend. In spite of the billions of dollars our government wastes every year, the "Muffin Gate" story was the most annoying example of government waste. The $16 muffins and the $8 cup of coffee upset the hell out of me!

In spite of all the stupidity, lies and BS coming from our leaders in Washington, I am betting on our country to come through this mess and make real changes within the next two to three years and take steps to secure a bright future with a bunch of changes that benefit our country long term. Who knows, we may actually find some great leaders in a few years. We all continue to hear about the Bush Tax Cuts and all we need to do is go back to the same taxation policies of the Clinton years when we actually had a balanced budget and everything will be fine. That is simply BS!

I voted for Bill Clinton twice and thought overall he was a good president mainly because he was more of a moderate but mostly because he worked with the Republicans who controlled Congress for most of his term. The two sides did not always agree and there were many arguments and disagreements, but overall his administration and Congress did a good job.

The reason we cannot go back to those tax policies and what most people do not think about is how much more actual tax payers and small businesses are paying in local, state and other federal taxes. Sales taxes, license fees of all types, property taxes, taxes on many services have gone up to more than offset the difference between tax policies during the Clinton years and today.

Our company provides quality Blue Cross Preferred single medical and dental coverage to our employees. Our costs over the last 10 years on this one item has gone up from $232 to $512 per person for the same coverage. Our employees have paid a price also, their co-pay has gone from $15 to $30. So I am sick of hearing—especially from people who pay no tax or very little—that our company, or me as an individual, needs to pay more taxes. If Warren Buffet is correct that folks making millions or billions of dollars a year only pay 16% overall on their income, that really needs to be corrected. It is simply wrong and totally unfair. We need to index capital gain taxes like we do income taxes. Starting at 5% on the 1st $50,000, 10% on the next $200,000, 15% up to $1 million, 20% over $1 million and 25% over $25 million. In short, our tax system is a total mess and needs major change.

As far as Southpace Properties, Inc., we made several changes within our company that we view as positive. We did lose a few people that we did not want to lose, but we also added some great people to replace them. We added some terrific experienced team members and leaders to our management team, marketing team and new experienced brokers to our brokerage division.

We had a challenging 2011, but we were more active. In fact our leasing, sale and property management groups all slightly exceeded 2010 in terms of revenue. Our company remains 100% debt free, our phones are still answered by a polite human being on Monday-Friday 8 a.m. to 5 p.m. and our after hour answering service are real people not some recording or a machine. We have a new large Southpace neon sign on the Title Building, new software, new social media, new space on the ground floor and mezzanine with new furnishings in the Title Building for our Accounting, Management and Maintenance divisions and very soon we will have a new website. We expect our company to grow in 2012 and beyond. We need to continue to work hard, continue to train all our folks and expand our marketing footprint. In 2011 we spent over $200,000 on upgrades to our company and its infrastructure and once again the partners did not take any money out of the company for the third year in a row, other than their respective commissions/ fees earned by them individually after their splits with the company. This is what small companies have to do sometimes to survive: make sacrifices and cut back!

Once again we made contributions to local charities in metro Birmingham based on our years in business. We celebrated our 28th year in business in 2011 and gave to 28 local charities. The long-term future of Southpace is very bright. SP

HAVE A GREAT 2012!

On a personal note:

I have been asked if I am retiring a thousand times in 2011. Several of our competitors have told my clients that I either have retired or will be retiring soon. I guess they want me to retire. I have no immediate plans to retire! In fact, I plan on working, health permitting, well into my 70s here at Southpace. Instead of retiring, I would like to sell/transfer my ownership to others within the company in the next 3-5 years. I have also recently slowed down some and only work about 40-50 hours a week and I actually took over two weeks off in 2011 for the first time in over 40 years.

I continue to enjoy a challenge and let's face it, the real estate business is certainly a challenge. To all of our competitors who have told my clients that I have retired or will be retiring soon, sorry, I am still working hard to protect my clients and friends and continue to offer conservative advice and suggestions on real estate deals that best serve my clients needs long term and not my needs short term.

OFFICE market
WITH BLAKE CROWE, CCIM

The office market is improving…*maybe.* Based solely on available space absorption, 2011 was an outstanding year with an absorption of approximately 300,000 square feet. However, once you dissect this number, approximately 140,000 square feet was one tenant. And unfortunately, that tenant was a temporary lease and is already starting to move out in segments. FEMA took this space downtown after the tornados in April. This was always intended to be temporary space and FEMA will most likely be completely vacated by the end of 2012. This being said, our "true" absorption number is still approximately 150,000 square feet, which is good. So, in a market that has approximately 17.8 million square feet, we have approximately 2.4 million square feet of direct space available and approximately 655,000 square feet of sublease space available. As a percentage, we have an occupancy rate of approximately 87%. In comparison to last year, our occupancy rate was approximately 85%.

The Midtown submarket continues to be the strongest with an occupancy rate of 93%. The Highway 280 / I-459 submarket is hovering around 89%. The Southside submarket is also in the 89% range, although it is a much smaller market. The Central Business District has an occupancy rate of 88%. The Southern submarket is in the 83% occupancy range. The "boat anchor" to the Birmingham market is the Oxmoor submarket. With an occupancy level at approximately 68%, this submarket is the weakest and continues to be in line with historical numbers.

Although our numbers are on a healthy trend, this continues to be a tenant's market. There have been more lease renewals this year because landlords do not want to lose tenants. They will do anything it takes, within reason, to keep them. Landlords understand that by the time you calculate "carrying cost"—improvement money for new tenants and leasing fees—it makes sense to listen to tenants' requests when it is time to renew.

Office building sales have increased in 2011. This is partly due to lenders loosening lending requirements and partially because purchasers are seeing great deals as owner/occupants. Birmingham has seen a wide range of transactions occur from large deals like the Wells Fargo Tower at $68.5 million to your bread and butter $150,000 transactions. Banks are disposing of nonperforming loans they have taken back and they can be terrific deals. We expect to see even more sale transactions in 2012.

Several significant deals that happened in the market this year are:

- MEDSEEK took an additional 20,000 SF in the Galleria Tower
- TekLinks leased approximately 19,000 SF on Summit Parkway
- Alabama Allergy bought and will occupy 15,200 SF at Brookwood
- BASS, LLC will occupy 15,000 SF at Colonial Blue Lake
- Ricoh leased approximately 13,700 SF at Grandview II
- O'Neal Industries leased 13,000 SF at The Crescent
- Robins & Morton lease approximately 9,500 SF in Lakeshore Park Plaza

We are expecting another good year next year and believe the positive momentum the market has experienced this year will carry through into 2012. SP

market REVIEWS

Our 2011 overview of the major disciplines in the Birmingham commercial real estate market.

RETAIL market
WITH DAVID ASHFORD, CCIM

Are you hungry Birmingham? According to the activity in the Birmingham retail market in 2011 you are! The majority of new deals in Birmingham in 2011 focused around restaurant and grocery growth. What is in store for Birmingham and Alabama for 2012, more food or more shops?

The Birmingham retail market saw an influx of new restaurants in 2011. New names like Lime Fresh, Which Wich, Flat Top Grill, Urban Cookhouse, Shane's Rib Shack, Genghis Grill, Little Donkey, Mugshots, Frio en La Paz and Izzo's Illegal Burrito add to the eternal question "where do you want to eat?" But the activity in Birmingham was not limited to just new names. Darden Restaurants took down the old Circuit City building in Trussville and built an Olive Garden and Red Lobster in its place. Newk's and Zoe's, looking to expand their coverage in Alabama, opened in Vestavia Hills in the Vestavia City Center. Bayer Properties added several fast-casual restaurants to the Summit in 2011, including Izzo's, Flat Top, and Which Wich. One of the most controversial restaurants of 2011 was the Chick-fil-a in Five Points South, which opened with great success despite not having the traditional drive-thru.

Restaurants were not the only food providers on the rise in 2011. Earthfare, a new grocery chain to the market, announced that it will take the old CompUSA box on Hwy 150 next to the Riverchase Galleria. Publix opened stores in Chelsea and Pell City, and there are talks of Wal-Mart neighborhood market looking to expand throughout Alabama. Wal-Mart and Publix remain the dominant grocers, cornering more than 50% of the market share in Alabama.

Two big box deals of note in 2011 were Christmas Tree Shops taking the former Linens 'n Things space at Patton Creek, and Toys R Us / Babies R Us taking the former Brunos box at the Summit. The good news for 2012 is retail development is on the horizon. Several new developments have been announced and are under construction,

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which has tenants excited about new opportunities. Colonial Properties is set to open their Wal-Mart anchored center in Madison, AL in 2012 along with GBT opening their Target anchored center. Blackwater Management has announced three new developments in Decatur, Florence and Gadsden. Aronov is looking at a 300,000 SF phase III to the Promenade Alabaster development. Drinkard Development is in the planning stages of a 175,000 SF project in Opelika. The multi-use 29Seven project, which will have street level retail, has finally broken ground in Lakeview. Maybe the Lane Park development in Mountain Brook Village will also finally begin to take form. One way or the other it is great to be talking about new developments again!

What will 2012 bring for retail given the unstable economy and the election year? I believe that we will continue to see increased activity in restaurant growth and small shop users. The discounters will continue to grow on a steady pace as they have the previous few years. As the banks start lending again, we will see an increase in investment sales, especially net leased assets. I anticipate that more foreclosed properties will trade hands as banks continue to move assets off their books. If the second half of 2011 is any indication of what's to come next year, then we are very optimistic here at Southpace! SP

INVESTMENT market

WITH J.D. "JIM" COLLINS, III, CCIM

A year ago, in these very pages, we spoke of commercial real estate (CRE) markets that were dealing with significant change, uncertainty and reduced valuations. The past year has been somewhat of a mixed bag with modest progress in some areas and a sense of some stabilization in others. Quite predictably, uncertainty remains a big player, to the extent that a recent investment publication noted that businesses and consumers are currently being penalized by an "uncertainty tax" which is stifling activity of all sorts. What remains constant is that money continues to be the lifeblood in our world of CRE. So, who has it and what are they doing with it?

The banks, at least the ones that are left, are making progress towards cleaning up the mess left behind by ill-advised lending. Slowly but surely, many have begun the long process of purging their portfolios of bad loans. The bigger banks have attempted to dispose of large blocks of such loans, while others are taking it one deal at a time. In many cases, that process gets a real boost when a failed bank is taken over and circumstances make it easier to dispose of the bad deals because of federal assistance or simply because there is no longer a concern within the bank about who made the deal and which senior officer might have signed the original loan approval sheet. Those guys are gone, the bank is gone and so there is nobody around for whom saving face is any longer an issue.

The banks have certainly been the beneficiaries of government largess, but by and large much of that largess is being used to shore up balance sheets and/or pay down amounts owed to the government under previous programs. The amount being made available for real lending remains constrained and highly restrictive underwriting further limits what is actually making it back into the market via loans. Understandably, a very risk averse mindset prevails today and, as we noted last year, only the slam dunk quality deals are getting the nod.

The commercial mortgage back securities (CMBS) markets have, to the surprise of some, rebounded nicely. To be sure they are a mere shadow of their former selves but there is activity in that market. As with banks, the CMBS packages being put together today are all about quality real estate and well-heeled sponsors.

The government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, are still lending. Despite being bailed out and put into conservatorship, they continue to offer some very attractive multifamily loan products. It is a good market for those types of properties.

Lastly, there is a category of lenders who, by most measures, weathered the meltdown of '07/'08 better than the rest. For the most part, those would be life insurance companies and other institutional lenders who generally loan their own money for their own account. They were more likely to be staffed with underwriting professionals with many years of experience of CRE lending. They were far less likely to loosen their underwriting criteria and get into some of the really silly lending that was seen as the hot route to riches by so many others. It was boring lending and a good bit of loan production was lost to the new breed of geniuses who had 75 fancy ways to over finance CRE. As it turns out, boring is beautiful. If you take a look at the loan delinquency rate for life insurance companies over the past 6 or 7 years, you will find that it has barely budged, rocking along at 1% or less, while the rates for bank loans and (CMBS) are anywhere from 5 to 10 times that. As for those geniuses, most have moved on to their next life and many of their companies no longer exist. Meanwhile, those boring institutional lenders and their boring underwriters are still in business today and making sensible loans on quality real estate to knowledgeable sponsors who understand how to use debt wisely for the long haul. Quality lending is still good business.

Many individuals and businesses still maintain significant cash balances sidelined in cash or equivalent accounts. A recent Wall Street Journal article reported that some banks have such large deposits with no acceptable investment alternatives that they were charging the depositors fees just to cover the expense of the deposit insurance that they are required to carry on the deposits. Is it just me or does having to pay someone to hold your money seem a bit odd?

Overall there is money; there is lots and lots of money. Thanks to a multitude of federal alphabet named programs, the landscape is almost awash in printed money. Of course because of this excess liquidity those dollars are not worth what they once were. On the one hand, all the liquidity that has been pumped into the system has kept interest rates at an all time low. In some cases, such as overnight lending amongst financial institutions, you might say that there is almost no interest rate at all. Low interest rates are helpful if you are a borrower and our government is unquestionably a borrower of unbelievable magnitude in the world market place. Notwithstanding the debacle that is the European Union, our government's debt is seen as safe and the ample supply of money flowing into such instruments is keeping those rates low. Correspondingly, interest rates on real estate debt are extremely attractive. So if you have need to finance or refinance any sort of debt—real estate or otherwise—and you can qualify, do it now.

But ultimately there is a price to pay for this excess liquidity. History tells us our economy will recover. And when the recovery begins in earnest, alternative investments such as real estate and equities will begin to appear more attractive and some of that liquidity will want to flow out of government debt to more attractive alternatives. In order to attract the dollars necessary, that government debt will have to remain competitive with these alternatives and increased interest rates and inflation will follow. Ultimately, interest rates and inflation are a function of the market which, in the case of government debt, means the world market.

The Feds can have only a minimal, short term and artificial influence on interest rates. This is not a speculative or political statement. It is Economics 101. The law of supply and demand cannot be repealed. If you doubt this you might check with Jimmy Carter; the prime rate exceeded 21% during his one term in office…twice! The Feds weren't much help to him.

Higher interest rates and inflation are insidious destroyers of wealth. As Vladimir Lenin once noted, "The way to take over a country is to debauch the currency. Through a policy of inflation a government can quietly confiscate the wealth of its citizens." While old Vladimir may have been a scoundrel, he knew a lot more about economics than far too many of those who are currently making critical decisions about the economy of the United States of America and our future.

Quality is a good thing. Free markets are efficient. The American private sector, while somewhat bruised and battered, is resilient. Although it will not be without pain, left undisturbed and undeterred by government meddling our economy can find equilibrium, purge itself of its excesses, relearn the successful ways of the past and rebuild itself on a strong foundation. Under that scenario the money required will be there in the proper amounts and at the appropriate cost (interest rate). In a rebounding economy, our real estate markets will offer great opportunity for those ready, willing and able to participate. Southpace looks forward to providing you with the professional services you require, as together we all tackle the challenges that currently lay before us. May your 2012 be healthy, prosperous and, most importantly, enjoyable. SP

INDUSTRIAL **market**

WITH RICH VANCHINA, CCIM, SIOR

For the first time in three years, occupancy rates of industrial real estate improved in the Birmingham market during 2011. The overall occupancy rate of the 16 million square feet of multi-tenant industrial space rose to approximately 75% from 69% at the end of 2010. It seemed as though the complete lack of leasing activity during 2008, '09 and '10 created pent up demand that resulted in the increase of business that we experienced this year. Hopefully this recent activity in our market suggests that absorption rates will continue to rise in 2012 as well. And although the high amount of vacancy continues to keep a downward pressure on rental rates, vacancies are not being discounted as deeply as one would expect. This means that Birmingham's landlords did a great job to "weather the storm".

Mostly, the occupancy levels in each of Birmingham's five industrial submarkets saw steady, but modest improvement. Occupancy in the Oxmoor Valley stayed flat at 81% this year, while in the central submarket, it increased slightly to 85%. The big gainer was the Western submarket, which improved to 71% occupancy, up from 64% last year. The Eastern submarket improved to reach 86% occupancy, which it has not enjoyed since the end of 2009. And finally, occupancy in the Southern submarket increased slightly to 83%.

Three major developments that will most positively affect Birmingham's industrial brokerage community will be completed in the Southwest submarket during the first half of 2012. The first is Norfolk Southern Railroad, which is scheduled to open a 316 acre, $112 million intermodal hub in McCalla. Delivery of this project should positively affect occupancy rates in existing distribution buildings, as well as provide a spark for new industrial development in the Southwest submarket. Also, Mercedes announced it will move production of its popular C-Class sedan for North American markets, to the Vance plant. The expansion will require a $290 million investment, and create approximately 1,000 new jobs by 2014. This project should attract additional Mercedes suppliers, as well as trigger expansions for the ones currently in the market. Finally, Dollar General is building a one million square foot distribution facility to service its retail stores in Alabama, Mississippi, Georgia and the Florida panhandle. This $60 million development validates Birmingham as a great place to do business to other large corporations contemplating a move to the area. These new developments can be attributed to the fact that Alabama has long been recognized as having

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one of the most favorable business climates in the country, due to its reasonable state and local taxes, workforce skills, transportation and utility infrastructure. Also, the combination of available space and strategic central location make Birmingham a prime spot for facility expansion or relocation.

The sales and leasing activity experienced in Birmingham's industrial real estate market this year strongly suggests that the worst of "The Great Recession" is behind our region. In fact, many of the industrial brokers in the community expect occupancy rates to continue to gradually increase in 2012. But, it is still very unlikely that we will see any new development, outside of build-to-suit projects, for another few years. Also, due to the amount of vacancy we still have, we should expect Birmingham to remain a tenant's market for just a little while longer. But landlords should look at this year's sales and leasing activity as a positive sign for things to come.

LAND **market**

WITH STEVE MORDECAI

Investors dig deep into cheap dirt! The old adage "Cheap as Dirt" was viewed in a positive light by investors that took advantage of opportunities to purchase land presented by the banking Industries in an effort to shed real estate owned (REO) properties. In 2011, Southpace was hired by nine local or regional banks to help dispose of REO property.

Though sales volumes in 2011 are still well below their 2007 levels, they have risen above record lows set in 2009 and 2010. Investors lead the way, purchasing REO land from banks at bargain prices, with the intent of land banking until prices rebound. The atmosphere is perfect for warehousing land because holding costs are low and tax burdens have dropped, along with land values, in most areas.

While the increase in land purchases helped banks shrink their REO and non-performing loan portfolios, it did not generate additional building or development to any measurable extent. Would-be developers and investors are sitting on these purchases waiting for the market to improve. Even though the current economic environment is an improvement over the past few years, many of the negative issues that have plagued our industry nationally and locally continue to persist. Issues such as unemployment, anemic demand, a weak appetite for real estate lending and bulging inventories in most, if not all, real estate categories hung around in 2011, keeping downward pressure on the local real estate market.

Again, in 2011 raw land values and sales remain at the bottom of the real estate pile. However, we are optimistic, just as we were in 2010, that investors, developers and builders will once again dig their heels into the red Alabama clay to find ways to improve our industry and lend a hand in reaching economic recovery.

Louis Glickman, known real estate investor and philanthropist once said, "The Best Investment on Earth *is* Earth." This is especially true today!

Check out our new neon sign

PROPERTY **management**

Property Management is probably the most overlooked, and under-appreciated aspect of the commercial real estate industry. But anyone that has millions of their hard earned dollars invested in income producing real estate understands the importance of having a good steward to competently manage, and maintain the asset.

Southpace Management's mission is to care for, monitor, and offer accountability for the usable life and condition of our client's real estate holdings. Our property management team makes every client's needs a top priority and that's why our property management portfolio has grown to include more than 4.2 million square feet of office, retail and industrial real estate across the southeastern United States.

The quality services offered by Southpace Management include building maintenance, construction management, asset management, and financial reporting. Southpace Management is the only independent firm in the Birmingham Metropolitan area to earn the coveted Accredited Management Organization designation from the Institute of Real Estate Management.

Inside SOUTHPACE

WITH BRYAN HOLT, CCIM, CLS

Last year I talked about a modest retail comeback. Twelve months later it's still just a modest comeback but the fact that the trickle of activity has remained constant throughout 2011 is encouraging to us. As the market works to regain its footing, we are positioning Southpace to take full advantage of the improving retail climate for our clients. In our last newsletter I spoke of a reorganization of sorts for the Retail Division here at Southpace. We added a couple of key people to the Retail Division in 2010 and renovated the 8th floor to accommodate the group. The addition of a Principal focused on retail was just beginning to have an impact on our retail business.

What a difference one year can make. We set several goals for the Retail Division in 2011 and met or exceeded nearly every one of them. We completed 101 retail deals across our region. We increased the occupancy rate across our client's retail portfolios by 11%. We had a total of 26 individual attendances at regional and national ICSC events and by press time will have added over 1.3 million square feet to our third-party leasing portfolio. Beyond these measurable metrics we have a number of qualitative objectives that we continue to work on for the benefit of our clients.

One of those goals was to systematically build our retail personnel by filling specific roles rather than growing just for growth's sake. Early this fall we were very fortunate to welcome Marcus Bruchis to our team. You can read more from Marcus in the pages that follow but suffice it to say Marcus is helping with a bit of a culture shift at Southpace. He has helped us look at the properties we lease and manage as one portfolio, for which we are all responsible, rather than 100 or more individually owned properties leased by one broker alone. This is an important paradigm shift for our group. Most brokerage firms operate like tiny fiefdoms where nobody shares information and each person operates as self-contained businesses unto themselves. It's a dysfunctional model that works against the client and against the individual broker. The Southpace model fosters far more collaboration, strengthens our specializations and has already been instrumental in landing new business. Clients large and small want the capability of a professional in-house leasing and management team. Marcus along with David Ashford, Retail Division Director, will continue recruiting, training and managing the best leasing team in the region under a model of cooperation and collaboration that is rare in our business.

We continue to enjoy an outstanding relationship with our partners in the **Retail Brokers Network**. As one of 60+ companies across North America we share industry knowledge and refer business back and forth with some of the finest companies in retail. This past year, clients such as Verizon Wireless, Rainbow Fashions, Great Clips, 32 Degrees, Buffalo Wild Wings and others have enjoyed the benefits of our RBN membership. The RBN network is as much about collaboration as it is about referrals. In November I was invited to make a technology presentation to the RBN executive committee at the annual meetings in Atlanta. I shared our technology plans here at Southpace as well as a review of some of RBN's systems and initiatives. We continue to improve our capabilities as we take advantage of our membership in RBN. We are very proud of our membership in such a progressive institution.

Beyond what is happening in our Retail Division I am very excited about some of our latest initiatives for Southpace Properties as a whole. We owe it to our clients to have the best equipped, best educated and most active team members in our region. You have undoubtedly noticed our increased presence in social media circles with our monthly electronic newsletter (The PACESETTER), blog, Twitter and Facebook activity. We have a focused strategy in place to manage these tools and direct our message. A large part of the strategy is the education and training of all of our people in the use of these tools. Beginning in October, we had experts in the field teach four training classes on various aspects of our social media strategy. This is an ongoing program that will continue in 2012 making all of our team members more proficient in this field.

Our clients need lawyers, electricians, architects, plumbers, accountants, title companies, engineers and contractors and often they look to us to manage those relationships. Building on the idea of having the best trained team in the business, we will kick off the ***Southpace Learning Series 2012 (SLS)*** in January. In addition to our social media training, the SLS is a regularly scheduled series of classes on various subjects from building systems to civil engineering to title policies. We owe it to our clients to be conversant in a wide variety of related topics and assist them in identifying problems and opportunities and finding solutions to match. The Southpace Learning series is one more way we are improving our ability to serve our clients.

When John talks about what's going on around our office these days he likes to say that he's an old dinosaur. He'll tell you this place had to change or die. He'll say that "…we had fallen asleep the last few years but now these young guys are getting us back on track". He hates technology and what it's done to real human interaction, but he's mindful that evolution is important to maintaining our edge.

FROM THE RETAIL DIVISION VISION STATEMENT

...Southpace Retail will become the recognized leader in retail leasing and brokerage for tenants and landlords in our geographic area.

Our level of service will motivate clients to seek out opportunities to recommend Southpace to their peers.

We have a few new ideas being implemented here at Southpace. We believe we are on our way to equipping our people with the most advanced tools and training in our business. What you have seen over the last year and what you will witness for the foreseeable future is not some wholesale change in direction for Southpace. Despite the new bells and whistles, the software and the training, the new faces and the young talent, and without regard for all the new marketing and social media, we won't be leaving our roots. You won't see us stray away from the work ethic this company was built upon. What you are witnessing is not a new direction but rather a sharper focus down the same narrow path. SP

The Third Dimension | BY MARCUS BRUCHIS, SCLS
OF RETAIL BROKERAGE

In the movie “Back to School,” Rodney Dangerfield’s son and other college students were buying used books because they had already been highlighted. Dangerfield retorts, “That’s great, but what if the person that highlighted them was an idiot?”

In my 25+ year career in the shopping center industry, I have never been considered a renegade. But after meeting with John and Bryan a few months ago about joining Southpace, I left with an enthusiasm that I had not had for a number of years. They were offering me a unique opportunity that I had not yet experienced in the commercial real estate industry. Southpace is defintiely not following the status quo in commercial real estate brokerage.

My previous experience in the industry includes a career in traditional landlord leasing at Aronov Realty and retail leasing at Hibbett Sports, both of which gave me the privilege of managing some of the best people in retail real estate in the Southeast. And for the past two years, I have been on my own as Rainbow Apparel’s exclusive broker for six southeastern states. The unusual and specific opportunity Southpace offered me was the chance to combine all three of these disciplines; traditional landlord leasing, tenant representation and managing a team of brokers. By allowing me to combine all of my experience into one new role, Southpace put me in a new zone and in what I think is perhaps is a greater, more global role… what I refer to as: The Third Dimension.

It seems to me Southpace is implementing a nontraditional approach of how a commercial real estate firm can and should operate. And when you think about it, it makes perfect sense. Why can’t an independent brokerage group work together like a traditional shopping center or retail leasing team? The answer is, they can! In plain terms, it is simply brokers sharing information, referring prospects to other in-house brokers, and adhering to their own personal specialty.

Specialization within divisions is a very important component in commercial real estate under our model at Southpace. And though most brokers know this, I can’t tell you how many I talk with who lose that focus in the tough economic times and feel like “more” is better.

I recently heard from a friend of mine that, “These days our philosophy is if you have a connection with someone interested in office, then it is time for us to learn more about office leasing.” I am comfortable sharing this because the response I gave when I heard this comment was this, “That’s interesting, because that philosophy could not be more different than our own at Southpace.” Not only are we referring clients to each other between our main three divisions of office, retail, industrial, but we also have specific disciplines within the Retail Division. David and Andrew work only on third-party leasing, Bryan and Tyler work in Tenant Representation, and Michael works with investment sales and triple net deals. We know where each broker excels, we continue to help them refine that specialty and we are working to build on that team with more role players.

> “Just by allowing me to combine all of my experience into one new role, Southpace put me in a new zone and in what I think is perhaps a greater, more global role.”

How many brokerage groups still go by the old adage “we eat what we kill”? Would it not be great if we could still do that, but also have the opportunity to at least “snack on what others kill”?

I plan to take this new opportunity at Southpace not to get another book that’s already highlighted, but to help create something new and exciting in commercial real estate that has not been read yet. SP

Disclaimer: Rodney Dangerfield is in no way shape or form associated with Southpace Properties, Inc.

PATIENCE for Complex Deals During Down Times

BY ANDREW LOVEMAN, CCIM

Southpace Properties, Inc. strives to provide value for our clients in all transactions. During the tough economic climate over the last few years getting deals inked for our clients has become more difficult than ever. But our goal has not changed—get deals done for our clients and make them money! Sometimes the biggest and toughest trait to have is PATIENCE. Whether it's commercial real estate or driving to your next meeting…patience is a tough trait to exhibit. Here are two deals in which guiding our clients through the process took enormous amounts of patience for our clients and our counterparts on the other side of the transaction. But in each case, Southpace got the deal inked and our clients are very happy.

DEAL 1

A dollar store was going into a small strip center owned by a family. The family has owned this strip center (and one other investment property) for years and passed it on to the next generation. This was not a sophisticated real estate company, but instead a smart and patient family. Patient enough for a deal that had a lot of moving parts and took 20 months to complete! The initial Letter of Intent from the dollar store tenant created a huge amount of Landlord work. This is pretty common, but I had completed a deal with this same Tenant about a year before so I was familiar with their initial requests. In fact, in this case it was too much cost for the deal to make sense. I recommended to our client that the dollar store had deep enough pockets that we could request the Tenant take more of the workload or we would walk away. The city was also asked if they could help offset some costs for this type store. The city offered some sales tax rebates as long as the dollar store carried some traditional grocery items like eggs, milk, bread, etc. This particular city did not have a grocery store and was close to a Wal-Mart in another municipality so recruiting a grocery store was not going to happen any time in the near future. The Tenant agreed to take on additional costs in the build out, and Southpace worked with the City, the Landlord, and the Landlord's attorney to find an incentives package that could help offset the cost the Landlord incurred to bring in the Tenant. In most real estate deals you have to be nimble.

All parties involved—Landlord, Tenant, City—worked together to get a lease and a sales tax incentives package that would work for everyone. Not to mention, the removal of asbestos, splitting the space for the Tenant, fixing a structural issue on the building, and the other usual real estate hurdles. Now the Landlord has a Tenant in which the build out cost will be repaid by the sales tax rebate, the City has a store carrying the requested grocery items, and the Tenant has a shiny new store in a great location.

DEAL 2

A discount grocery store was expanding and we had a space that met their criteria in a market that was good for them. From the first meeting to the signing of the lease took a fairly normal 90-100 days. But the next nine months is where the patience was needed: getting a major contingency removed. Our client, the Landlord, is a sophisticated real estate investment group out of New York, and they have been "around the block" in the real estate world and especially with respect to retail. This client was required to get Lender approval on all deals. In our experience with this Landlord, all of our previous deals had been approved like a rubber stamp. As an aside, discount grocery stores, dollar stores, etc. tend to be highly aggressive in what they request from Landlords in the build out process, while requiring low rents at the same time. After some of the usual back and forth with Letters of Intent, the parties agreed to a deal. But then the Lender balked and would not approve the deal. They said it was too expensive, etc. and the numbers did not make sense. Our clients argued that this was a doable deal based on the market today and that it would create more of a draw for this shopping center, along with a new high school being built across the street. These two factors would create a better shopping center, and thus a better environment to lease the remaining empty square footage in the center—at a higher rental rate to boot. Still, the Lender held firm. So we had to approach our counterparts representing the Tenant with caution and keep them engaged while letting them know that the Landlord is working through the issue of Lender approval. Multiple deadlines came and went with the Tenant becoming more anxious with the Landlord but we explained where we were in the process and gave that information to the Tenant and their representation. During this high anxiety period the Landlord wanted to demonstrate its dedication to this deal and handled the demolition of the space, removed asbestos tiles, worked with the Tenant on permitting, etc. After nine months of negotiating with the Lender and nine months of keeping the Tenant engaged in the deal, the Lender contingency was removed. And thus the deal was complete.

This is commercial real estate in 2011 and these two complex transactions required lots of expertise and guidance. Southpace is ready to help our clients through transactions—small and large, simple and complex—but sometimes the biggest element commercial real estate requires is the toughest of human traits: PATIENCE. SP

Show Us Your SWAG!

CLOCKWISE: Southpace hat spotted with Mickey in Orlando, Florida. Southpace chapstick comes in handy on a cold day at LP Stadim during a Titans game. Carole Pizitz sports Southpace purple outside of Miraval Spa in Tucson, Arizona. Southpace toy airplane given to orphans in Africa.

If you workout at any local YMCA, or country club, or run in any neighborhood in metro Birmingham, or maybe even in other cities around the world, chances are you've noticed a person or two wearing a Southpace tee shirt. This is just normal everyday life because at Southpace, we're known for our "swag."

We've got tee shirts, koozies, flashlights, sweatshirts, cell phone holders, luggage tag indicators, cups, tank tops, chapstick, teddy bears, hats, key chains, license plate tags, pens, gym bags, lunch coolers and much, much more. You name it and we've probably turned it purple and put a Southpace logo on it. And we like to pass this swag out to our clients, charities, friends and family members in metro Birmingham and across the country.

In fact, we often get e-mails from folks who have been on vacation and stumbled across someone with a piece of Southpace swag and just had to tell us about it because it was so unexpected that they saw our swag so far away from home. These e-mails got us thinking there must be more people who have seen the logo some place unexpected, but just didn't send us a photo or an e-mail. So now we want you to SHOW US YOUR SWAG.

We wanna know, where's the most unexpected place you've seen the Southpace logo or worn your Southpace gear? Maybe you took your favorite Southpace koozie with you on a fishing trip off a tropical, exotic coast. Or maybe you wore your Southpace tee shirt while skydiving or riding an elephant in Africa. Or maybe you've been on one of these trips and seen someone else with Southpace swag.

Wherever you've seen the Southpace purple—whether on yourself or someone else—we'd love to see it too!

So take a photo and either post it on our Facebook wall at facebook.com/southpaceproperties or e-mail it to southpaceprop@gmail.com. We'll add the photos you send to our Southpace Swag album on Facebook. SP

Be sure to leave a comment with your name and where your photo was taken because if you send us something cool, maybe we'll hook you up with more swag!

Did you know?

SOUTHPACE IS SOCIAL!

Connect with us on all your favorite social media sites.

facebook.com/southpaceproperties

twitter.com/southpace

youtube.com/southpaceproperties

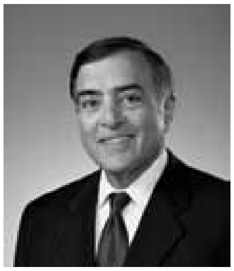
southpaceblog.com

linkedin.com search: Southpace

New FACES

The Southpace team is always growing.

Here are the new faces we added to our company in 2011.



Charles Ferlisi joined Southpace as Director of Development and Construction Services in April 2011. Charles brings his 37-year experience as a Founder and Owner of a construction and development firm to Southpace to expand the level of services offered to clients. At Southpace, we recognize that our clients are not contractors and often need information and assistance when it comes to repairing existing buildings, redevelopment, tenant build-outs and new construction.

Charles will be involved in all aspects of development including conceptual planning, financial analysis, design review, lease review for compatibility with project goals and coordination of people and processes. We're excited that Southpace now has someone on staff with the expertise to minimize a client's concern with the entire construction process from concept and budgeting to the final stage of occupancy. This association and management of clients' construction needs is just one more example of the several improvements being made by Southpace to position the firm for future growth and to help maximize the value of our clients' property.

Lori Livezey joined Southpace in early May as the Retail Division Administrator. Lori moved to Alabama from Michigan in 2007 with multiple facets of real estate experience. Since her arrival in Alabama, Lori 's most recent experience includes senior living management and administrative support in the property management field. As the Retail Division Administrator at Southpace, Lori provides support to the retail brokerage group. She is responsible for preparing proposals, lease agreements, mapping and research on property sites. Lori studied for her Real Estate license in Michigan, along with property management, and is now studying to receive her Alabama Real Estate license.

Gabrielle Keel joined Southpace in late July as Vice President of Property Management. She has 11 years of property management experience. Gabrielle currently manages 1.4 million square feet of property consisting of office, retail and industrial space. She received her Bachelor's degree in Business Administration from the University of Alabama in Huntsville. She holds the Certified Property Management (CPM) professional designation from Institute Real Estate Management (IREM) and her Real Property Administrator (RPA) designation from BOMI International. Gabrielle is also a member of IREM and currently serves as treasurer on the local IREM chapter board.

Sloan Stevens joined Southpace in late November as an associate broker in the industrial division. Sloan is a CCIM candidate who has completed CI courses 101 and 104. His previous experience includes 13 years in restaurant management and ownership. Sloan is a Birmingham native and studied finance at Auburn University.

Christen Lewis joined Southpace in late May as Director of Marketing and Research. Christen has more than seven years experience in designing, developing and implementing marketing campaigns for advertising clients. Christen is responsible for production of all marketing materials for office, industrial, multi-family and investment properties at Southpace. Additionally, she is responsible for the overall marketing and public relations strategies and implementation for Southpace Properties, Inc. and Southpace Management, Inc. Christen received her Bachelor's degree in Communication and Information Sciences from the University of Alabama and her Master's degree in Communications Management from the University of Alabama at Birmingham.

Marcus Bruchis joined Southpace in early September as Vice President of Retail Services. Marcus will primarily be responsible for coordinating all three retail divisions at Southpace. Additionally, he will recruit, train and mentor all new brokers who have a focus in retail leasing and tenant representation. Marcus has more than twenty-five years' experience in the commercial real estate industry, most of which he spent at Aronov Realty in Montgomery, Alabama as Vice President, Director of Leasing. He also served as Vice President of Real Estate for Hibbett Sports for four years and is currently the exclusive broker for Rainbow Fashion in six southeastern states.

Jeannie Schrimsher joined Southpace in early November as Accounting and Management Assistant. Jeannie has more than 12 years of experience in account management and bookkeeping. As the Accounting and Management Assistant at Southpace, she provides support for both the accounting and property management departments. Jeannie is responsible for assisting with accounts payable and receivable, bank statement reconciliations, financial statement distributions and lease administration. Jeannie studied general business at the University of Alabama at Birmingham.

RETAIL

2011 DEALS

A sample of highlighted transactions our brokers completed in 2011.

Tyler Bradford represented 32° Yogurt Bar in the leasing of retail space in the following locations across the southeast: 2,000 SF at the Shoppes at Lawson Ridge in Madison, Alabama, 1,250 SF at 1114A Highway 231 S in Troy, Alabama, 1,600 SF at Marktplatz Center in Cullman, Alabama, 1,400 SF at McIntosh Plaza in Carrollton, Georgia, 1,750 SF on Highway 98 in Hattiesburg, Mississippi and 1,500 SF at 5046 Bayou Blvd in Pensacola, Florida.

Bryan Holt & Tyler Bradford represented Tre'za Fine Salads and Wood Fired Pizza in the leasing of 3,000 SF of retail space at Town Brookhaven in Atlanta, Georgia. Tre'za is a fresh, fun and healthier alternative to fast food pizza and the standard salad bar.

Tyler Bradford represented Which Wich Superior Sandwiches in the leasing of 1,900 SF at the Summit in Birmingham, Alabama and 1,600 SF at The Shoppes of Madison in Madison, Alabama. Which Wich is an innovative concept with more than 50 customizable "wiches". This will be their first two locations in the state of Alabama.

Bryan Holt represented Chipotle Mexican Grill in the leasing of 2,400 SF at Huntsville Plaza in Huntsville, Alabama. Tenants at Huntsville Plaza include Earthfare, Jo-Anne's Fabrics & Powerhouse Gym. Holt also represented Chipotle Mexican Grill in the leasing of approximately 3,000 SF at 346 W Magnolia in Auburn, Alabama. This is a prime location on the Auburn campus located 1 block from Toomer's Corner.

Bryan Holt represented Newk's Express Café in the leasing of 4,726 SF in the Vestavia City Center located at 612 Montgomery Hwy. This will be Newk's third location in the Birmingham area and Southpace continues to represent the café in the search for more locations.

Andrew Loveman represented Odom Management Properties in the leasing of 9,590 SF to Dollar General at Crestwood Plaza in Irondale, Alabama. Sid Aultman of Aultman Properties represented Dollar General in this transaction.

David Ashford & Andrew Loveman represented Inland U.S. Management, LLC. in the leasing of 60,000 SF to Hobby Lobby in Northwood Crossing at 2300 McFarland Boulevard in Tuscaloosa, Alabama. Hobby Lobby needed to relocate after the unfortunate tornadoes that swept Tuscaloosa in April earlier this year. Northwood Crossing had space available to accommodate the needs of Hobby Lobby and Southpace and Inland were happy to provide a solution for the retailer during this difficult time. Hobby Lobby will join Publix and Office Depot as anchors of the shopping center.

David Ashford & Andrew Loveman represented the owners of Parkway East Shopping Center in the leasing of 23,000 SF to Save-A-Lot on Huffman Road in Birmingham, Alabama. Save-A-Lot, represented by Ray Jones of Moore Company Realty, plans to open their grocery chain at this location next to America's Thrift Store in the first quarter of 2012. The addition of Save-A-Lot to the Parkway East Shopping Center coupled with the new Huffman High School campus opening across the street in August 2012 is sure to onset economic growth for the entire area.

Bryan Holt & Blake Crowe represented the developer of a 4,500 SF freestanding Verizon location in Troy, Alabama. The lease value was approximately $1.1 million. The store will open in the 2nd quarter of 2012.

Julie Gieger represented the owner in the leasing of 3,684 SF at Crestline Park Shopping Center at 1117 Dunston Avenue in Mountain Brook, Alabama. The former Open Door Café space was leased to Ore, a new neighborhood restaurant bar and grill.

Marcus Bruchis represented Rainbow Fashion in the leasing of retail space in the following locations across the southeast: Biggs Park Mall in Lumberton, North Carolina, Northgate Mall in Durham, North Carolina, Berkely Mall in Goldsboro, North Carolina, Palisades Shopping Center in Birmingham, Alabama, Promenade

Montgomery in Montgomery, Alabama Vicksburg Mall in Vicksburg, Mississippi and Greenwood Mall in Greenwood, South Carolina. Bruchis is currently the exclusive broker for Rainbow Fashion in six southeastern states.

Andrew Loveman represented the landlord in the leasing of 3,200 SF to an ABC Beverage Store and the renewal for TNT Fireworks at the Village in Pinson, LLC. on Highway 75 in Pinson, Alabama.

David Ashford and Tyler Bradford represented the owner in the renewal of a lease of 16,000 SF on Bob Wallace Avenue in Huntsville, Alabama.

David Ashford and Jim Cofer of Jim Cofer Properties represented Harbor Freight Tools in leasing 12,776 SF at Roebuck Marketplace in Birmingham, Alabama.

David Ashford represented the Landlord, Cal-Mid Properties LP, in leasing 22,000 SF in Midfield Park Shopping Centers in Birmingham, Alabama.

INDUSTRIAL

Bob Vines represented Fusoform, LLC. in the leasing of 4,000 SF of showroom and warehouse space at 106 22nd Street South in Birmingham, Alabama. Fusoform, LLC. is a custom manufacturer of concrete products including counter tops, vanities, outdoor kitchens and fire pits.

Rich Vanchina represented 2226 Academy LLC in the leasing of 4,400 SF at 900 Powder Plant Road in Bessemer, Alabama. The warehouse space was leased to Ole Mexican Foods. Vanchina also leased 5,000 SF to Norrell Heating & Cooling and 5,000 SF to 2AM Group at 900 Powder Plant Road. Vanchina also represented 2226 Academy LLC in the sale of two10,400 SF industrial buildings at 5610 & 5611 Shirley Park Drive in Bessemer, Alabama.

Rich Vanchina represented Evolve Composites, Inc. in the lease of a 63,000 SF industrial facility, located at 511 Vulcan Road in Irondale. Evolve Composites, Inc. is headquartered in Queensland, Australia and is new to Birmingham. The main purpose of this facility will be to manufacture Evolve's Handi Block product for supply to a national home improvement retailer. The Birmingham facility will also serve as the main research and development facility for Evolve Composites in the United States.

Rich Vanchina represented Kauffman Tire, Inc., in the leasing of 47,300 SF of Class A distribution space located at 175 Airview Lane in Alabaster, Alabama.

Bill McDavid & Rich Vanchina handled the sale of a 60,000 SF manufacturing facility located at 3968 Valley East Industrial Drive in Birmingham, Alabama. The purchaser was Glasforms, Inc.

OFFICE

John Lauriello represented Hales, Sides & Akins in the leasing of approximately 6,165 SF at the Financial Center, 505 North 20th Street in Birmingham, Alabama. Lauriello also represented Greenway Law in the leasing of 1,931 SF at the Financial Center. Located in the heart of downtown Birmingham the Financial Center is 311,201 SF.

John Lauriello & Blake Crowe represented Upchurch, Watson, White and Max law firm in the renewal and expansion of their lease at SouthBridge, 2000A Southbridge Parkway, Suite 400 in Birmingham, Alabama. SouthBridge is a 225,000 SF Class A office building located in Midtown.

John Lauriello & Blake Crowe represented the seller in the investment sale of 18,500 SF at 550 Montgomery Highway in Vestavia Hills, Alabama. **Bryan Holt** represented the purchaser. The new owners will be making significant improvements to the property.

John Lauriello & Blake Crowe represented a medical practice in leasing space for their use on a long term basis. The total lease value was approximately $2,745,000.

John Lauriello & Blake Crowe represented the owner in the sale of a downtown building. The 14,000 SF building on 4th Avenue North was once a former bank operations building. **Greg Despinakis** represented the purchaser, a local investor.

Blake Crowe represented Ford & Harrison in the leasing of 5,500 SF of office space at the Concord Center in Birmingham, Alabama. The Concord Center is a Class A office building located in the CBD.

Jim Collins represented DaVita, Inc. in the leasing of 6,000 SF of medical office space at 1809 Avenue H in Ensley, Alabama. The site has been redeveloped as a dialysis clinic and occupancy is imminent. Collins also represented DaVita, Inc. in the leasing of 6,000 SF of medical office space at the corner of Maxey Drive and Courson Boulevard in Leeds, Alabama. The site is currently being redeveloped and occupancy is scheduled for early 2012.

LAND

Jim Collins represented Maxey Courson, LLC in the purchase of 52,275 SF of land located on Maxey Drive in Leeds, Alabama. Maxey Courson, LLC plans to build-to-suit for a national tenant on the property.

Steve Mordecai & David Trott represented Fifth Third Bank in the sale of 200.93 acres of land. The land is located at the intersection of Highway 31 & Highway 52 at I-65 in Pelham, Alabama. Smith Land Investments, LLC purchased the land.

Bryan Holt represented 3165 Properties, LLC in the sale of 6.62 acres of land located at Highway 31 & I-65 in Hoover, Alabama. The land was purchased by Northport Holding, LLC for $1.3 million. The buyer plans to develop a long term care and specialized rehabilitation facility.

Jim Collins represented Discovery United Methodist Church in the sale of 8 acres of land in the Trace Crossings Development of Hoover, Alabama. The land was purchased for $600,000 by United States Steel Corporation, who is the developer of Trace Crossings.

Andrew Loveman represented the sellers of a 28,000 sf lot at 2300 5th Avenue South for $615,000 to 5th Avenue Electric, represented by Albert Tinsley of Tinsley Realty.

INVESTMENT

Southpace Net Lease Advisors, a division of Southpace Properties, Inc. has recently advised on the sale involving a net leased Dollar General store. **Michael Randman**, Principal of Southpace Net Lease Advisors, and Parrish Holley consulted for the developer, Buchalter Capital Growth. The transaction consisted of a single Dollar General store in Tipton, Missouri and traded at a competitive cap rate based on current market conditions.

Rich Vanchina represented the seller of a 72,600 SF industrial development consisting of four buildings on Powder Plant Road in Bessemer, Alabama. **Michael Randman** represented the investor who purchased the deal for $2.6 million.

John Lauriello represented the purchaser in the sale of the former Bruno's grocery store in Hoover. The 55,000 SF building is on 9.7 acres on Highway 150 in Birmingham, Alabama. The new owner plans to redevelop the property. The sale price was $3.8 million.

Bill McDavid represented Regions Bank in the sale of Beaver Creek Apartments consisting of 24 apartment units on 17 acres of land in Odenville, Alabama.

Stephen Lazarus represented CMMCSPECU, LLC, the Seller, in the sale of a multi use facility at 3001 27th Avenue North. The purchaser was Lucas Properties, LLC. A related company plans to occupy a 40,000 SF warehouse located on the property. The site also includes a 20,000 SF medical clinic and a 12,000 SF retail center.

Bill McDavid represented LMIW VII, LLC in the sale of the former Mazer's location at 816 Greensprings Highway in Homewood, Alabama. The property is 12 acres with approximately 260,000 SF of improvements. It was purchased by Dunn Development for redevelopment.

John Lauriello & Blake Crowe represented Ted Thomas in the sale of Ted's Garage located at 2309 5th Avenue South in Birmingham, Alabama. The property was purchased by Tomorrow's Investments for $1.5 million.

Steve Lichter represented the purchaser, Courtyard Investors, LLC in the sale of a 44 unit apartment complex located at 605 Farris Avenue in Selma, Alabama.

John Lauriello & Blake Crowe represented Pediatrics East in developing a 9,000 SF pediatric medical clinic in Trussville. The clinic opened in June of 2011. The total project cost was approximately $1.8 million.

REDEVELOPMENT

Michael Randman represented the sellers in the sale of a group of properties, including the former Five Points Music Hall at 1016 20th Street South in Birmingham, Alabama. The purchaser, AUM Properties, plans to develop the three properties into a new hotel, Homewood Suites by Hilton. The eventual development will be a dynamic boost to the Five Points area with the addition of a national branded hotel. This addition should help shore up this traditional retail and commercial area. The estimated total investment will exceed $15 million dollars.

For a complete listing of our 2011 transactions, please visit our website

Scan this QR code with your smart phone to visit www.southpace.com

SELECTED HIGHLIGHTED TRANSACTIONS

John Lauriello
Investment
Hoover, AL
$3,800,000.00

David Ashford/Andrew Loveman
Retail
Tuscaloosa, AL
$3,750,000.00

John Lauriello/Blake Crowe
Office
Trussville, AL
$2,745,000

Michael Randman/Rich Vanchina
Industrial
Bessemer, AL
$2,600,000.00

Bill McDavid/Rich Vanchina
Industrial
Birmingham, AL
$2,500,000.00

Lauriello, Crowe, Holt
Office
Vestavia Hills, AL
$1,961,360.00

Michael Randman
Investment
Birmingham, AL
$1,950,000.00

John Lauriello/Blake Crowe
Investment
Birmingham, AL
$1,800,000.00

Tyler Bradford/Bryan Holt
Retail
Atlanta, GA
$1,165,000.00

Steve Mordecai/David Trott
Land
Pelham, AL
$1,100,000.00

Blake Crowe
Office
Hoover, AL
$1,057,352.00

Bryan Holt
Retail
Vestavia Hills, AL
$853,848.00

Jim Collins/Steve Lazarus
Retail
Birmingham, AL
$390,303.00

Stephen Lazarus
Office
Birmingham, AL
$380,000.00

Michael Randman
Retail
Helena, AL
$379,200.00

Andrew Loveman
Retail
Rainbow City, AL
$366,000.00

Stephen Lazarus
Investment
Birmingham, AL
$365,000.00

Michael Randman
Retail
Pinson, AL
$360,000.00

Steve Mordecai
Land
Helena, AL
$350,000.00

Steve Mordecai
Land
Mountain Brook, AL
$350,000.00

Rich Vanchina
Office
Birmingham, AL
$335,000.00

Andrew Loveman
Land
Dora, AL
$331,325.00

Greg Despinakis
Retail
Birmingham, AL
$330,000.00

Rich Vanchina
Industrial
Moody, AL
$237,860.00

Rich Vanchina/Steve Lichter
Industrial
Birmingham, AL
$235,000.00

David Ashford
Retail
Hoover, AL
$233,676.00

Rich Vanchina
Industrial
Trussville
$230,286.00

Julie Gieger
Retail
Birmingham, AL
$230,250.00

Jim Collins
Land
Leeds
$230,000.00

Rich Vanchina
Office
Homewood, AL
$226,947.00

Stephen Lazarus
Office
Birmingham, AL
$215,000.00

Bryan Holt
Retail
Montgomery
$207,000.00

Stephen Lazarus/Steve Mordecai
Land
Blount County, AL
$200,000.00

Bill McDavid
Land
Odenville, AL
$189,000.00

Rich Vanchina/Jim Collins
Industrial
Birmingham, AL
$184,362.00

Blake Crowe
Office
Birmingham, AL
$184,269.00

Andrew Loveman
Retail
Dora, AL
$180,000.00

John Lauriello
Office
Birmingham, AL
$168,962.00

Michael Randman
Retail
Tuscaloosa, AL
$168,000.00

Bryan Holt
Retail
Panama City, FL
$167,298.00

Rich Vanchina
Industrial
Bessemer, AL
$163,548.00

Rich Vanchina
Industrial
Bessemer
$162,000.00

Bob Vines
Retail
Centerpoint, AL
$160,000.00

David Ashford/Rich Vanchina
Office
Vestavia Hills, AL
$155,406.00

Steve Lichter
Investment
Birmingham, AL
$149,000.00

Bob Vines
Retail
Birmingham, AL
$148,380.00

David Trott
Office
Birmingham, AL
$148,080.00

Bob Vines
Retail
Vestavia Hills, AL
$145,890.00

The Southpace Team

Principals

John Lauriello, CCIM, SIOR, CPM®
Bill McDavid, CCIM
Bryan Holt, CCIM, CLS

Property Management

Gabrielle Keel, CPM®
Melissa Achuff
Julie Gieger
Heather Turner

Development & Construction

Charles Ferlisi

Associates

David Ashford, CCIM
Ted Bostwick
Tyler Bradford
Marcus Bruchis, SCLS
Jim Collins, CCIM
Blake Crowe, CCIM
Greg Despinakis
Julie Gieger, CCIM
Stephen Lazarus
Steve Lichter
Andrew Loveman, CCIM
Steve Mordecai
Walter Pittman, MD
Michael Randman
Sloan Stevens
David Thornton
David Trott
Rich Vanchina, CCIM, SIOR
Bob Vines

Staff

Cathy Marques
Gloria Weintraub
Lori Livezey

Marketing & Research

Leslie Evans
Christen Lewis

Accounting

Brian Dillard
Sharon Gladney
Jeannie Schrimsher

Maintenance

John Cushing
Wade Jemison
Billy Johnson
Brett Melton
Michael Newland
Willie Parrish
Johnny Persall

SOUTHPACE PROPERTIES INC.

300 Richard Arrington Jr. Blvd. N.
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Southpace Takes on Leadership Roles In Commercial Real Estate Community

Southpace Properties, Inc. has a history of involvement in the commercial real estate community—both locally and statewide. In 2012, Southpace will continue this tradition with two brokers serving on the Executive Committee of the Alabama CCIM Chapter.

Andrew Loveman, CCIM will serve as President of the Alabama CCIM Chapter in 2012. Loveman has been a member of the state board for five years and will take the reins as president on January 1, 2012.

Bryan Holt, CCIM will serve as Secretary of the Alabama CCIM Chapter in 2012. Holt has been a member of the state board for two years and will also move into this new leadership role on January 1, 2012.

The Alabama CCIM Chapter is a statewide organization of the CCIM Institute, an international organization with a commitment to networking, education and technology in the commercial real estate community. The Alabama CCIM Chapter has been one of the top chapters in the CCIM Institute and plays a major role in the commercial real estate community in Alabama. It holds networking events, continuing education events, commercial real estate classes for the CCIM designation and two symposiums held annually in Huntsville and Birmingham.

FROM LEFT TO RIGHT: Andrew Patterson, Tim Blair, Andrew Loveman and Bryan Holt.

Andrew Loveman of Southpace Properties is sworn in as the 2012 Alabama CCIM Chapter President.

There are over 15,000 CCIMs across the globe and another 5,500 currently pursuing this commercial real estate designation.

Southpace Employees Continue Education

Melissa C. Achuff successfully completed requirements for an Alabama Real Estate License and BOMA's Foundations of Real Estate Management.

Bryan Holt, CCIM recently completed requirements to obtain his Certified Leasing Specialist (CLS) certification from the International Council of Shopping Centers.

Gabrielle Keel was installed as a Certified Property Manager (CPM) in November 2011.