

Memphis Business Journal - September 13, 2010
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Memphis Business Journal

Friday, September 10, 2010

A business home

Some companies choose to build, buy offices

Memphis Business Journal - by [Michael Sheffield](#)

Archie Willis III, president of financial advising firm **Community Capital**, had ownership in the home offices of nearly every company he had ever been involved in, so it was a foregone conclusion that he would own Community Capital's new home.

Community Capital currently leases space at 88 Union, but will move into a new 4,700-square-foot building, currently under construction at 1708 Monroe, by the end of October.

Willis had an initial desire to be Downtown. But after three years, he eventually expanded the search to Midtown and found what was previously a vacant lot in a residential neighborhood. While the company had to acquiesce to some building requirements (the new building has a porch), Willis says it will meet all of the company's needs. It was designed by **Architecture Inc.**

"Since we're building in a neighborhood, we wanted it to resemble a house," Willis says. "Leasing was always temporary for us."

Willis' attitude toward leasing isn't a singular one, as more businesses seek to transition from leasing to ownership. An accommodating real estate and construction market makes the atmosphere toward taking the ownership plunge even more attractive.

Jimmie Tucker, a principal with **Self Tucker Architects**, is currently involved in the \$2 million renovation of the old Universal Life Building on Linden, where he hopes to move his firm's office. He wants the delayed project to begin this year so the firm can take advantage of competitive bidding going on between general contractors.

When Self Tucker first purchased the building in 2007, Tucker says there was some initial demolition and renovation done, with the intent to begin construction in 2008. The recession and banker's belt tightening has delayed the project.

"We had to put it on the shelf, but we're trying to take advantage of the current climate to get it started," Tucker says. "We're looking at the first of the year and it'll take nine months to get it to the point where we could move in."

The Universal Life Building, which was built in the 1950s, has 25,000 square feet of available space, 5,000 of which Self Tucker will use. The new building will include state-of-the-art security and communications systems and an environmentally friendly HVAC system.

The company has a commitment from the **Tri-State Defender** and two other tenants looking to take up another 7,000 feet in the building. Ownership, Tucker says, will not only provide the company with an asset that can appreciate, but also the responsibility of being a landlord.

For companies like Community Capital and Self Tucker, the decision to own space is a combination of business needs and a desire for ownership. However, in the medical industry, a growing number of physicians are moving away from the hospital office setting for the sake of their patients.

Practices like **Sutherland Cardiology**, **Tabor Orthopedics** and more recently, **MedVet**, have made the transition, with Tabor Orthopedics buying a building previously occupied by **State Farm Automobile Insurance Co.** It completely gutted and renovated the space last year. Sutherland and MedVet had facilities built from the ground up. Earlier this year, Sutherland became a part of **Methodist Le Bonheur Healthcare**.

Charles Lock, executive director of Sutherland, says more doctors are leaving the hospital setting to make it easier for patients to get to their offices instead of patients having to find parking on a sprawling hospital campus and then walking to their doctors' offices.

Todd Tobias, owner of MedVet, said he has employees "examining dogs in the hallway" because the facility has no more room for growth.

When companies decide to build their own building, they also take advantage of the opportunity to "create their own image," says Barry Yoakum, a principal with **Archimania**, which designed the new offices for Tabor Orthopedics, Sutherland and MedVet.

"They look at something totally different from what they have now," Yoakum says. "There's value attached, especially if they put their own money into it. Tabor had an image they were looking for, MedVet had it and now we've got it."

Archimania itself is joining the ranks of companies making the transition from leasing to ownership as it plans a \$2 million, 12,500-square-foot building at 52 S. Front. The building should be completed by October 2011. Like Self Tucker, the firm is seeking tenants to help fill the space.

Owning a building and a business housed in that building can create a whole new set of headaches and issues for a business owner. But the long term benefits often outweigh any initial concerns and problems — assuming the project is completed and successful.

Willis says something as simple as having parking behind the building was a huge deal for him and his employees, who currently pay to park in a Downtown garage.

"We really just wanted to build something we'd be comfortable with and could expand if we needed to," Willis says. "Also, if we decide to move on, we'll have a valuable piece of real estate to offer to someone."

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