

# THE TAMPA TRIBUNE

## Interest in Twin West Shore Buildings Heavy

By Dave Simanoff

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TAMPA - The most-sought-after deal in the West Shore business district these days might not be a shoe, toy or tech gadget, but a pair of office buildings.

Urban Centre One and Two, the twin office buildings at the southwest corner of Kennedy and West Shore boulevards in Tampa, went on the market two weeks ago. Since then, owner Florida Office Property Co. says it has received more than 150 requests for information from prospective buyers. Additional requests are coming in at the rate of 10 to 15 a day.

"It's been very heavy," said Gavin Campbell, CEO and president of the Chicago-based investment group.

The flurry of interest in Urban Centre comes as no surprise to some local commercial real estate experts.

Pat Duffy, president of Tampa-based commercial real estate firm Colliers Arnold, said demand for commercial real estate is surging because many investors are eschewing stocks in favor of real estate. Also, new types of ownership groups are bringing new investors into the market for big-ticket commercial real estate, and many investors abroad are looking for bargains in the United States.

"There's a lot of money from Europe coming over here because the dollar is so weak and interest rates are so low," he said. "They tend to look at the United States as being on sale," he said.

In the Tampa Bay area, higher prices for land and construction materials will probably mean fewer new office buildings for a growing number of tenants. As a result, rents will likely rise as demand for office space grows – an attractive scenario for investors, Duffy said.

"Right now, it's a seller's market."

A recent report by commercial real estate firm CB Richard Ellis says commercial real estate investment sales in the Tampa Bay area in 2004 totaled nearly \$1 billion last year, including \$450 million of office properties.

Prices for high-end office properties generally fell between \$120 and \$240 per square foot, with most deals at \$160 per square foot or less, according to the report.

The Tampa Bay area has already seen some major office buildings change hands this year.

In January, Miami-based America's Capital Partners bought 400 North Ashley Plaza, the cylindrical office building in downtown Tampa, for \$35.5 million, or about \$57 a square foot. Last month, the same investment group bought Renaissance Center, an office park in northwest Hillsborough County, for \$69 million, or about \$132 a square foot.

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Urban Centre One and Two are the identical office buildings that straddle the Wyndham Westshore hotel in Tampa's West Shore business district. The hotel, although attached to both office buildings, is a separate property that's not owned by Florida Office and not part of the sale. Both buildings were built in 1984. They combine for 570,000 square feet of space.

Florida Office bought one building in 1996 for \$24.8 million, and the other in 1998 for \$29.5 million.

Jones Lang LaSalle Inc., a real estate services company based in Chicago, handles leasing and management for Urban Centre and also is representing Florida Office in the sale.

Campbell expects prospective buyers to tour Urban Center One and Two in April and submit bids for the property by the end of the month. A deal could be finalized by late May, he said.

There's no asking price for Urban Centre. Florida Office wants prospective buyers to bid for the property.

In the past, unsolicited offers for the Urban Centre buildings have been about \$200 a square foot, Campbell said.

If those prices are indicative of what prospective buyers might bid now, Urban Centre could fetch at least \$65 million.