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Boyle lands lease for Dixon Hughes

Accounting firm to take Ridgeway spaceMemphis Business Journal - by [Andy Ashby](#) Staff writer

Dixon Hughes PLLC has signed a 21,000-square-foot lease on the fourth floor of **Boyle Investment Co.**'s newest office building at 999 S. Shady Grove.

It's the second tenant for the 155,000-square-foot Class A office building in **Ridgeway Center** at Poplar and I-240. **SunTrust Banks, Inc.**, signed a 50,000-square-foot lease in 2007. Its lease at One Commerce Square Downtown ends in January 2009.

Dixon Hughes' move was necessitated in February, when it combined with Rhea & Ivy PLC, a longtime Memphis accounting firm.

At the time of the merger, Rhea & Ivy had 70 employees and 12 member owners at its 6000 Poplar office in East Memphis, where it had been for 20 years.

Dixon Hughes had a staff of 20 in its Cordova office at 51 Germantown Court.

"Obviously, we needed a location that afforded us the space that we required, as well as one that provided room to grow," says Anthony Clark, Dixon Hughes' managing member. "The 999 S. Shady Grove building not only fills these requirements, but offers us an excellent location in a building that our team and clients will truly appreciate."

Wyatt Aiken, senior vice president with **Commercial Advisors** LLC, represented Dixon Hughes on the transaction, while Boyle vice president Kathy Pampuro was the landlord representative.

Aiken has worked with Rhea & Ivy since 1986, helping the firm to move from Ridgeway Center to 6000 Poplar almost 20 years ago. Now, he's helping them move back.

Aiken says he's impressed with Boyle's latest generation of office space.

"It has the perfect size floor plate, common areas and parking ratios for suburban office buildings," he says.



ALAN HOWELL | MBJ

Dixon Hughes' Anthony Clark with Boyle's Mark Halperin at Ridgeway office space

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Dixon Hughes will move in when the building is completed this fall.

"Boyle is especially pleased that the first tenant to occupy space in our new office building is one of the largest and most prestigious accounting firms in the Southeast," says Mark Halperin, Boyle executive vice president.

999 S. Shady Grove is directly across from the **FedEx Corp.** headquarters building and the Regalia shopping center. It is being built on the last available site in Boyle's 206-acre Ridgeway Center mixed-use development.

Boyle is planning a second building at 949 S. Shady Grove. It will be identical and adjacent to 999 S. Shady Grove.

Hnedak Bobo Group, Inc., is the architect for both buildings, while **Mid-America Construction Co.** is the general contractor.

The East Memphis Class A office market has been tight, with a vacancy rate of 2.2% for the first quarter 2008, according to Commercial Advisors' first quarter numbers.

999 S. Shady Grove is one of the first new Class A office buildings being constructed in East Memphis since **Weston Cos.** completed **The Renaissance Center** in 2000, according to Aiken.

Peck Investment Co. is developing the **Legacy Center**, a \$12.5 million, 62,000-square-foot Class A office building at 1661 Aaron Brenner Drive in the East Memphis submarket.

"The market definitely needed it because you always have a certain amount of tenants that are looking for brand new space and a wide-open shell to build out their space," Aiken says.

In May, **Highwoods Properties, Inc.** (NYSE: HIW) announced it would begin developing **Triad Centre III**, a \$29.2 million, 148,000-square-foot Class A office building in the East Memphis submarket. The seven-story building on Poplar will be designed for LEED (Leadership in Energy and **Environmental Design**) certification and is scheduled for completion in 2009.

"I think that is probably all the vacancy that the East Memphis market is going to need for the next 12-18 months," Aiken says. "I think they're building the right amount at the right time, but I think we'll probably see, after Triad and this building get built, a lull for a little while."

Some tenants in Class B space will move up to Class A space, while some Class A users will move into the brand new office product, according to Aiken.

"Everyone will move up a little bit," he says. "The vacancy might rise slightly, but I imagine it would still stay under 5% for the next 12 months."

The average asking lease rate for Class A space in East Memphis is \$26.20 per square foot, the highest in the overall Memphis market.

Class B space in East Memphis has an average asking price of \$19.13 per square foot, according to Commercial Advisors' numbers for the first quarter. Vacancy in East Memphis Class B space is currently 11.9%.

"The tricky part of the Memphis market is that no one is building any more \$20-a-square-foot space," Aiken says. "There is plenty of it out there, but there aren't plenty of big blocks out there in the high-end Class B space. That will be an interesting market to watch over the next 12-18 months."

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