

Highwoods Sells Southwind Portfolio for \$39M

By Patrick Lantrip

[Highwoods Properties Inc.](#) has sold a massive portion of its portfolio in Southwind to a New York-based investment group for \$39 million.

Doing business as Highwoods Realty Limited Partnership, Highwoods Properties sold the [3400 Players Club Parkway](#) office building, its two Shadow Creek office buildings, four office centers and a 2-acre parcel of land, all located near the FedEx World Headquarters and TPC Southwind golf club.

The buyer is Group RMC, which purchased the portfolio under the name [Southwind Memphis Reality LP](#).

Jeffery D. Miller, Highwoods' executive vice president, general counsel and secretary, signed the deed on behalf of the North Carolina-based real estate investment trust.

"We developed the buildings over a period of years and thought now would be a good time to sell," [Steve Guinn](#), senior vice president of Highwoods Properties' Memphis office, said. "Sometimes you have to prune your portfolio, if you will, to help grow and I think that's what we're looking to do here."

According to the Shelby County Assessor of Property, the sites are spread out across more than 30 acres and were appraised for about a combined \$46 million.

Brendan Maiorana, senior vice president, finance and investor relations at Highwoods' Raleigh, North Carolina headquarters, said while this transaction is a bit bigger than an average one-off deal, it was part of the company's annual quota of sales.



Steve Guinn

"We routinely sell assets throughout our portfolio just as a normal course of business every year," Maiorana said. "Our guidance for asset sells for 2017 is a range of \$105 million up to \$150 million, so this is just part of that total."

Maiorana added that while this may look like a large amount, when Highwoods' entire \$7 billion to \$7.5 billion portfolio is taken into consideration, it's actually a modest amount.

"I think it made sense from a buyer's perspective to take a collective pool of assets to gain some scale within that (Memphis) submarket," Maiorana said about the size of this transaction.

Most notably, Highwoods' Memphis office still owns and operates the Triad Centre office buildings and Crescent Center, which are both located near the intersection of Poplar Avenue and Ridgeway/Shady Grove Road. Maiorana said his company has no immediate plan in the works to sell any of those high-performing properties.

Meanwhile, in conjunction with the purchase, the new owners took out a \$34.3 million mortgage that was signed by Alexander Massa through Rialto Capital, acting as [FS CREIT Originator LLC](#), according to a deed of trust filed with the Shelby County Register of Deeds.

This transaction marks Group RMC's first foray into the Memphis market, according to its website.

CBRE senior vice president Johnny Lamberson and first vice president Terry Radford represented the seller in the transaction.

The company's current portfolio includes properties in Alabama, Indiana, Kansas, Michigan, Ohio and Quebec, Canada.