



Medical / Financial / Owner Occupier Opportunity

Offering memorandum

# 825 Valleybrook Drive

Memphis, TN 38119

AVISON  
YOUNG



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**Disclaimer:** All equipment, tools, and auxiliary items pictured are not included in offering

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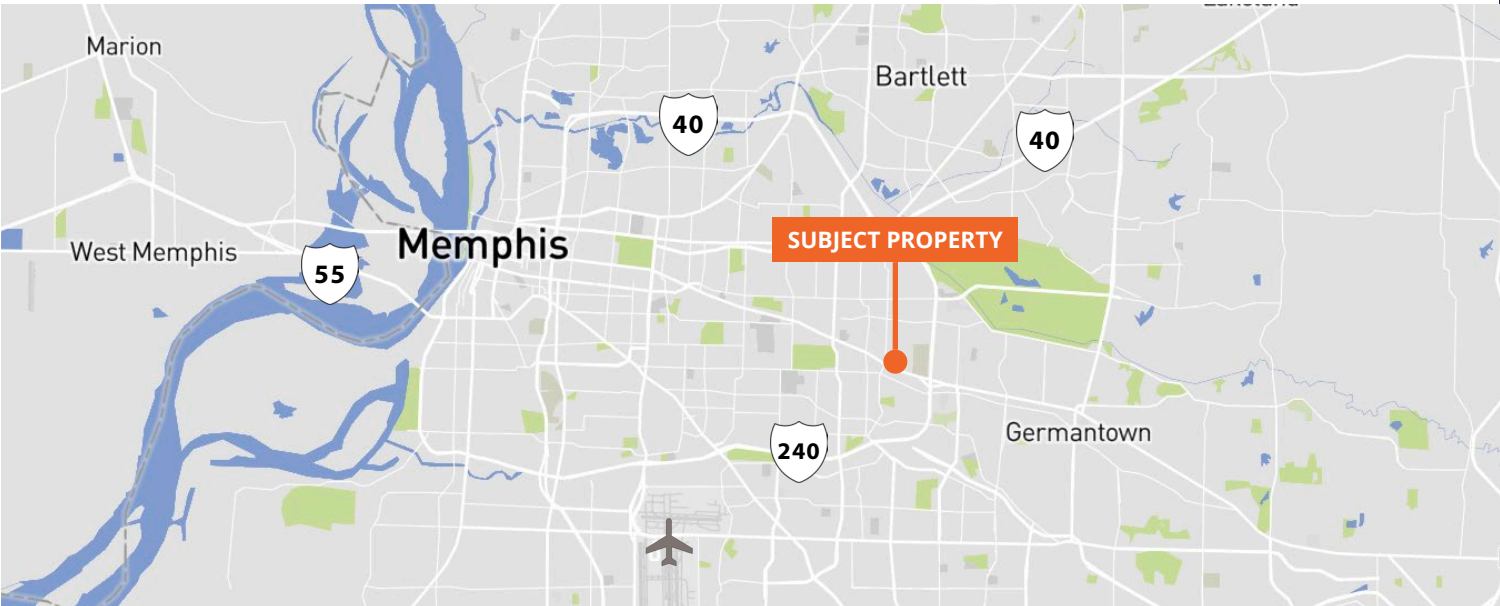


# The opportunity

Avison Young Capital Markets Group, as exclusive advisor, is pleased to present the opportunity to acquire 825 Valleybrook (the “Property”), a premier freestanding office building located in the heart of Memphis’ most prestigious East Memphis submarket. Originally constructed in 2007 as a single-tenant headquarters, this 17,966-square-foot property on 1.5 acres offers unparalleled potential for a variety of uses, including single-tenant occupancy or owner-occupier operations. Ideally suited for banking, finance, corporate, or medical applications, the Property provides exceptional flexibility to meet the needs of discerning occupiers or investors.

Located just west of the I-240 and Poplar Avenue interchange, the Property boasts exceptional accessibility to major interstates and is situated within close proximity to Memphis’ most affluent residential neighborhoods, premier medical facilities, and corporate hubs. The Property includes a two-car heated and cooled garage, covered parking for 14 vehicles, and ample surface parking for 29 vehicles.

Currently fully leased to three high-quality tenants (Girl Scouts Heart of the South, Valentine Insurance, and DR & Associates), the Property provides immediate income, while offering a unique long-term opportunity for conversion to a single-tenant or owner-occupied operation as the existing leases expire. With its ideal location, upscale finishes, and unmatched versatility, the Property is strategically positioned as a cornerstone asset for investors and occupiers in Memphis’ premier office submarket. Whether envisioned as a corporate headquarters, financial services hub, medical office facility, or banking operation, the Property offers the flexibility to meet the demands of today’s evolving market.



## PROPERTY DETAILS

### ADDRESS

825 Valleybrook Drive  
Memphis, TN 38119

### ASKING PRICE

\$4,500,000

### SUBMARKET

East

### BUILDING SIZE

17,966 sf

### LOT SIZE

1.468 ac

### YEAR BUILT / RENOVATED

2007

### FLOORS

2

### PARKING

14 Covered, 29 surface

### OCCUPANCY

100%



# Investment highlights

## PRIME LOCATION

Situated in the heart of East Memphis, this freestanding office building offers immediate access to Poplar Avenue and is just half a mile from I-240, providing excellent connectivity to major thoroughfares and some of Memphis’ most prestigious residential neighborhoods.

## SPACIOUS AND FLEXIBLE LAYOUT

The Property encompasses approximately 17,966 square feet and the second floor providing 2,903 square feet. The building is divisible down to 10,000 square feet, accommodating various tenant requirements.

## HIGH-END FINISHES

Designed with a residential-style aesthetic, the building features Class A finishes throughout, including two executive suites, 18 private offices, and two conference rooms, ensuring a professional and comfortable environment for tenants.

## INCOME-GENERATING OPPORTUNITY

Currently leased to multiple tenants, this property presents an attractive investment for both investors seeking steady income and owner-occupiers planning future expansion. The existing leases provide immediate cash flow, with the potential for growth as spaces become available.

## VERSATILE USAGE POTENTIAL

Beyond its current office configuration, the building’s design and location make it suitable for various uses, including conversion into a bank or medical facility, catering to the diverse needs of the East Memphis community.

## AMPLE PARKING AND AMENITIES

The property offers 44 parking spaces, accommodating tenants and visitors. Additionally, a covered outdoor patio provides a comfortable space for breaks and informal meetings.

## STRONG MARKET FUNDAMENTALS

East Memphis is a sought-after area for businesses, boasting a robust commercial real estate market with high demand for office spaces, ensuring the property’s value and occupancy rates remain favorable.

## PROVEN TRACK RECORD

Formerly serving as the headquarters for Loeb Properties, the building has a history of housing reputable tenants, underscoring its appeal and functionality as a premier office space.

## TENANT DETAILS

The building is currently leased to a diverse group of companies, providing a stable income stream. Specific tenant information and lease terms can be provided upon request, offering transparency and insight into the property’s financial performance.





# Market Trends

## OPTIMISTIC MARKET TRENDS: WHY NOW IS THE PERFECT TIME TO INVEST

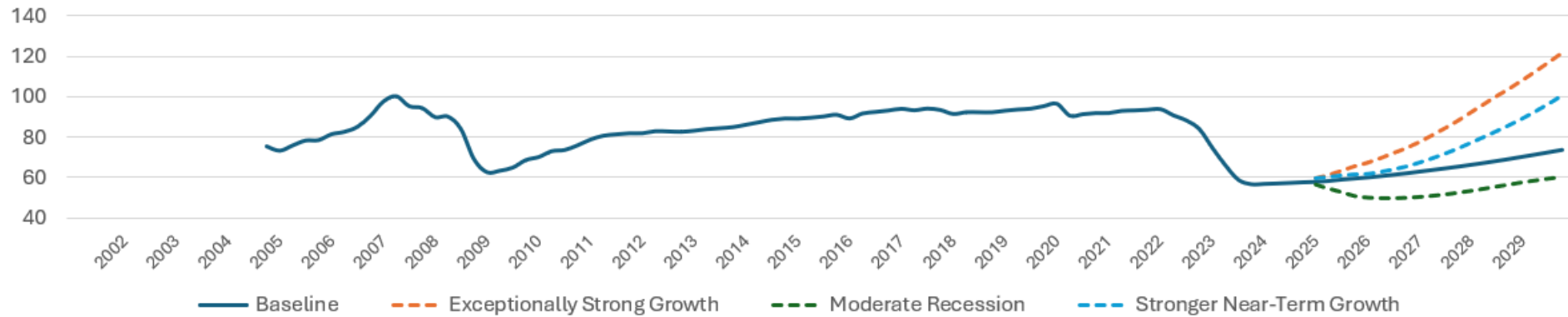
In the wake of the pandemic and the widespread adoption of work-from-home (WFH) policies, we are now witnessing a stabilizing cap rate and interest rate environment. This shift, combined with increased demand driven by return-to-office (RTO) policies, is leading to higher occupancy rates and improved cash flow across the office market. Against this backdrop, 825 Valleybrook represents a unique and timely opportunity to acquire a cash-flowing asset in Memphis’ premier East Memphis submarket.

The market outlook for Memphis is highly optimistic, showcasing significant upside in revenue growth and value implications for office assets. This property’s combination of prime location, versatility, and financial performance positions it as an unparalleled investment.

For both owner-occupiers and investors, the Property offers a highly attractive opportunity to secure a well-located office property at a significant discount to replacement value. With existing leases staggered over the next several years, new ownership is well-positioned to achieve excellent cash-on-cash returns while capitalizing on a strengthening market fueled by increasing demand, rising rents, and greater tenant activity.

### Commercial Property Price Index (CPPI)

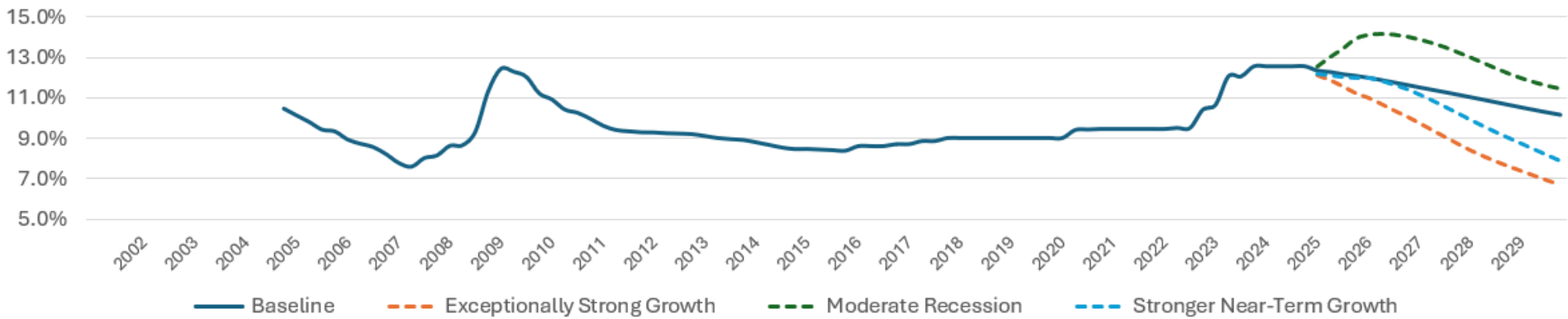
A Green Street proprietary time series of U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted.



- Value trends across the Memphis office market indicate a return to pre-recession levels, creating substantial upside for investors.
- Acquiring this property at current pricing allows investors to secure a discounted asset with strong appreciation potential as the market strengthens.
- Medical and financial office demand remains robust, underscoring the sector’s resilience during economic downturns.
- This property’s adaptability to medical, financial, and corportate uses ensures its long-term viability and enhances its value and appeal to a wide array of occupiers.

### Nominal Cap Rate

Represents the expected unleveraged first year yield a property buyer expects to realize on their investment. Like bond yields, nominal cap rates move inversely with property values. A primary flaw to nominal cap rates is that cap-ex--the substantial cost borne by commercial property owners over long holding periods--is ignored in its calculation. As a result, “economic cap rates” are a better measure of investmet yields. A nominal cap rate is calculated as: Nominal Net Operating Income (NOI) / Property Value.



- Memphis office market cap rates are projected to normalize following recent fluctuations, signaling a rebound in property values.
- Acquiring this asset now provides an investor with an opportunity to lock in value ahead of a full market recovery, allowing for significant appreciation as cap rates stabilize.

### M-RevPAF Growth

A measure of the health of a market (or sector) that combines two key operating metrics (effective market rent and occupancy) into a single value.

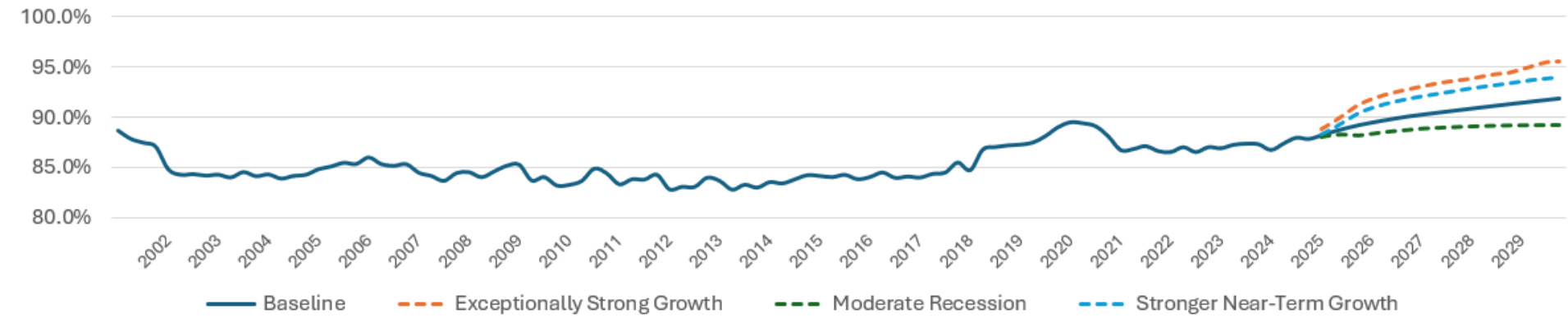


- Revenue growth projections show a steady upward trajectory in Memphis office markets, even in the face of broader economic challenges.
- With leases rolling over the coming years, a new owner can capitalize on rising rental rates, optimizing the property’s income potential.

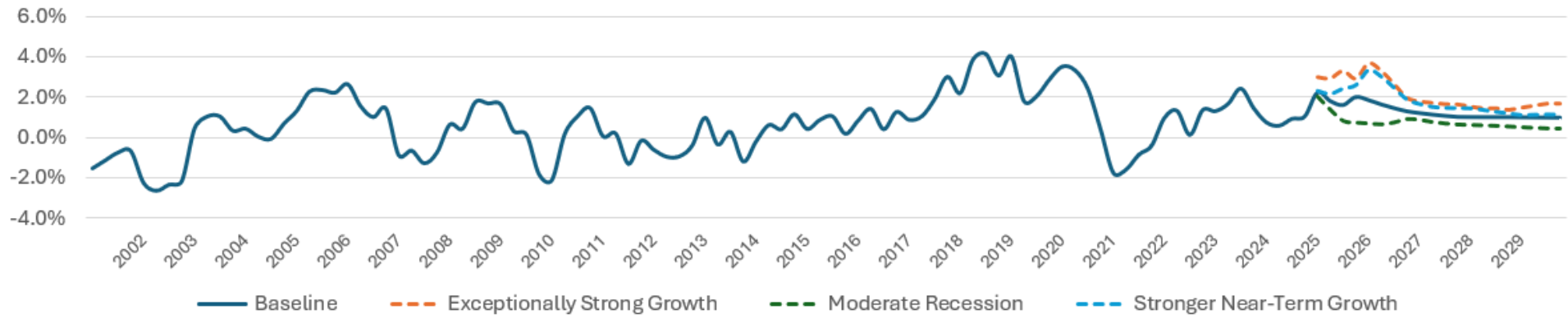


Occupancy

The ratio or percentage of rented or physically occupied space to the total amount of available space.



Demand Growth



- Occupancy rates in East memphis are expected to grow, driven by corporate expansions and limited supply of high-quality office space.
- This property’s strategic location and Class A finishes make it well-positioned to attract top-teir tenants, maximizing lease-up potential and mitigating vacancy risks.

A STANDOUT INVESTMENT

Strategic Lease Rollovers

Multiple leases staggered over the next few years provide flexibility for future repositioning as a single-tenant headquarters or a multi-tenant operation.

Owner-Occupier Appeal

The property’s layout and location make it ideal for a single user, particularly in the medical or financial sectors, looking to establish a presence in Memphis’ top submarket.

Immediate Income with Upside Potential

Current leases generate solid cash flow, while future tenant turnover offers opportunities to capture higher rental rates in a rising market.

Significant Discount to Replacement Cost

With construction costs on the rise, purchasing 825 Valleybrook offers exceptional value compared to building a comparable asset.

**Whether you are an investor seeking strong returns or an owner-occupier looking for a flagship location, 825 Valleybrook delivers the perfect combination of immediate income, future growth potential, and strategic positioning within Memphis’ most desirable office market with an incredibly unique and constructed building.**







# Property overview

## CONSTRUCTION DETAIL

General Layout	Two story office building demised for multiple tenants
Foundation	Concrete slab at grade
Construction	Wood frame
Exterior Walls	Brick
Roof Type	Flat
Roof Cover	Asphalt shingle and rubber membrane

## INTERIOR DETAIL

Walls	Painted drywall
Ceilings	2 x 2 acoustical tile
Floor Coverings	Tile and carpet
Lighting	Fluorescent

## MECHANICAL DETAIL

Heating System	Forced air
Cooling System	HVAC
Plumbing	Assumed to code and adequate
Electrical Service	Assumed to code and adequate

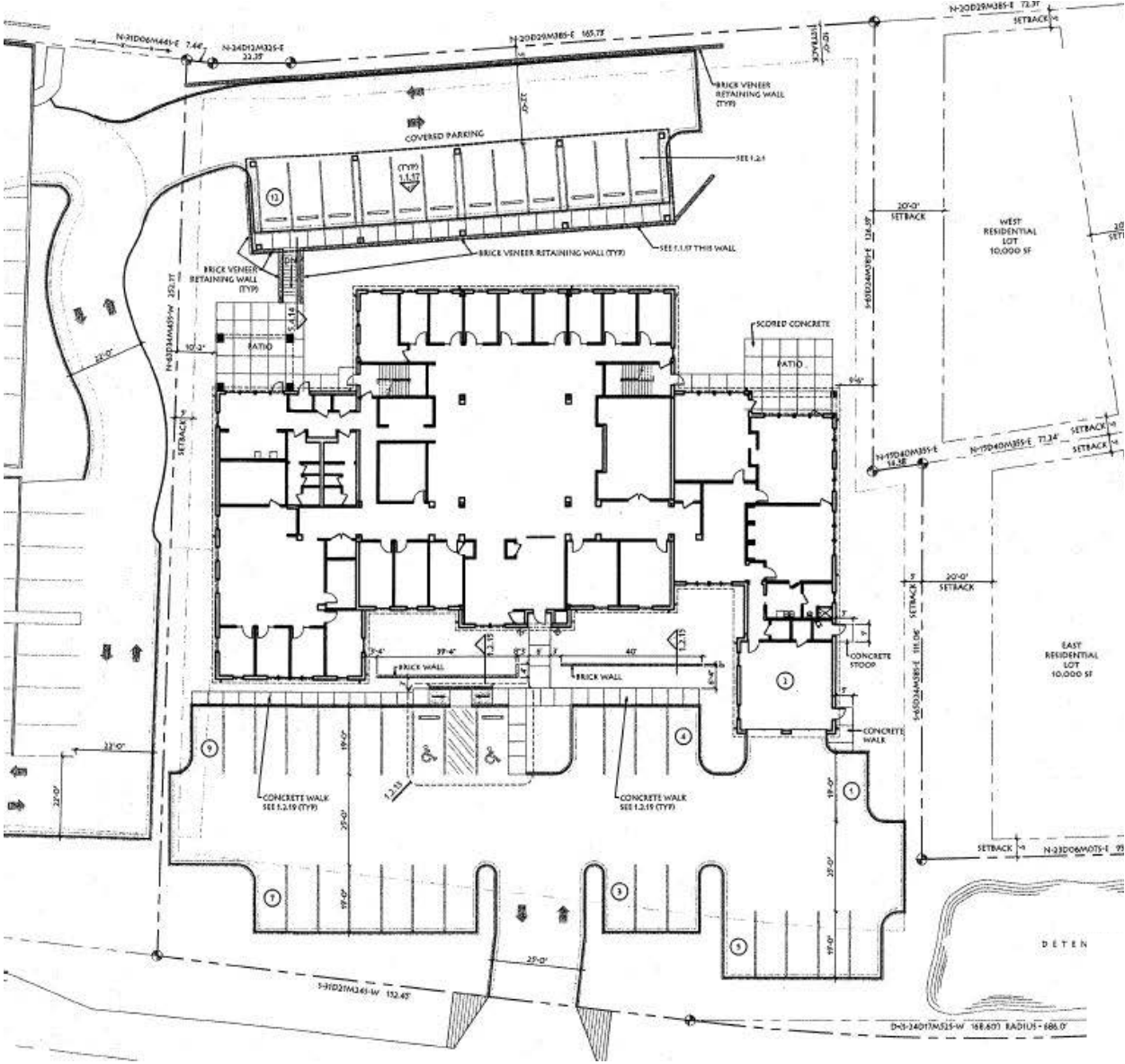
## SITE IMPROVEMENTS

Parking Type	Surface and covered
Parking Spaces	43 spaces (29 surface and 14 covered)
Landscaping	Low maintenance shrubs and grass





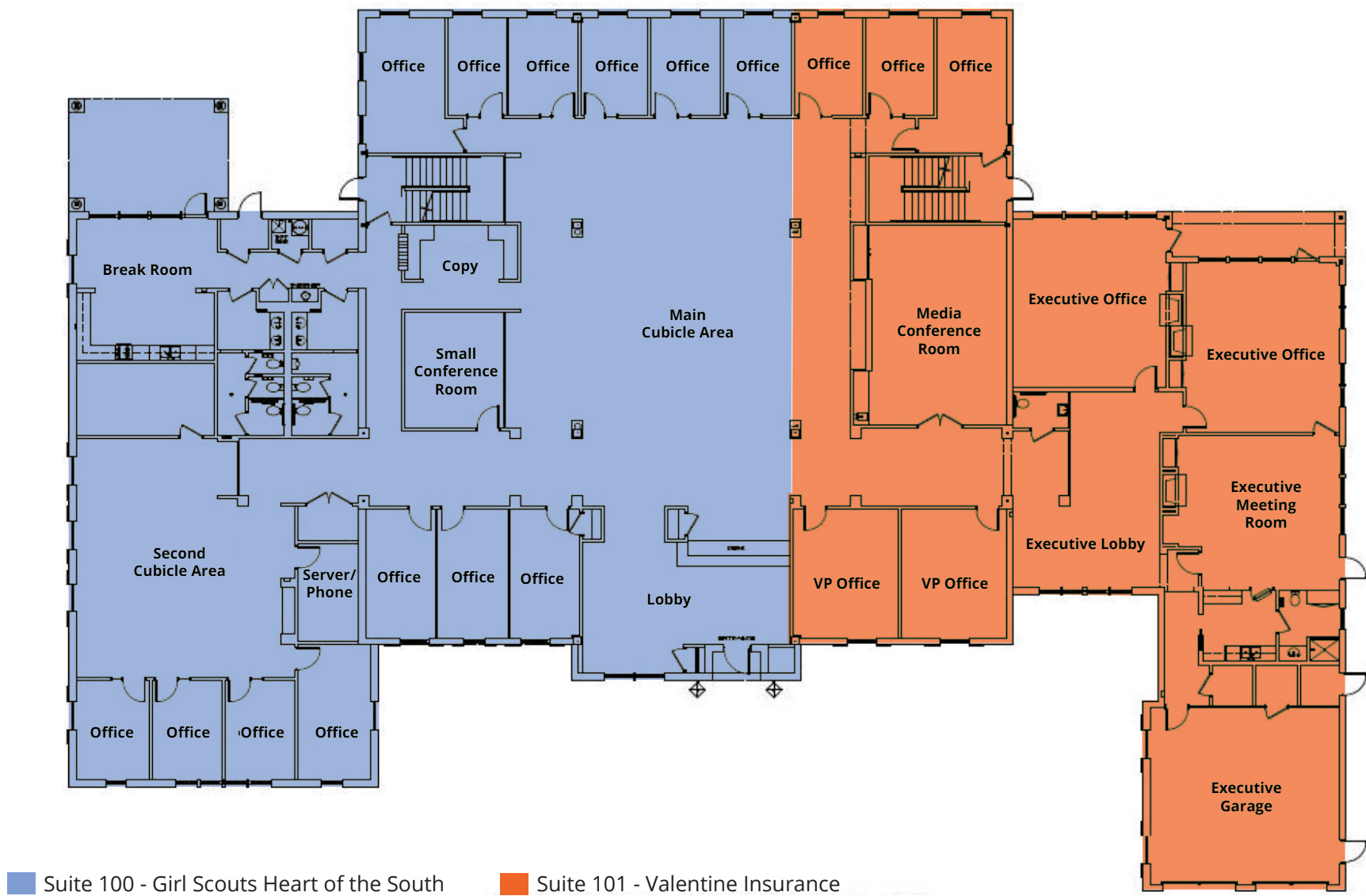
Site plan





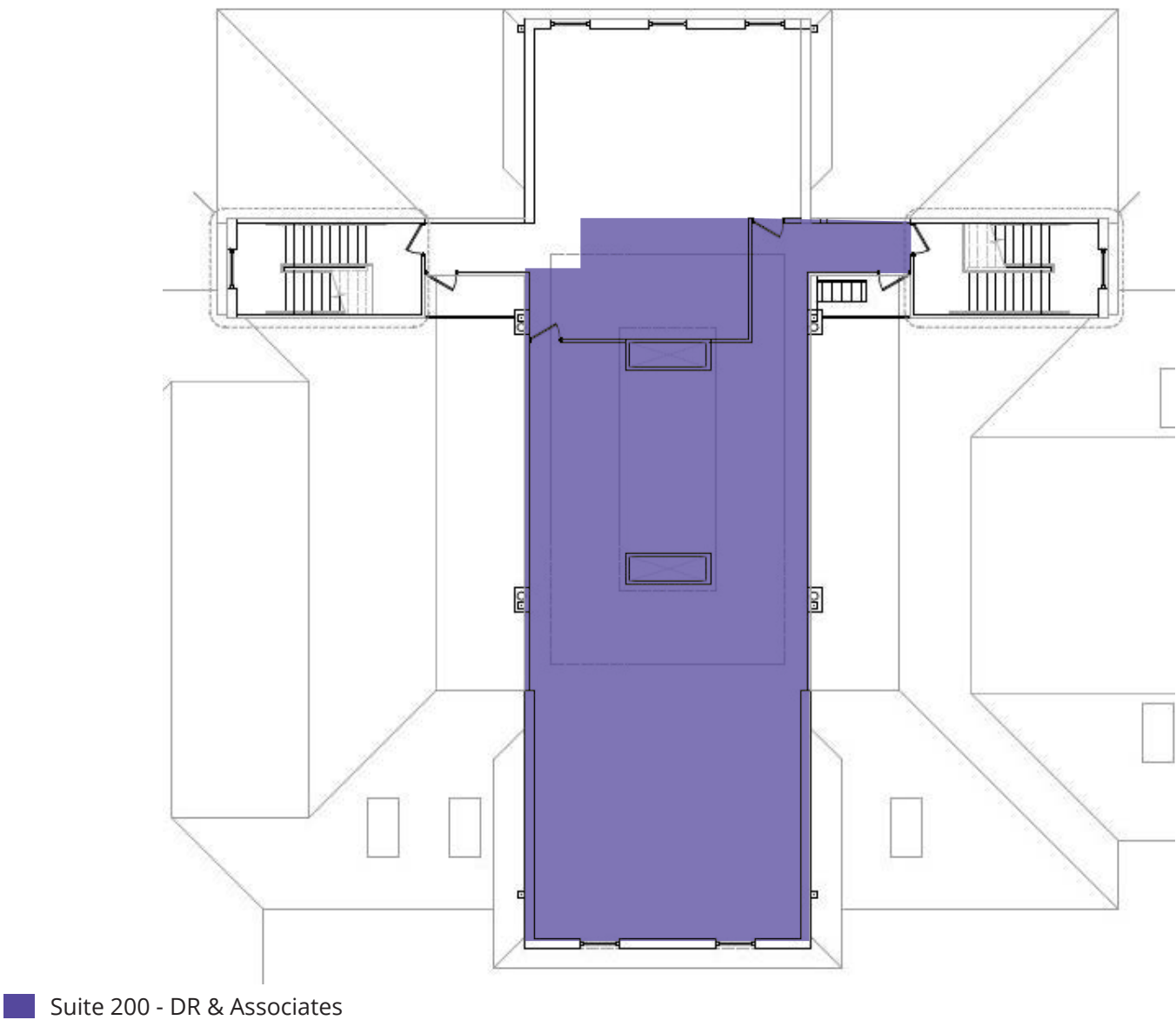
# Stacking plans

FIRST FLOOR AS-BUILT



# Stacking plans

SECOND FLOOR AS-BUILT





# Tenant profiles



Suite

Size

LXD

100

8,526 sf

09/30/2028

Girl Scouts Heart of the South was established in June 2008 through the merger of the Mid-South, Northeast Mississippi, Northwest Mississippi, and Reelfoot Girl Scout Councils. Headquartered in Memphis, TN, it serves as a regional council of Girl Scouts of the USA, supporting girls across parts of Tennessee, Mississippi, and Arkansas. The council is dedicated to empowering girls with courage, confidence, and character to make a positive impact on the world. It provides diverse programs and activities, including outdoor adventures, leadership development, STEM education, and community service initiatives.

<https://www.girlscoutshs.org/>



Suite

Size

LXD

101

5,052 sf

09/30/2028

Valentine Insurance is an independent insurance agency that specializes in providing personalized insurance solutions for individuals, families, and businesses. The agency offers a wide range of coverage options, including auto, home, life, and commercial insurance, tailored to meet clients’ unique needs. Known for its customer-focused approach, Valentine Insurance Services works with multiple carriers to find competitive rates and comprehensive coverage while delivering exceptional service. Founded in 2018, Valentine manages over \$35 million in premiums and self-funded claims for over 18,000 clients nationwide.

<https://www.valentine.insure/>



Suite

Size

LXD

201

2,914 sf

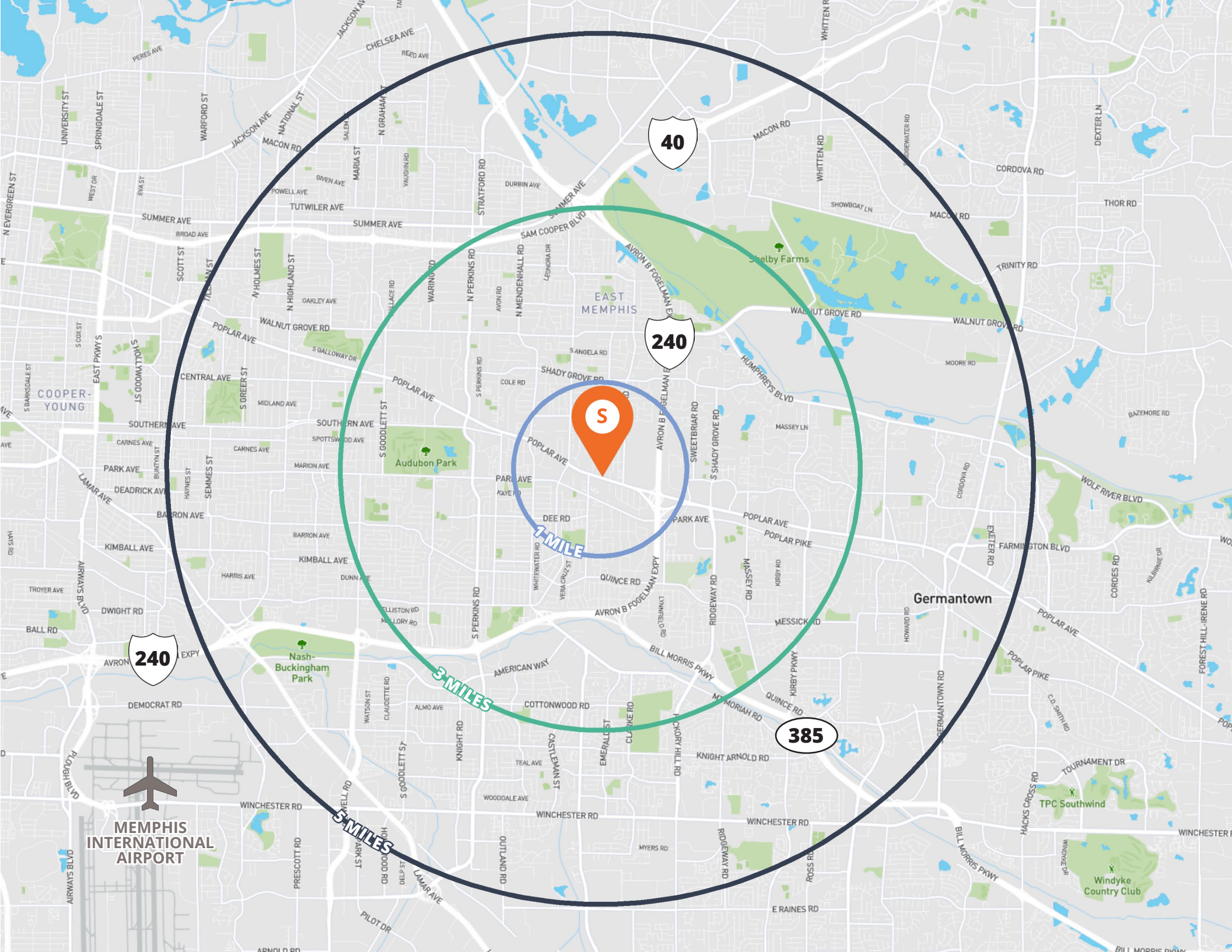
08/30/2030

Based in Memphis, TN, DR and Associates is an award-winning creative firm that excels in digital marketing and innovative solutions for a diverse range of clients, including consumer brands, non-profits, e-commerce businesses, B2B companies, and government agencies. The firm is renowned for its expertise in multicultural and diversity marketing, website development, community outreach, brand awareness, and digital growth strategies, delivering impactful results across a variety of industries.

<https://www.drandassociates.com/>







# Area demographics

	1 Mile	3 Miles	5 Miles
POPULATION			
2020 Total Population	6,419	72,071	232,385
2024 Total Population	6,309	70,280	227,154
2029 Projection	6,124	68,188	221,710
2024 - 2029 Annual Rate	-0.59%	-0.60%	-0.48%
HOUSEHOLDS			
2020 Households	2,995	30,765	93,854
2024 Households	2,983	30,557	93,940
2029 Household Projection	2,958	30,305	93,837
2024 - 2029 Annual Rate	-0.17%	-0.17%	-0.02%
INCOME			
2024 Median HH Income	\$106,682	\$88,294	\$57,588
2029 Median HH Income	\$126,223	\$106,926	\$73,458
2024 Average HH Income	\$147,503	\$130,131	\$94,786
2029 Average HH Income	\$174,224	\$152,068	\$112,622





Memphis is the second-largest city in Tennessee, third largest city in the Southeast, and twentieth largest city in the U.S. Situated on the east bank of the Mississippi River 210 miles southwest of Nashville, the city is Tennessee's westernmost economic focal point. The MSA covers eight counties in three states; Shelby County in Tennessee is the central core.

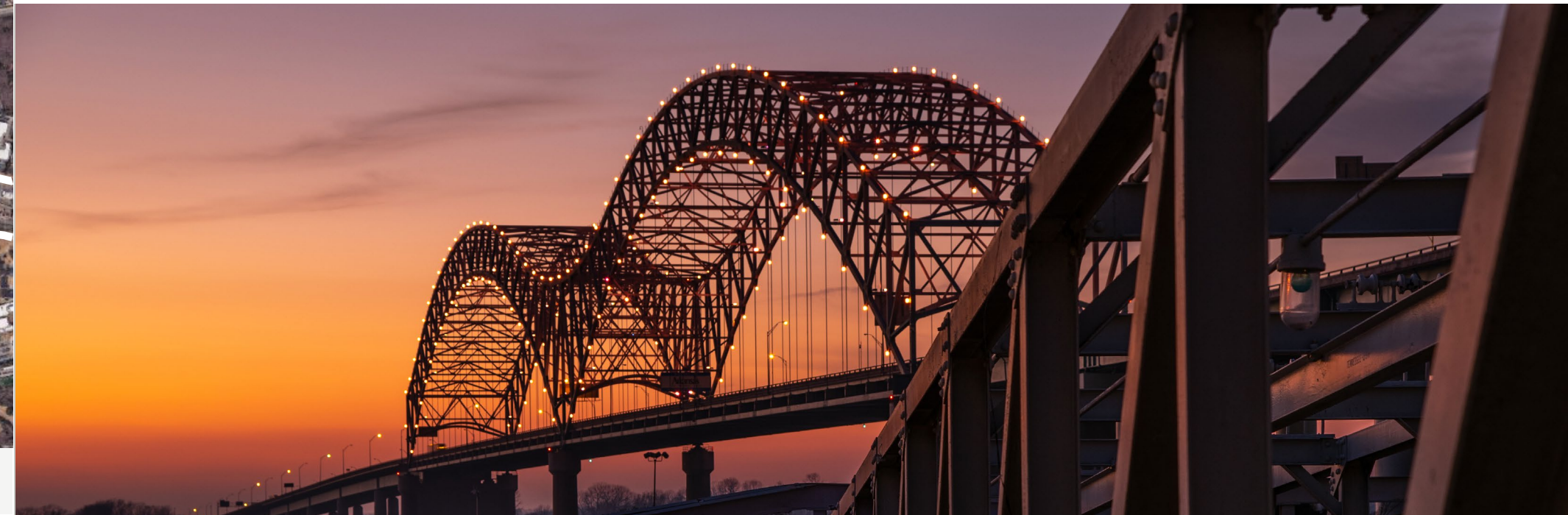
Advanced healthcare and educational facilities are also driving the local economy. Both are anchored by the massive 1,400-acre downtown Memphis Medical Center district. More than 40,000 are employed in this district and 10,000 students attend universities in the area. Rapid advancements in biomedical research have positioned the medical center for growth and expansions to its existing facilities are generating demand for housing and amenities. Downtown Memphis was ranked 15th on Forbes “U.S. Cities’ Emerging Downtowns” list in 2013.

1,344,037

530,112

**\$97,153**

## Memphis, TN MSA Average Household Income





# Get in touch

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