

THE ROSS REALTY REPORT

COMMERCIAL LEASING, MANAGEMENT AND SALES



Hampton Plaza - a "BRAND NEW" look!

Extreme Makeover: Retail Edition

We all love a good makeover story – and it’s not just because Ty Pennington and Amy Wynn look so good in their tool belts. It’s because of the promise of a new beginning. This promise led Ross Realty to lease 100% of Hampton Plaza at 2790 Gulf to Bay Blvd. in Clearwater. Keeping the promise ensures the center will remain profitable for the tenants and the owner for years to come.

Hampton Plaza is a 21,525 square foot strip center near Clearwater Mall, at the corner of Gulf to Bay Blvd. and Hampton Road. Purchased by Hampton Center, Inc. in December 1997, it was fully leased at that time and Ross Realty Group was hired to manage the property. Built in 1983, the center was in a high traffic area, and in good shape, even if its battleship gray exterior would be more at home in New England than here in the tropical Florida sun.

In July 2003, nearby Clearwater Mall underwent a complete renovation, changing the face of the neighborhood. Less than six months later, Hampton Plaza lost one tenant that accounted for 40% of the entire leased space. The 7,482 sq. ft space proved dif-

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Angels in Flight

Who do you call when you have a sick child that needs to get to a specialist hundreds of miles away? An angel, of course. Ross Realty's president Elliott Ross has flown over a dozen missions for Angel Flight Southeast and CAIR Flight, including transporting physicians to areas ravaged by hurricanes Katrina and Ivan. Both organizations provide transportation for medically stable patients and families in need of essential care at distant locations.

Ross began piloting his Beech Baron on charity flights in August of 2004 with Angel Flight Southeast. The group’s humanitarian missions involve flying patients and their families to medical facilities and transporting emergency personnel and supplies into disaster areas. Angel Flight pilots donate their time, use of their plane, fuel and maintenance costs.

Are You Ready For a “New” Real Estate Market?

by ELLIOTT M. ROSS, CCIM

During the strong, almost euphoric real estate market over the past years, few of us dared whisper the truths we all knew: (1) nothing lasts forever; (2) this has always been a cyclical business.

At the time of this newsletter, the market is sending its own signals. Residential real estate closing are down in Florida by as much as 75% compared to last year, with inventory of unsold homes up 250% for same time period; Commercial real estate activity often seems to follow residential health by about 12 months.

To borrow a famous “Fed” term, the “irrational exuberance” of 2004 - 2005 is being replaced today by a more focused monitoring of cap and mortgage rates on commercial sales; vacancies and concessions on leased property.

Our goal as professional managers is to stay ahead of the curve. No panic, no talk of the return of the RTC. But a quiet and determined program to prepare our properties for the possible realities of 2007. I want to share with you the things we are focused on:

1. **Attention to credit.** Of course, we are in a risk business. But in leasing deals we will edge away from the wider latitudes we have

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Sunplex - 100% Leased & Sold!!

The Ross Realty Group was engaged by Sunplex Operating Associates, LP to handle the management and leasing of the 213,474 SF-portfolio in April 2005. In a little over a year, all available spaces were leased, bringing the project from 62% occupancy to 100% LEASED.

The Ross Realty Group leased 60,000 SF of Sunplex Business Center, located at 4800 140th Avenue North, Clearwater, FL to CCS Medical, Inc., in October 2006. This lease brought the center’s occupancy to 100%. The subsequent sale of the entire Sunplex Business Center, located at 4400, 4600, 4800 and 4825 140th Avenue North followed in November 2006. The four buildings sold for \$17,000,000.



4400



4600



4800



4825



ROSS REALTY GROUP TEAM

Elliott M. Ross, CCIM
President, Broker

Sales / Leasing Team

James J. Shapiro
Senior Vice President

Judi Lechner
Dir. of Property Management

Karin Stewart
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Sales & Leasing Associate

Elena Marrero
Sales & Leasing, Retail

Chris Bowers
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Carolyn White
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Patty Malia, RPA
Property Manager, Leasing

Susan Leonard
Property Manager

Karen Adriance
Property Manager

Venetia Albritton
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Supporting Staff Team

Nancy Snyder
Accounting Supervisor

Theresa Grandy
Accounting Assistant

Dana Koay
Marketing Coordinator

Vivian Fung
Marketing/Research Assistant

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Maintenance Coordinator

Sherry Marecek
Administrative Assistant

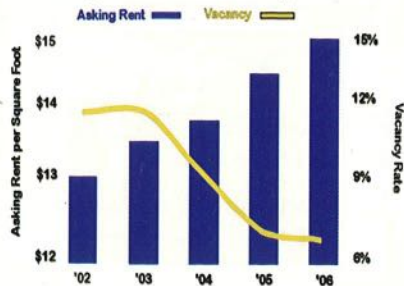
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Market Snapshot

The Tampa Bay area's office market continues to have a strong showing. According to the Tampa Bay Business Journal, the region's overall vacancy rate ended the third quarter at 11.2%. Available space is down significantly since last year, especially in the 30,000 to 50,000 sq ft range, and demand remains high, as shown by the third quarter's leasing activity of over 938,000 square feet.

Asking Rent and Vacancy Trends



driving price appreciation.

Rent Forecast: Strong fundamentals will allow owners to raise asking rents by 3.3% to roughly \$15 per square foot., with class 'A' space at approximately \$22 per square foot.

Investment forecast: After large gains in price and volume last year, steady growth is expected for 2007. Retailer demand remains strong and still offers attractive long-term opportunities.

SOURCES USED IN THIS ARTICLE: Tampa Bay Business Journal, Pramerica Financial



The Tampa Bay area has 86 million square feet of retail space with a 94.2

percent occupancy rate. The new Tampa area north of the city along 1-75 and further into Pasco County will be the site for nearly 1 million square feet of new shopping centers this year. Three million square feet of regional commercial centers are scheduled for 2007 and beyond. A number of smaller multi-tenant properties located though out the Tampa Bay area offer value-added potential to buyers willing to make the effort to bring them up to full occupancy. Out of state market interest is expected to play a large role in further

RRG Helps Push Insurance Crisis Directly into Political Spotlight.

Some Relief May Be in Sight.

You know the drill. Most commercial property owners this year face huge increases in property insurance rates and deductibles. Some cannot find any insurance at any price. Just as frustrating, our political leaders were paying little attention to one of the most potent factors affecting the very business life of the state. Homeowners have Citizens Insurance; it is expensive but, at least, a "fall back position." Currently, except for some limited special situations, there is no fall back for commercial property insurance.

Prompted by leading area brokers and local commercial organizations like FGCR, The Florida Office of Insurance Regulation asked property owners in July to participate in a survey about the challenges in obtaining commercial property insurance. Ross Realty responded in detail on behalf of its many owner clients. Survey results were sobering to state leaders. There was vigorous debate and forums before and after the November elections; many ideas but no specific hard action. However, this vital part of our business is finally getting sustained attention from the very top. As you may know, the Florida Legislature is being called to a special session commencing January 16, 2007 specifically on our insurance crisis.

What You Can Do — We all have a job to do. You must keep this on the front burner with all state-wide leaders and your legislators. Focus on the whole job: property insurance relief and action for both residential and commercial owners. We need to all stay united and active. If you own property and want to help yourself as well as our industry, contact Elliott M. Ross of Ross Realty today.



(... continued from front page "Extreme Makeover: Retail Edition")

difficult to lease and was soon divided into four smaller spaces. The center's roof was also beginning to fail. It was time to make improvements. With the promise of upcoming renovations, all available space was leased by June of 2004.

It seemed simple – new mansards, roof, signage, paint and landscaping. However, the design proved to be difficult. In December 2004 a design for the mansards, that would be structurally sound, was proposed. The challenge was to find a sound design that was aesthetically pleasing and within budget.



BEFORE renovations

By December 2005, designs had been approved, bids gathered and it looked like the new year would start off with work finally beginning on the long awaited renovations. But Mother Nature had other plans. On February 3, 2006 the Tampa Bay area was deluged with 15 inches of rain and it was April before renovations could begin.



AFTER renovations



When finally completed in November, the property's assessed value had increased by over a half a million dollars. The value of the units has also increased by 36%. The tenants are thrilled with the new look and the center is likely to remain 100% leased for years to come.

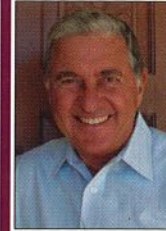
(... continued from front page "Are You Ready For a "New" Real Estate Market?")

given for start up companies and existing ones with spotty credit where we just bumped up another month or so of deposit. Time to concentrate on longer haul tenants even at the expense of interim vacancies.

2. **Early renewals.** Go out early, even with some concessions you wouldn't have offered six months ago, to tie up good tenants now. Push for term rather than just rate.
3. **Looking good!** In very strong markets, it was natural to take some extra cash flow out even at the expense of refurbishment of the properties. ("Let's wait till next year.") Refurbishment and restoration of vacancies could also hold because prospects were often lined up to take space as-is. Time to grab the paint brush (and more) to make those vacancies more attractive, fresher and "ready to lease" than the next guy. As an addendum, we are recommending some cash flow distributions be replaced with higher capital reserves.
4. **Broker Coop.** We've always been a strong believer in expanding leasing, as well as sales potential, by courting participating brokers. We are now pressing our team to expand this process. Some important elements: (a) participation at local FGCAR pitch sessions, (b) updated, user friendly availabilities lists covering our wide range of properties, (c) Broker participation policy which is written, fair and unambiguous (ask us for a sample!)
5. **Delinquencies.** Collecting rent has always been the core of our business. But even minor arrears (CAM, pass throughs, reconciliations, etc.) in a changing market are much harder to get current. Diligence and follow through by every member of the team is more important now.
6. **Owner-Manager communications is a two way street.** We've always prided ourselves with our owner reports. But a changing market requires even more attention to detail and potential changes. Anticipating challenges with a particular property is the most active way to prepare for any market correction. Owners need to become as focused and sensitive to meet the new realities.

Is any of the above brand new, earth shaking or profound? Of course not! It's simple blocking and tackling. But like any championship sports team, a good coach gets even his/her most experienced players back on the field for drill, refocus and reminders of what made them winners.

Meet the newest additions to the RRG Team



Jim Shapiro - Jim has over 30 years of experience in the local commercial real estate industry, and is the former President of the NAIOP Tampa Bay Chapter and on the National Board of Directors for nine years. Jim was elected to NAIOP's Hall of Fame in 2003. He currently serves on the Board of Directors of the REIC.

Venetia Albritton - With 11 years of experience in marketing, leasing and property management, Venetia joined RRG in May 2006 with an emphasis on property management.



Chris Bowers - Chris joined RRG in June as a Leasing and Sales Associate. Chris graduated from Florida State University with a double major in Real Estate and Finance.



Rita Schultz - Rita joined RRG in July 2006 as Admin/Sales Support. She and her husband, Phil, founded Nexcom Commercial Real Estate in Michigan and sold their business before moving to Florida.



Elena Marrero - Elena joined RRG as a Leasing and Sales Associate in July. She worked as a marketing coordinator for an owner/developer previously. Elena graduated from University of Florida with majors in both Public Relations and Spanish.



Carolyn White - Carolyn has over 15 years of experience in commercial real estate. She joined RRG in October 2006 as Leasing Associate with a focus on industrial properties.



Dana Koay - Prior to joining RRG as Marketing Coordinator this November, Dana was the Advertising Director for Northwest Ohio's largest family-owned real estate firm. She has an M.A. degree in English from Northeastern University.



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COMMERCIAL LEASING, MANAGEMENT AND SALES
ROSS REALTY GROUP, INC.
THE



Record of Success



Sunplex Business Center
4400 - 4825 140th Avenue North, Clearwater
213,474 SF **Office/Flex**
\$17,000,000

Sunplex Business Center
4800, 140th Avenue North, Clearwater
60,000 SF **Office/Flex**



Corporate Square
28050 US Hwy 19 North, Clearwater
69,512 SF **Office**
\$10,200,000

Trask Street Industrial
9507 Trask Street, Tampa
59,049 SF **Industrial**



Watermark One, Two and Four
Westshore Business District, Tampa
72,413 SF **Office**
\$8,500,000

Airport Business Center
14255 49th Street North, Clearwater
32,500 SF **Office**



Beauty Alliance Distribution
7301 114th Avenue North, Largo
91,350 SF **Industrial**
\$4,575,000

Plaza Place Shoppes
217 Apollo Beach Blvd., Apollo Beach
21,449 SF **Retail**
\$3,130,000



Listing Highlights



Airport Business Center
3,936 - 9,000 SF suites available for **LEASE**
Across from the St. Pete./Clearwater Int'l Airport

Newport Square
767 - 1,626 SF office suites available for **LEASE**
Excellent visibility 1/2 mile west of US 19



Watermark Office Building 3, 5, 7 & 11
839 - 12,500 SF suites available for **LEASE**
Located at Westshore Business District

Waters Edge Office Center
Suites from 1,743 - 6,499 SF available for **LEASE**
3-story office building on Gulf to Bay Blvd.



Staples Center for LEASE / SALE
12,936 SF office and 23,140 SF showroom space
Located at SW corner of US 19 and 110th Ave. N.

Lakeview Shopping Center
2,200 - 25,285 SF available for **LEASE**
Located at the corner of 34th St. N. & 22nd Ave S.



Centreport 60
9,393 - 19,000 SF warehouse space for **LEASE**
Located near the Port of Tampa

West Waters Avenue Redevelopment
3 Acres (MOL) for **LEASE / SALE**
Frontage on Waters & .7 mile west of Dale Mabry



We can successfully LEASE, MANAGE and SELL your property, too!
Call Ross Realty Today at 727.725.2800 or visit us at www.RossRealty.com!