



THE ROSS REALTY REPORT

COMMERCIAL LEASING, MANAGEMENT AND SALES



Success Stories: Ross Realty Adds Value to your Property

There are many ways to add value to a property. It can be as involved as complete renovations from the sub-floor to the roof joists or as simple as a fresh coat of paint. The year 2007 was a prosperous year for properties managed by the Ross Realty Group. Seminole Office Center, Armenia Professional Center, Largo Bazaar, Waters Edge, Bayside Industrial and Bay Vista Retail Center all received a boost in value resulting in changes ranging from simple paint jobs to complete makeovers. For one property, all it took to increase value was to bring out the measuring tape!

When Ross Realty took over the management of **Seminole Office Center**, the building's square footage was recorded by the property appraiser's office as 31,875 square feet. As part of the property's takeover, the Ross Group measured all of the suites discovering that the rentable space was actually 37,695. At current lease rates such a difference can amount to an extra \$115,000 in rent per year.

Largo Bazaar, a retail center located at 7190-7250 Ulmerton Road in Largo, recently underwent extensive renovations including painting, seal coating, new signage, roof repairs, woodworking and landscaping. The new look not only added value by making it possible to attract new tenants at higher lease rates, it also led to the subsequent sale of the center (*see below for details*).

(continues on page 3)

Largo Bazaar SOLD for \$3,000,000

Elliott Ross of The Ross Realty Group represented the seller, Largo Bazaar, Inc. in the sale of Largo Bazaar, a three building strip center located at 7190, 7210 and 7250 Ulmerton Rd, Largo, FL. The center was purchased by Foresight Holdings, Inc. for \$3,000,000.

The 26,267 SF strip center is on Ulmerton Road between US 19 and Belcher Road. The property recently underwent extensive renovations, including painting, landscaping, new signage, parking lot and roof repairs, and wood replacements. This new look helped to attract the buyer and bring higher lease rates to the center.



What's Ahead for 2008? It's Clint Eastwood in Reverse!

by ELLIOTT M. ROSS, CCIM

Looking ahead at market dynamics, I will paraphrase Eastwood's "Good, Bad & Ugly" legend because it certainly relates to the outlook for commercial real estate.

BAD. There are significantly increasing tenant vacancies throughout this market, particularly those companies tied closely to residential—i.e., realtor offices, title companies, appraisers, mortgage companies. Add to this, there are "shadow vacancies" you haven't felt yet but are here! Shadow vacancies are tenant spaces already dark and empty but the rent is still being paid—for now. More brokers see the looming threat. Increased aggressive broker incentives for tenant deals, even prospect showings are filling the internet airwaves every day.

Higher vacancies affecting long term holders of properties will combine with higher cap rates affecting potential sellers. With much more stringent mortgage lending based on higher capital requirements, we can expect cap rates to be 2% above the mortgage rate. Don't expect imminent relief; Florida banks' problem loans as well as their profit picture are the worst in a dozen years. And conduit lending rates are up to bank rate levels.

(continues on page 2)

Pinnacle Awards

Ross Realty Group is pleased to announce that Elliott M. Ross, CCIM and James C. Moler received 2007 Pinnacle Top Producer Awards for Investment from the Florida Gulf Coast Association of Realtors. James Moler also received recognition for completing the most deals in 2007, with 113 transactions.

The Pinnacle awards are presented each year to commercial realtors to recognize top producing realtors from regional and national companies in seven separate categories, including: Industrial; Investment; General Brokerage; Land; Office; Retail; and Deals of the Year.



Meet Our Team

Elliott M. Ross, CCIM
President, Broker

Sales / Leasing Team

James J. Shapiro
Senior Vice President

Judi Lechner
Director of Leasing

Karin Stewart
Exec. Administrator, Leasing

James C. Moler
Sales & Leasing, Office

John F. Stoner, CCIM
Sales & Leasing, Retail

Jim York
Sales & Leasing, Industrial

Jason Aprile
Associate

Mark Bridges
Associate

David Hildbold
Associate

Carolyn White
Associate

Karen Adriance
Property Manager

Bobbie Headley
Property Manager

David Ashman
Property Manager

Venetia Albritton
Client Services Coordinator

Supporting Staff Team

Nancy Snyder
Accounting Supervisor

Theresa Grandy
Accounting Assistant

Tami Hillman
Accounting Assistant

Dana Koay
Marketing Coordinator

Vivian Fung
Marketing/Research Assistant

Ingrid Barrett
Maintenance Coordinator

Sherry Marecek
Maintenance Assistant

Tracie Blend
Receptionist

The Ross Realty Group, Inc.
3001 Executive Dr., Suite 250
Clearwater, FL 33762
Phone: (727) 725-2800
Fax: (727) 726-6780
www.RossRealty.com

(... continued from front page "What's ahead for 2008?")

UGLY. There is one real ugly element affecting commercial real estate and not enough people have called it to task. There was supposed to be a drumbeat of optimism following the passage of Amendment #1 in January. There are benefits to selected homeowners with homestead property. But there's an ugly part because it's all one way. There're benefits for residential owners, but commercial owners got virtually nothing! And it could get uglier if curtailment of appraised value is not accompanied with controls on government spending!

Uncontrolled local spending does not give us a curb on taxes. It just shifts the burden with commercial real estate experiencing the heaviest load. At a time with higher vacancies, the CAM charges, real estate reimbursements will be way up! All of this combines to compress investor net rents, yields and cash flow. And I haven't even mentioned insurance costs. Oh, it's stabilized for a time but there still is a very ugly dragon in the closet.

GOOD. Yes, there's good! Commercial real estate is too powerful of a force to simply disappear. Not even the Resolution Trust in the 90's could sink it! The winners are going to be those accepting straight talk from their Broker on product value, rates, marketing costs, capital curb improvements and, in some instances, even repositioning the product. Order takers and easy leasing and investment sales are out—but those willing to roll up their sleeves and survive can actually prosper! That's because not everyone's a fighter or has the capacity to sustain the strong winds that are coming for 2008.



Elliott M. Ross, CCIM

If you want to work, lease and invest in this great industry, there still are values... And we have seen a much more sober understanding of market forces among those in the industry. That sense of realism means that the recovery period will be shorter and opportunities greater. I like it when it's tough! It helps "make my day!"

Watermark Buildings closed in 3 weeks!!

The Ross Realty Group is pleased to announce the sale of two office buildings located in the Westshore area of Tampa, FL.

Pointe Watermark, LLC purchased Watermark 5 & 7 from Naidip Watermark, LLC for \$7,000,000. The Ross Realty Group represented the seller and worked hand in hand with seller's attorney Graham Carothers of Shumaker Loop & Kendrick on this fast-paced deal. The transaction closed in less than three weeks of the accepted offer.



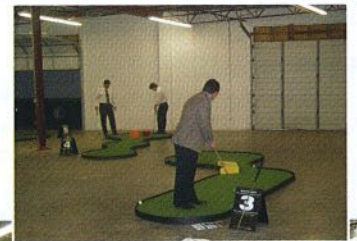
Watermark 7



Watermark 5

Largo Pinebrook Business Center Mini Golf Event

Ross Realty Group hosted a Broker Open House to showcase Pinebrook Business Center in Largo, FL to the broker community. Food was provided by Ker's Winghouse and was served by the Winghouse Girls. The event featured a Miniature Golf Tournament and Swing Workshop presented by Portable Golf Solutions and a wine tasting by ZenZen Wines. The evening was a success, attracting nearly 50 top broker participants and has resulted in additional leasing activities.





(... continued from front page "Success Stories")

Bayside 122 Industrial has undergone over \$200,000 in recent improvements including paint, roof repairs, new signage and unit repairs and updates. The new look was an important part of adding value to the property before putting it on the market.

Water's Edge Office Center and **Bay Vista** in Clearwater and **Armenia Professional Center** in Tampa, all received a fresh new look from recent painting that greatly improved the appeal and therefore the value of each property.

Regardless of how extreme the makeover, a new look is a great way to improve a property's value. And in most cases, the gains in value far outweigh the costs of the improvements.

Bright First Quarter for Ross Realty Office Team

Despite the dismal projections for 2008, there is activity in the commercial real estate market. Since the beginning of the year, Ross Realty Group's office team has closed 28 deals totaling over 152,000 square feet of space for over 5.1 million dollars worth of transactions. These deals include 11 new leases, comprising over 45,000 square feet, and 17 lease renewals, comprising nearly 107,000 square feet.

"Although media headlines are screaming that the commercial real estate market is at a standstill, our activity in the first quarter of 2008 proves otherwise," says office team leader James Moler. "It's not all gloom and doom for commercial real estate."



CCS Medical - 65,058 SF renewal at Airport Business Center

Ross Realty Features New Properties

The Ross Realty Group has been appointed leasing broker for the Meridian Gateway Center, located at the intersection of 34th Street North and Scherer Drive in the Gateway submarket of Pinellas County. This 165,013 SF flex property is owned by the Carlyle Group, a private global investment group. Its current availability ranges from 5,294 to 13,221 SF.



Clockwise from top: Meridian Gateway Center, Mercantile Center and Tower Oak Plaza

Have you seen this sign lately?



This commercial real estate signage continues to "populate" the Tampa Bay area.

The Ross Group has also been retained to lease and manage two other office properties — the 18,460 SF Mercantile Center at the corner of 22nd Avenue and 4th Street N. in St. Petersburg, and the 18,249 SF Tower Oak Plaza, located at 2196 Main Street in Dunedin. Mercantile Center currently has 4,500 SF office space available, and Tower Oak Plaza has 1,200 SF and 1,250 SF suites ready for move-in. Call Ross Realty to learn more!





SALE / LEASE LISTING HIGHLIGHTS



Silverthorn Square for SALE
Investment Opportunity - 28,820 SF retail center
87% LEASED; upside rent potential
Located in Hernando, just off Suncoast Pkwy



Airport Business Center for LEASE / SALE
Four Buildings total 164,090 SF for SALE
2,040 - 32,500 SF suites available for LEASE
Across from the St. Pete./Clearwater Int'l Airport



Newport Square for LEASE
767 - 1,715 SF office suites available
Excellent visibility 1/2 mile west of US 19



Trinity Commons for SALE
25,200 SF retail center in Pasco County
100% LEASED; upside rent potential
Surrounded by single / Multi-family homes



The Ulmerton for SALE
Retail / Industrial Building in Gateway submarket
6,285 SF of retail & 28,000 SF flex/industrial
Excellent retail frontage on Ulmerton Road



Waters Edge Office Center
1,462 - 5,419 SF available for LEASE
New paint; 3-story building on Gulf to Bay Blvd.



Bayside Industrial Buildings for SALE
Multi-tenant investment! Under \$45 PSF!
Bayside 122nd Avenue - 72,433 SF
Bayside 44th Street - 46,229 SF

Bloomingdale Plaza for LEASE / SALE
Investment Opportunity - upside rent potential
2,000 - 7,000 SF available for Lease
High visibility on Bloomingdale & Bell Shoals



CentreS at Feather Sound for LEASE / SALE
Owner-user building - over 45,000 SF available
2,530 - 22,037 SF available now for LEASE
Gateway Location, minutes to airports & I-275



Deca Industrial Buildings for SALE
Two Industrial / Flex Buildings on 116th Terrace
Bldg. One 2,585 SF Office / 11,035 SF Warehouse
Bldg. Two 2,900 SF Office / 7,100 SF Warehouse



Carrollwood Corporate Ctr. for LEASE / SALE
Owner-user building with over 13,000 SF available
Carrollwood location, highly visible on Dale Mabry
Newly renovated exterior & interior



Cherry Street Office Building for SALE
Owner-user building - over 21,000 SF available
East of Dale Mabry Hwy, few blocks from I-275
Easy access to Downtown Tampa & Westshore



Armenia Professional Center
699 - 1,580 SF available for LEASE
Newly painted; close to Downtown Tampa,
Westshore District and Tampa Int'l Airport



Mangrove Office Building for SALE
Two-story 6,437 SF Owner-user building
Excellent Built-out: private offices & work area
Located on W. Linebaugh Avenue, W. of Dale Mabry

