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## Fast cash: Newcomer on how Nashville's real estate market is different

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Molly North is glad her development company didn't land in Middle Tennessee the first time it tried. And she's really glad the 123-year old business has done so right now.

North is president and CEO of Cincinnati-based developer AI. Neyer LLC. The company formally broke ground Wednesday on a \$50 million project in Franklin featuring a 175,000-square-foot office building and a pair of business-class hotels. A future phase could create a second, equally sized office building. New York Life Insurance Co. is the equity investor, and Pinnacle Bank (Nasdaq: PNFP) is financing construction on a building that's beginning without a tenant in hand. That's a generally riskier move, though less so in a county known as a corporate hub that has added jobs faster than anywhere else in the nation in four of the past five quarters.

As North told me, this debut has been a decade in the making. Most recently, before latching onto this 18-acre site in Franklin, Al. Neyer had been under contract to buy the city's A-Game Sportsplex and convert it into office space. Almost a year ago, the company walked away from that deal, with the company's officials, investors and potential tenants deterred by ongoing delays that were largely out of their control.

In an exclusive Q&A, North talked about what makes Nashville notably different (and more difficult) from other markets the developer competes in. She made clear she intends for this region to hear a lot more from her company in the coming years.

**Many of our readers first heard your name when you were planning to buy Franklin's A-Game Sportsplex. You walked away from that deal, but clearly remained determined to establish yourself in Middle Tennessee. Why?**

This business is not for those who don't have persistence. You'll hit hurdles you can't necessarily cross, but you've got to keep up the race.

We're here in Cool Springs. You don't have to be too smart to do the basic math. It's easy to see the demand, and we get to play off of all the great work happening all around this development, too.

We first pursued something here 10 years ago. We were under contract in Cool Springs and we started seeing a fundamental shift in the market. We hesitated, and we ultimately pulled out. We're so fortunate we did: We may have sat with a 100,000-square-foot spec building empty for years. It takes many great deals to build a company, and one bad one to bring it down.

**What has surprised you about the Nashville market today?**

What's different than the other markets we're in is that there is so much appeal, that brings in a great deal of competition. That means you need speed, which means you need a great deal of capital. Of course you need money; that sounds rudimentary, I know. But in other markets, we can get stuff done relying on our elbow grease. This market takes a different toolbox.

**How does the involvement of huge institutional investor New York Life play into that?**

They're a new partner with us. This is the first time we've done a development project with a life insurance company. We were introduced to them by Patterson Real Estate, who we had engaged out of an abundance of caution ... in an effort to eliminate the execution risk. We had a question mark as far as who our capital partner would be, and they delivered New York Life.

**What's your appetite to do more in our region?**

This is just the tip of the iceberg for us. Our 'fairway' is office and industrial, but we've also been doing urban redevelopment for the last 20 years ... before it became as trendy as it is today. We're used to creative financing, and we have the ability to reconstruct an old facility.

**Sounds like you're saying we are as likely to see you pop up downtown, or again in Cool Springs, or for an industrial project in Wilson County.**

Each construction project for us is usually \$10 million to \$40 million. We'd like to get two or three of those on the books each year here.