

# Wealth management firm starts making its own real estate deals with Museum District acquisition

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Plaque



The office complex dates back to 1960. (Mike Platania photo)

After years of investing its clients' money in a variety of outside assets including real estate, a local wealth advisory firm has made a property deal of its own in the Museum District.

Kinloch Capital earlier this month purchased the Advanced Wellness Centre office building at 3536 Grove Ave. for \$2.5 million.

The 9,000-square-foot, one-story property dates back to 1960 and in recent years has primarily been occupied by a chiropractic practice.

Husband-and-wife duo Peter Walls and Jennifer Berdell founded Kinloch Capital six years ago as a wealth management and investment advisory firm. They've been involved in real estate deals in the past by deploying clients' money into property acquisitions in areas like Manchester and around VCU, helping finance deals for local buyers like [Alex Griffith](#) and [Ali Semir](#).

But Kinloch Capital bought the Advanced Wellness Centre on its own, marking a change of pace for the firm.

"Increasingly, we're looking to do (deals) on our own, rather than just be a source of capital for others," Walls said.

Kinloch financed the Grove Avenue deal by raising funds from its clients, who are now part-owners of the building and, Walls said, will earn the lion's share of the short-term and long-term returns.

The seller in the deal was Bryan Lowry, who's operated his Spines In Motion chiropractic practice out of the center for over a decade. Walls said he's a patient of Lowry's and when he heard Lowry was thinking of putting the building on the market, he moved fast.

“I called Lowry at home and said, ‘Hey, don’t put it on the market. We’ll buy it and you can stay for as long as you’d like and finish your career there,’” Walls said.

Spines In Motion will be leasing back around 1,400 of the 9,000 square feet in the building, and Walls said their plan is to renovate the property and divide up the remaining 7,600 square feet into smaller suites and rent it out as medical office space.

“The vacancy rate for medical office space in the Fan and Carytown area is essentially zero. You can’t find it,” Walls said. “We think there’ll be six or seven tenants in there, hopefully all wellness related. Whether it’s physical therapy, acupuncture, mental health, all of those symbiotic kinds of business.”

Kinloch Capital is preparing to renovate the building with Hummel Associates as the architect. CBRE’s Matt Hamilton and Eric Williford, who represented Kinloch Capital in the sale, will also handle leasing on the office space once it comes available.

Across Thompson Street is 3600 Grove Ave., where Georgia-based developer Flournoy Development Group [recently began construction](#) of a six-story, 253-unit apartment building. Walls said they see that project as a catalyst for the area, and that while they’re not interested in redeveloping 3536 Grove Ave. at this time, it is something they wouldn’t count out years down the line.

“We’re not going to do anything in the next five years, because I promised Lowry a five-year lease,” Walls said. “But longer term, could we pop the top of that building and do a floor of structured parking and then put another 20,000 square feet on top of it? Yeah, I think that absolutely could be a long-term play.”

In the meantime, Walls said they’ll keep busy renovating the Advanced Wellness Centre while also keeping an eye out for future real estate deals for both Kinloch Capital and its clients.

“We’re looking to have a couple of real estate opportunities per year available to our clients. So this is the one we did in the first half of the year,” Walls said. “My guess is there’ll be something that we do in the back half of the year. We’ve got brokers looking for us that know what our appetite is in terms of dollar size.”



Peter Walls