SUCCESS STORIES

Community Business Park Stabilization

12720–12860 Danielson Court, Poway, CA 92064

SIZE	OCCUPANCY	LEASING	ASSET TYPE
112,000 SF	58% to 94%	7 Deals, 35,000 SF	Multitenant Flex

CHALLENGE

Our team was tasked with stabilizing Community Business Park, an approximately 112,000 square-foot multitenant flex park in Poway, California. At the time of the assignment the property was considered a troubled asset by the lender, with only a 58% occupancy level. The first trust deed lender was contemplating placing a lockbox on the property, and ownership was short on capital for tenant improvements and general project maintenance. The property was barely cash flowing and carried a loan that would come due within 18 months of our commencing activity.

ACTIONS

We commenced marketing activities and took an aggressive yet creative approach to completing leases. In addition to extensively canvassing the local market and sourcing several tenants on our own, we secured tenants with a minimal amount of tenant improvements, allowing ownership to move the occupancy needle upward and hold the lender at bay from implementing the lockbox scenario. We also developed a creative structure to push lease rates ahead of the market, achieving rents that demonstrated rental growth and stability to the lender.

RESULTS

Our team coordinated a successful releasing campaign, completing 7 transactions for over 35,000 SF within 6 months of starting the assignment. We took the project above 94% occupancy within 9 months and secured the lender's removal of any conditions that would inhibit the borrower's ability to refinance the property, effectively eliminating the constraints that other troubled assets were facing.

TESTIMONIAL

"The Voit team was instrumental in stabilizing our underperforming asset and provided extremely valuable advice throughout the stabilization and lender workout process. Their rapid and aggressive leasing program enabled us to rebound from a low occupancy and turn around a once underperforming asset. Not only did they increase occupancy, but also rental rates, allowing us to get the property back to stability and make it attractive to several lenders considering a refinance. In hindsight, their efforts seemed to almost be miraculous. I highly recommend Voit and the Mulvaney Commercial Alliance team for any complex real estate situations and have complete faith in them."

Patricia Draper, President, Moss Point, LLC

Brian A. Mulvaney, SIOR CCIM

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