



CASE STUDY | DRA ADVISORS, HOUSTON INDUSTRIAL PORTFOLIO

5-man team executed long-term leasing strategies blending the efforts of market analysis, marketing and tenant relationships to increase occupancy to 97% in 18-month period.

SITUATION

- In July 2012, Stream was hired by DRA Advisors to lease and manage a 2.25 million square foot portfolio, spread across several of Houston's industrial submarkets, consisting of flex and bulk distribution buildings.
- The portfolio was purchased from an owner-operator company staffed with one leasing agent.
- At the time of purchase, the portfolio was 87% leased with several large and challenging vacancies that had been unoccupied for years.

ACTION

- Upon taking over the leasing and management, Stream launched a proactive leasing program to give the portfolio a fresh perspective and point of view. The new leasing team of five members met with every tenant and hosted lunch-and-learn events to reintroduce the projects to the brokerage community.
- Stream recommended make-ready improvements for each vacancy, in order to capture quick-moving deals and present a highly convenient option for tenants considering several availabilities in the market.
- Stream also worked cohesively with their renowned in-house marketing team to rebrand each project, crafting market-leading collateral including updated flyers, email campaigns, vacancy boards and leasing signage.
- Stream focused on the supply and demand fundamentals impacting each asset to understand why tenants wanted to be in these parks, and therefore how to achieve the most aggressive leasing terms for its client, DRA Advisors.

RESULTS

- The proactive leasing approach created immediate opportunities at each project. Several existing tenants expanded, and tour activity for new vacancies increased as brokers attending the lunch-and-learn events saw the portfolio in a new light.
- As a result of Stream's proactive leasing approach and an understanding of the lack of quality vacancies in the market, Stream was able to increase occupancy to 97% in 18 months.
- By studying the current supply and demand fundamentals for each asset, Stream recognized a shift in the market. Armed with this knowledge, Stream pushed in-place rents and grew net operating income over 30% in the 18 months following acquisition, creating significant value to the client.