

## CASE STUDY | 555 PARK CENTER, SANTA ANA

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### SITUATION

- 24,737 RSF office building that was 80% leased with 60% of the building rolling within the next 18 months.
- Owners were looking for an exit and did not want to hold onto the building through the next cycle.
- Stream's knowledge of the market enabled them to know there was demand for buildings that could accommodate users looking to take advantage of SBA Debt (occupy over 50% of the building) while having other tenants within the building pay for the mortgage.
- The current owner was motivated to sell and Stream found a buyer to purchase the building off market at a significant discount to where buildings were trading.

### ACTION

- After representing the buyer, Stream methodically retained all tenants on the ground floor of the building thus leaving a marketable full floor available for a user.
- Renovations were completed that included: standing seam metal roof, new entry with stained wood slats/smooth coat stucco, new interior corridors, new exterior paint, and drought tolerant landscaping.
- Executed a marketing campaign that included: in-person canvassing, drone video tours, postcard mailers, cold-call campaign, and a broker incentive program to make sure the maximum value was obtained for the asset.
- Updated second floor to tour condition, that included: white boxing a portion of it (minimizing costs) and removing the ceiling grid to accent the high ceilings and aid in natural light.

### RESULTS

- Stream found a buyer in Gold Acceptance, who occupied the 2nd floor and used the rent from the multi-tenant ground floor to help off-set the mortgage.
- Ownership purchased the building for \$117.23 PSF, put \$18.50 PSF into the building, and at the direction / marketing efforts of Stream sold it for \$190.97.
- Stream completed a lease audit and found 145 SF of building during the due diligence process that was not accounted for and grew the rentable square footage of the building (\$27,690.65 increase to the purchase price).
- The transaction marketed a high comp in the Parkcenter area submarket for 2017 YTD and outperformed the office Class B and C market by 35%.

