



■ CASE STUDY

# 1650 Adams Ave

Costa Mesa, CA



## KEY TAKEAWAY

*Strategic Transformation of a Neglected Office Building*

## CHALLENGES

The 12,436 RSF freestanding office building in Costa Mesa, CA, faced headwinds. Vacant for 18 months, the property had deteriorated, becoming a target for vandalism and theft, including the loss of all copper and electrical systems. The current owner, unwilling to invest in necessary upgrades, was at a crossroads, considering demolition in favor of constructing a larger facility. Transaction volume on user deals was also down 51% year-over-year due to the Federal Reserve's interest rate increases since 2022, which had risen from 0.25% to 5.375%. The seller sought a swift resolution, aiming to avoid a prolonged marketing process while maintaining aggressive pricing expectations.

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## QUICK FACTS

- Medical Office
- Investment Sales
- 12,436 RSF
- 56% Premium



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## SOLUTIONS

Stream's approach was meticulously strategic. We began by crafting a compelling narrative for the property, targeting potential buyers through tailored messaging. Recognizing the healthcare sector's relevance in our target market, we implemented a focused marketing campaign directed at healthcare providers and brokers. Additionally, leveraging insider knowledge of a tenant in Costa Mesa struggling to find a suitable location, we positioned the property as the ideal solution, enabling confident pricing negotiations. Our efforts culminated in securing favorable terms with an investor who purchased the building outright with a tenant in tow, finalizing the transaction with an all-cash deal.

## RESULTS

This transaction set a new benchmark in Costa Mesa's real estate market. It is the highest-priced user building sale in the City within the last decade, excluding condo transactions. Amidst a sparse landscape of office trades below 25,000 RSF in 2023, this deal stood out, commanding a remarkable 56% premium over the only other trade that year. Securing an all-cash buyer amidst challenging financing conditions further solidified the transaction's stability and resilience, highlighting Stream's ability to execute and guide clients throughout the sales process.



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