

BANKRUPTCY SOLVED

GROCERY ANCHORED RETAIL CENTER

RECENT CLIENT SUCCESS



Augusta Ranch Marketplace

CHALLENGE

Tina Earp owned a 80,247 SF Bashas' grocery anchored center on the southwest corner of Baseline Rd. and Crimson Rd. She had owned the property for 6 years and was now in a position of needing to reposition the asset in order to achieve maximum value. Based on the prior Bankruptcy of the anchor Bashas' Mrs. Earp was facing several challenges including:

- Stigmatized property due to prior anchor tenant Bankruptcy
- Navigating the sale with an assumable CMBS loan with only 18 months remaining and a prohibitive defeasance prepayment penalty
- Re-energizing buyer interest in a property that had failed to sell after being listed and marketed by a national brokerage firm

ACTIONS

Ms. Earp engaged the services of Sun Commercial Real Estate. She had been aware of Sun's record of success for aggressively marketing and successfully selling commercial properties in the market. She wanted to achieve the highest price possible. Sun Commercial Real Estate immediately went to work. These steps included, but were not limited to:

- Researched the Bashas' bankruptcy and discovered they shed more than 50% of its debt through the bankruptcy and repaid a secured line of credit ahead of schedule
- Obtained store sales information directly from Bashas'. This location ranked in the top 20% in sales of the company's portfolio and showed sales growth year over year. Additionally their rent to sales ratio was a healthy rate of only 3.85%
- Reviewed loan and title documents and concluded the undeveloped pad could be sold separately providing a value-add opportunity to a buyer
- Conducted a direct cold calling and email campaign to qualified investors nationwide. Our successful buyer was sourced from New York City as a result of these efforts
- Negotiated an extended closing timeline in order to avoid assumption process or prepayment penalties. This negotiation included the buyer funding and releasing a substantial earnest money deposit

RESULTS

By proactively addressing these issues Sun Commercial Real Estate was able to generate offers from a qualified pool of investors and brokers that normally would have passed on this property at first glance.

- Directly marketed 5,010 qualified national real estate professionals (2,976 Principals, 2,034 Brokers)
- 71 Confidentiality agreements were executed
- Property sold within 95% of the original value presented to Ms. Earp

TESTIMONIAL

"I previously listed my property with a national brokerage firm and failed to achieve the necessary activity needed to sell the property. I was extremely impressed by the attention to detail and the marketing effort put forth by Sun Commercial Real Estate.

-Tina Earp, CEO