

\$5.15 MILLION AVRIO WALNUT CENTER VALUE-ADD INDUSTRIAL INVESTMENT

RECENT CLIENT SUCCESS



Sold at 97% of the Asking Price | Generated Twelve (12) Signed Purchase Offers

CHALLENGE

The Avrio Walnut Center's former owner defaulted on the loan and the property fell into a court ordered receivership. The Receiver, Trident Pacific Real Estate, performed a comprehensive market search and selected the Investment Services Group (ISG) of Sun Commercial Real Estate on an exclusive basis to lease, manage, and market this asset for sale.

This receivership asset included many unique challenges to overcome including the following:

- The asset was 50% occupied with every tenant's lease being one page, hand written, and on a month to month term
- The building expenses were out of control
- All of the tenants security deposits held by the former owner were not transferred to the Receiver
- Years of deferred maintenance to the roof, HVAC systems and parking lot caused many tenant issues and made it difficult to attract new tenants

RESULTS

By pro-actively addressing these challenges ISG was able to facilitate a smooth successful transaction.

- **Multiple Offer Generation** - generated over fifty (50) signed confidentiality agreements and twelve (12) signed purchase offers
- **Complex Deal Execution** - This Receivership sale included court proceedings, failed banks and FDIC involvement. From straight forward to complex deals we have the experience to handle them all.

TESTIMONIAL

"As a court ordered receiver it is absolutely critical that I make the right choice in my selection of my commercial real estate broker. After a comprehensive search the Investment Services Group was selected and they performed even better than advertised. They stabilized the asset through lease-up, generated twelve (12) qualified purchase offers and achieved a price higher than my expectations. I will look forward to hiring them again on future transactions."

-Gregg Williams

Principal of Trident Pacific Real Estate / Court Ordered Receiver for Avrio Walnut LLC

ACTIONS

Upon receiving the exclusive assignment ISG implemented several steps to address the above challenges to stabilize the asset and maximize the sales proceeds to our client including the following:

- Converting all tenants to AIR commercial leases that included HVAC maintenance to be paid through Cam's
- Reigned in operating expenses by implementing restrictions to trash use in the new leases.
- Created and implemented a capital improvement plan that included roof, HVAC, and parking lot repairs
- Obtained a clean Phase I environmental report and Property Conditions Report after the repairs were complete to demonstrate to buyers the current condition of the property. By providing these reports upfront it limits buyers the ability to retrade on price later.
- Worked with the FDIC to obtain loan re-conveyances and deliver clean title