CASE STUDY

ABOUT THE PROPERTY

The owner of a Class B Office/Medical Building faced expiration dates of 74% of its Tenants; expiring by the end of 2017, leases for 40% of the 27,000 sf building would expire. In addition, three non-renewing tenants - one in 7,600 sf - were moving to newly-purchased space and seeking subtenants.

Located in Frisco/The Colony submarket, the building was in a high-traffic area due to several large projects and corporate headquarters to its south. Built in 2007, the building had limited covered parking.

Challenges:
- Majority of leases expiring within a 12-month period
- _x___ sf or _y___% of building tenants seeking subtenants
- A change in building ownership, leasing and property management made tenants uncertain about renewing.

Strategies:
- Stagger lease expiration dates to avoid leases expiring around the same time or risk of losing Tenants at the same time.
- Reconfigure spaces to attract a variety of different-sized tenants
- Persuade tenants to renew for longer terms
- Increase rental income and reduce operating expenses to provide a higher NOI
- Find strong tenants for subtenant spaces; Landlord to assume the lease and extend the terms

Results:
- 98% of building leased within 12 months; 100% within 18 months
- Landlord extended the term for the sublease space and assumed the lease, giving control to the Landlord
- Reduced risk of high vacancy in the future with staggered expiration dates
- Tenants are happy with service provided by property management, leasing and landlord

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