



CASE STUDY

LEASE/ SALE - 801 HANOVER DR -

The Challenge:

The business park had remained at 75% to 77% occupancy, and the ownership needed to sell. After paying a top of the market price five years prior (2008), the project was never able to achieve occupancy levels to sustain the projected income. The ownership's loan was maturing and they needed to exit the property.

The Results:

The ownership engaged Mercer Company to increase the occupancy quickly and provide value in a sale. Within 60 days Mercer Company completed two very quick deals, and improved the occupancy to 83% (the highest point within five years). There were three tenants with leases expiring in 2013 making up a large portion of the rental value. Mercer Company was able to extend the leases an additional two to three years each, in order to provide more stability in the sale. By knowing the market, they 'stole' the Hudson News Group in the first new deal to the park, securing a 9 year lease. Mercer Company competed with the major investment sale firms and received a short opportunity to sell the project. Within four months of being assigned to sell the project with an 83% occupancy, they closed at over \$43 per square foot. They received twelve offers in 30 days. Upon selecting a purchaser, they required a short due diligence period and closed in 45 days.

Transaction Summary

Address: 801 Hanover Drive #150, Grapevine, TX
Square Footage: 23,646
Total Sale Price: \$1,531,271.04



MERCER COMPANY