



Background

The CFI Team of Matthew Sullivan, CCIM and Wilson McDowell, CCIM represents Crow Holdings on 535,000 SF of industrial property located in the 33rd Street Industrial Park in the SW Orange County industrial submarket. The portfolio was at 90% occupancy - mirroring the occupancy level of the 3Q 2009 SW industrial submarket. Two tenants were vacating their respective spaces within the portfolio which was going to lower the occupancy to 86%. Lease rates in the market were decreasing as vacancy was increasing. Market activity was very low as many tenants were trying to relinquish unused space to cut overhead expenses.

Challenge

- Upcoming vacancies with little market activity
- Downward pressure on lease rates as vacancy was increasing
- Vacancies would bring the portfolio below current occupancy rates

Services Provided

- Project Leasing / Landlord Representation
- Expert Lease Negotiations
- Creative deal making

Results

We were able to pull a tenant from a neighboring Landlord through cold calls to fill one of the vacancies. We were able to negotiate an as-is, five year lease starting immediately upon the previous tenants' exit. Furthermore, we were able to expand an existing tenant on a 5 year lease into an adjacent vacancy and sign a short term, as-is deal on an older vacancy. The total absorption by the property was 40,000 SF in a market that was faced with 1.4 Million SF of negative absorption year to date. The portfolio reached a 94% occupancy rate, exceeding the submarket occupancy rate of 90%. The Clients' goals were achieved.

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