CASE STUDY

1651 E Saint Andrew Place, Santa Ana, CA 92705

BACKGROUND

An electronics manufacturing company, occupied this 40,586 square foot industrial building. Due to supply chain challenges and other reasons, the tenant was struggling to make rent payments. The landlord wanted to consider either working with the tenant in this slow pay pattern or find a replacement tenant.

OBJECTIVE

The landlord and Tidemark determined that the objective was to attract a new high credit tenant as the landlord is a long term hold investor.

ASSESSMENT

The lease rate of the current tenant was under market, so there was significant upside. In discovery, we learned also that the current tenant's financial condition was deteriorating. Tidemark's focus was to maintain cash flow as productively as possible, market the space and come away with a strong result.

PROCESS

Tidemark property management led an effort with the assistance of legal counsel to reach an agreement specifying a modified payment plan secured by the force of an expedited eviction in the case of default. When default occurred, Tidemark and counsel prosecuted the eviction. Despite the delicate circumstances, Tidemark regained possession of the property in a timely manner with minimal conflict and prepared the building for lease.

We procured an off-market offer to lease from a publicly traded company. While negotiations commenced, we initiated an effective leasing campaign that generated substantial additional interest and a second qualified offer which resulted in a lease.

Concurrently, Tidemark facilitated construction to prep the building the meet the needs of the new incoming tenant.

BUILDING SIZE:	±40,586 SF
OFFICE SIZE:	±14,000 SF
LOADING DOORS:	One (1) Ground Level Two (2) Dock High
POWER:	1,200 Amps 120/208 Volt
WAREHOUSE CLEAR:	28’
PARKING:	2.9:1000

RESULT

By efficiently removing a failing tenant, overseeing improvements and procuring a high credit tenant, the rent increased on this property by approximately 42% resulting in a value increase of approximately $3 million.

The process was managed to minimize construction costs and lost rent due to downtime, converting inconsistent rent payments from a weak tenant into a strong, well secured income stream meeting the property owner's goal of long-term hold.

TIDEMARK
Real Estate Services