



Case Study – Private Client Management

In 2005 Groen Realty Partners were approached by an outside broker to consult with an investor related to potentially managing his medical office building. Over a span of almost 2 years of discussions of the market, current value of his property, state of his tenant's lease expirations, and other influences of his building we were able to secure the property management agreement with RG. The property was acquired into our private client management group at 52% occupancy.

Over the next nine months we were able to take the property to a 92% occupancy level by creative marketing, cold calling, and networking. In addition to increasing the occupancy of his building we were also able to reduce operating costs by 20%. This project was a triple net building in that the tenants pay their proportionate share of taxes, insurance and common area maintenance. The reduction in operating expenses did not create additional cash flow for the owner but what it did do was give the current tenants a financial break in their overhead and created further goodwill between the tenants and the owner. A lot of the cost reduction was in reducing unnecessary overhead, renegotiating contracts that had been allowed to escalate over time and other cost savings measures.

This particular building was an outlier of the investor's overall portfolio. The investor had traditionally been an apartment investor and medical office building was not necessarily something he was comfortable with. But the property on the market in order to capitalize on its increase in occupancy and were able to sell it to allow our investor to utilize his profit in investments he was more comfortable with.

The profit realized from the sale of this building was rolled into several other investments including single tenant retail, multi-tenant office and multi-tenant retail. As with the initial building under our management, we were able to secure agreements to roll the buildings into our private client management group to continue to provide outstanding service for this particular investor.

From what started as a single investment, as of today we currently manage several other real estate opportunities for this client. Our client has trusted us with his real estate portfolio - an investment that he intends on turning over to his heirs in the future.