

PROVIDENT

REAL ESTATE & ASSET MANAGEMENT

Case Study Synopsis: The Fourth Street Professional Building



The Fourth Street Professional Building

2431 Fourth Street
Detroit, Michigan 48201

Profile: Professional office building with attached 3,500sqft gymnasium and 6,000sqft warehouse.

Square Footage: 20,000

Year Built: 1963

Contract Date: 1/1/2011

Challenges:

- In slower economic times when commercial lease rates are falling throughout the Detroit metro area, PROVIDENT wants to increase occupancy and rental rates.
- Over \$14,000 in past accounts receivable to resolve.
- 2,000 square feet of an unfinished build-out project; that inhibits marketability.
- 6,000+ square feet of unfinished warehouse/ storage space, generating no revenue.
- Deferred interior and exterior maintenance.
- Lack of secured parking: Unfinished gravel parking lot. However, there is ample street parking.

Solutions/Results:

- PROVIDENT had all tenants sign a current lease. Some tenants that were not on a current lease were required to sign one. Lease obligations were explained and implemented.
- PROVIDENT named the building *The Fourth Street Professional Building* and successfully marketed and leased available space to downsizing companies and entrepreneurs.
- In 2 months economic occupancy was increased from 14% to 74%. Physical occupancy was increased from 33% to 83%.
- Successfully recovering/resolving the balance of accounts receivable.
- PROVIDENT successfully coordinated and completed the build-out of the 2,000 square foot office space.
- 6,000+ square feet of warehouse/ storage space will be redeveloped in Spring 2011. PROVIDENT is coordinating a build-out with architects.
- Exterior of building will be power-washed, repainted, and additional windows will be installed in Spring 2011.
- Parking lot to be paved in Spring 2011.

	<i>Statistics as of 1/1/2011:</i>	<i>Statistics as of 3/1/2011:</i>
Economic Occupancy:	14%	74%
Physical Occupancy:	33%	83%
Monthly Gross Revenue:	N/A	+525%