

PROVIDENT

REAL ESTATE & ASSET MANAGEMENT

Case Study Synopsis: Receivership (Lease-Up & Stabilization)

**Address:**

4884 Grand River Avenue
Detroit, Michigan 48201

Profile: Industrial/ Warehouse Space, and small studios for urban entrepreneurs/artists

Square Footage: 30,500

Year Built: 1935

Contract Date: 1/15/2011

Disposition Date: 7/25/2011

Challenges:

- Property suffered a \$300,000+ loss from previous tenant vandalism.
- Stabilize and lease damaged space without owner investment capital.
- Tenants were chronic late rent payers and did not abide by lease terms/ policies.
- Uncontrolled/ unregulated utility usage and tenant theft of utilities resulting in excessive utility bills.
- 15,000+ square feet of unfinished warehouse/ storage space, generating no revenue.
- Deferred interior and exterior maintenance.
- In slower economic times in the Detroit metro area, PROVIDENT wants to increase occupancy and stabilize current non-compliant tenants.

Solutions/Results:

- PROVIDENT successfully marketed and leased available space to a custom car accessories company, a music recording company, and a screen printing company.
- Negotiated a tenant capital improvement allowance in lieu of owner investment capital for deferred maintenance.
- Identified and evicted tenants for theft of utilities that was responsible for astronomical revenue losses.
- In 6 months physical occupancy was increased from 36% to 70%.
- In 6 months monthly gross revenue was increased 218%.
- Enforced rent collection policies and compliance with lease agreements to resistant current tenants.

Physical Occupancy:
Monthly Gross Revenue:

Statistics as of 1/15/2011:

36%
N/A

Statistics as of 7/25/2011:

70%
+218%

For more information or a property consultation, contact Derek J. Weaver at 313. 355. 3273/ derek@providentrealstate.org