



FORTIUS
CAPITAL



Mountain Center of Avon Case Study

Mountain Center of Avon is a 79,000 square foot Flex Office & Self-Storage Center located in Avon, CO.

Summary

Mountain Center of Avon is a 79,000 square foot flex office and self-storage center in Avon, CO. Our client purchased the property in 2007, did a major upgrade of the building and converted the basement level of the building into a self-storage center. The majority of the building is a flex office product that is typically used for office, warehouse, and showroom for service companies and construction supply/wholesale. When they engaged our services for the property the occupancy for both the flex and self-storage were struggling and they were constantly running into budget overruns. The pass-thru expenses for the property were also above market making it uncompetitive with neighboring centers.

Within
twenty-four months
of managing the
property, the self-storage
occupancy went from
68% to 90%.

Solution

We aggressively re-priced all services for the building and found significant savings on several line items. With the savings we found we were able to immediately lower the CAM costs, passing those savings on to existing tenants as well as bring the NNN's into a far more competitive range.

We brought in a new on-site manager for the self-storage center and implemented a very dynamic direct marketing and pricing strategy. Eventually we also expanded the self-storage in another section of the building that was vacant that had been very difficult to lease because of the access.

For the flex portion of the building we also rolled out a strong marketing plan that included a custom website, direct mailers, email blasts, classifieds, and a cold calling campaign. We built a list of all the business types we felt were a good fit for the property for the entire region and contacted them directly with the opportunity to lease space in this center.

Outcome

Within twenty-four months the property was stabilized and performing well. The self-storage occupancy went from 68% to around 90% and overall rates increased. The flex occupancy rate went from 72% to 89% with a much stronger tenant mix. The NNN's went from \$6.05 per sq foot to \$4.75 while simultaneously adding a maintenance reserve. In 2012 ownership engaged us to list and sale the property at \$10.5 million. We successfully sold the property for \$10.1 million, in less than three months. The new owners retained NAI Mountain Commercial to manage the property from 2012 until 2016, when the property was listed for sale. NAI Mountain Commercial brought Mountain Center of Avon to the market summer of 2016 and closed a few months later for \$15.3 million.

