



## CHALLENGE

Located in Northwest Atlanta, Corporate Forum is a six-building Class B office complex totaling 188,099 square feet. In early 2009, the lender foreclosed on the property and appointed Transwestern as the receiver, leasing agent, and property manager.

Vacancy rates in the surrounding submarket were approximately 20% due to the impact of the recession and corporate downsizing, but the property was suffering from a vacancy rate of more than 40% due to the previous ownership's financial difficulties. With growing deferred maintenance issues and worsening curb appeal, the lender was concerned that more and more tenants would vacate Corporate Forum and the asset's value would plummet.

Transwestern's team was charged with protecting the value of Corporate Forum in a time of deteriorating market conditions and get it ready for eventual disposition, allowing the lender to capture as much potential value as possible.

## SOLUTION

As the receiver, Transwestern immediately undertook a thorough analysis of Corporate Forum from every perspective and developed a management and leasing plan that would stabilize the property and protect and enhance its value.

Corporate Forum's appearance and operations were first addressed through cost-effective and proactive property management programs. Attention to detail regarding cleaning, landscaping, and security dramatically improved the asset's curb appeal and satisfaction among the existing tenant base, and operating inefficiencies were identified and procedures adjusted to reduce costs while improving levels of service. A detailed accounting analysis revealed areas where lost revenue could be recaptured, boosting property income.

Simultaneously, the property was aggressively marketed as a value option for companies seeking space in Northwest Atlanta. Marketing efforts were directed not only to the local brokerage community to emphasize the fact that the property was being stabilized and commissions were being paid, but considerable effort was put into promoting Corporate Forum directly to tenants as well. Transwestern's experience showed that many cost-conscious tenants were often looking for space without a broker, and the consummation of such direct leases could save the owner in terms of leasing fees.

## VALUE ADDED BY TRANSWESTERN

Over the remainder of 2009 and throughout 2010, Transwestern was able to significantly improve the physical condition of Corporate Forum, which helped to secure 40,000 square feet of renewals with tenants that had an upcoming lease expiration — a 96% retention rate. Direct tenant canvassing efforts resulted in 30,000 square feet of new leases, bringing overall occupancy up to nearly 70%. Effective property management programs helped to cut expenses and boost income. With positive momentum established, the lender decided the time was right to capitalize on the enhanced value of Corporate Forum, which was sold to a local investor for \$7.2 million in early 2011, a value that exceeded all expectations.