

THE ANDRESON OFFICE BUILDING

At the request of an institutional client, Capstone created and executed an asset management and disposition plan for the sale of The Anderson Building. The Anderson Building, a 55,128-square-foot office building located in the central business district of San Bernardino, California, was acquired by our client following foreclosure. The building, which was built in 1927, suffered from the prior owner's general neglect, deferred maintenance, low occupancy and depressed sub-market location. The client's objective was to dispose of the building within 12 months with a minimum amount of additional capital investment.

Capstone designed and implemented the following asset management program for The Anderson Building:

- Created a strategic plan that outlined the various measures that would be undertaken to achieve the client's objective.
- Performed an in-depth assessment of the surrounding sub-market and the building's physical condition. Outlined capital, repair and maintenance priorities for the building.
- Hired and directed a local property management firm to address the property's day-to day needs. Prepared an operating and capital expense budget for the property.
- Hired and directed a local leasing broker to market the building for lease to prospective tenants.
- Focused the property manager on addressing safety and maintenance issues, tenant relations, and interaction with local vendors to ascertain the condition of basic building systems.
- Obtained and reviewed a preliminary title report and property encumbrance documents. Worked with title officer to eliminate obsolete title exceptions.
- Met with the city to discuss the recorded Parking Agreement and government initiatives regarding the CBD.
- Identified and interviewed several investment sale brokers who would market the property for sale.
- Fine-tuned the selected broker's offering memorandum and marketing materials.

THE ANDRESON OFFICE BUILDING

- Compiled and organized property information to facilitate prospective buyers' due diligence.
- Managed the disposition marketing program, interacting with the owner's broker and prospective buyers.
- Obtained five offers to purchase the property from local investors. Negotiated letters of intent and met with two prospective purchasers. Provided analysis of offers and recommended course of action to client. Worked with the client's attorney to negotiate purchase and sale agreement.
- Worked with buyer throughout the due diligence period and managed the closing process.
- Transaction closed in 75 days following agreement upon a letter of intent with the buyer, 51 days following execution of the purchase and sale agreement and approximately nine months from the beginning of the assignment. The sale price represented a 34% premium over the client's expectations.