

O'HARE LAKE OFFICE PLAZA

- 729,734 square-foot five-building office park on 47.4 acres located in suburban Chicago, IL. Site amenities included a 600,000 square-foot man-made lake that was surrounded by the buildings.
- Retained by institutional investor to provide asset management services. Capstone replaced the investor's operating partner whose performance suffered following elimination of its financial incentives.
- Property suffered from 67% occupancy with a shadow-anchor grocer that announced its intention to leave the D.C. market, poor expense controls and billing practices, and physical obsolescence.
- Capstone created and executed a business plan for the asset whose highlights included:
 - Performing market and financial analysis to position the property for sale and/or refinancing within 9-12 months
 - Negotiating a lease renewal with a 79,989 square-foot tenant who was in active negotiations to leave the project
 - Scoping, bidding and completing lease required capital expenditures for the building's largest tenant (214,632 square feet)
 - Working with leasing agent to complete renewals and improve occupancy and lease terms
 - Working with property manager to control expenses, improve tenant relations and accuracy of tenant billings
- Capstone's management efforts resulted in:
 - Renewal of the 79,989 square-foot tenant at better terms than were offered by Capstone's predecessor
 - Market analysis and Argus cash flows for sale, partial sale and refinancing scenarios
 - Completed lease required capital expenditures at 27% savings over inherited estimates
 - Completed more than 115,000 square feet of leasing transactions in the first six months of the engagement
 - Directed the completion of upgrades to elevators, mechanical systems and interior common areas
 - Prioritized tenant litigation, focusing only on cases that were likely to result in net cash recoveries
 - Positioned a 214,632 square-foot building for sale including negotiating Right of First Offer with a federal government tenant