

# 611 CHURCH

## ANN ARBOR, MI



611 Church - Ann Arbor, MI	
Location	Ann Arbor
Property Type	Mixed-use (office/retail)
Property Size	36,000 SF
Challenge	Sell a 50% occupied property in a distressed market for maximum value
Strategy	Identify qualified investors with the vision and capability to purchase the property and reposition from office to residential
Result	Property sold in June 2008 to give our client an exit strategy with a healthy return on their original investment.

### CASE STUDY # 1

### SALE TRANSACTION

#### CHALLENGE

Cabrio Properties was retained by the ownership of this property to sell the asset at the peak of their investment. The owners that we represented purchased in the property in 2001, renovated the property, established a strong rent roll with the University of Michigan occupying floors 2, 3 and 4 and enjoyed strong cash flows for many years. In early 2008 the leases for floors 2 and 3 expired and the University vacated 17,000 SF. This left the property approximately 50% occupied with severe negative cash flows. These negative cash flows threatened to significantly diminish the returns that had been generated over the last 7 years. Prospects for re-leasing office space in a predominately campus environment were few and far between. The University was the only logical tenant for office space in this area and that opportunity ran out with the lease. Cabrio Properties was retained to find a buyer for the asset and dispose of the property for its client.

#### TRANSACTION

Cabrio Properties promptly generated sale activity for the property and within weeks was under contract to sell the property to a local investor. The terms of the sale maximized investor return with a strong sale price.

#### RESULTS

Cabrio Properties facilitated a close of the transaction in June 2008, less than 90 days from the time that the sale process started. The sale transaction created liquidity for our client and protected the overall return on their investment generated over the course of their hold period. The buyer subsequently repositioned the property by converting the office space to student oriented apartments.

