



# Retail Leasing

## WEST TOWN SQUARE - ROME, GA

CLIENT: WEST TOWN SQUARE INVESTMENT, LLC

### OBJECTIVE:

Driven by the opportunity to place Redmond Hospital (division of HCA) in a new facility serving west Rome, our objective was to secure a long-term lease commitment from the tenant in conjunction with an extensive remodel and lease-up strategy for an 86,000 square foot, under-performing former Wal-Mart building.

### DESCRIPTION:

Nearing the end of Wal-Mart's lease term, the building was subleased by Wal-Mart with limited remaining lease term to Office Depot and Ferguson Plumbing supplies with a 35,000 square foot space which had remained vacant for many years. The property was owned by a triple-net lease investor interested in disposing of the asset prior to lease expiration with Wal-Mart.

### PROBLEMS:

Control of the asset could only be obtained by contracting with the net lease investor with the cooperation of Wal-Mart who held a first right of refusal to purchase the property. Acquisition of the property relied on a lease commitment from Redmond during the due diligence period and a long-term commitment form at least one of the two other tenants in the building.

### ACTIONS:

On behalf of ownership, negotiated a contract to purchase the property at a price reflective of its then-current physical and economic condition. Negotiated ten-year lease commitment with Redmond during the due diligence period and long-term lease extension with Ferguson. Planned and priced complete remodel plan for the shopping center. Secured participating loan commitment with Protective Life providing ownership with financing of 100% of the cost of the project.

### RESULTS:

Completed remodel of shopping center within six months of closing under the \$2.2 million budget. Redmond Hospital opened its facility within eight months of closing. At 100% occupied to three credit tenants, the property achieved full potential and attained value enhancement of 33% of the total initial project cost.

