RECENT SUCCESS:
ASSET DISPOSITION
MIXED USE PROPERTY

TARTAN
PROPERTIES

THE CHALLENGE:

By the end of 2003, the repercussions of the pandemic significantly impacted our client's property at 2001 Mt. Vernon Avenue. With rising vacancy rates, uncollected back rents, a struggling retail tenant, and an owner increasingly overwhelmed by the operational demands, the family concluded it was time to sell the asset. The primary challenge was to streamline the disorganized processes and operations that negatively affected the net operating income and to sensitively address the owner's emotional attachment to the property to facilitate its sale at the highest possible price. This situation is emblematic of many property owners who face similar dilemmas when deciding how and when to exit ownership, often due to health concerns or inadequate management practices.

TARTAN ACTION PLAN:

We initiated the process by negotiating a new lease with the hardware store's new owner, the building's main tenant, to stabilize the property's value for both immediate sale and future investment value. Subsequently, we identified the tenants occupying individual office suites and clarified rent collection statuses, as many leases had expired, and records were disorganized. We collaborated with our client to develop a pricing and marketing strategy that highlighted the asset's value ad potential in Alexandria's sought-after Del Ray neighborhood. We distributed a comprehensive offering memorandum to regional brokers and investors and launched a targeted social media campaign. Over a four-month period, TARTAN conducted tours for twenty-one prospective buyers and received four full-price offers. Our approach underscored the benefits of working with TARTAN: creative marketing, expert negotiation skills, and a customized strategy tailored to each client's unique needs.

THE RESULTS

After successfully negotiating the four offers and selecting what appeared to be the strongest bid, the selected party terminated the contract during a brief due diligence period. TARTAN promptly re-engaged all interested parties; however, in an unexpected turn of events, the remaining three prospects withdrew their offers. Faced with the potential loss of deal momentum, TARTAN reached out to a prospect who had initially shown interest in making a cash offer but was reluctant to compete at the full asking price. Thanks to TARTAN's swift actions and adept negotiations, the property was under contract within seven days and closed within sixty days at a mere 4.7% discount from the asking price. The client is now free from the responsibilities and liabilities of managing the multi-tenant building, demonstrating TARTAN's capability in navigating complex real estate transactions to achieve optimal outcomes.

THE TESTIMONIAL:

"I had acquired and renovated this building over twenty years ago. My company was the main tenant in the office portion of the building before I sold the business and retired and became the landlord. When I realized it was time to sell the building we chose Tartan Properties. Working with Mike Porterfield was an excellent decision for us. Mike guided us through every step of the process, meticulously assembling our documents and leases into a compelling marketing package. He successfully renewed the leases of several tenants, stabilizing and increasing the value of our asset. Mike was able to secure five offers, skillfully negotiating to achieve a winning bid that was very close to our asking price. Throughout, Mike demonstrated great patience, helping my wife and me understand our options so we could make informed decisions. Ultimately, it was clear that Mike's expertise in selling commercial real estate enabled us to maximize our return on the sale." - Dennis R., Tartan Properties Client