

RECENT SUCCESS:
**ASSET DISPOSITION OF
MIXED USE PROPERTY**

**TARTAN
PROPERTIES**



THE CHALLENGE:

First Agape Baptist Church faced challenges maintaining their 15,000 sq ft property amidst gentrification, an aging congregation, and the pandemic. The church was also challenged to maintain the building and meet larger capital expenses that were forthcoming. As a part of selling their property, they sought out a buyer who would consider maintaining the affordable housing units the church operated on the second level. Providing workforce and transitional housing was a part of the church's mission for more than twenty years. Additionally, they wanted to find a replacement building that could meet their current capacity in the community, without having to move too far geographically.

TARTAN ACTION:

TARTAN immediately set out to determine the property's value based on the current rental income from the apartments and the potential income if someone was to convert the sanctuary back into 2-3 retail units. We then worked with our client to set realistic pricing expectations and a targeted marketing strategy. Our approach emphasized the scarcity of investment opportunities in the desirable Del Ray, Alexandria submarket and flexible zoning that could allow for new uses. A detailed offering memorandum was sent to the most active brokers and directly to potential investors of the value-add opportunity. TARTAN was confident that it would be well received despite the property's challenges. Within six weeks of putting the property on the market, TARTAN toured 16 qualified buyers, secured six written offers and was under contract.

THE RESULTS

Because TARTAN had generated multiple offers, we ultimately negotiated the winning bid up to our original asking price, as well as a free four-month lease back for our client. TARTAN was also able to locate another church, in similar circumstances as the client, and worked out a purchase contract simultaneously for the sale of their property and creatively lined up the study periods for both deals. TARTAN's client was thrilled with the speed at which both contracts were negotiated and signed (2.5 months from the start of marketing efforts) and the time to closing (3 months from contract execution). TARTAN's client was able to use the excess proceeds from the sale to acquire the new property and make substantial upgrades for the congregation to thrive for years to come.

THE TESTIMONIAL:

Working with Tartan Properties was a perfect match for the First Agape Baptist Church. Mike Porterfield understood the church's desire to maximize the value of the asset we were selling while at the same time being respectful of the church and the residents of our community housing. Mike was able to bring us multiple offers, which resulted in the church achieving its pricing expectations. There were many moving parts, not only selling our current church but finding a new home for the congregation. Through Mike's collaborative work and diligence, the needs and timing of all of the parties involved were met, and it was a huge success. Thank you, Mike!