RECENT CLIENT SUCCESS:

PIVOTING FROM OBSOLETE INDUSTRIAL TO SUCCESSFUL REDEVELOPMENT OPPORTUNITY

TARTAN PROPERTIES

THE CHALLENGE:

When we first met our client, they were facing what seemed like an impossible situation with their 17,714 square foot industrial building at 405 Fannon Street in Alexandria. Like many smart investors, they had recognized the transformation happening around their property—the redevelopment of Oakville Industrial Park with the new Inova Health Center, 550+ multifamily units, 72 townhomes and 65,000 sf of retail space. However, this progress came with an unexpected consequence: the changes to the street grid had eliminated the on-street parking their building had always depended upon.

Rather than panic or accept a lengthy vacancy, our client demonstrated the kind of strategic thinking that separates successful investors from the rest. They could see that while demand for industrial/flex space in Alexandria remained high due to low supply, their building's lack of parking had rendered it functionally obsolete for traditional use. Instead of stubbornly pursuing the original plan, they made the bold decision to pivot from leasing to exploring the property as a redevelopment opportunity—recognizing that sometimes the best path forward requires changing direction entirely.

TARTAN ACTION:

Our client's instincts proved right, but executing their vision required a completely different approach. During the final 10 months of their existing tenant's lease, we searched diligently for a replacement tenant. However, in the final four months, it became clear that our client's pivot strategy was the right call—traditional leasing was nearly impossible given the parking constraints.

Working closely with our client, we completely repositioned the property to align with their redevelopment vision. Using a recent appraisal they had strategically obtained for refinancing, we crafted a narrative that showcased what our client had recognized all along: this wasn't just a stranded industrial building, but a prime development site in one of Alexandria's hottest neighborhoods. Our comprehensive offering memorandum highlighted the property's proximity to the brand-new Inova Health Center directly across the street, the Virginia Tech Innovation Campus, and Potomac Yard Metro Station.

Following our client's directive to cast a wide net, we targeted every potential stakeholder—active brokers, investors, developers, and adjacent landowners. After four weeks of intensive marketing, we implemented a "Call for Offers" strategy designed to create the competitive environment our client's valuable asset deserved.

THE RESULTS

Our client's patience and strategic vision paid off exactly as they had hoped. Despite some challenges with the lot's shape and location behind a convenience gas station, our targeted marketing approach generated serious interest from the development community, producing three qualified offers. Through careful negotiation, we helped our client achieve their target price, validating their initial instincts about pursuing the redevelopment angle.

The property went under contract within sixty days and closed in four and a half months from the beginning of the formal sale process. In a particularly satisfying outcome for our client, Inova Health emerged as the winning bidder—they wanted control of what would happen at the "front door" of their brand-new facility, exactly the kind of strategic buyer our client had envisioned. As an experienced investor, our client achieved both their financial objectives and a swift resolution to what could have been a prolonged and costly vacancy.

THE TESTIMONIAL:

"I have worked with Mike Porterfield and Tartan Properties during my time of ownership to keep the building fully leased. He has always been able to bring me opportunities that I would not have seen with other brokers. When it became apparent the evolution of the neighborhood made our industrial building obsolete, Mike was able to pivot his strategy quickly to bring us three qualified offers. I was very impressed with the way negotiated with the eventual buyer to achieve the best possible results for my investment. The highest compliment I can pay Mike is that he has always operated as if he were an owner himself. I would be happy to recommend Mike and her team to other potential sellers." ***John Sheridan****, investor*