

CASE STUDY: DOWNTOWN REVITALIZATION

ACQUIRED: 2005
SIZE: 23,000 SF

PRICE: \$2,500,000
CAPITAL RAISED: \$925,000

2005 OCCUPANCY: 80%
CURRENT OCCUPANCY: 93%



BACKGROUND

Liberty Plaza is a 23,000 SF historic, multi-use downtown property. It was originally several downtown storefronts that were renovated in the late-1970's to create an indoor mall with valuable lower level retail. Since its original renovation, lack of active management led to tenant disputes, basement floods, roof leaks, vacancies, and below-market rents.

THE CHALLENGE

Amongst other problems, a restaurant with ten years remaining on a poorly-written lease tormented its neighbors with floor leaks, broken kitchen ventilation and poor sanitary conditions. Other tenants who were paying below-market rents had several years remaining on their leases. With good tenants threatening to leave, it was necessary that action be taken quickly and efficiently.

OUR IMPACT

Oxford purchased the building in 2005 and after a long negotiation was able to terminate the restaurant's lease, replacing it with a new restaurant operator. The roof, several HVAC units, parking lot, and both second floor bathrooms have been completely replaced and the second floor office suites and corridors were renovated in a phased-in manner so as not to ever keep a tenant from being able to run their business. Low-rent, long-term leases were renegotiated with capital improvement packages that benefitted both the tenants and the building.

Most notable was the transformation of five lower level retail suites into a retail business incubator. The flexible, low-risk lease terms included an opt-out clause in case the business failed, enticing several new tenants to occupy in just the first few months of the promotion.

THE OUTCOME

Rents moved to market rate, occupancy is up, and the building has been completely renovated. Additionally, Oxford Company received press and public acclaim for its flexibility and innovation in the creation of the downtown retail business incubator!

