

Case Study: Bedford Property Investors, LBA Realty

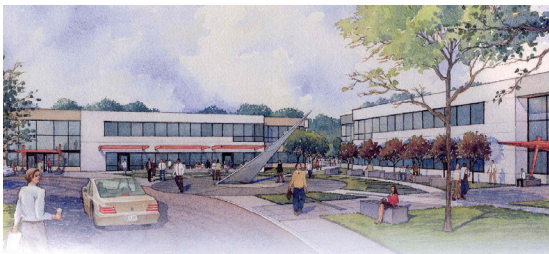
Landlord Leasing
Representation, Market Positioning
and Renovation Advisory

Assignment

Assist the ownership on the renovation and multi-tenant leasing strategy for an ex-Boeing 320,000 square foot, 5 building office services campus in Renton, Washington. Bedford Property Investors (a REIT) engaged Dan Foster's leasing team to enact a leasing program and redevelopment strategy to absorb space with a mix of small growth and high-credit tenants, and establish enduring project credibility. The objectives were to establish a new high-tide mark for office leasing in the submarket, achieve quick absorption goals with yields above market, and establish energy, activity and life on campus immediately.

Challenges

Project aesthetics and building functionality suffered from Boeing's long occupancy. The real estate and tenant community had poor knowledge of the basic elements of the project (i.e. location, size, and type of buildings). Stark building entries, lack of any common areas or amenities and low construction standards branded the project as subpar. To add to the challenge, the project entered the leasing market at the low point of the Southend market cycle, with vacancy rates reaching 30% in the local area.



Results

A food operator was selected to run a small, efficient café and conference facility. A fitness center and a large plaza were constructed as well, to give identity, a theme of time and efficiency to meet recession era corporate mandates and to provide an attractive project entry and outdoor space.

Dan Foster's Leasing Team completed the first phase of its leasing program with credit worthy and notable tenants and exceeded all other projects in the market for absorption and rent by 10%-15%. The Project's market credibility was firmly established by attracting an exciting tenant mix. Traditional transactional barriers were overcome by employing creative leasing strategies including leasing a 90,000 square foot Medical Center developed from the shell of an existing building that was far too deep and imposing to lease to most office tenancies. Incubator space was also constructed for startups to grow into permanent tenancies and attract other companies—specifically in high-tech categories.

