

Case Study #1

Increasing NOI by \$1 Million

Hembree Park

Property Details	Purchased: Sept-2014
Location:	Roswell, GA
Square Footage:	418,978
Year Built:	1985-1999
Class:	A-
Property Type:	Flex/Office/Industrial Business Park
Purchase Price:	\$21,000,000
\$ PSF:	\$50.12
Cap Rate:	9%
Occupancy:	81%



Hembree Business Park was purchased in 2014. The property was formerly owned by an institutional group; however, the property had been neglected and was in need of strong Management and Asset Management. **Sperry's Asset Management and Property Management division was hired to reposition the property** by increasing the occupancy and cash flow at the property. During the holding period, Sperry's Property Management group was able to increase the **occupancy from 79% to a consistently sustained occupancy of 90%(+)**, including during the COVID pandemic of 2020 and 2021.

Having repositioned hundreds of properties over the last 20 years, Sperry's Asset Management and Property Management Teams knew how to put together **the right game plan in place specifically tailored to the immediate needs of the property** and its long term success.

Upon acquisition of the property Sperry's Property Management team immediately set to work to execute on the game plan which **included performing needed improvements to the exterior of the property, landscaping, signage and vacant suite renovations.**

Sperry's Property Management team then meet with each Tenant individually and negotiated **very favorable renewal terms substantially increasing the rents.**

Sperry's Asset Management and Property Management teams provided much needed leadership which created strong Tenant relationships and as a result **the NOI increased from \$1,886,174 at acquisition to \$2,887,950 as of 2021.**

Sperry's team was then able to convert bridge financing placed at acquisition to long term fixed rate financing which included **a cash out of 40% of the equity** placed at acquisition.

Sperry's Asset Management and Property Management teams have been able to reposition the property from an initial valuation of \$21 million to a current valuation of \$60 million representing an **IRR of 25% per year over the 8-year holding period. \$40 million in value created representing an equity multiple of 5.7X!**

Current Value as of Jan-2021	
Valuation:	\$60,000,000
Occupancy:	90%
IRR:	25%
Equity Multiple:	5.71x

