



CASE STUDY

“Park Plaza Business Park occupancy soared from under 20% to 85% in 3.5 years with the help of Moody Rambin.”

Spencer Starkey, Broker

OWNER'S GOALS

The new owner of the property hired Moody Rambin to increase the value of the property and improve the tenant mix profile. The team planned to reintroduce the building in the market and break up the space into smaller, more marketable office spaces. Moody Rambin would accomplish this through current tenant retention, at higher rates and longer term leases, as well as 10,000+ SF of leasing annually to new tenants in a sleepy, secondary submarket.

Relationships in Real Estate

For More Information:
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1455 West Loop South, Suite 700
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11104 W. Airport Boulevard
Stafford, Texas 77477

SITUATION ANALYSIS

The 92,185 square foot Park Plaza Business Park, an office building located at 11104 W. Airport Blvd, Houston, was sitting at a low occupancy rate of 20% in 2012 after its main tenant had vacated with a year left of term on its lease to build its own building in Richmond, TX. The rental rate for the property was \$15.00 gross; \$2.00 below the average asking rate for the East Fort Bend County/Sugar Land Submarket and leasing velocity was at a virtual standstill.

Moody Rambin's Office Services team researched the market perception of Park Plaza Business Park. Well positioned between Hwy 59 and Murphy Road with ample parking, the property was built out for a single tenant and featured an atrium that was overflowing with vegetation, as many early 80s buildings were. The building was also completely off broker's and prospect's radars as it had been fully leased for over 20 years.

STRATEGY & SOLUTION

Moody Rambin's Office Services Group developed a plan to work with the ownership to implement a low cost, capital improvement campaign to brighten up interior public areas such as corridors with new LED lighting as well as new carpet and paint, and to clean up the atrium by removing the larger plants, following a more minimalist landscaping plan. In addition, a detailed and focused Spec Suite Program was initiated. The Office Services Group saw that the market lacked move-in-ready office space between 800 and 2,000 SF. By maintaining an inventory of such spaces, they were able to secure financially stable, reputable tenants that were looking for plug-and-play options. While many of the new leases were small, direct deals, Moody Rambin's strong ties with the brokerage community also enhanced confidence in the project, allowing the team to land several larger, quality tenants represented by brokers. We inventoried transactions in the market and identified prospects while also improving timing and response to tenant and broker inquiries.



CASE STUDY CONT.

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STRATEGY & SOLUTION CONT.

Through close tenant and broker relationships, a Spec Suite Program, email campaigns and rapid response time to inquiries, the team was able to execute new leases and renewals of existing tenants, increasing the building's occupancy steadily to 85% over the 5 years after losing the tenant that previously occupied over 80% of the building. Rental rates were also pushed to \$17.50 to ensure quality tenants and a higher return on investment.

RESULTS

Park Plaza Business Park occupancy soared from under 20% to 85% in 3.5 years and ownership was able to sell the property for a handsome profit, well above the original pro forma. The building was sold for \$168 per square foot four years after purchase price of \$116 per square foot. A 50 percent increase in profitability was made during the process.

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