

# CASE STUDY



## CORNELL CROSSING

11001-11039 Montgomery Road | Cincinnati, Ohio 45249

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<b>LEE &amp; ASSOCIATES REPRESENTED:</b>	Buyer, The Itis Group, LLC
<b>ASSET TYPE:</b>	Two Story, 21,965 square foot retail property
<b>COUNTY / TOWNSHIP :</b>	Hamilton / Symmes Township
<b>YEAR BUILT:</b>	1987
<b>YEAR RENOVATED:</b>	2010
<b>SALE PRICE:</b>	\$1,236,700

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## CLIENT CHALLENGES

Lee & Associates was selected as the exclusive real estate agent for Montgomery Family Medicine. The business had outgrown their existing space and wanted to evaluate nearby sites for an expansion of their 40-year-old medical practice. At that time, the physicians expressed an interest in owning - rather than leasing - their next facility. Lee & Associates' Dan McDonald found multiple locations that would be suitable for their practice. However, the expense of a single-occupant building did not yield the desired financial returns. Mr. McDonald suggested a high-visibility, multi-tenanted property that could meet the needs of the practice and create positive investment value for the physicians and their partners.

## PROPERTY CHALLENGES

- The two-story retail space was physically and financially distressed and required exterior and interior renovation
- While the total building net rentable area is 21,965 square feet, at the time of acquisition 15,019 square feet was either vacant or rested at below market rates
- Existing layout did not have enough contiguous space for Montgomery Family Medicine, although the total property size was four times what the practice anticipated purchasing
- A recently constructed traffic median impacted north bound Montgomery Rd. access, making retail trade more difficult



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### LEE & ASSOCIATES SOLUTIONS

- Lee & Associates brought in additional equity investment partners to help the client secure a loan of \$2.7 million
- Coordinated more than \$1 million in total exterior and interior renovations
- Found new locations and negotiated leases for existing tenants who needed to be relocated
- Negotiated four new leases and extended two existing leases to reach 100% occupancy within nine months of the purchase

### BENEFITS OF LEE & ASSOCIATES

- Instead of purchasing an owner-user facility, Montgomery Family Medicine acquired an income-producing asset and occupied the anchor position
- By anchoring the property, Montgomery Family Medicine enjoys premium space while their tenants' leases service the mortgage and pay a portion of the property's operating expenses
- When Montgomery Family Medicine re-opened for business they immediately realized positive cash flow from tenant leases
- The asset was thoroughly renovated and exceeded lease projections in the most difficult real estate market in 75 years
- By the end of the first year the property had a leveraged return to each investor of approximately 21.5%