



Case Study Seven

La Jolla Mixed Use



Promus was engaged to manage and lease this mixed-use (office over retail) building in La Jolla. The deceased owner had taken a “do-it-yourself” approach to managing and leasing the building, and the existing tenants, many of whom had been in the building for 15 years or more, had month to month leases with rental rates that were significantly under market.

The owner’s heirs asked that we respect the long-term nature of the tenancies and the relationships that existed with the building tenants. Taking a long-term approach, we analyzed the additional revenues available to the owner by leasing the retail spaces on a NNN basis, putting all tenants on long-term leases with annual escalations, and increasing the rents to market.

Over a two-year period, income at the property increased by \$3,500 a month –an incredible 34%. All of the tenants but one signed long-term leases at near-market rents. The one resulting vacancy was leased in less than 30 days at \$3.00 per foot. The increased cash flow left more money for building maintenance, making for happy tenants. The heirs, whose cash flow increased by over \$13,000 a year, took a vacation and sent us a nice postcard.

Imagine what we can do for your mixed-use property.

Respect. Relationships. Results.
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