

TriGate Capital LLC

Ten Retail Assets located
in the Metropolitan
Phoenix market



About the Client

TriGate is a Dallas-based real estate investment firm focused on investing in real estate secured loans; funding real estate asset and company recapitalizations; and purchasing real estate assets from lenders and other strategic sellers. TriGate is focused on investing its capital at attractive risk-adjusted returns by using its loan work-out and real estate management skills to add value.

Account Overview

TriGate acquired a portfolio of ten retail properties in the Metropolitan Phoenix market, six at the end of December 2011 and four in October 2012, from special servicer CIII Realty Services. All were distressed properties in various stages of physical neglect. Additionally, Tenants had suffered from inattentive ownership. The properties were located in nine different cities, with leasing and management by multiple real estate and property management companies. TriGate wanted a single source provider for leasing and property management.

The Challenge

The challenge was to take over the ten property portfolio, which had suffered through the most severe recession ever witnessed in the Phoenix metro market, loan defaults by overleveraged owners, multiple receiverships and property management changes. The occupancy across the original six property portfolio was under 50 percent, while occupancy in the four property portfolio was about 70 percent.

Existing tenants were anxious and exhibited pent-up demand due to lack of attention to their businesses and the retail centers from previous owners. In addition, there were minimal historical records and reporting available for the properties and tenants.

The Cassidy Turley Solution

Cassidy Turley Property Management and Leasing team created a ClientPortal for TriGate, so they can access all property related files from a secure login anywhere via the web. The Property Management team created individual and consolidated financial statements tailored to TriGate's needs for reporting to investors. Within the first week, Cassidy Turley managers met with tenants in all of the TriGate properties, establishing contact and building a relationship to subside previous anxiety and frustrations while establishing the commitment of the new ownership team. The Project Leasing team immediately reintroduced the retail properties to the brokerage community as well as local and national retailers with a fresh marketing program that focused on new ownership and a commitment to the centers.

Results Achieved

- Introduced new Ownership which focused on Tenant retention.
- Immediately established open, responsive communication with all Tenants.
- Gained control of operating expenses by re-bidding all vendor contracts which resulted in lowering operating expenses between 8-25% per property.

- Provided individual as well as consolidated monthly reports.
- Re-introduced the centers to the brokerage community with fresh marketing campaign and responsive Ownership.
- Increased occupancy of retail portfolio by 7 percent ($\pm 24,244$ SF) in the first 60 days after receiving the assignment, for a total consideration of \$1.3 million.

Client

TriGate Capital, LLC

Locations

10 Locations Valleywide

Scale

$\pm 665,000$ SF

Real Estate Type

Retail

Cassidy Turley Services

- Property Management
- Leasing

Cassidy Turley Team:

Property Management
Alisa M. Timm, CPM®

Project Leasing

Chris Hollenbeck
Brad Douglass
Cliff Johnston
John Appelbe

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