

INVESTMENT CASE STUDY

I-35 BUSINESS CENTER, SATX -Cambridge Fund #1, Ltd.

The Challenge

A group of investors challenged CRG to find an above average real estate investment opportunity in the San Antonio market in 2005, when market prices were at historic highs. In addition, one investor in the group had a 1031 exchange to accommodate, which put pressure on timing and structure.

Our Strategy

CRG searched to find a value-add opportunity in a superior location.. The CRG Team felt that the Flex Office market had been significantly battered by the Telecom fall-out of 2001. This created pessimism in the market for this product type and allowed for the attractive purchase I-35 Business Center. The majority of the building was leased to a tenant whose lease was set to expire and was experiencing significant financial trouble. Additionally, the Seller had the motivation to unload the subject property due to the future risk of the property and their current financial goals.



Results

*CRG spent the next 1.5 years taking the subject property from 0% leased to 60% leased. Additionally, the resulting rents were approximately 12% higher than budgeted. Following such lease up, the property was sold to an investor for a significantly higher price resulting in a **193%** leveraged return to the CRG partners.*



CAMBRIDGE
REALTY GROUP, INC.



Private Investment Group-
-San Antonio, Texas

"The CRG Investment Group provided top-notch service and expertise with this project, resulting in an amazing return on my investment. It will be hard find a team able to replicate such performance. Looking forward to the next one!" –Investment Member

-Institutional Solutions, Individually