

Extensive Rehab Generates 59.95% IRR

Opportunity

The property was purchased vacant at \$2 million below its existing debt amount, allowing RAF Pacifica Group to begin capital improvements immediately after the close of escrow.

Execution

With an improvement budget of approximately \$2 million, RAF Pacifica Group completed:

- installation of a modern storefront / construction of new exterior facade
- redevelopment of interior space
- extensive lobby remodel
- window installation
- outdoor area upgrades
- upgrades to the staircase, elevator and parking lot
- rooftop repairs
- new landscaping
- new paint for warehouse walls

The property was aggressively marketed as the only newly improved corporate headquarters facility in the area with a generous tenant improvement allowance, and immediately attracted significant tenant interest.

Results

Within 30 months, RAF Pacifica Group had more than tripled the value of the property.

After a 2.5-year hold period, the asset was sold for more than three times its purchase price, generating a project level IRR of 59.95%.

2727 Kurtz St.- San Diego, CA 84,460 SF Flex/R&D/Industrial corporate headquarters facility

Purchase Price: \$5,200,000

Purchase Date: November 8, 2013

Disposition Price: \$16,300,000

Disposition Date: May 6, 2016

Project Level IRR: 59.95%



RAF PACIFICA GROUP
CREATIVE INDUSTRIAL™