

# Hines

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## Total Turnaround on Wilshire Boulevard

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### Challenge:

#### Stopping an asset's downward slide

When a major foreign bank acquired two, 20-year-old office buildings in Los Angeles' Westwood area through foreclosure, it faced major challenges. Totalling more than one million square feet of office space, the two, 24-story buildings were less than 60 percent occupied, 27 percent of existing leases would expire within 36 months, operating costs were high, and the building did not meet current building code and accessibility requirements. Ineffective management and leasing programs, along with inferior tenant services and maintenance, had also impacted the assets' value.

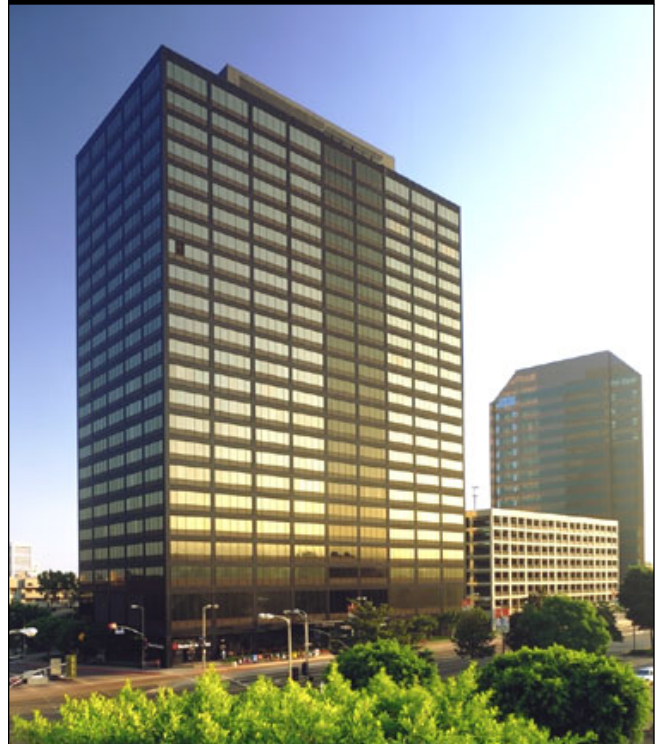
### Solution:

#### Repositioning the property and winning back tenant confidence

The bank called on Hines to reposition the property. Upon assessing the condition of the two buildings, the Hines team developed a strategy that would maximize the buildings' value and liquidity. Hines instated on-site asset and property management, design and construction management, and leasing and marketing management services. The seasoned Hines asset management team set about winning the confidence of existing tenants, assuring them that the new management would be responsive to their needs and would make physical and operational improvements that would justify their remaining in the buildings. The Hines team also aggressively marketed the properties, targeting the entertainment and media industries and culminating in the successful extension of 45 leases.

USA Los Angeles

10960 WILSHIRE



### Result:

#### A stabilized and profitable property

Working within tight capital budget requirements, Hines transformed the once-flagging buildings into vital, valuable properties. Code violations were rectified, asbestos was substantially removed and extensive improvements were made to the public areas. Along with successfully leasing the property, the Hines team reduced building operating costs and instituted professional cash management and accounting procedures that increased expense recoveries and reduced accounts receivable, resulting in further savings for the owners.