



CASE STUDY

TANASBOURNE COMMONS

17933 NW Evergreen Parkway, Beaverton, Oregon 97006



QUICK FACTS

- In 2011, Tanasbourne Commons boasted a 4.9 percent vacancy rate, compared to these average vacancy rates in the Sunset Corridor/Hillsboro/West Beaverton area:
 - Flex space - 15 percent
 - Class A - 7.5 percent
 - Class B - 22.6 percent
- The 55,000 square foot office building is located at 17933 NW Evergreen Parkway

THE SITUATION

Tanasbourne Commons is a 55,000 square foot office building located in the heart of the Sunset Corridor, adjacent to the Tanasbourne Town Center. In 2009, the property owners were facing a 59 percent vacancy rate in the midst of a flat leasing environment. Their charge to Melvin Mark Brokerage Company brokers Pat Schreck and Tim Parker was to find a way for Tanasbourne Commons to stand out in a competitive market and secure tenants for 31,000 square feet of vacant office space.



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OUR APPROACH

“Pat and Tim told us what to be done, and thankfully, we agreed”

*-Sean Keys
K&R Holdings*

Tanasbourne Commons was competing head to head with Class A, Class B and flex office space in the Sunset Corridor area, which was burdened by more than 2,000,000 square feet of vacant space already on the market. With experts predicting no turnaround in the demand for office space for a minimum of five years or more, Schreck and Parker got creative with their marketing strategy. Their solution? Offer aggressive initial rents with annual rental increases of two to three percent. In addition, they offered aggressive abated free rent to prospective tenants and their tenant rep brokers to lease up the available space as soon as possible. The strategy was to burn off the abated rent during a time when little or no leasing was taking place in the market, and start actual rent and cash flow at the end of the abated rent period.

THE RESULTS

Despite stiff competition and a challenging economy, Schreck and Parker found tenants for 28,500 square feet of office space in just 18 months. With just 2,500 square feet of space left to lease, Schreck and Parker lowered the vacancy rate by 54 percent. By offering the abated rent packages, Tanasbourne Commons is three years ahead of the rest of the market from a vacancy standpoint. The building owners will be enjoying rent payment and cash flow well before their competitor properties – many of which have been vacant since 2008.

FOR MORE INFORMATION:

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