

CAMPUS

PROPERTY GROUP

Special Asset Services

Campus Property Group was started in 1998 by its principals, Robert Upton and Michael Hooper. Combined, the principals of Campus Property Group, have 70 years real estate experience. This experience covers all major property types in markets not only in California but also elsewhere in the United States and internationally.

Their experience includes:

- developing and managing for their own account.
- advising major corporations, investors, lenders and government agencies.
- restructuring, repositioning and liquidation of special assets.
- Due diligence investigation
- sales and marketing.
- joint ventures and financial restructuring

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Experience. Creativity. Integrity

Special Asset Services

Strategy

Campus utilizes its knowledge of different property types and its creative problem solving approach to special assets owned and workout situations. The focus is on understanding the problems and identifying the goals of the client. Since resolution of the problem typically involves trade offs between timing and maximizing financial returns they develop strategies designed to meet those goals.



Successful strategies are market driven. Therefore the first task is to understand current and likely future market dynamics. Campus has a detailed knowledge of markets in California. The principals have the proven ability to rapidly assess and understand other markets both nationally & internationally.

Campus prides itself on its creative problem solving approach and looks for alternative solutions that can provide speedier and more cost effective results. Its experience with multiple property types enables rapid evaluation of opportunities.

Campus has first hand experience of the major issues confronting development including entitlements, politics, neighbors and community issues, EIRs, wetlands, soils, affordable housing and environmentally impaired properties. This hands on experience enables Campus to identify potential pitfalls that can be avoided and work through technical issues that need to be resolved.

Campus can act as a court appointed Receiver or other fiduciary agent providing significant advantages to lenders of professional asset management prior to foreclosure and avoidance of potential liability that can accrue to a debtor in possession.

Both Campus principals are licensed real estate brokers and have extensive hands on experience of marketing and selling a wide variety of properties.

The Campus approach is always market driven – the key is to position the property to achieve the defined goals as soon as possible.

Interim Management & Implementation

Interim Management

Campus is able to rapidly advise on issues that need to be addressed immediately to protect the owner's position. Campus will recommend actions necessary to prevent deterioration of the property's physical condition.



Other considerations include maintaining appropriate insurance coverage and ensuring permits and entitlements are not allowed to lapse. If the property has existing tenants then proper management must be in place to not only collect rents but to actively retain and enhance the tenant roster.

Implementation of the Plan

The Campus principals draw on their experience with:

- Alternative uses
- City entitlements
- Financing
- Construction
- Marketing
- Lease negotiation
- Sales and joint ventures

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Case Study 1

A major Japanese development company had financed 2 joint ventures to build single family subdivisions in Northern California.



Initial review

Due to changed market conditions the original pro forma assumptions were no longer valid. Result – the development partner was unlikely to ever realize any profits and thus had little motivation.

Conclusion

Negotiate termination of the JVs to return 100% control to investor.

Investor Goals

Investor goals were to maximize cash returns. Time was not a major factor and additional capital was available to improve overall returns.

Recommendations for the Exit Strategy:

- Complete the entitlements
- Add value by investing in site infrastructure.
- Create finished lots, broaden the market appeal, and reduce buyer's risk.
- Maximize returns by contributing lots to JVs with experienced, well capitalized local builders who assumed the construction risk.
- Generate immediate cash flow by selling selected parcels outright to qualified builders. The cash would be reinvested in subsequent phases.
- Broaden the product base and generate additional cash flow, by creating an individual sales program for custom lots.

Results

Both projects were satisfactorily completed at well above projected levels of cash flow and profitability.



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Case Study 2

A major construction materials company owned 30 acres of prime real estate in the heart of Silicon Valley used to stockpile and distribute crushed rock, partially leased to an asphalt company as an asphalt batch plant. Historic releases of petroleum hydrocarbons and diesel had contaminated the soil and ground water.



Initial Review

The property had a higher value rezoned to an office use than it was to distribute rock and asphalt.

Conclusion

A new location was found for stockpiling and the distribution of rock, the medium term lease to the asphalt company was terminated at a premium, the soil and ground water contamination was remediated, a Precise Plan for 500,000 sq.ft of office was obtained,

Results

The site was sold resulting in a handsome cash infusion to the owner and was developed as the Microsoft Silicon Valley headquarters.

