



CAPSTONE Partners LLC

STRATEGIC PARTNERING IN REAL ESTATE

■ Strategic Project “Partners”

Architect –
Fletcher Farr Ayotte

Contractor –
Joseph Hughes Constuction

Broker –
Urban Works Real Estate

Construction Lender –
Banner Bank

Property Manager –
Deering Management Company

■ Project Statistics

2 Buildings
2.34 Acres
17,800 RSF

Cornell Corners



Background

Capstone Partners LLC identified a 2.34 acre corner property adjacent to a new proposed Lifestyle Center—The Streets at Tanasbourne in October 2002. Although the property was not on the market, Capstone Principal Chris Nelson made an unsolicited offer to acquire the property from Standard Insurance Company for the development of a speculative specialty retail center.



Standard provided Capstone with the opportunity to acquire the property but stipulated a mandatory closing date in early July, 2003. In early December 2003, the purchase agreement was signed. Capstone then commissioned schematic drawings with its architect and engaged pre-construction services from its general contractor.

Result

Within the limited five month due diligence period allowed in the purchase agreement, Capstone in association with its leasing broker Urban Works Real Estate procured pre-leases for 40% of the project from three credit tenants necessary to close the property purchase and construction loan.

The development broke ground in July 2003 and was shell complete Spring of 2004. The property was sold at a record price of \$575/SF in July 2007 to the G Group and was 100% leased at the time of closing.