

## Eastgate Plaza | Case Study

### Reducing Vendor Expenses

It's common tale of woe, seen again and again in the Shopping Center Property Management industry. A property left neglected for years on end... Once magnetic curb appeal disappears. Deferred maintenance piles up. Landscaping withers. Façades becomes tired, drab and repellent. Code observance falls behind and hazards arise. Customers evaporate. And finally, tenants abandon ship.

No stranger to such sad decay, all too frequent in many once stunning properties, Centers Business Management (CBM) has been called upon countless times to turn ailing shopping centers around. And CBM always rises to the challenge!

### Property Management CASE STUDY

Subject Property: EASTGATE PLAZA | 1725-1757 E. Carson Street, Torrance CA

#### THE CHALLENGE

The Eastgate shopping center is a six building, xx,xxx SQFT community shopping center in the heart of Torrance (South Bay, Los Angeles County), that had been sorely neglected for more than 10 years. The myriad issues plaguing the property included:

Poorly maintained, withering landscaping (grass, trees & planter boxes) exacerbated by a non-functional irrigation system.

Tired, fading façade and awnings.

Improperly resurfaced roof (only two years old), exacerbated by accumulation of various debris, physical dirt and ineffective rain gutters.

Numerous potholes and decaying parking lot asphalt surface.

Numerous faulty or non-functional exterior lights and overall inadequate exterior lighting.

ADA noncompliant sidewalks.

Underperforming and overpriced trash collection, pet control, landscaping, roofing and grease removal vendors.

In summer 2013, Eastgate Plaza was saddled with numerous maintenance issues, five vacancies (with zero prospective tenants on the horizon) and no clear plan to alleviate the problems at hand.

## THE SOLUTION

The Eastgate Plaza landlord contracted CBM to take over property management. Veteran CBM Property Manager, Roselene White, quickly analyzed the shopping center's physical condition, financial stability, and vendor performance relative to service cost.

Roselene concluded significant repairs, a number of upgrades and some remodeling was in necessary to revitalize the property, reassure current tenants and attract new to fill long standing vacancy. Additionally, Roselene determined the entire vendor roster should be replaced with better performing, lower cost alternative service providers.

### Repairs & Upgrades

Irrigation system & landscaping – Repaired or replaced broken underground water lines, replaced parking lot planter irrigation with new drip-irrigation system, and installed new higher coverage sprinklers heads. A trained arborist (certified tree care specialist) evaluated and tended to mistreated and poorly maintained trees; created a three-year tree maintenance plan. Replanting grass and planter boxes is scheduled, but project is pending.

Parking lot & ADA compliance – Repaired numerous potholes and replaced sections of decaying asphalt. Installed ADA compliant ramps transitioning from parking lot to shopping center and city sidewalks.

Façade – Painted entire six building complex exterior, employing fresh, vibrant and contemporary color pallet. Replaced all awnings.

Exterior lighting – Replaced all faulty exterior lights. In the process installing additional exterior lights to bring lighting array up to code according to current standards.

Roof & rain gutters – Cleaned roof, removing dirt and debris (which had accumulated to the extent small trees had actually taken root on the roof surface). Installed new rain gutters. Determined two year old roof had been improperly installed. Scheduled new roofing vendor to remove faulty layer and properly install new layer (project pending).

### New Vendors Services & Cost Savings

New rubbish removal vendor provides more service options, while saving tenants and landlord \$12,000 in annual fees.

New landscaping vendor provides significantly expand services, at a competitive price. (Previous vendor only cut grass and watered landscaping).

New pest control vendor provides more service options, at half the annual cost of the previous vendor.

New roofing vendor identified the previous vendor's faulty work, and is schedule to repair the problem at a competitive price.

Currently in negotiations with a single vendor who will compensate the landlord for grease removal and maintain onsite equipment at their cost.

## THE RESULTS

In barely seven months, Roselene's efforts have literally transformed the shopping center from a tired, ailing property totally lacking in curb appeal, to a stunning showpiece that's energizing tenants and attracting new customers.

Moreover, two of the five vacancies have been filled; negotiations are nearly complete with a credit tenant (Daiso Japan, Asian Market); and prospective tenants are circling in pursuit of the remaining spaces.

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