



## Santa Ana Repositioning Project

3100 & 3120 W Central Ave.  
Santa Ana, CA 92704

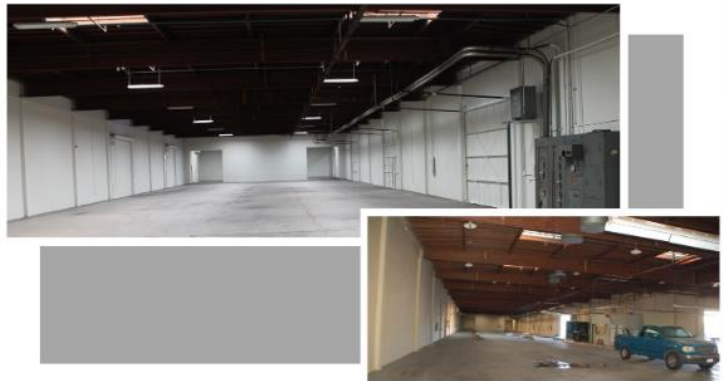
## SITUATION

HPP purchased the 59,000 square foot property at 3100 Central Avenue in Santa Ana earlier this year. The property has been used for 4 decades as a manufacturing facility, and the previous owner had acquired adjacent properties during its ownership. HPP appreciated the zero lot line configuration of the project, which created a massive yard, but had relatively high site coverage — two characteristics that are not normally found in the same project.



## ACTION PLAN

HPP needed to fully renovate the property's mechanical, lighting, roofing and office areas. The property also required a substantial cosmetic upgrade, which included painting the interior and exterior warehouse areas, newly redesigned and ADA compliant parking areas, all new landscaping, and state of the art LED interior and exterior lighting. Substantial demolition was undertaken in the warehouse as well as the main office areas to create a more modern and flexible office environment.



## RESULTS

Finally, a cost efficient exterior treatment was sought to better unify the disparate buildings in the complex. This was accomplished by utilizing an aluminized panel and corrugated steel facade that incorporated additional window lights and all new storefronts. Installed on the two main buildings, it created a consistent exterior treatment that developed a unifying identity for the project. The results speak for themselves.



## San Marcos Repositioning Project

260 S Pacific St.  
San Marcos, CA 92078

## SITUATION

HPP purchased this property in 2015 from a large publicly traded corporation. The escrow was completed in less than thirty days, so HPP took an enormous leap of faith that its underwriting was accurate.

The property had been used for several decades as a manufacturing facility. The previous owner had removed several massive machines and completed localized environmental cleanup which left the floor in very poor condition. In addition, the high coverage of the site consisting of 210,000 square feet of improvements located on 9 acres of land, including a remote 2 acre parking lot, hindered the site's functionality and repositioning potential. Finally, the building included more than 25,000 square feet of antiquated 2-story office and minimal dock high loading, a fatal flaw in the modern era of supply chain industrial.

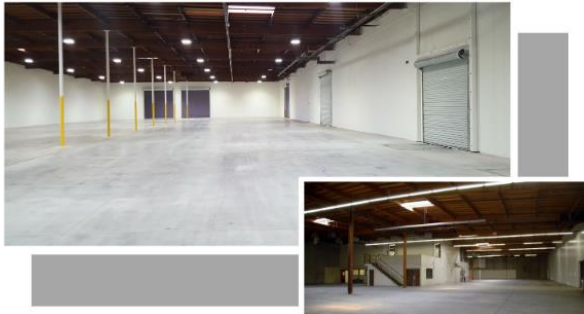
HPP proceeded with the acquisition because of the property's excellent location in North San Diego county, the large remote parking lot that could be converted to a yard or sold off separately, and the defensible cost basis at which the property could be purchased.



## ACTION PLAN

In order to meet the demand in the submarket, HPP converted the property from a single tenant building to six units ranging from 15,000 sf to 40,000 sf. HPP demolished portions of the building and a 300,000 gallon water tank that contributed to the site's functionality challenges. HPP designed a site plan that included the engineering of a 4 position dock well that boasted modern truck turning and loading dimensions. Ultimately, the property was reduced to just 170,000 square feet but four of the project's six units were served by multiple loading docks that significantly increased their appeal.

HPP spared no expense in converting the property into a modern institutional quality project. A \$1 million EPDM roof was installed with 2% skylights and state of the art LED interior and exterior lighting. More than 30,000 square feet of new flooring was poured, new landscaping was installed, exterior and interior painting completed and a fully renovated office environment was developed. Finally, a state of the art ESFR fire suppression system was constructed to make the property a fully competitive warehouse property.



## RESULTS

Upon the completion of its repositioning, the property was rapidly leased to six tenants and eventually sold to a national investment firm.



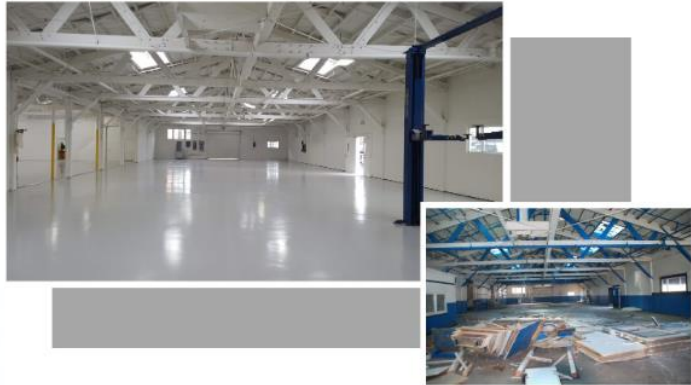
## Long Beach Repositioning Project

642, 644 & 646 W. Esther St.  
Long Beach, CA 90813

1745 Daisy Ave.  
Long Beach, CA 90813

## SITUATION

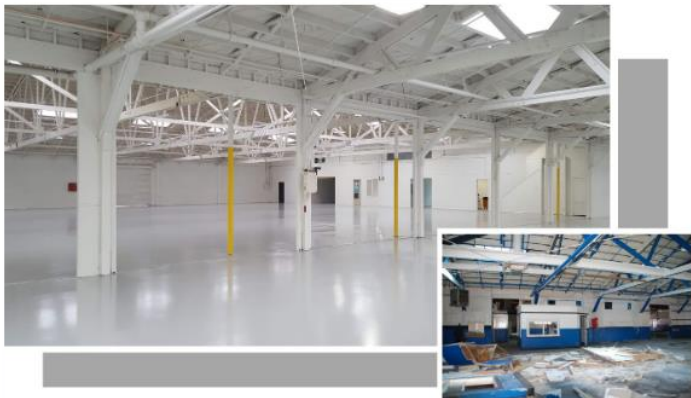
HPP acquired three adjacent buildings located on an entire city block in Long Beach, very close to Terminal Island. The buildings comprised approximately 35,000 square feet of 1950s vintage manufacturing product on 65,000 square feet of land. For over two decades, the property was primarily used to repair and distribute diesel parts.



## ACTION PLAN

HPP designed a project site plan in which all three self-contained units possessed an exclusive concrete yard with ground level loading. HPP believed that the units would generate significant demand from port related uses.

In repositioning the units, HPP used a “white box” strategy. HPP began by demolishing all of the specialized improvements so only the building’s shell and functional office space remained. Inside the buildings, HPP epoxied concrete floors that it previously leveled, and painted the warehouse. The offices were updated with new finishes and fixtures.



## RESULTS

Following the renovation, the three units leased quickly at rates that exceeded HPP's underwriting. In a land-constrained submarket, prospective tenants found the secured yards highly desirable. HPP concluded that tenants in Long Beach are willing to accept low ceiling clearance and high building coverage, giving properties that offer modern specifications an enormous competitive advantage.