

# California Badminton Academy

## Leveraging Experience to Lease Industrial Space for Expansion

"It is exciting to finally get this started. I can only wish us both a long and mutually successful working relationship." ~

*George Quinn, Property Owner*

### PROVIDING SOLUTIONS

#### The Challenge

California Badminton Academy (CBA) is the largest and leading indoor sports and recreation service provider in the Bay Area. Operating 18 badminton courts under one roof, CBA selected The Ivy Group to be its partner and for the company to provide real estate advisory services for a 35,104 square foot facility in Fremont, CA. As CBA grew, its space requirements and other needs became more complex.

The Ivy Group was selected to resolve various challenges for CBA including:

- Market Analysis
- Strategic Consulting and Site Selection
- Tenant Negotiations
- Approval for a Conditional Use Permit from the City of Fremont

#### The Strategy

In order to meet CBA's goals, The Ivy Group analyzed each of CBA's requirements. Each requirement had to be evaluated and all possible solutions were considered. Among the solutions proposed were:

- Analyzing competitors and demographics data to support strategic expansion of a new location
- Searching and touring suitable locations that met or exceeded CBA's strict building, parking and zoning requirements
- Preparing lease proposals and negotiating with the property owner for base rent, concessions, tenant improvements, common area maintenance charges and operating expenses in a tough economic environment
- Advising CBA on the approval process of a Conditional Use Permit, environmental studies and reduction of impact fees

### CASE STUDY OVERVIEW

**The Challenge:** Expand into a larger space to grow its business in the badminton industry. Client has no experience in converting an industrial warehouse to an indoor recreational facility which requires a Conditional Use Permit.

#### The Strategy:

Utilize experience, negotiation acumen and available



network of resources to search, refine and secure a list of potential properties for client consideration. Advise client throughout the permit process with the City of Fremont.

**The Solution:** Partner with listing broker, landlord, city planners, architect, environmental engineer and general contractor to transform an industrial warehouse to an ideal facility that exceeds international badminton standards for recreational and competitive usage.

**The Results:** Approval of a Conditional Use Permit that resulted in execution of long-term lease to take advantage of reduced market rental rates with options for future expansion. The selected facility is in a location that offers convenient access and strong growth for success.



## The Solution

Since 2001, businesses have relied upon The Ivy Group to provide world-class service to analyze real estate requirements and implement solutions to meet their goals. This strong cooperative relationship and the solutions it has produced has helped CBA leverage real estate with a competitive advantage by:

- Engaging with key decision makers to agree on lease terms, conditions and permit approval processes
- Understanding the unique nature of real estate and transforming its usage for business gain
- Sustaining income growth by providing additional services, such as dance lessons and a variety of activities instead of relying solely on badminton usage as it services the community
- Systematically maximizing its demographics and convenient freeway access to increase revenue by at least 18% annually



## The Results



The Ivy Group and CBA have enjoyed a collaborative partnership leading to sequential operational improvements. As a result of these enhancements, The Ivy Group has become a trusted advisor for CBA. Some of the results from this partnership include:

- Agreement on a lease structure that is a win-win solution for CBA, property owner and the City of Fremont
- Execution of a 10-year lease with two 5-year options at competitive market rental rates
- Additional provisions to the lease that allow for flexibility and continued long-term

business operations

- Delivery of a turnkey facility by the property owner meeting CBA's strict space requirements
- Approval of a Conditional Use Permit which allows CBA to use an industrial warehouse for recreational purposes
- Reduction of impact fees by 60% or \$139,265

Securing the facility for CBA led to more effective operations and quantifiable benefits. The tangible cost savings to CBA after working with The Ivy Group will help the company grow its membership base by more than 100% during the first two years of operation.

## ABOUT THE IVY GROUP

## SALES | ACQUISITIONS | LEASING | MANAGEMENT | VALUE-ADDED SERVICES

The Ivy Group, headquartered in Fremont, CA, is the leading commercial and investment real estate advisor in the areas of sale, purchase, lease, partnership formations and portfolio/asset management, balancing innovation with market conditions to tactically identify the best return on investments. The Ivy Group specializes in office, retail, medical, apartment, hotel/motel, industrial warehouse, self storage and vacant land. By offering a wide range of professional expertise including buyer/seller negotiations, landlord/tenant representations, portfolio management, site selection, investment analysis and strategic consulting, we balance long-term strategies with short-term expediency to create, grow and maintain value.

The Ivy Group is a privately owned, commercial real estate firm whose goal is to transform real estate into a competitive advantage. In the early 2000's, recognizing the potential for real estate counseling, The Ivy Group began exploring innovative methods to utilize its knowledge and experience to deliver customized solutions to enterprises, businesses and property owners. In 2001, The Ivy Group was formed to serve its clients by providing a single source of expertise for all commercial and investment real estate needs.

