

California Badminton Academy Leveraging Experience to Lease Industrial Space for Expansion

Tim is a commercial broker and is very good at what he does. His hard work usually comes across as seamless and effortless which is why his clients are exceptionally drawn to him. ~ **Betty Poon, Property Owner**

PROVIDING SOLUTIONS

The Client's 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 Client's 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 our available network of resources to search, narrow and secure a list of potential properties for client to evaluate. 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 exceeded 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 facility selected 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

The Ivy Group, headquartered in Fremont, CA, is the leading commercial and investment real estate advisor in the areas of sale, purchase, lease and partnership, 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, investment analysis, landlord/tenant representations, portfolio management, site selection 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 company whose goal is to transform real estate into a competitive advantage. We are experts who literally wrote the book on real estate investment. In the early 2000's, recognizing the potential for real estate counseling, The Ivy Group began exploring how to utilize its knowledge as investors to deliver solutions to enterprises, businesses and property owners. In 2001, The Ivy Group was formed to serve its clients. Today, the company continues to lead the industry by assisting start-up and high-profile clients in the field of development and consultation in an increasingly challenging nature of the real estate environment.

