

# CASE STUDY: TENANT EXPANSION

ACQUIRED: 2001  
SIZE: 126,000 SF

PRICE: \$10,000,000  
CAPITAL RAISED: \$3,300,000

2001 OCCUPANCY: 73%  
CURRENT OCCUPANCY: 100%

## BACKGROUND

The KMS building is the largest single-story building in the City of Ann Arbor, stretching to 126,000 contiguous square feet. The building grew from an old research facility, added onto repeatedly from the 1950s to the 1960s and finally with a 78,000 SF addition completed in 1990. 34,000 SF had been sitting vacant for a decade and required a complete rehabilitation.

## THE CHALLENGE

Prior to Oxford's involvement, the University of Michigan (UM) occupied ~46,000 SF in the newest section of the building and was looking to expand, asking for at least another 20,000

SF. Several structural issues blocked potential expansion, though, and the space was no more than a disintegrating shell that did not allow in any natural light. Since neither UM nor the previous landlord could fund a massive renovation, desired vacant space would have to remain vacant. In addition, regardless of whether or not UM could expand, the parking was inadequate.

## OUR IMPACT

Oxford purchased the property for \$10,000,000 and immediately invested over \$3,000,000 to fund a complete structural

change of the building, turning the unattractive interior space into a loft-style office with skylights that bring in plenty of natural light. Oxford also worked with the City of Ann Arbor Planning Commission to completely re-design the site, adding parking and significantly upgrading the aesthetics.

## THE OUTCOME

UM added an additional 22,000 SF at a lease rate that met its budget. The new area became the most desirable office space in the complex and UM eventually expanded to take all of the renovated space. Today the building is 100% occupied by UM and the value of the property has doubled.

