

1 & 2 CHAGRIN HIGHLANDS BEACHWOOD, OHIO



PROVEN RESULTS

SALE PRICE
\$39,000,000

LOCATION
2000 & 3000 Auburn Dr.
Beachwood, Ohio

SERVICES

- Investment Sales
- Seller Representation

REAL ESTATE TYPE
Office

SQUARE FOOTAGE
224,133 SF

PROJECT OVERVIEW

Cushman & Wakefield | CRESCO Real Estate represented Shelbourne, a New York-based real estate company, on the disposition of the Class A office portfolio located at 2000 & 3000 Auburn Drive in Beachwood, Ohio. The two office buildings - named One & Two Chagrin Highlands - share a combined 224,133 SF of office space and include anchor tenants such as Penske Logistics, Cleveland Clinic Cole Eye Institute, CM Wealth and Regus.

Following a successful eight-year hold, Shelbourne elected to capitalize on market conditions and the appreciation realized through strong leasing and tenant retention efforts. The seller was able to maintain 95%+ occupancy throughout the pandemic and had a first-rate recession-proof tenant mix including professional services as well as first-floor medical occupiers. Our team worked hand-in-hand with the seller to determine the best strategy and pricing to yield the best result for the sale of the subject properties.

THE CHALLENGE

The challenge in this new environment, post-pandemic, was to prove to potential buyers that the future of Class A office space in the Cleveland suburban market was secure, and that upside remained on a property with 95% occupancy. To achieve a high-water mark on a price per SF basis, our team needed to reach a wide variety of buyers across the United States to attract the best-in-class buyers who were capable of performing and continuing the strong performance that these buildings have historically enjoyed.

THE SOLUTION

To get investors more comfortable with the office space market in NE Ohio and with the quality of the assets, our team was very active throughout the process by acquiring third-party reports, actively touring tenants' spaces (and vacancies to vetted buyers), and educating the buyer pool, most of whom were unfamiliar with Cleveland, on the market and economy in Northeast Ohio.

Rico and David, along with their support team at Cushman & Wakefield | CRESCO Real Estate, cast a wide net utilizing an array of marketing platforms and personal calls to reach a pool of buyers from coast to coast to assimilate the best candidates for the purchase of these assets. After narrowing down the field, ultimately a buyer was chosen who had aggressive pricing and terms. Because of this, we were able to navigate towards a successful closing on time and at the agreed upon terms.

RESULTS ACHIEVED

The result was a sale at asking price, without any concessions via the due diligence period. The price point is a new "high water mark" for multi-tenant office space in the county. Throughout the marketing, due diligence, and sale process, our team was successful in managing lease renewals and negotiations to ensure stability post-closing and established a trusting rapport with the buyer. This strong relationship, and demonstration of deep market knowledge, led to Rico, David, and the Cushman & Wakefield | CRESCO team's selection as the leasing representatives for the property on behalf of the new ownership.