

# WEST GLEN TOWN CENTER | DES MOINES, IA

## CASE STUDY

### THE PROPERTY

West Glen Town Center is a 417,000 square foot mixed-use lifestyle center in West Des Moines, Iowa. It features over 300,000 square feet of retail, office and entertainment space and 154 midrise apartment units. The center is situated on 27 acres on the northwest corner of I-35 and Mills Civic Parkway and benefits from ease of access to two major thoroughfares in West Des Moines.

### THE DEAL HIGHLIGHTS

- Metonic acquired West Glen Town Center out of foreclosure in April 2012 for \$34.5 million.
- At the time of purchase, the property was approximately 70% occupied, but many tenants were not paying rent or did not have long-term leases in place.
- Through diligent property and asset management, West Glen's tenant base and occupancy was dramatically improved. NOI increased 33% during the first two years.
- Operating cash flow was reinvested into the property, including value-add projects such as the conversion of never-leased retail space into 31 loft-style apartments and the construction of an 8,400 square foot retail building on Mills Civic Parkway.
- Metonic received approval from the city in June 2016 for the construction of an additional 100 apartment units.

### THE RESULTS<sup>1</sup>

- Metonic refinanced the acquisition loan in July 2016 in order to provide liquidity for investors, extend interest-only payments, and obtain additional funds for capital and tenant improvements. Following the special distribution, over 55% of contributed equity has been returned to investors.
- Stabilized NOI in 2018 is forecast to be approximately double 2013 NOI, without the inclusion of the additional apartments.
- Based upon an estimated market value of \$52.32 million, investors would receive a 20% IRR after 58 months of ownership.

<sup>1</sup>As of December 2016.



### Acquisition Information

Acquisition Date .....	April 2012
Purchase Price .....	\$34,500,000
Equity Deployed .....	\$10,523,000
Estimated Market Value <sup>1</sup> .....	\$52,320,000

### Returns

Estimated Leveraged IRR <sup>1</sup> .....	20%
58-Month Capital Return .....	55%
Average Annual Cash Yield .....	12%
2013 Actual NOI .....	\$2,199,000
2016 Actual NOI .....	\$3,025,000