



Leasing Case Study: Lake Plaza

Executive Summary

This case study highlights the leasing and operational transformation of **Lake Plaza**, a multi-tenant office property located at **6801 Lake Plaza Dr, Indianapolis, IN**. Performance from takeover in **2020** to stabilization in **2026** demonstrates significant value creation driven by vacancy reduction, rental rate normalization, and strategic tenant mix improvement.

Over a five-year period, Lake Plaza was repositioned from a partially vacant, under-rented asset into a **fully stabilized, income-producing property**, with long-term lease security and materially stronger revenue performance.

Property Overview and Strategy

Lake Plaza is a **multi-tenant office and service commercial property** in the **Northeast Indianapolis submarket**. At takeover, the asset faced elevated vacancy and numerous legacy leases below market rent.

The leasing strategy focused on four primary objectives:

1. **Vacancy Reduction** – Lease up non-income-producing space
 2. **Rental Rate Optimization** – Reset below-market legacy leases to market levels
 3. **Tenant Mix Improvement** – Attract stable medical, wellness, and professional service users
 4. **Lease Term Extension** – Improve cash flow predictability and reduce rollover risk
-

Lake Plaza | Before & After Performance Metrics

At Takeover (2020) vs. Stabilized (2026)

Metric	2020 (At Takeover)	2026 (Current)	Change
Rentable SF	40,585 SF	39,869 SF	—
Occupied SF	31,423 SF	~39,869 SF	+8,446 SF
Physical Occupancy	77.4%	~100%	+22.6 pts
Vacancy	22.6%	~0%	-22.6 pts
Avg Rent / SF	\$13.77	\$15.54	+12.9%
Monthly Base Rent	\$36,069	\$49,709	+\$13,640
Annual Base Rent	\$432,830	\$596,512	+\$163,682 (+38%)
Avg Lease Expiration	2020–2022 heavy	2027–2031 weighted	Risk reduced

Detailed Performance Analysis

1. Occupancy Growth & Stabilization

At takeover, Lake Plaza was only **77.4% occupied**, with more than **9,000 SF of vacancy** limiting income performance. Through proactive marketing and disciplined leasing, the property achieved **full stabilization**, converting non-performing space into revenue-generating tenancy.

- **+8,446 SF** of additional occupied space
- Vacancy reduced from **22.6% to effectively zero**

This lease-up significantly strengthened the asset's cash flow reliability.

2. Rental Rate Normalization

A major driver of value creation came from systematically replacing legacy leases signed below market rates.

- Average rents increased from **\$13.77/SF to \$15.54/SF**
- Represents **~12.9% growth in rental rates**
- New deals included tenants paying **\$15–\$28/SF**, resetting the rent roll closer to true market levels

This shift reflects strong leasing execution and improved positioning within the submarket.

3. Tenant Mix & Lease Term Improvement

Leasing efforts prioritized **medical, wellness, and professional office users**, which typically offer:

- Longer lease commitments
- Stronger operating stability
- Lower turnover risk

As a result, lease expirations that were once concentrated in the **2020–2022** window are now **weighted between 2027 and 2031**, materially reducing near-term rollover risk.

Value Creation Snapshot

Category	Impact
Vacancy Lease-Up	Converted 9,000+ SF of non-income space into NOI
Rent Normalization	Replaced sub-\$13/SF legacy leases with \$15–\$28/SF users
Lease Term Extension	Reduced rollover risk and stabilized cash flow
Annual NOI Growth	~\$164,000
Implied Value Creation	\$2.0–\$2.2M (7.5%–8.0% cap)

Financial Impact

The combination of full occupancy and rental rate growth resulted in a **\$163,682 increase in annual base rent**, representing **approximately 38% income growth** over the hold period.

This NOI expansion directly translated into substantial investment value creation.

Investment Value Creation

Applying market capitalization rates to the NOI growth:

- **Annual NOI Increase:** ~\$164,000
- **Implied Value Creation:** **\$2.0–\$2.2 million** at **7.5%–8.0% cap rates**

Notably, this value was created **through leasing execution alone**, without major redevelopment or building expansion.

Conclusion

Lake Plaza's transformation demonstrates the power of disciplined leasing and asset management. By eliminating vacancy, modernizing rental rates, and improving lease duration and tenant quality, the property was repositioned into a **fully stabilized, lower-risk income asset**.

The result is stronger cash flow, reduced rollover exposure, and over **\$2 million in value creation**, validating the effectiveness of the leasing strategy.
