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Hanover Real Estate Partners is considering joint ventures with corporations to help them manage their real estate portfolios. The Greenwich, Conn.-based owner and manager would make an equity investment in a property and take over management and marketing. Additionally, REO portfolios pose good opportunities for Hanover. "A lot of corporations are assessing their real estate portfolios and looking for ways to save money," said **Reed Miller**, managing partner.

The company, with a $450 million property portfolio, owns another $250 million of commercial mortgages. It is almost exclusively a value-add firm, aiming to take properties through turbulent times and then sign tenants to seven to 10-year leases. "We are value creators. We don't buy and just sit there, we add value," Miller said. Hanover typically funds its acquisitions and renovations privately and via funds. It uses leverage of 40% to 50% range and can purchase properties of any size.

Shifting tenant rosters from single-tenant to multi-tenant buildings is one way that the company is adding value. In most cases, Hanover will do a sale-leaseback and pare down the space the corporation leases and create direct leases with the sub-lease tenants. "As markets turn down there is more of a sublease risk to the corporate tenant," added **Ken Boyle**, managing partner.

With construction costs falling, the company is also taking time to upgrade and renovate its existing portfolio. "We are redoing lobbies and common areas to make the buildings more attractive to existing and potential tenants," Boyle said. In trying to keep costs down, it has also re-bid its sanitation and energy contracts and has been focusing on aggressively re-negotiating management costs.