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## 'Flip This House!' TV star moving into the local commercial market

San Antonio Business Journal - by [Tricia Lynn Silva](#)

A businessman known for his ability to reposition local residential real estate has made the leap to the commercial side.

David Montelongo, through a newly formed business called **Montelongo Developments LLC**, has joined forces with San Antonio firm **BAR-W Real Estate Investors** to reposition the office building at 8026 Vantage Drive on the city's Northwest Side. Rehabilitation work on the Vantage Point project -- as the building is called -- began earlier this month, Montelongo says. The building spans 30,000 square feet on two floors.

The project is familiar ground for Montelongo, who is a co-founder in Montelongo House Buyers. The San Antonio firm specializes in purchasing, rehabilitating and re-selling homes throughout San Antonio. Montelongo House Buyers also is a featured company on the popular television show called "Flip This House!" that airs on Saturday nights on the A&E cable network. The Vantage project, says Montelongo, marks his first foray into investing in and repositioning commercial real estate.

Asked about the decision to diversify, Montelongo quips: "We can get punished just as much with larger commercial projects. But, the (returns) are bigger." Montelongo Developments and BAR-W will own Vantage Point through an entity known as 8026 Vantage LLC. Specifically, BAR-W is providing much of the financing for the purchase and the rehab of the building. Montelongo Developments will manage the construction.



The 8026 venture will invest some \$300,000 in cosmetic improvements to the building -- including repainting the exterior and interior of the building; new carpeting in the common areas; and updating the elevator, conference room and restrooms. The current HVAC system will also be replaced. Montelongo says that he is also exploring the possibility of adding some covered parking spaces for tenants.

"We want to put together a really good product -- something that the tenants want to be in and potential tenants want to be a part of," Montelongo adds. At present, Vantage Point has an occupancy rate of less than 70 percent. That leaves a lot of potential for an upside, according to Jerry A. Williams Jr., a senior associate with **Grubb & Ellis Co.** Williams represented 8026 Vantage LLC in its purchase of the Northwest Side building.

The Northwest office submarket has traditionally been one of the strongest and largest office markets in the city, Williams adds. The fact that the building is in proximity to the South Texas Medical Center doesn't hurt either. And the timing for the project is right. "San Antonio has seen over three years of positive absorption in office space, which has been fueled by the strong economic performance of the city. And there is no end in sight," Williams continues. "Landlords are benefiting from increased rental rates and longer-term leases because of that."

The goal now, adds BAR-W Principal Bob Ward, is to bring in more of the smaller office and/or medical tenants, and thus bump up the occupancy rate of the property. "We don't want to compete with the big boys for the large (tenants)," he adds. "Our niche is the small executive suites." Leasing for the Vantage building is overseen by locally based **NAI REOC Partners**. As for any plans to sell Vantage Point once the physical rehab is complete, Montelongo and Ward say that they are taking a wait-and-see approach to that scenario. "The real opportunity is to get it fixed up, get the building leased up, then we'll reassess where we need to be," Montelongo says.

### 8026 Vantage LLC

New owner: Venture made up of Montelongo Developments LLC, which is headed up by David Montelongo and his wife Melina; and BAR-W Real Estate Investors, whose principals are Bob Ward and his wife Ricki. Plans: Reposition the Northwest Side building to attract tenants  
Size: 30,000 square feet