

CASE STUDY

LANDLORD REPRESENTATION Investment Sale



Hartsfield International Commerce Center (HICC) - Atlanta, GA

Transaction Details:

- 109,500 SF on 6.6. acres - Three-building portfolio
- Sales Price: \$6,575,000



Southeast Management & Development Corp.

"We realize this particular investment sale involved some atypical factors that made it especially challenging. However, Lee & Associate's guidance, expertise, skillful and professional coordination of the lease up and marketing efforts, coupled with their solid negotiating skills ultimately enabled us to accomplish a very favorable disposition price!" -- Albert C. Dorminy, Jr – Vice President, Southeast Management & Development Corp.



DISPOSE



LANDLORD
REPRESENTATION



SELLER
REPRESENTATION



SALE



RELATIONSHIP
DRIVEN



LEASING
SERVICES

THE CHALLENGE

Seeking to maximize the investment potential of its three-building, industrial warehouse portfolio in Atlanta's strategically located Airport submarket, private investment group Southeast Management & Development Corp. (SMDC) needed to reposition, retain and increase its tenant base to prepare the asset for disposition at an optimum sales price. SMDC, the original partnership who developed the properties in 1986, was ready to sell to capitalize on the current demand for industrial product in metro Atlanta.

OUR APPROACH

When Lee & Associates secured the landlord representation project, the portfolio's vacancy rate lagged significantly below the market average at 40%, with another 20% of the industrial space leasing at 50% below the average asking rent. Lee performed an in-depth market analysis to evaluate the most advantageous method to achieve maximum occupancy at competitive market rates in the shortest amount of time possible.

Despite the portfolio's minimal functional limitations (e.g., building age and limited truck depth), its superior location, only 1.5 miles from the world's busiest airport at Interstates 285/75/85 interchange, was a critical advantage for, not only a buyer, but also for airport/aviation-related tenants that were well-chosen to create a good tenant mix. Within two years of retaining the leasing assignment, the portfolio was 100% occupied, with successful tenant repositioning and lease recasting, which greatly increased NOI and the portfolio's valuation in the investment sale market.

THE OUTCOME

An aggressive, competitive bid process reached more than 15,000 potential buyers, brokers or investors. The portfolio went under contract only 60 days after it was brought to market, generating a 18% higher sales price for SMDC. Lee negotiated a favorable sales transaction that benefited the capital goals of both the seller and the buyer, Citimark Real Estate Investment Company, who continued Lee's expert and knowledgeable landlord representation services under its new ownership.