

CASE STUDY

BUYER/SELLER REPRESENTATION Facility Consolidation



Industrial Warehouse - Acquisition / Disposition - Tucker, GA

Transaction Details - Acquisition:

- 4919 North Royal – Tucker, GA
- 80,860 SF
- Sales Price: \$4,335,000 (\$53.61 PSF)

Transaction Details - Deposition:

- 2527 Commerce Place – Tucker, GA
- 55,505 SF
- Sales Price: \$3,333,333 (\$60.05 PSF)

Southern Refreshment Services

"These two acquisition-disposition transactions in a submarket with few industrial options had the potential to be a complicated relocation project. But the persistent efforts of the Lee & Associates brokerage team made facility selection, negotiations, and ultimate disposition of one of our existing buildings, an overall smooth process. We credit Lee's expert market knowledge, along with our ten-year client-broker relationship, with giving us complete confidence in Lee's exclusive representation."

-- Dan Hart - CEO, Southern Refreshment Services



DISPOSE



SELLER
REPRESENTATION



RELATIONSHIP
DRIVEN



MULTIPLE
LOCATIONS



SALE



CONSOLIDATE



BUYER
REPRESENTATION

THE CHALLENGE

With the goal to consolidate its two free-standing warehouse facilities totaling $\pm 85,000$ SF into one larger, more efficient distribution operation, this Atlanta-based coffee service and vending machine provider needed seamless, back-to-back, acquisition-to-disposition transactions to minimally impact its time-sensitive deliveries to its valued customer base. In business for almost 40 years, Southern Refreshment Services (SRS) wanted to maintain its successful business presence in the Tucker/Stone Mountain submarket, despite the tight inventory of free-standing industrial product.

OUR APPROACH

Over a ten-year period, Lee & Associates established a longstanding, trusted advisory relationship with the owners, periodically alerting them to market conditions and any property availabilities that might fit their $\pm 100,000$ SF requirement. Optimally, owners wanted to purchase vs. lease a facility which also greatly reduced available warehouse options.

Highly active and keenly knowledgeable in the local submarket, Lee & Associates was immediately notified when the owners of an 80,860 SF warehouse, located directly across from SRS's smaller (30,600 SF) facility, decided to accept offers on their building. Lee & Associates quickly negotiated a "best and final" offer on behalf of SRS which was accepted and superseded other offers. Once the new facility was secured, Lee & Associates listed both of the original SRS warehouses (55,505 SF and 30,600 SF) for sale.

THE OUTCOME

Within four months of the 80,860 SF facility acquisition, the 55,505 SF facility sold for \$3,333,333 (\$60.05 PSF), an above market sales price for the Tucker/Stone Mountain submarket with aging industrial inventory. SRS opted to retain the smaller facility located directly across from the new facility. Lee & Associates' decade-long cultivation of this trusted client relationship was a vital factor in negotiating the best acquisition-disposition transactions for SRS, resulting in minimal disruption to its business operations.