

MARCUS & MILLICHAP GENERATES NATIONAL MARKETPLACE AND 13 OFFERS FOR LARGE INDUSTRIAL PROPERTY



The closing of a large industrial property demonstrates again the effectiveness of Marcus & Millichap's culture of information sharing in marketing assets of all sizes. This sale involved a 786,000-square foot distribution facility along the Greenville-Spartanburg corridor in Duncan, S.C. The property was leased to BMG, a leading distributor of entertainment media, and used as a national distribution hub. Marcus & Millichap's Net Leased Properties Group (NLPG) achieved a sales price of \$26.9 million or \$34 a square foot, yielding a 9.4 percent cap rate for the buyer.

The seller was a large Atlanta-based institution with equity capital from private European investors. The Marcus & Millichap agents had a prior relationship with the seller and were awarded the exclusive listing. The NLPG's commitment to information sharing both in-house and with outside brokerages appealed to the seller. The listing team was comprised of two senior agents from the firm's Atlanta office and one senior agent from the Palo Alto, Calif., office. In order to create a marketplace with the largest pool of qualified investors, the team divided its efforts to focus on different segments of the targeted market. One agent focused primarily on institutions, one focused on the private capital market, while the other focused on marketing the property to single-tenant buyers,

regardless of product type. This process allowed the brokers to generate maximum exposure while providing the varying groups a central contact.

This focused and strategic marketing campaign resulted in 13 qualified offers within the first two months of the listing. Offers were received from 1031 exchange buyers, private syndicates, institutions and individual investors across the country. This competitive situation gave the brokers and the owner the opportunity to select the best possible buyer and secure multiple back-up offers. After initiating contract discussions with a 1031 exchange buyer and a New York-based private syndicate, the seller accepted an offer from an Atlanta-based REIT. The buyer was willing to assume the existing mortgage, which removed the financing condition and saved the seller an additional \$850,000 in yield maintenance fees. The agents maintained tight control over the due diligence period, which lasted just 30 days, and the transaction closed 15 days later.

The success of this transaction demonstrates Marcus & Millichap's ability to package and market each asset to the full spectrum of qualified investors nationwide. Our culture of information sharing transcends price and product to achieve maximum value for both buyers and sellers of investment properties.

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