



Sean Durkin, SIOR
Lee & Associates
Seattle, WA, USA



Tripp Guin, SIOR
TRIPP Commercial, LLC
Charlotte, NC, USA



Transaction Type & Details

Date:
February 27, 2019

Transaction Type:
Investment Sale-Leaseback

Property Type:
Industrial

Size:
94,220 sq. ft. on 19.5 acres

Price:
Sales Price - \$46,515,015
Aggregate rent - \$23,912,482.93 (+ NNN)

AMERICAN FAST FREIGHT INDUSTRIAL SPACE

FIFE, WASHINGTON

On behalf of his client, Tripp Guin, SIOR, reached out to Sean Durkin, SIOR, asking for an expert in the local-Seattle industrial market. Guin's client had recently acquired a company there and was interested in space. Durkin, who was familiar with the previous owner and the local market, provided references and his resume, and was hired, along with his partner in their Seattle office, Zane Shiras.

Client Objectives

When Odyssey Logistics & Technology Corporation—a global leader in complex logistics and technology solutions—acquired American Fast Freight—a specialized freight forwarder headquartered in Fife, Wash.—the purchase included ownership of multiple

transportation facilities throughout key west coast gateway markets. Included was a “trophy” industrial asset adjacent to the Port of Tacoma in Fife, comprised of a state-of-the-art hybrid cross-dock terminal of approximately 100,000 square feet on 20 acres of paved, secured trailer parking yard area. Odyssey was not in the business of owning real



We were extremely happy with the local market expertise and guidance provided by the Lee & Associates team. From lease availability analyses, to purchase and sale negotiation, introduction to key area legal counsel, and presence during the entire transaction, we could not have asked for more. The Lee team set up our lease-back to maximize exit value and achieved closing under a tight timeline."

estate, and originally approached the Lee & Associates NW (L&A) listing team for help analyzing their alternatives, including whether they should sell the property vacant and potentially relocate the operations elsewhere, consolidating as a tenant within the market to another facility.

Transaction Profile

With their deep market knowledge and experience, the L&A team knew that this specialized facility was irreplaceable and that a relocation property would be nearly impossible to find in the market. A build-to-suit would be equally as difficult to execute and prohibitively more expensive due to the scarcity of developable infill industrial land and related costs. Furthermore, the L&A team knew that Odyssey would be

leaving a significant amount of value on the table if they took this route of selling the property to a user or selling essentially vacant to an investor. Valuations by other brokerage firms had indicated a value range of only \$18 to \$26 million for the property.

Solution

The team provided detailed reports and financial analyses to show that the best course of action for the company would be to conduct a sale-leaseback transaction, whereby the asset would be monetized at favorable market conditions, allowing the operating company to retain occupancy of the mission-critical property. The team worked closely with various departments within the organization to best position the asset for sale, making the lease

marketable to institutional investors, maximizing the sales proceeds, while still providing the long-term security the company required.

Once engaged, the team had a tight deadline with the end of the year fast approaching. By closing the transaction prior by year end, the seller would save nearly \$1 million in additional real estate excise (sale) tax. The team assembled marketing materials and preliminary due diligence materials quickly for expedited review by prospective buyers. By marketing the asset broadly to institutional investors throughout the world—followed by direct outreach to the most likely buyers—the team garnered heavy interest in a condensed time period that drove the price higher than expected.