

RELEVANT EXPERIENCE

CASE STUDY: Marketing, Leasing and subsequent Sale of a Distribution Facility on behalf of The Hollingsworth Companies
Warsaw, NC – 379,483 SF on 21.78 Acres



CHALLENGE

1012 Highway 117 South, Warsaw, NC

- ◆ The NKF Industrial team was hired by The Hollingsworth Companies to market and lease this former Fleming Foods Distribution facility purchased by this private equity investor from the foreclosing entity, Mutual of Omaha. The property had been vacant on the market for eleven (11) months. The facility had approximately 45,000 SF of freezer/cooler space.

APPROACH

- ◆ The NKF Industrial Team canvassed industrial users in a 60 mile radius of Warsaw, NC including Wilmington, NC (the ports area) and Fayetteville, NC, the two largest markets in Southeastern NC.
- ◆ Mailing to NAICS code frozen food distributors or food distributors nationally, and actively marketed through Allied Economic Development websites, LoopNet, CoStar and other web based industrial real estate clearing houses. Regional mailings to active industrial real estate brokers in VA, NC and SC, as well as international real estate firms with active food group practices.
- ◆ Open house with regional economic development allies, members of the NC Department of Commerce staff (EDPNC) and NC Department of Agriculture staff.
- ◆ Anticipated user questions upfront with quotes for existing operating expenses and former use operating expenses. Description of all racking available to potential users. Conducted updated flow test for fire suppression system.
- ◆ Undertook condition assessments of freezer and cooler mechanical systems, parking areas, electrical switch gear and lighting fixtures.
- ◆ Conducted wage and labor surveys with immediate industrial employers in the area to understand wage and labor demographics for potential users coming into the market from outside the area.

RESULTS

- ◆ Secured three (3) tenants with term leases ranging from 5-years to 15-years, totaling 258,414 SF or approximately 70% of the facility in a 13-month period, from our regional canvassing effort. Those tenancies included **Guilford Performance Textiles, Landair (3PL for Cherrypoint Marine Base) and Villari Brothers**.
- ◆ Achieved aggregate rental rates at approximately thirty-four percent (34%) above market rents for industrial transactions occurring in the region over the previous five (5) years.

UPDATE: The property was sold to the one of the tenants, The Pork Company/Villari Brothers in June of 2018.