

Deals Happen Even During The Pandemic – Generating Our Client \$5.4 Million.

Posted May 12, 2020 by Scott Backes, President – Partner

Most of the headlines today highlight “Canceled Deals Surge During Pandemic.” The Brydant Real Estate client’s story is very different.

The Story: In 2015 Brydant Real Estate became a trusted advisor for a national consumer products company in Phoenix, Arizona. They were manufacturing, warehousing, distributing and officing out of several locations. After a team effort to identify the operational and financial goals Brydant designed, developed, and assisted in the financing of a 148,689 square foot headquarters and manufacturing facility strategically located on Camelback Road.

The new facility constructed in 2015 for \$9.1 million was designed for the company’s growth as well as the Owner’s desire to invest in appreciable real estate. For this to happen the building was designed to meet institutional investor’s requirements to maximize the value for future sale.

In 2020, Brydant was called upon to begin marketing the facility for sale with a short-term leaseback of 18 to 24 months. Within three weeks of marketing, the buyer was selected, and the property was under contract for \$12.4 Million with an institutional investor.

Then the COVID-19 Global Pandemic changed everything. Brydant worked swiftly to keep the due diligence moving and kept the transaction on its critical path. The sale took place within Forty-One days of going under contract.

At the time of sale, there was a \$6.7 Million mortgage in place along with an initial Owner investment of \$900,000. After all transaction fees, our client realized \$5.4 Million in net proceeds, delivering a 56.5% Internal Return of Investment.

The Company generated this wealth by using these 5 Proven Strategies:

- 1) Utilize operating capital to create equity by paying down debt service rather than lease payments.
- 2) Utilize an experienced development firm to manage design and constrain costs.
- 3) Utilize an experienced firm to deliver multiple financing solutions.
- 4) Utilize an experienced firm to design a facility that will be attractive to institutional grade investor that historically will pay a higher price.
- 5) Utilize an experienced firm to competitively bid the sales price, select the right buyer & negotiate the sale.

There are obviously many strategies and varying needs among each corporate user. This exemplifies one-way real estate can be used as a cash producing asset opposed to a costly liability.

We dig deep into each of our client’s needs to deliver positive outcomes like this.

www.brydant.com

***Scott Backes** is an experienced corporate executive that applies his knowledge and business acumen with design, real estate, and corporate operations to become a trusted advisor for a broad spectrum of clients including large & midsize corporations, entrepreneurs, and investors.*

***Brydant Real Estate** is a multifaceted corporate advisor with extensive experience in corporate operations, real estate development and construction oversight. The Brydant Team has more than 100 years of combined experience and has completed more than \$2 Billion in corporate transactions.*

Brydant Real Estate LLC | 3333 E Camelback Rd. Ste. 265 | Phoenix, AZ 85018 | 602.396.5295 | www.brydant.com