

FST Logistics Case Study

“The Industrial Property Team from NAI Ohio Equities was instrumental in helping us analyze the potential of a sale/leaseback. From our first exploratory meeting, through the financial analysis, marketing and sale negotiations, they were there every step of the way. It was nice to know this transaction was being handled by such true professionals.”

- Art DeCrane FST Logistics



605 S Front Street Suite 200
614 224 2400
ohioequities.com

Project

Founded in 1991 in Columbus, Ohio, FST Logistics, focused its business on shipping and transportation before also pursuing warehousing in 1998. The company occupied over 1.6 million square feet of warehouse space in several buildings in the Midwest. While most of the buildings were leased, they owned two of the properties. The buildings were located at 5400 Renner Road and 1727 Georgesville Road in Columbus' West and Southwest submarkets. They were 226,000 SF and 130,004 SF warehouses with both ambient and air-conditioned space. After transitioning from a privately owned to an employee-owned company (ESOP), FST Logistics decided to explore the potential of a sale/leaseback on 5400 Renner Road and 1727 Georgesville Road to determine if it was a better fit for the ESOP moving forward.

Approach

FST Logistics consulted with NAI Ohio Equities' Industrial Property Team to determine if the sale/leaseback was a financially viable alternative at this time. With FST being a strong, growing company and market cap rates at or near all-time lows, it made sense to pursue this opportunity. To maximize the sale value while maintaining as much flexibility as possible, NAI Ohio Equities recommended a seven-year lease term.

NAI Ohio Equities then worked with NAI Hiffman's Capital Markets Group out of Chicago to identify potential buyers. The property was put on the market without a purchase price and with a call for offers date. Utilizing the vast databases of both teams, multiple confidentiality agreements were executed and 10 written offers were received. After reviewing all of the offers with FST, the top three were chosen for the short list. Discussions were opened with all three potential buyers, and the goal was to identify the buyer who would be a compatible landlord, have the highest likelihood of closing and offer the best price.

Results

Ultimately, Weston Inc., based out of Cleveland, Ohio, was selected. They proved to be an excellent choice. They worked with FST and NAI Ohio Equities' Industrial Property Team of Curt Berlin, Matt Osowski and Blake DeCrane to finalize the deal. The Purchase and Sale agreement was negotiated simultaneously with the Lease and the sale was able to be closed within 60 days after full execution of the Letter of Intent.