

CASE STUDY



SUPERVALUE RETAIL PORTFOLIO

CHALLENGE

Services:

Expedite the Sale of
Surplus Properties

The Financial Standards Accounting Board passed a regulation referred to as FASB 126. This required corporations to identify non-core assets and “write them down” to current market value instead of keeping them on their balance statements at higher book values. There was shareholder pressure to sell the assets to raise capital, pay off debt or buy back stock.

SOLUTION

CBRE Portfolio Services was hired to market a portfolio of forty-two (42) surplus properties. The portfolio consisted of distribution centers, shopping centers, grocery stores and retail pad sites. The disposition method selected was a blend of traditional brokerage and a portfolio sale. Initially, all the properties were marketed asset by asset. After 60 days, the entire portfolio was packaged as a single offering to two (2) pre-selected portfolio buyers who had previously demonstrated their financial capacity and related portfolio acquisition experience.

RESULTS

The portfolio buyers were provided three (3) weeks to complete their due diligence prior to submission of an indicative offer. A portfolio Purchase Contract was executed within seven (7) days and closing was scheduled 30 days later. The portfolio sold within four and one-half (4 1/2) months for \$55 million. SuperValu announced the sale to their shareholders and used the proceeds to buy back shares of its stock.

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