

CASE STUDY



Services:

Expedite the Sale of Inland Real Estate Group's Vacant Kmart Properties and net leased Wal-Mart properties

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FORMER KMART AND WAL-MART PORTFOLIOS

CHALLENGE

Inland Real Estate Group owned four (4) former Kmart stores and twenty-one (21) properties net leased to Wal-Mart with lease terms of less than ten years. The former Kmart properties were deteriorating due to their vacancy after bankruptcy of Kmart. The challenge was to quickly sell the properties while maximizing value so that the Owner would not incur additional deferred maintenance expenses.

The Wal-Mart leased properties were considered non-core assets due to the remaining term of the leases and the fact that Wal-Mart was aggressively building Supercenters to replace the stores. Most of the properties were located in tertiary markets. Due to the fact that the properties were leased, the Owner did not have the right to install "for sale" signs. CBRE Portfolio Services' ability to quickly access its proprietary prospect database was critical to the successful disposition of these properties.

SOLUTION

CBRE Portfolio Services conducted a Structured Sale/Sealed Bid Sale of the properties using an Offer Due Date to focus buyer interest. Property information was distributed to over 38,000 buyers and brokers listed in CBRE Portfolio Services national database of buyers who are interested in acquiring these types of assets.

RESULTS

The former Kmart properties were sold to separate buyers. The properties have been converted for use as medical offices, multi-tenant retail building, offices and a new store for JC Penney's.

The Wal-Mart leased properties were sold to separate investors and re-developers. All twenty-five (25) properties were sold. The aggregate value was \$37.7 million.

Retail
24/7.

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