

CASE STUDY



The GAP – Harford County, MD

CB Richard Ellis' Industrial Services and Investment Properties together won the disposal of The Gap, Inc.'s 602,250-sq.-ft. distribution facility in Harford County, Maryland.

CHALLENGE

The Gap, Inc. owned a 602,250-sq.-ft. distribution center on 175 acres at 1701 Trimble Road in Harford County, Maryland. Following its decision to consolidate its East Coast distribution centers to Fishkill, New York, The Gap requested proposals from six real estate services providers, including CB Richard Ellis, to advise the firm on the disposition of its Maryland real estate holdings.

The Baltimore Industrial Services and Investment Properties groups would need to develop, pitch and ultimately execute a disciplined and organized sale campaign that would maximize the value of The Gap's real estate assets and close the transaction in a compressed timeframe—all while the client was vacating the building and liquidating equipment and trade fixtures.

SOLUTION

In its response to The Gap's RFP, CBRE recommended a two-tiered marketing plan to maximize the value of the asset. Through their relationships with site selection consultants, global logistics users and regional corporations, the Industrial team of Bill Pellington and John Wilhide proposed marketing the asset along with its state-of-the-art material handling equipment to an owner/user. Concurrently, Bo Cashman of the Investment Properties group would market the asset to potential investors, taking into consideration the leasing, required capital and potential yield for the building and creating a development pro-forma for the excess land.

RESULT

The Gap selected the CBRE team to execute a 60-day national marketing campaign. As a result of the thorough, disciplined offering process, the CBRE team generated 17 offers to purchase the building and land as an investment property.

Candidates for the acquisition included pension fund advisors, REITs and developers with institutional advisors. After a best and final competition and an extensive interview process, The Gap entered into a sales agreement with Prologis, a leading provider of distribution facilities and services, and completed the transaction after facilitating a 21-day due diligence process and five-day close.

"Throughout the project, CBRE more than lived up to the concept of a full-service broker," commented Robert Dymond, Director, Facilities Real Estate for The Gap. "Every aspect of the process was handled in such a precise and expedient manner by the CBRE team. Rarely do we see such a high level of commitment from the broker community."

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TEAM

Bill Pellington

Senior Vice President
Industrial Services
410.244.3137
bill.pellington@cbre.com

John Wilhide

Senior Vice President
Industrial Services
410.244.3146
john.wilhide@cbre.com

Bo Cashman

Senior Vice President
Investment Properties
410.244.3188
robert.cashman@cbre.com