



OPPORTUNITY/CHALLENGE

Formerly known as The Ottenberg Bakery, 655 Taylor Street, NE is located adjacent to The Catholic University of America campus within the District of Columbia. Built in 1962, the property is comprised of 53,132 square-feet of warehouse space and three storage lots residing on three acres. The property was owner-occupied by The Ottenberg Bakery since its construction.

In addition to the building's age, deteriorating condition and difficult access and egress, 655 Taylor Street, NE was being marketed in the midst of the "Great Recession" – a period marked by frozen debt markets and extremely limited sales transactions. The challenge was to find a buyer, who needed warehouse and outside storage space, with a Washington, D.C. address.

SOLUTION

The Transwestern Investment Services team implemented a broad marketing campaign to potential owners/users, who required a location within the District or in the immediate surrounding area. Transwestern also developed a detailed market analysis, which demonstrated an industrial submarket that was continually diminishing due to the constant conversion of industrial buildings into office and multifamily.

Along with the marketing campaign, the Transwestern Investment Services team worked closely with the ownership in order to mitigate any issues that may have risen during the due diligence and closing period. Transwestern advised the ownership to engage third party professionals, such as architects and engineers to thoroughly inspect the building. Transwestern presented all the issues and necessary deferred maintenance upfront to potential owners/users.

The end result was the property was sold 4 months after the listing was executed. The purchaser was the District's second largest commercial catering company. In addition to the \$4,700,000 purchase price, the buyer spent over \$2,500,000 in capital improvements on the property in order to make 655 Taylor Street, NE their future home.

The sale resulted in Ottenberg Bakery relocating to a new location.

VALUE ADDED BY TRANSWESTERN

- The Transwestern Investment Services team designed and implemented a marketing approach that targeted a location specific owner/user, stressing the submarket's decreasing number of industrial assets.
- Advised ownership to perform an extensive inspection of the building by third party professionals to uncover any issues and necessary deferred maintenance, which could adversely affect a successful closing of the transaction.
- A controlled bid process generated multiple offers. Each offer was analyzed taking into account price, terms, track record, and capital sources. The Transwestern Investment Services team negotiated and settled with an owner/user in 4 months.