

CASE STUDY



U.S. Foodservice

When U.S. Foodservice needed to re-evaluate its headquarters location in Columbia, Md., CBRE's Global Corporate Services in Chicago teamed with Investment Properties in Baltimore to provide the leading broad line food service distributor in the United States with a sale/leaseback transaction that benefited its bottom line and opened its eyes to possibilities in other markets.

CHALLENGE

U.S. Foodservice is one of the leading broad line food service distributors in the United States. Chris Reynolds of Global Corporate Services has served as the SPOC for U.S. Foodservice since 1999. The company owned and fully occupied its 100,000-sq.-ft. headquarters facility in Columbia, Md., but recent executive team transitions had spurred the evaluation of the facility and the possibility of relocation.

SOLUTION

To properly evaluate the Columbia office market, Chris reached out to Bo Cashman in CBRE's Baltimore office. Initially, U.S. Foodservice desired to sell the building and sign a short-term lease in a new building, despite the recommendation of a sale/leaseback. In May of this year, the CBRE team created a financial model of the value of the building with current market fundamentals and the cost for U.S. Foodservice to relocate into a new building for three to five years. By June, upon reviewing the numbers, both the CBRE Team and U.S. Foodservice concurred that the greatest savings in cost—which totaled several million dollars—would be gained if U.S. Foodservice were to sell the building and lease back a portion of the space for a five-year term.

Liberty Property Trust owns several office buildings near the U.S. Foodservice headquarters. Utilizing Bo's relationships, the team brought the sale/leaseback opportunity to Liberty Property Trust to purchase the property before it went to market. Liberty Property Trust took the deal in early September.

RESULT

In only 100 days from listing to closing, U.S. Foodservice sold its headquarters building to Liberty Property Trust for \$21 million and leased back two of the three floors. The sale price was also above market, even though it was never publicly offered.

U.S. Foodservice was so pleased with the results of the sale/leaseback that it has charged Chris with evaluating and executing sale/leaseback transactions for some of its other owned facilities across the country.

TEAM

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