

Case Study



Kohl's Department Store Warsaw, Indiana Acquisition

Pamela L. Bertovich represented the Buyer in this 1031 NNN transaction. The purchase was a 68,336sf single tenant retail building located in Warsaw Indiana; a publicly traded department store founded in 1962 in Menomonee Falls, Wisconsin.

CHALLENGES

- The location of the property was not an area that the Buyer was familiar with.
- The property had easements and protective covenants therefore making it hard to determine which party was responsible for certain maintenance items on and around the property.
- There were a few maintenance items to be performed prior to closing, one being a light fixture in the parking lot not owned by Kohl's.
- Financing was done through Wells Fargo. They were very thorough and required several different accounts opened to ensure the process of collecting rent directly from Kohl's. The closing could not happen without the ACH setup.

RESULTS

- The Buyer visited the property to familiarize himself with the area and verify that this was a location he was comfortable with.
- Significant time was spent with the attorneys and Seller determining who had what responsibility as it related to maintenance items at the property.
- The light repair turned out to be a major issue for the Lender and the Buyer finally hired his own contractor to get the fixture repaired.
- Coordinating with the accounting department at Kohl's, the Buyer was able to finally get the checking accounts and the ACH set up so that the property could close.

