

## Case Study



### CHALLENGES

- The Lowe's lease was NN, therefore, the Landlord was responsible for maintenance and repair of the roof and structure of the building.
- Lowe's current rental rate was at \$8psf which was about \$2psf above the average rental rate paid by other Lowe's stores throughout the United States. This posed a potential problem as to what the property would appraise at.
- During the due diligence period some deferred maintenance and repair items were discovered for both the roof and structure.
- At the time of the sale, there were only seven years remaining on the original lease.

## Lowe's Home Improvement Buford, Georgia Disposition

Pamela L. Bertovich represented the Seller in the disposition of Lowe's Home Improvement located in the busy retail sector of Buford Georgia. The disposition was a 128,997sf single tenant retail building located on 16 acres of land. Lowe's is publicly traded and the second largest hardware chain in the United States.

### RESULTS

- The Buyer was a 1031 purchaser, so timing and location of the property overrode the negativity of NN versus NNN.
- Some thorough research was done, and based on location, this retail area justified the higher rental rate paid by Lowe's.
- Some repairs were done to both the roof and the structure and were guaranteed by the contractors, therefore ensuring the Buyer of purchasing a sound facility.
- This Lowe's store was a very busy location with significant traffic. The Buyer felt that Lowe's would exercise their option to extend their lease based on this information.

