

Rock Hill Pediatrics Office Deal Story



"It was a pleasure for our partnership to work with Randy Graham and Mark Mayfield in the sale of our office building. Our association with them was characterized by honesty, integrity, and prompt attention to our needs and questions. They were able to complete a difficult sale which allowed us to receive the maximum value for our property. We are indebted to them."

Robert Alexander, MD
Partner-Rock Hill Pediatrics

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Rock Hill Pediatrics
1601 Ebenezer Road
Rock Hill, South Carolina

Challenge

In the worst commercial real estate market in our generation, the Owners of the Rock Hill Pediatrics building wanted to sell. They were referred to us by another medical practice, whom we had successfully represented in 2009. The Practice was purchased by a hospital and approximately 2.25 years remained on the lease with the hospital. This made selling the building to an investor very difficult, due to the short term lease commitment. The market was demanding 5, 7 or even 10 year lease terms as minimums, due to uncertainty in the economy and stringent bank financing requirements. Further, this building was much larger than typical single tenant medical buildings in our market.

Action

To make the property competitive in the marketplace, we needed a longer lease term and aggressive pricing. We advised the Owners to sign a 5 year master lease at closing to create a lease term than the current lease with the hospital provided. They were initially hesitant to do so, however we estimated the sales price we could obtain and created a financial analysis that illustrated the benefits of a sale/leaseback. We indentified an investment group in the Charlotte region and convinced them that the deal made sense, due to the location near the hospital and the good condition of the building. After nearly a year of due diligence and challenges with obtaining financing, we successfully closed the transaction.

Results

By utilizing our sale/leaseback technique and marketing expertise, we generated a sales price more than 15% greater than the property was appraised for at the peak of the commercial real estate market in 2007.