

When There are No More Fish in the Fish Market...Go Fishing!

by Joel Hutak & Phillip DeRousse of Lee & Associates Orange | February 16 2017

Joel Hutak and Phillip DeRousse had a requirement they needed to fulfill for one of their local, trusted clients. The client was looking to purchase an industrial building under 10,000 SF in the North Santa Fe Springs market.

At the time, there were no matching properties on the market; this is a very common problem in 2017, being that vacancy levels are below 1% in Santa Fe Springs. A common response given to a client looking to purchase a building like this would be, "We will let you know when something comes up that matches your needs."

Joel and Phillip used their passion for fishing the waters of the Pacific Ocean, relating it to their CRE expertise on the ground, and **they went fishing!**

Cold calling multiple building owners in a specific size range in a specific part of the city resulted in a property where the seller and potential buyer had aligned interests. **Hookup!!!**

"We were able to agree on a solid number for the property where the seller and buyer were both excited about the transaction," said Joel. In this case, time was not of the essence to **"get the fish over the rail,"** so a longer than normal escrow was agreed upon to eat up some time attached to the pre-payment penalty that the Seller was going to have to endure.

This wasn't the easiest of battles on or off the water. The property had a lease in place with a tenant that initially expired more than six months out. In addition, the tenant had an Option to Purchase the Property. In today's age, most people would think there are too many **snags and snares** in the transaction and move on.

With a **fisherman's persistence and patience**, Joel and Phillip assisted the Seller in navigating through these obstacles. After negotiations, the tenant waived the option to purchase the property, and in turn, the seller and tenant agreed to advance the lease expiration date by four months.

This was a plus for the seller, tenant, and buyer. This was an off-market sales transaction completed by the Mid Counties Industrial Team of Lee & Associates Orange of the property at 11945 Rivera Road, a 6,792 square-foot industrial building in the city of Santa Fe Springs, California.



For Information about the Industrial Real Estate Market in the Orange County,
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