

RECENT CLIENT SUCCESS

MAXIMIZING VALUE IN A CHALLENGING MARKET THROUGH STRATEGIC INNOVATION

CHALLENGE

Reynolds, a leader in multi-category consumer goods, faced a unique challenge when exiting their 787,000 SF manufacturing facility at 5106 Tradeport Drive in Memphis, TN. Reynolds needed to divest the property within the current calendar year for critical financial planning purposes after consolidating their Memphis operations into Clarksville, TN. Despite its strong logistical location, the property presented substantial challenges due to high capital costs and a frozen capital markets environment in the part of the economic cycle, which significantly hindered investor appetite. Furthermore, user activity for large-scale facilities like 5106 Tradeport Drive had slowed dramatically, compounding the difficulty of finding a buyer within the required timeline. Successfully navigating this high-risk scenario required a strategic approach to address market headwinds and align with Reynolds's financial objectives.

ACTION

Reynolds engaged Landon Williams and his team at Cushman & Wakefield for their expertise in both global capital markets and the Memphis real estate landscape. Recognizing the challenges of selling a large, vacant manufacturing facility in a high-cost, uncertain market, Landon's team devised an innovative approach to attract buyers and mitigate perceived risk. They introduced a five-year sale/leaseback structure in which Reynolds, with its investment-grade credit, committed to a lease starting at closing. This strategy ensured a steady income stream for the buyer while fulfilling the seller's need to transact within the 2024 calendar year. Landon's team actively marketed this solution, driving initial offers to \$50 million. Concurrently, they identified and engaged two potential user-buyers, leveraging competition between them to maximize value. The result: a final sale price of \$63 million, with an all-cash closing, meeting Reynolds's financial planning goals and delivering a strategic win in a challenging market.



RESULT

- Achieved a \$63 million sale price—26% above the top end of the market value range (\$40-\$50 million)
- Negotiated an all-cash deal, eliminating financing risk for a large-scale transaction
- Closed the deal only 27 days after PSA execution, ensuring Reynolds met their calendar year financial goals
- Outperformed previous offers significantly, including a \$25.2 million offer in January and a \$50 million cash offer in September
- Leveraged competition between two user-buyers, driving the final price up by 26% from the initial offer

TESTIMONIAL

"Navigating the complexities of a global transaction for our Memphis facility required unparalleled expertise. Landon Williams and his Cushman & Wakefield team delivered beyond our expectations. His world-class negotiation skills and deep market knowledge secured a sale price above market value in a challenging environment. Landon's ability to manage stakeholders across multiple countries and

time zones was exceptional. His strategic approach ensured an all-cash deal closed within our critical timeline. Landon's leadership and dedication made this transaction a resounding success."

- Cody Adkins, R.J. Reynolds Tobacco Company