



VOSKANIAN INVESTMENT GROUP, INC.

A KW Commercial Affiliated Company

CASE STUDY: MITSUBISHI MOTORS



10944 South Street
Cerritos, CA 90703

Price: \$4,350,000

Lot Size: 86,249 sqft

Building Size: 16,116 sqft

Coverage Ratio: 18%

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CHALLENGE

The subject property, 10940 South St. in Cerritos, was an auto dealership occupied by Mitsubishi Motors as part of the Cerritos Auto Square. The property is located at and wraps around the pad directly on the signalized corner of Studebaker Rd. and South St. We had several challenges with this property: first, as a building for an auto dealership, the property was situated on the outskirts of Cerritos auto square; second, the building was 16,000 sq. ft. total, a smaller-than-average dealership size for a national automobile retailer; third, the Mitsubishi Motors company had sluggish sales in the U.S. in the previous years and, like the prior tenant Isuzu motors, didn't have the credibility of some of the larger names in the automotive industry; Lastly, the half-acre corner pad, which our property wrapped around, was a former gas station and had contamination issues dating back approximately 10 years.

ACTION

Although this was a unique retail offering, we knew we could locate an appropriate 1031 buyer if the property got enough exposure. We implemented our comprehensive marketing campaign including a detailed offering memorandum of the asset, e-mail blast to all retail property owners within a 10 mile radius, a full-color postcard mailed to 3,000 retail property owners in Southern California, property line e-market emails, in addition to the asset being marketed on Loopnet, Costar, Property Line and Property First. Accordingly, we managed to locate a 1031 exchange buyer. To address any concerns of the credibility of Mitsubishi Motors and the lesser location of our site, we positioned and reiterated that the highest and best use for the property was a future mixed use development. Our property had over 82,000 sq. ft. of land. Although there were some restrictions on title for development, there was tremendous potential for a future mixed-use development. In essence, the buyer acknowledged he had cash flow from Mitsubishi Motors and should the current tenant close their doors- the inherent value of the property and its underlying land could be utilized.

Also, we spoke with the corner parcel owner who had his legal council generate an indemnification letter for the contamination issue for our owner. Lastly, to accommodate the quick close the buyer needed, the seller agreed to carry back a 1st Trust Deed.

RESULTS

We were able to generate 4 offers on the property from our marketing. We closed the transaction at a price of \$4,350,000 and, having navigated through all the concerns and deal obstacles beforehand, managed to open and close escrow in 5 days!

TESTIMONIAL

Edwin did an excellent job on my Mitsubishi Motors transaction. He was attentive, foresaw the obstacles in the transaction, and helped to navigate through the deal issues.

Seller. – Mr. Mahdi Dezhm