



Noble International Technical Center, Detroit

Investment Properties professionals from Detroit and Minneapolis leveraged CBRE's Capital Markets platform to complete the sale of the 1.25 million-sq.-ft. Noble International Technical Center for \$62.8 million to Swervo Development Company on behalf of Milestone Advisors and the Detroit Carpenters Union.

CHALLENGE

The main 1.16 million-sq.-ft. building of the Noble International Technical Center was completed in 1941 and served as a tank production facility for the U.S. Army and Chrysler Corporation until 1997. Milestone Advisors and the Detroit Carpenters Union purchased the property in 2001 and completed an exhaustive exterior renovation in 2002, re-tenanting the property as headquarters and production facilities for auto supply groups Noble International and U.S. Manufacturing.

The goal of Milestone Advisors and the Detroit Carpenters Union was two-fold: monetize the value created through the property renovation and re-leasing, which resulted in a 15-year lease with the primary tenant, and reduce their exposure to a relatively large single-property investment. The primary challenges faced by the CBRE team tapped to dispose of this asset centered on investor concerns over the Detroit industrial market, auto-related tenants, and the relatively large physical and dollar size of the investment for the Detroit market.

SOLUTION

Joe Anthony and Steve Buss assembled a team of CBRE professionals from office brokerage, Investment Properties and CBRE | Melody to address the challenges. In positioning the property, the team emphasized the financial strength and significant "bolt down" costs incurred by the primary tenants, the limited amount of large high-bay industrial space available in metro Detroit, and detailed explanations of the tenants' customer base. Tim Noonan provided financing guidance to the final bidders, resulting in a higher level of confidence from buyers in the ability of the project to be financed competitively at market rates. This collaboration between CBRE lines of business led the buyer, Swervo Development, to engage CBRE | Melody on an exclusive basis simultaneous with the signing of the LOI.

RESULT

The marketing process resulted in multiple offers from national buyer groups and a competitive best-and-final bidding round. After the buyer was selected, CBRE | Melody originated 80% ten-year fixed rate financing utilizing two different lenders via an A and B note structure to raise the \$51.0 million for the borrower on this 1.25 million-sq.-ft. warehouse with automotive-related tenants. In December 2006, Noble International Technical Center was sold to Swervo Development for \$62.8 million and financed for \$51.0 million by CBRE and CBRE | Melody.

TEAM

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