

# CASE STUDY

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## CLIENT CONTACT MIKE COOK

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## LOCATION

Lancaster, MA

## SIZE

288,000 square feet

## SERVICES

Industrial/Manufacturing  
Consolidation/Purchase

## HORN PACKAGING CORP.

### Challenge

Horn Packaging, a full service supplier of protective packaging, shipping materials and custom manufacture of corrugated boxes, protective foams, and wood crates and skids had been considering a consolidation of operations in the Greater Boston area since 2006. Utilizing several brokerage firms over that period, Horn recognized that the concept of planning and approaching property as a strategic asset was foreign to most brokerage firms. The total space occupied by Horn in Boston in four (4) facilities was not only operationally inefficient but costly and time consuming.

### Solutions

Mike Cook and his team began by evaluating Horn's current facilities and reviewing its future image, storage and light manufacturing space needs. They then began the process by utilizing a customer and product driven demographic study. In addition, this information was overlaid with incentive opportunities and employee demographic data in order to provide a four layered analysis prior to any property searches.

After touring the selected alternatives, Cook prepared a detailed analysis of the most viable options, which addressed the physical, governmental incentives, municipal tax, projected traffic infrastructure and business parameters of each location. Simultaneously, he created competition by negotiating with three (3) separate leased alternatives and one (1) purchase option. This purchase option created a unique situation, as the owner had an existing, great credit tenant that had one month prior announced its intentions to relocate from the facility in mid-2011. Ultimately, the existing Rockport (Fort Pond Road and Route 2) facility was chosen as the primary target, as it provided Horn's real estate entity to capitalize on the income from Rockport to lower the overall purchase price, as well as provide a facility that exceeded its current operational requirements, by providing ample expansion options in the future.

### Results

Cook's knowledge of the Boston market, its ability to create a creative purchase structure and partnership with an incentive consultant allowed Horn to secure the following benefits:

- \$400,000 of income from Rockport during Horn's planning period.
- A purchase price, net of income, 20% below existing replacement cost.
- Substantial municipal incentives, including a very low cost financing vehicle.
- Purchase included all racking, office furniture, conveyor and fitness center equipment.
- Cook's team, performed a Facility Condition Assessment (FCA) to determine restoration/move-out requirements of Rockport and created a baseline for future capital requirements for Horn.