



Mission Capital Offers Retail, Industrial Properties on UBS' Behalf

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Mission Capital Advisors is in the process of selling a number of net-leased properties on behalf of UBS.

The assets are a 119,600-square-foot store that's net leased to BJ's Wholesale Club in Greece, N.Y., and a portfolio of six net-leased industrial properties with 1.27 million sf in the Carolinas, Illinois, Indiana and Tennessee. The properties are among those that had been transferred to a bad bank created by the Swiss National Bank following the capital markets' collapse in 2008.

Mission Capital, which is best known for selling loans on the secondary market and arranging financing for its clients, has become a regular property broker and long had a relationship with UBS, helping it sell, among other things, residential mortgages. It's also become adept at selling properties, given the work it has done for CMBS special servicers, which often has involved selling foreclosed assets, or real estate-owned.

The BJ's property, which is just northwest of Rochester, N.Y., is leased to the retailer through 2026, but that could be extended. It was constructed in 2006 specifically for the retailer.

Mission Capital is conducting a two-stage bidding process for the property. A first round of offers will take place in the coming days, with a second, final round taking place by roughly the middle of next month. The thinking is that the retail property could sell for \$15 million or so.

Meanwhile, it's already received offers for the industrial portfolio, which UBS had acquired as part of a sale-leaseback transaction. Four of the buildings are occupied by Baldor Electric Co., a maker of industrial motors that was acquired by ABB Ltd. of Switzerland four years ago, and the remaining properties are occupied by Rockwell Automation and Master Power Transmission.

While leases at the properties have relatively short fuses - roughly four years or so - each of their tenants has invested their own capital customizing their respective facilities. As a result, it could be likely that each tenant renews their lease, each of which pays what are below-market rents. The tenants each use the properties to manufacture specialized components.