

Cadbury Schweppes Office and Technology Center Hanover Township, NJ

Sale of 149,475 square foot office and R&D facility



- Savills represented an affiliate of the Archon Group in the sale of the Cadbury Schweppes Office and Technology Center, a 149,475 square foot office and R&D facility.
- Under construction at the time of the offering, the property was leased to a U.S. subsidiary of Cadbury Schweppes plc under a 16 year NNN lease. The property was being built to serve as Cadbury Schweppes' primary R&D facility for its global candy and gum product development efforts. Although the parent enjoyed an investment grade rating of BBB/Baa2, the parent did not guarantee the lease.
- The property sold for \$48,000,000 to Capital Lease Funding, a public REIT focused on net lease properties. The purchase price represented \$321 per square foot and a 7.08% cap rate.
- Savills was able to achieve exceptional pricing both in terms of price per square foot and cap rate by effectively selling through several key issues facing the single-tenant NNN lease property:
 - Non-rated tenant without a lease guarantee from tenant's rated parent.
 - Unique mixed-use property with office, R&D and manufacturing components.
 - Property under construction.
 - No construction completion guarantee.
 - Rent would not commence until 3 months after the sale of the property.
- Savills created a highly competitive bidding process that enabled the seller to accelerate the due diligence and closing timetable:
 - Commenced marketing upon setting of a definitive rent start date.

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- Utilized the competitive process to force extensive due diligence prior to final selection of the purchaser.
 - Completed a highly competitive, accelerated marketing bid process and obtained over 20 purchase offers.
 - Within two weeks after the parties had reached agreement on price and other key terms, the buyer committed a substantial non-refundable deposit. The buyer then closed the transaction two weeks later.