



O.W. Lee



Relocation that resulted in significantly more space for 25% less cost.

SITUATION

Stream's Tenant Representation (Rep) division was engaged by O.W. Lee, a family-owned and operated furniture manufacturing company, based in California. The client was considering relocating the business due to rising costs and quality of life considerations. The firm had commissioned several surveys over the years, but until Stream's engagement, an out of State relocation was just a vague idea.

O.W. Lee engaged our team to evaluate options and test the feasibility of their relocation idea, having established that 100 out of 150 employees would relocate with them to a market like Texas.

STRATEGY

O.W. Lee leadership planned to exit California but were not fixed on a new location. Our team knew a move could significantly reduce costs but had to prove this out.

We completed eight surveys, six in Texas, one in Arkansas, and one in Oklahoma, starting with comparisons of taxation rates, labor availability, and wage costs to start building out the calculations using labor demographic studies. Following the data gathering and analysis, we demonstrated how significant and advantageous a relocation could be.

QUICK FACTS

- Tenant Representation
- Industrial
- 400,000 SF



O.W. Lee

STRATEGY (CONTINUED)

With the feasibility of three locations proven, we advised our client to determine where they and their employees wanted to live, to help narrow the search. The family's focus and our discussions very quickly centered on Texas.

After evaluating sale or lease options for the current facility, the Dallas team contacted a colleague in Stream's Orange County office, who has the negotiation skills and wide network needed to lead the disposition of the facilities in California. Because Stream operates in both markets, the transactions and transitions were seamless.

After valuing the existing 150,000 SF property in California, the team tapped Stream's network to locate properties in Texas that met the client's criteria and ran further surveys with broad results. The client narrowed their choices and, after touring several locations and cities, focused their relocation on San Antonio.

We identified five suitable buildings in greater San Antonio including an option in a small town in Comfort, Texas. The 400,000 SF facility offered space for expansion, at a comparably low rate, in an area the client loved. The demographics were a perfect fit, plus the location offered many residential options nearby to meet employee relocation needs.

RESULTS

Our teams balanced the timing of selling the facility in California and purchasing in Texas. Terms were agreed upon for both the acquisition and the disposition, with no delay during Covid restrictions. O.W. Lee completed their facility improvements and relocation in Q1 2021. Our team negotiated a one-year leaseback deal with the purchaser in California which allowed for some overlap and a smooth relocation process.

Stream developed the relationship and gained trust by demonstrating our commitment to achieving the clients' goals and our ability to listen and to deliver. Feedback from the client included how much they appreciated having a single point of contact throughout the process across the two markets, with one person to aggregate data, deliver options—and ultimately solutions. Clear communication and responsiveness helped us to build a strong, trusted advisor relationship.

The relocation from a 150,000 SF facility in California to a 400,000 SF facility in Texas resulted in 2.6 times more space for 25% less cost.

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