

# The Former SOG Knives Building

*Leased October 2023*

6521 212<sup>th</sup> St SW Lynnwood, WA

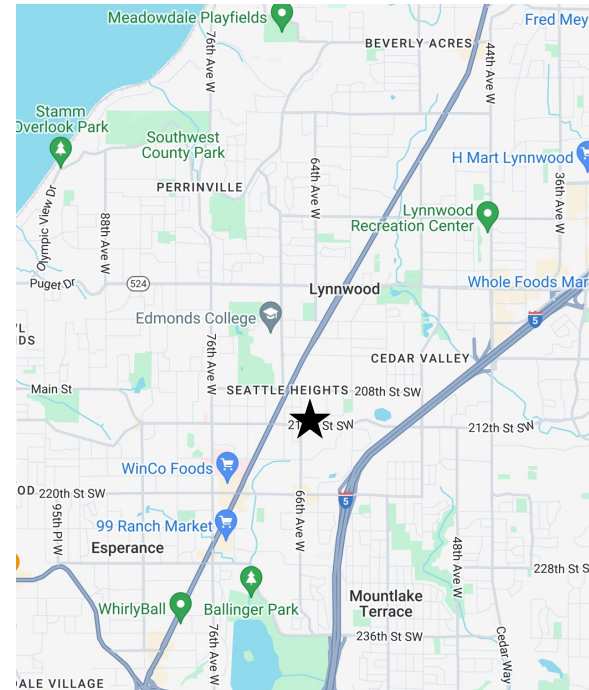


## Building Details

- 17,400 Square Foot Flex Building
- High-image and improved warehouse space
- Single-Tenant free standing building with a sprinkler system, 21' clear height, 1 grade level door and 1 dock-high door

## The Assignment

The Former SOG Knives Building is a high image industrial building located in Lynnwood Washington, a submarket north of Seattle. It is heavily improved with and tailored to its original occupant. SRE was assigned to represent the owner of the building and navigate the marketing of a specialized property. Ultimately, a lease with a well qualified tenant, an art restoration company, was secured.



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# The Challenge

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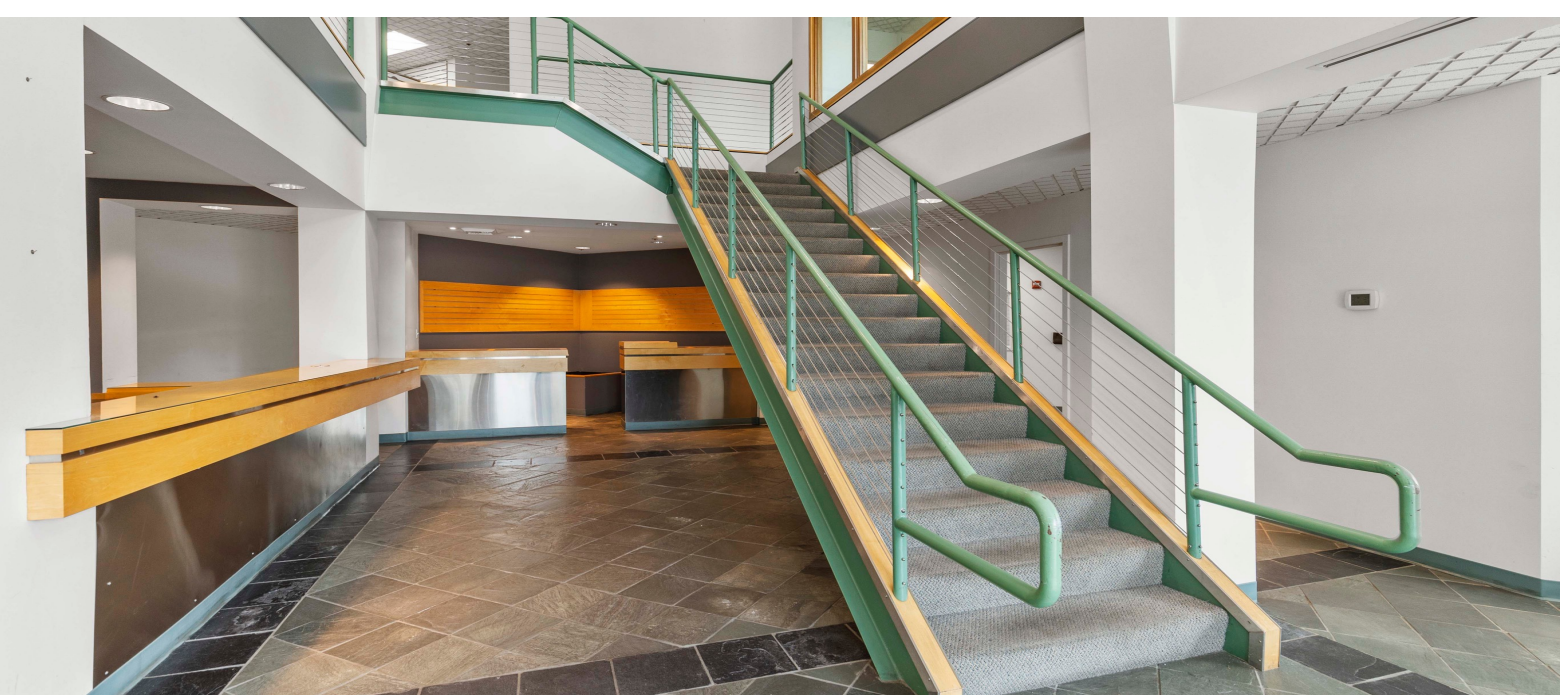
Improvements to the building consisted of a large atrium, a showroom, office space and specialized production areas. About 50% of the total building square footage was improved area. This is a relatively high percentage for the market. Most of the demand is for warehouse. However, improved areas can lease at a premium. For a building owner to achieve rent on all or most of the improved areas, a particular tenant must be found. Essentially, a unique building configuration meant identifying a user with a rare real estate requirement. Otherwise, building ownerships in this scenario may have to incur the costs of removing improvements and reduce the rentable square footage.

## Action

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One of our first actions was to determine what areas could realistically rent and what rates to assign to those areas. We aimed to capture rent on as much improved area as there was parking to accommodate but left unimproved mezzanine as uncharged space. Municipal code is worth considering in these analysis. The result was to pursue rent on a total rentable space that had 42% improved area. Most users in the market require approximately 5% to 15%.

As far as what rental rates we assigned as our target; we base that from analysis of recently completed comparable lease details in the market. This is private data that we track. We also consider competing spaces. We then tested the offering against the market. It received a high amount of interest. We ended up showing the property over 30 times! However, many groups were not the right fit, often the feedback we'd receive was regarding having too much office, lack of parking or interest only in wanting to purchase. At first, the building ownership was only interested in leasing the property. After extensive marketing, buyer feedback and information on market conditions the ownership decided it was worth considering a sale offering along with a lease offering.



## The Result

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The deal that was ultimately finalized was a lease with a pathway into ownership. It was a win-win as it allowed the new user a way to purchase the property and allowed the building owner to delay a sale at his target price. After finally identifying the right fit, we negotiated the terms, vetted the prospect, prepared a relatively extensive lease document and finalized the agreement.

## Client Testimonial

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"I hired SRE in order to sell or lease my building. Not that familiar with the real estate market, Tyler Springer and Devin Haskell made me feel comfortable and informed. The building was unique and had been improved to the specifications of the former tenant requiring finding just the right fit. Tyler and Devin continually worked to show the building and brainstormed on creating opportunities in a tough market. I was always kept up to speed and was involved, as much as I wanted to be, in evaluating any of the potential buyers. Also, they never tried to press their agenda upon me but instead supported my goals and requirements. They were also adept when it came to negotiations and contractual details that determine the outcomes. SRE was a great fit for me and are highly recommended"

**-Spencer Frazer**

## The Team

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## The Company

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SRE is a real estate brokerage founded in 2015 by Tyler Springer. Its mission is to deliver excellent service to investors and companies in the Puget Sound area. We are a team of experienced and dedicated professionals specializing in investment sales, user sales, tenant leasing representation and landlord leasing representation. Our mission is served through holding a high ethical standard and providing dedicated attention to projects and clients. Visit us online at [www.srecommercial.com](http://www.srecommercial.com).

