



American Leather L.P.

To continue its rapid growth, this innovative leader in custom upholstered leather furniture implemented a made-to-order solution that paid off the company's debt and set the stage for an expansion that will nearly double its operations.

The Challenge

American Leather, a highly successful middle-market firm that has grown at an annual compounded rate of more than 25 percent since 1992, wanted to monetize its sole manufacturing, distribution and headquarters facility to give the company more flexibility as it moved forward with its next phase of growth — a key part of which was a planned major expansion to the 250,000 sf. property.

Our Approach

First Industrial Realty Trust, engaged by a merchant bank advisor, went about crafting a multi-faceted solution that would meet all three of American Leather's objectives: to raise capital to pay down debt and buy out minority partners; to secure a 200,000 sf. expansion option to be built in three years to accommodate projected capacity needs; and to close the complex transaction quickly.

After evaluating the Class A Dallas facility, First Industrial swiftly acquired the property and leased it back to American Leather under a long-term lease, enabling the company to eliminate virtually all of its debt. Simultaneously, First Industrial rolled the facility expansion into the terms of the sale leaseback — agreeing to serve as developer and pay for 100 percent of the expansion.

The Outcome

Seeking the same kind of custom-solution approach the company provides its own customers, American Leather worked with a full-service provider who offered the full range of real estate capabilities — development, acquisition, leasing and financial — to satisfy all of the company's needs in just 39 days.

Development
Acquisition
Multi-Market
→ **Sale Leaseback**



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