



Volkswagen of America

Having shifted to a strategy of leasing versus owning its parts distribution centers, the U.S. arm of Europe's largest automaker monetized a 1 million sf. portfolio — and helped fuel its drive toward optimal operational flexibility.

The Challenge

Entering the final phase of a major restructuring and modernization of its North American parts distribution network, Auburn Hills, Mich.-based Volkswagen of America, Inc. was seeking to sell and lease back its remaining owned facilities in the United States and Canada through a single provider — and wanted absolute surety of closing within a tight timetable.

Our Approach

First Industrial's team drew on local market knowledge of the three properties' locations in Fort Worth, Tex., Chicago/Milwaukee, and Toronto, Canada, to overcome a series of potential roadblocks posed by the multinational nature of the transaction, including complex title, zoning and currency issues.

Moreover, First Industrial accommodated VWoA's specialized requirements by incorporating flexible expansion and renewal options into each property's 15-year lease to meet the future business needs of a company that has seen rapid growth of its Volkswagen- and Audi-brand parts business in the U.S. over the past decade.

The Outcome

By working with a provider that had the ability to tackle multiple properties across disparate markets, as well as a willingness to acquire assets outside of the U.S., Volkswagen of America unlocked the value of its real estate in 45 days and secured the continued use of mission-critical distribution facilities.

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