



Brooks Industries, Inc.

As part of a strategy to aggressively pay down debt related to a recent acquisition financing, this major manufacturer of area rugs executed a sale leaseback of its Canadian facility and ensured all of its capital needs were covered.

The Challenge

Having incurred bank debt to acquire the decorative rug business of another company, Brooks Industries, Inc. — a market leader that supplies 20 percent of all area and accent rugs to the mass retailer/home center sector — worked with First Industrial Realty Trust to monetize its 276,000 s.f. plant in greater Toronto.

Our Approach

Mindful that Brooks didn't require the full use of its Stratford, Ontario facility subsequent to the acquisition, First Industrial crafted a solution that provided Brooks with subleasing rights. This gave the company the operational flexibility it desired to maximize use of the space with third-party tenants today while maintaining control of the building to accommodate future business growth.

First Industrial also helped Brooks address various environmental issues in structuring the transaction. Drawing upon in-house environmental expertise and long experience working with industrial assets of all conditions, First Industrial readily accommodated challenges that arose due to the facility's 45-year age.

The Outcome

By working directly with a real estate provider that had the significant capital to deliver certainty of closure with no financing contingencies, Brooks reduced its debt and is utilizing its improved financial position to expand preferred provider relationships with Wal-Mart, Home Depot and other leading "big box" retailers.

Development
Acquisition
Multi-Market
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