



TRIAD
COMMERCIAL
PROPERTIES

R E L A T E D N E W S A R T I C L E

AVAILABILITY, LOWER RATES ALLOW KAY EXPANSION

April 18, 2003 print edition

By Leigh Somerville

WINSTON-SALEM -- Leading the list of last year's industrial leases was a "clean deal" according to all parties involved -- no pun intended.

Kay Chemical Co., a Greensboro-based cleaning and sanitizing products manufacturer and subsidiary of Ecolab Co. of St. Paul, Minn., signed a seven-year lease in September, expanding immediately its 324,750 square-foot lease at 4791 Schlitz Ave. to 478,750 square feet.

Hap Royster, a managing partner at Triad Commercial Properties in Greensboro, who represented the tenant in the lease, says Kay Chemical was fortunate that Sara Lee's underwear division and CorrFlex Display and Packaging Co. moved out of adjoining spaces in the former Stroh's brewery at the time Kay needed extra space.

During the past three years, Triad Commercial Properties has worked with several clients needing large blocks of space, but there is "not a tremendous amount of supply," Royster says.

Matt Laraway, brokerage manager for the owner, AG/GFI Winston Salem LLC, the managing arm of Boston-based GFI Partners, says the deal was easy to negotiate.

The lease rate of \$2.60 per square foot was a contributing factor in Kay's decision.

"We continue to have space at lower rental rates than anybody else down there, so expanding made sense," Laraway says.

Mike Fellers, Kay's vice president of marketing, says the company chose the original space because it is within 15 minutes of its office and manufacturing plant in Greensboro. It didn't even look at other buildings when the adjoining space became available.

"They structured the cost in a way that was very attractive for us," he says. "Financially, it made a lot of sense versus finding an alternative."

© American City Business Journals Inc. All rights reserved.