Retailer Badcock Furniture Offers Up 42-Property Portfolio in Sale-Leaseback Deal

Locations Include Florida Headquarters, 35 Stores and Three Distribution Centers
Badcock Home Furniture & More has based its headquarters in Mulberry, Florida, since the company was founded in 1904. (CoStar)

By Linda Moss
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Retailer Badcock Home Furniture & More has put a portfolio of 42 properties on the block, including nearly three dozen Southeast stores, several distribution centers and its Florida headquarters, that it plans to lease back after their sale.

The company, based in Mulberry, Florida, has retained broker B. Riley Real Estate to market the properties, which span 2.2 million square feet. Badcock will consider offers for the entire portfolio as well as for the group of stores, the three warehouses and the corporate headquarters campus separately, according to the brochure on the sale-leaseback offering.

U.S. furniture retailers saw sales dip during the pandemic in 2020 compared with 2019, according to the U.S. Census Bureau. For November last year, sales for furniture and home-furnishings stores were unchanged month over month and seasonally adjusted but up 18.6% unadjusted and year over year, according to the National Retail Federation.

Supply chain issues are still plaguing furniture sellers, and inflation is threatening to put a damper on consumer spending this year.

"In general, furniture retailers are feeling the pinch of customers being reluctant to shop indoors, and buying leather couches, chairs, etc., are tough to purchase online without sampling the merchandise in person," Chuck Lanyard, president of the retail broker The Goldstein Group, said in an email on Thursday. "And inventories are low, so not all furniture is available to 'kick-the-tires' in person."

He predicted that supply-chain delays "will probably go on for another year at least causing huge back up of deliveries." They used to take four to eight weeks, but now there can be waits as long as six months to a year, according to Lanyard.

The Badcock chain, whose corporate name is W.S. Badcock Corp., is looking to sell 35 of the 38 stores it now owns out of its 380 brick-and-mortar retail locations. The company leases the remaining 345 of its stores. The retail sites being marketed include 21 in Florida and 14 in Alabama, Georgia, North Carolina and Virginia.
Badcock will consider offers for the full retail portfolio, as well as just the Florida and non-Florida sites, according to the brochure.

The company has annual retail revenue in excess of $750 million, making it one of the largest U.S. home furnishing retailers.
B. Riley said the full retail portfolio contains "high-performing locations," including the furniture chain’s top two performing stores, the brochure says. More than 90% of the stores in the portfolio have been remodeled within the past six years.
Since the company’s founding in 1904, Badcock’s corporate headquarters has been located in Mulberry. The campus includes a 43,000-square-foot main office at 200 NW Phosphate Blvd., an 8,000-square-foot IT building, an 184,000-square-foot administrative center and a 9,000-square-foot maintenance center.

The three warehouses that Badcock has put on the block make up its distribution network and total 1.28 million square feet.

They are:

- 201 Kid Ellis Road, Mulberry, Florida, 371,240 square feet, 39 acres.
- 1017 Corporate Park Drive, Mebane, North Carolina, 369,420 square feet, 25 acres.
- 505 Pegasus Parkway, LaGrange, Georgia, 537,855 square feet, 45 acres.

The three sites "provide sufficient capacity to not only efficiently service the existing store fleet, but support significant future store network growth across the entire company footprint," according to the marketing brochure.

At least one furniture retailer saw growth during the pandemic: Bob’s Discount Furniture. The store has credited its success to Americans left homebound during the pandemic who have decided to spruce up their nests with new furnishings and a pivot to e-commerce sales.