

# Swift Electrical Supply Company Case Study

## Challenge

Swift Electrical Supply Company had a significant amount of time remaining on a lease in a multi-tenanted, office-warehouse facility in Teterboro, New Jersey. The current facility lacked the ceiling height and number of loading doors for the tenant's new needs. In addition the air-conditioning in the office portion of the space was in need of upgrading.



The tenant was set on relocating their headquarters to a facility in Northern New Jersey that better met their needs.

## Action

After completing a comprehensive needs analysis, we evaluated a variety of scenarios, including the leasing or purchasing of a new facility with the associated relocation costs and time requirements. Simultaneously, we conducted a survey of potential alternative locations within a defined geographical area from Teterboro to Parsippany, New Jersey.



After touring various facilities in the marketplace and constructing a detailed financial analysis comparing all alternatives, we approached the tenant's current landlord to inform them of our representation and the tenant's desire to consider other options. Subsequently, we met with the landlord, their architect and property management team to address the tenant's concerns.

## Result

Upon review of alternatives and the landlord's offer to keep them at their current premises, the tenant chose to remain and extend at the current 53,000 square foot facility. We were able to negotiate an extension with the current landlord, including: an 18% rent reduction that commenced 15 months prior to the original lease expiration and continued for 33 additional months with a \$150,000 tenant improvement allowance. In addition, we negotiated the installation of two new air-conditioning units at the landlord's expense.

*"Scott Perkins and Andrew Somple clearly defined all our alternatives to enable us to make an educated decision on locating our corporate headquarters. Their understanding the market resulted in our ability to secure several concessions, including an attractive reduction in rental costs, as well as a significant amount of tenant improvements to our existing facility."*

August Sodora, Jr.  
President  
Swift Electrical Supply Company