

Tide Cleaners Case Study

Requirement

The family that owned the former 2,760 sf bank branch at 26 Morris Turnpike in Summit, NJ was facing the bank's lease expiration knowing that the lease more than likely would not be renewed. The primary reason was that the bank would possibly close not only this branch, but also many other branches throughout Northern New Jersey as well as nationally. Customers were rarely using the facility as they preferred today's technology of on-line banking and ATM's.

In early 2013, the family came to NAI James E. Hanson's Senior Vice President Thomas Ryan to lease the property, even though the tenant's lease had almost two (2) more years' term remaining. The family owned many similar facilities and the banks that historically had been great long-term tenants were routinely now not renewing leases.

The branch had three (3) drive-thru lanes and was situated on .78 acres with 25 parking spaces and had excellent visual exposure and vehicle access.

Approach

Mr. Ryan realized that in order to get a new tenant the owner must give him the approval that the bank would terminate the lease early to assure the new tenant of a timely occupancy. In addition, Ryan assured the owner that his long and successful relationship with the Zoning Department in the City of Summit would assist in expediting zoning and building permit issues.

Negotiations with the bank regarding the possible early termination of their lease were progressing nicely as Ryan and his NAI Hanson team developed a list of possible tenant users and the fact that there was a 3 lane drive-thru made them focus on other drive-thru possible users.

The NAI James E. Hanson marketing/research department advised Ryan's team that Proctor & Gamble's TIDE was looking to establish Tide Dry Cleaners that would provide not only regular walk-in service but also 24/7 access to a customer's dry cleaning items through their newly implemented drive-thru concept.

Results

We contacted the Tide Dry Cleaners franchisee in New Jersey and successfully negotiated a ten (10) year lease with four successive extensions of ten (10) years each subject to the owner terminating the existing bank lease in a timely fashion.

With this lease in hand the owner then negotiated an early lease termination with the bank and the bank actually paid the owner to allow them to terminate their lease early.

Ryan also suggested to the franchisee that they use a Summit based construction company that was also well known and respected as Ryan was with the City of Summit and building permits and a Certificate of Occupancy were rapidly forthcoming.

This was truly a case of TIDE "turning the tide" and all involved really "cleaned up" for the owner, the bank and NAI James E. Hanson as well!

