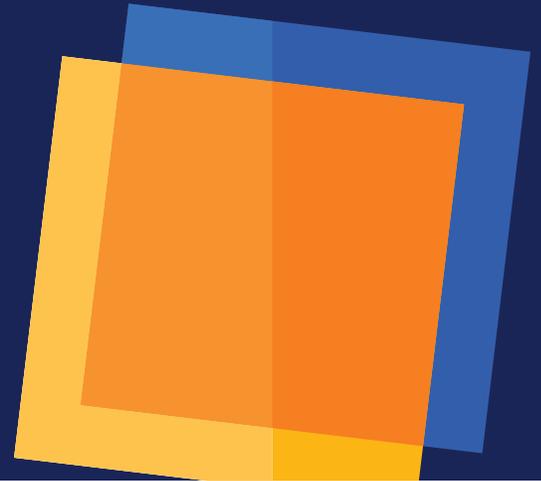


Manchester Industries

(a division of Clearwater Paper)

Manufacturing Relocation vs.
Renewal Evaluation and Transaction



Client Objectives

Manchester Industries had been a long-term tenant in their facility and had previously negotiated terms directly with their landlord. After receiving an initial renewal proposal from their current landlord, Manchester decided to engage our team as a tenant representation specialist to help with their needs and challenges.

Manchester utilized their facility primarily for paper converting, with some ancillary warehousing and administrative office as well. The operation included massive equipment lines and given the space inefficiencies, Manchester was convinced that they would need to relocate in order to achieve a more efficient process flow – with an estimated relocation cost of \$1 million (not accounting for the lost production that would come with the business disruption).

Process

Our team presented alternate options in the market, solicited proposals, and provided financial analysis to Manchester. More importantly, we worked with the client to develop an alternative strategy to keep Manchester in their existing space by working with them to redesign the space, procure pricing, negotiate a turn-key solution with the existing landlord, and achieve a below market rate structure.

Results

Manchester renewed in their existing space with the following business terms:

- **Cost savings** through a rental rate reduction and free rent both more aggressive than landlord's initial proposed terms;
- **Increased efficiencies** through a significant improvement allowance to reconfigure the space without coming out of pocket;
- **Long-term control and stability** through a renewal option with fixed rates and terms.

By having a dedicated occupier only advisor to advise them, Manchester's landlord knew their client would be educated about market rates and options. The team was able to leverage that knowledge into a solution that provided a better, more efficient facility, more attractive financial terms, long-term control of the space through set renewal option, and avoid the time, expenses, and lost business of relocation.