

SUCCESS STORY

DEALER TIRE

37 RUNWAY ROAD, LEVITTOWN, PA
115,200 SF | LEASE RENEWAL



CLIENT OBJECTIVES

Dealer Tire was approaching the final year of a 7-year lease and engaged Cresa to lead a competitive real estate process. The client needed to achieve 3 main goals: 1) mitigate operational disruption, 2) minimize P&L impact and 3) secure capital for strategic facility improvements. They were open to relocating for the right opportunity but strongly preferred renewing at better terms than market, given the existing employee base, existing investment in the space, and strict operational requirements related to fire safety and ceiling heights.

STRATEGY

Cresa conducted a comprehensive market survey, identifying all properties that met strong labor thresholds and the client's specifications for ceiling height, loading capabilities, and ESFR sprinkler systems. We toured 6 viable options and shortlisted 3 of them. In addition, we received unsolicited proposals from landlords not included in the initial tour, which together generated strong market interest and created an abundance of leverage. The incumbent landlord was informed they would be given a fair opportunity to compete just like everyone else — and Cresa leveraged those competing proposals — which allowed for a final renewal term sheet that fully met Dealer Tire's objectives.

RESULTS

The following concession package results eliminated the need for relocation, improved operational efficiency, and minimized financial impact. Key outcomes included:

- A 9.5% rent discount from the landlord's asking rate—equating to \$1.25M in savings over 7 years
- A full turnkey buildout of construction improvements, estimated at \$250K
- \$100K in free rent
- Return of the existing security deposit with no increase
- A renegotiated renewal option

PROJECT HIGHLIGHTS



\$1.25M

rent savings



~\$250K

construction package



\$50K

security deposit return

PROJECT TEAM



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