

Securing a strong deal in tough market conditions



Procuring new office space in Toronto under difficult market conditions for our client.

Our client's property scenario

Our UK based client had a subsidiary in Toronto with an upcoming lease expiry date.

The current site was situated in a building unsuited for the future direction of the business.

While the lease expiry was not imminent, SBM advised fast-tracking the process because of high occupancy levels in the locality, thereby maximising potential opportunities and avoiding any rushed decisions and unsatisfactory outcomes.

“A relocation strategy was successfully designed in London, implemented in Toronto, and the existing property was successfully returned to the landlord.”

Property challenges

It was imperative to successfully procure an alternative property solution within the timeframe established.

Alongside the timeframe considerations, local market conditions with very high occupancy levels required fast action to secure the preferred option.

In addition, the client had had a negative experience with its previous broker and wanted to ensure the situation was not repeated.

Property solution

SBM's team in London began by designing a relocation strategy which fitted with the client's future direction of travel, whilst taking into account local market conditions.

Upon completion of the designed strategy, SBM procured and managed an in-country broker, undertaking a thorough selection process.

SBM managed the broker throughout the process, providing our UK client with regular updates and specialist advice in relation to the new lease and exiting the old unit.

Thanks to our great working relationship with the broker, the five hour time difference was easily managed.

The process led to the successful relocation and fit-out of the new property without any delays and the existing property was successfully returned to the landlord.

We also negotiated significant cost savings totalling C\$220,000. They included C\$44,000 in rent free, C\$92,000 in fit-out costs and rent costs below the market level.

Result

- ✓ Secured the client's only agreed option, fitting aesthetic and budget requirements
- ✓ Exceeded expectations in tough market conditions
- ✓ Extensive fit out paid by the landlord which was completed on time
- ✓ Saved the client over C\$220,000

SBM expertise applied



Research

Through our global broker connections in Toronto, we appointed an in-country specialist broker who could successfully deliver on our client's requirement.



Analysis

Creation of a relocation strategy and analysis of responses and progress including Heads of Terms and proposed contract.



Negotiations

Appointment of a specialist broker on extremely cost-effective terms. Advising the broker on negotiating directly with the landlord.



Broker Management

Communicating successfully with the UK based client while managing the in-country broker to keep the project on track.

