



TENANT REPRESENTATION HD Smith Wholesale Drug Company

SERVICES

Strategic Renewal/Relocation Planning (SRRP) is a system designed by The Conte Team. This system was used to benefit H.D. Smith Wholesale Drug Company to provide lease alternatives.

SITUATION/PROCESS

- H.D. Smith was subleasing space from Publix Direct through one of the worlds largest institutional owners of commercial real estate. Prior to engaging The Conte Team, H.D. Smith typically handled their own lease negotiations.
- The Conte Team helped HD Smith's local team establish several goals about twenty months prior to sublease expiration. One of the initial goals was to reduce reduce the 140,000 square foot floor-plate by 20% and replace aging equipment like HVAC's.
- The Conte Team was hired to quarterback the strategy. With input from all of H.D. Smith's Department Heads, a detailed Time Line was provided and approved. Immediately following, The Conte Team requested a baseline proposal for early renewal from the *incumbent landlord*.
- Subsequently a highly qualified design team was hired to do formal programming for the current office and distribution needs of the business. An extensive two county property search was conducted followed by property tours with H.D. Smith's local and national leadership.
- Next, a detailed Request For Proposal was created and approved for delivery to the to the short listed competing landlords. Each round of responses were negotiated. Regular conference calls with H.D. Smith leadership to discuss updates negotiations and next steps.

RESULTS

The Conte Team quarterbacked the implementation of the SRRP to create Real Market Leverage by delivering alternatives which saved between 10% and 35% in occupancy costs. Ultimately, H.D. Smith was properly positioned for The Conte team to negotiate from a position of strength with the incumbent landlord. This lead to a 29% smaller floor plate and 25% less rent. Other benefits like minimal business interruption, free rent and an improvement package of over \$325,000.00 was achieve.

- REFERENCES AVAILABLE UPON REQUEST -

The work described in this case study was performed by JC Commercial Realty Consultants.
References are available upon request.

