

2310 MERCATOR DRIVE

2310 Mercator Drive
Orlando, FL

PERFECTION ARCHITECTURAL SERVICES

REPRESENTATION

Buyer Representation



ASSIGNMENT SUMMARY

Perfection Architectural Services was ending a five year lease and they had been in the building for over ten years. The building still worked for their business but it seemed a little larger than what they needed. After some discussion, it was determined that there were several options: renegotiate a lower rent and renew, relocate and purchase a building or relocate and lease a building. At the beginning, there was no clear 'preferred' option, but staying put would have saved them on moving expenses.

CHALLENGES

- Currently paying an 'over market' lease rate and had one year of lease term remaining.
- Owner wasn't sure whether they should lease or buy.
- There were moving costs associated with a lateral move.
- The existing building seemed to be larger than what they now needed.

RESULTS

The team was engaged by Perfection Architectural to help them determine the best, most economical decision. We first ran a Net Present Value calculation based on the remaining rent that the client had to pay for the additional 12 months, then made some assumptions based on recent industrial building sales as to the final sales price of an industrial building, if they were to relocate. This analysis indicated that they would be better off renewing with a 'blend and extend' in their existing location. As such, we negotiated a reduction in rent and added an additional five years of lease term. After much deliberation, they ended up deciding not to renew their lease and instead wanted to purchase a building. An offer on the existing building was presented to the Owner, but they were reluctant to sell, so we were forced out to the market. We located two replacement buildings that we could buy and negotiated very attractive sales prices on these buildings. After having two options in hand, we came back one last time to the existing Landlord and made an offer to purchase the building. The Landlord accepted and we were able to negotiate a price well below replacement costs for the client's existing building, which reduced their rent substantially and allowed them to save on the moving costs of a relocation.

TEAM MEMBERS

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NOTABLE DETAILS

- 66,254 SF
- Significant reduction in occupancy costs
- No moving costs
- Very attractive financing