



ST. LOUIS PARK, MN

The Huntington Company

Occupier Solutions

The Harrington Company had a long track record at the building. They had occupied the space (with multiple expansions) for 30 years and appreciated the convenient central location in St. Louis Park, MN. The company was to undergo a rebrand in 6 - 12 months and starting fresh with new space and location provided some interest in relocating. However, due to the lack of quality options and the high cost of moving, a lease renewal was also a likely scenario. The landlord was also becoming bullish on their position in the market and proposed significant rent increases based on other recent leases signed at the building.

Due to the hurdles we faced with the cost of moving, lack of quality options and the possibility of paying much higher rates if they renewed the lease, we had to create and execute a well-defined real estate strategy. To achieve the desired results, we needed to create a competitive environment with multiple other landlords and properties, create a "Point of Indifference" model to help visualize the economic impact of renewing vs. relocating, and make a compelling case to the current landlord about the risk of THC leaving. Ultimately, we negotiated a reduction of net rent by 9% annually and a \$10 PSF Tenant Improvement Allowance (TIA) to help revamp the aging space. Even at a stage in the market when rents are rising and space was becoming limited, we reduced occupancy costs and provided a total savings of over \$180,000.

“We needed to create a competitive environment to help visualize the economic impact.”

Nate Erickson
Vice President