

Office and Industrial Lease  
Renewal / Lease Buyout  
50,000 sq. ft. / 750,000 sq. ft.

The Savills logo consists of the word "savills" in a lowercase, red, sans-serif font, positioned on a bright yellow rectangular background.

## CASE STUDY

The Ingram Micro logo features the word "INGRAM" in a large, bold, blue, sans-serif font, with "MICRO" in a smaller, blue, sans-serif font to its right, and a registered trademark symbol (®) above the "O".

Established in 1979, Ingram Micro Inc. has grown to be the world's largest technology distributor and a leading technology sales, marketing and logistics company. Ingram Micro services its 159,000 resellers by distributing and marketing hundreds of thousands of IT products worldwide from approximately 1,300 suppliers. It provides service in 150 countries and is the only global IT distributor operating in Asia.

### The Challenge

Ingram Micro's Canadian operations are headquartered in Mississauga, Ontario, and include approximately 100,000 square feet of occupied office space, 500,000 square feet of adjacent warehouse space and almost 300,000 square feet of excess office space. Ingram Micro engaged Savills to identify a real estate and facility strategy that aligned with Ingram Micro's business objectives and to "right size" its facilities to reduce overall real estate costs.

### Savills Response

Savills recognized that the successful implementation of any strategy for Ingram Micro's multi-dimensional real estate requirements required a seamless and well-coordinated process. Savills met with the Ingram Micro executive team on a number of occasions to formulate a detailed needs analysis based on their existing lease obligation and their future requirements.

Savills then prepared a detailed action plan and created a negotiation strategy that effectively leveraged its extensive experience with Ingram Micro's current landlord, Orlando Corporation, to renegotiate Ingram Micro's existing office lease, sublease a large portion (3 full floors) of the surplus space and effectively help Ingram buy out of a 75,000-square-foot surplus floor by identifying the optimal user for the space. Savills then swapped out Ingram Micro's obligation for the new tenant's covenant and obtained very favourable rates for the 500,000-square-foot warehouse and distribution centre.

### The Solution

In executing the first phase of the action plan, Savills successfully renegotiated the extension of Ingram Micro's 500,000-square-foot warehouse and distribution centre requirements to be coterminous with their office space. In essence, the Savills' solution brought Ingram Micro's real estate holdings in line with their business needs and dramatically reduced their facilities costs.