

National Client

Industrial
Portfolio Management
Major Projects in British Columbia, Alberta
Manitoba, Ontario, Quebec and New Brunswick

CASE STUDY



Unisource Canada Inc. was formed in 1992 after a series of mergers and acquisitions. Today, Unisource is now the premier Canadian distributor of printing, imaging and supply products. Its goal is to become the "Distributor of Choice" for its clients through the expertise of its associates.

The Challenge

Unisource was dealing with a variety of real estate issues and required new solutions that aligned with its business development Plan. Key priorities included converting industrial space to accommodate freezers and coolers for its food product packaging and to maximize operational efficiencies, thereby reducing its real estate costs.

With a number of significant leases up for renewal, the greatest challenge was to balance new business while maintaining competitive lease negotiations to fund the freezer/cooler installations.

Our Response

Using its FLOW™ process, Stan Krawitz and his team initiated a study of Unisource's operational needs comparing them to its current industrial real estate portfolio. The study focused on existing locations with impending lease expirations as well as locations that required freezer/cooler installations. This study included a thorough review and audit of each lease, and extensive consultation with each Unisource operations team to get a clear understanding of its business needs, particularly related to acquiring new business contracts.

Stan then customized a competitive bidding platform for Unisource's tenancy while its in-house engineering team developed highly technical specifications that would enable Unisource to outfit its plans in any alternative facility.

The Solution

As a result of Stan and his team's strategic preparation, Unisource's existing landlords came to the negotiating table highly motivated to maintain Unisource's tenancy within existing facilities. The team's Harvard-trained negotiation team successfully renewed leases for Unisource's 240,000-square-foot head office and distribution centre in Montreal, as well as those for its 220,000-square-foot and 85,000-square-foot distribution facilities in Calgary and Winnipeg, respectively. The team also provided consulting services and additional counsel for the renewal and restructuring of Unisource facilities in Vancouver, B.C. Key features of these negotiations included rent reductions, energy cost savings, and tenant incentives for freezer/coolers and lighting upgrades. In addition, Stan negotiated termination provisions to accommodate any future business needs.

The team has since been engaged by Unisource World Wide to assist in managing Unisource's real estate portfolio across Canada. This has included a detailed review and strategic plan for over 20 owned and leased properties. As Unisource's trusted advisor within Canada, Stan and his team have consulted on numerous facilities and completed an expansion/relocation of operations within Edmonton AB to a new 120,000 sq. ft. facility at significantly below market rents, and the lease extension and expansion of operations within Moncton to 95,000 sq. ft. including significant building improvements and opportunities for future expansion.

"The strategic and operational needs assessment completed by Stan and his team ensured that our objectives were always the focus throughout the project. Its financial comparative analysis made the review process very efficient, which allowed me to spend more of my time on other business. I look forward to engaging the team on future projects."

Ray Kung
Vice President
Unisource Canada