

## Industrial Lease of The Year 2007 Toronto NAIOP REX Awards

Industrial  
Relocation  
265,000 sq. ft.  
Services Provided: Site Selection  
Lease Negotiation  
Project management

### CASE STUDY



Giftcraft Ltd., a designer, importer, and manufacturer of inspirational artist-driven giftware is recognized as one of North America's pre-eminent marketers of giftware.

#### The Challenge

Prior to our involvement Giftcraft had embarked on a 3-year project to completely restructure its business. This resulted in rapid growth which was forecasted to continue at a rate of 10% per annum. Before engaging our team, Giftcraft was required to expand its operations ad hoc to manage the increased sales volume and to cope with the lack of infrastructure and warehouse space at its owned head office facility. This resulted in Giftcraft's needing to lease two additional warehouse facilities.

Giftcraft engaged the real estate consulting services of Stan Krawitz and team in late 2006 to provide it with a comprehensive long term real estate strategy. The analysis included an evaluation of all its buildings, a feasibility study to assess the value of a consolidation of its operations and the potential disposition of its owned facility. Given the cyclical nature of the giftware industry, a significant challenge lay in implementing any long term strategy within the short seven month window provided to us by the client.

#### The Response

The team initiated its FLOW™ process with thorough analysis of Giftcraft's facilities and operational requirements. Our in-house technical staff prepared appropriate facilities specification to meet Giftcraft's current and future growth projections. Our team searched the marketplace for suitable existing buildings and completed a thorough review of available land and design-build opportunities.

## The Solution

The process produced an award winning result. Our expert team was able identify a distinct facility, “diamond in the rough”, ideally located within the immediate area of Giftcraft’s owned facility. The facility was part of a portfolio sale to GWL Realty and it posed significant leasing challenges for the owners.

The team’s fully integrated leasing, engineering, project management and design team creatively morphed an otherwise ill suited facility into an ideal building for our client, without Giftcraft investing any of its own capital into the building.

The project included converting the tired pre-cast façade of the building into a modern state of the art building with a glass façade. The project required significant HVAC and mechanical upgrades, and the conversion of a saw toothed indoor loading dock into an architecturally praised 60,000 sq. ft. showroom and first class office space.

The new 264,000 sq. ft. headquarters represents a substantial upgrade for Giftcraft, and will more effectively accommodate and showcase the company’s expanded product line, as well as feature several enhancements to serve Giftcraft’s growing customer base.

The 17,000 square-foot fully redesigned showroom is the highlight of the new headquarters complex. Featuring European-influenced design treatments, the newly expanded showroom enables Giftcraft to display its complete product offering year-round as well as provide customers with innovative display ideas and cross merchandising opportunities.

Additionally, the facility boasts a fully automated distribution centre, employing the most modern technology to ensure that orders are efficiently fulfilled and a new corporate head office complex to accommodate its highly trained operations, management and creative teams that are the backbone of Giftcraft’s success.

Our team negotiated a highly competitively priced agreement for our client and our work was rewarded with the “Industrial Lease of the Year Award”, voted on by our peers, at the 2007 Toronto NAIOP REX Awards.