

Nash Commercial Helps Expanding Recycling Plant Overcome Growing Pains



The Challenge

Imperial Plastics was stuck in a lease agreement for two years with no room to grow and no leverage to negotiate an equitable lease agreement to move into a more suitable space.

The Solution

Nash Commercial identified a competitive property with a highly motivated landlord to leverage a more attractive deal with the company's current landlord so they could move into a more appropriate facility.

The Results

Lease terms were agreed upon within two weeks enabling Imperial Plastics to immediately occupy the new facility and save \$175,000 over the term of the lease thanks to Nash Commercial.

Based in Norcross, Georgia, Imperial Plastics is a successful plastic and waste recycling plant that was founded in 2008. Within just 3 years, the business grew so rapidly that their 20,000 SF space could no longer accommodate their warehouse, distribution, and manufacturing operations as well as their corporate offices.

To make matters worse, an accidental fire broke out overnight one evening forcing the plant to shut down operations until they could find the right facility to effectively run their business. Fortunately, nobody was injured. But orders began piling up, and time was running out. Imperial Plastics had to find a new home for their company as soon as possible to keep their business moving forward.

"Thanks to Nash Commercial we not only found the perfect facility to run our business, but we have healthier bottom line, too!"

— Mauro Sanchez, Imperial Plastics



TRANSACTION HIGHLIGHTS

Client

Imperial Plastics

Industry

Plastic waste and recycling

Transaction Size

80,000 Square Feet

Negotiated Lease Rate

12% below quoted rate

Lease Concessions

3 months free rent

Total Transaction Savings

\$175,000



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“We needed a facility with a more robust electrical system to run our equipment,” says Mauro Sanchez. Imperial Plastics was also under a lease agreement for two more years and retained little negotiating leverage with their landlord. Even though their landlord had a vacancy at another 80,000 SF facility that could accommodate their business, Imperial Plastics wasn’t able to successfully negotiate a feasible lease agreement. They simply didn’t have the bargaining power they needed to reach a reasonable deal.

Creating Leverage And Opportunity

Imperial Plastics turned to Nash Commercial to develop a sensible relocation strategy to help keep their business moving forward. Nash Commercial conducted a comprehensive market survey and determined that no other facilities were available for immediate occupancy that could meet Imperial’s unique electrical requirements.

In order to generate the necessary leverage to strike a better deal with Imperial’s current landlord on the new space, Nash Commercial identified another facility with a highly motivated landlord who was willing to offer electrical systems upgrades and enough free rent to offset the remaining lease obligations in the current facility.

A Better Outlook And Bottom-Line Results

Within just two weeks, Imperial Plastics’ landlord agreed to terminate their current 2-year contract and allowed the company to immediately occupy the new facility under a 5-year lease agreement.

“Thanks to Nash Commercial we not only found the perfect facility to run our business, but we have healthier bottom line, too!” says Mauro Sanchez.

Nash Commercial negotiated a rental rate 12% below the original quoted rate, and nearly 6% below the rate Imperial had previously negotiated with their landlord. Better still, Nash Commercial enabled Imperial to receive three months of free rent that was previously not even on the table. As a result, the company received an additional \$175,000 in savings from rental rate reduction and free rent alone.

Thanks to Nash Commercial’s experience, expertise and thorough market knowledge, Imperial Plastics was able to leverage the market to achieve the lowest possible occupancy cost compared to other similar transactions. “Now, our recycling work flow is running at full steam,” says Mauro Sanchez. “Partnering with Nash Commercial was the best decision we ever made.”

