

CASE STUDY



150 N MICHIGAN AVE

Chicago, Illinois

SIZE

6,788 RSF

SERVICES

Competitive
Market Analysis
Financial Analysis
Lease Negotiation

CONTACT

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CLIENT:

Messe Düsseldorf North America (MDNA) is part of the Messe Düsseldorf Group of Companies - one of the world's largest organizers of international trade shows. They organize events in Europe, Asia, and Latin America for a broad range of industries. Over 20 of Messe Düsseldorf's shows are the most important in the world for their respective industries.

CHALLENGE:

Messe Düsseldorf had been a long-time tenant in their building and they were happy with their existing space, building, and location. Because they'd been in the building for more than 16 years, their office space showed wear and needed updating. The office market had softened, and Bella Terra Partners believed their rent was above market. Despite having a little over two-and-half years of term remaining on their lease, Bella Terra Partners thought they had a good chance to obtain concessions, including free rent and a tenant improvement allowance with which to complete the necessary office space refresh before their lease expired. In order to obtain these concessions, Bella Terra Partners needed to convince the landlord that they were prepared to leave if the right economic package for a renewal, which included appropriate tenant improvement dollars, could not be negotiated.

SOLUTION:

Bella Terra Partners created leverage with MDNA's existing landlord by creating *real* alternative lease options that fit all of MDNA's criteria. In tandem with pursuing a lease in an alternate building, Bella Terra Partners focused MDNA's existing landlord on the value of MDNA's willingness to enter into a long-term lease commitment, stressing MDNA's long and excellent record of steady business.



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BENEFIT:

Bella Terra Partners' persistence in building a case for MDNA's renegotiation (it took four attempts to get the landlord to renegotiate) yielded an immediate 22% reduction in rent one and half years prior to the lease expiration. Bella Terra Partners also successfully negotiated a tenant improvement allowance that allowed MDNA to refresh its space without any capital improvement infusion of its own.

