

Accraply Relocates Headquarters After 20 Years

Executive Summary – Accraply

9350 W Broadway Avenue, Brooklyn Park, MN

Accraply, A Barry-Wehmiller Packaging Systems Company, is a provider of labeling and converting equipment, specializing in the pressure sensitive labelers, roll-fed labeling systems, and shrink sleeve label application technology. Their labeling machines serve a wide-variety of industries including food and beverage, pharmaceutical, household and consumer goods, health and beauty and more.

Challenge

The lease for Accraply headquarters was expiring March 31, 2018. Accraply's Landlord had proved difficult to deal with over the years and the condition of the property was deteriorating and in need of a \$1,000,000 plus renovation. Colliers International was engaged to negotiate the best possible deal with the current Landlord and to identify alternatives for a potential relocation.

Solution

Approach the Landlord and commence renewal negotiations at least 12 months out from the lease expiration. Identify alternative sites suitable for the future of the business and solicit lease proposals to use a leverage against the current Landlord. Allowing 12+ months for this process proved critical to allow enough time for completion of improvements in alternative sites, renovations to existing building required by the lease, and relocation of the business.

Results

In December 2017 Accraply signed a lease to relocate the business from Plymouth, MN to Brooklyn Park, MN in a new building at 610 Commerce Park. Compared to the final lease proposal from the current Landlord, the lease at 610 Commerce Park represents a 10% reduction for the average gross cost per square foot and a +/- \$55,000 average annual savings in gross rent over a 10-year term. In the first three (3) fiscal years of the lease term (FY '18, FY '19, and FY '20) the total estimated savings in gross rent as compared to the final proposal from the current Landlord is \$481,951 or 27%.

Project Timeline

