



Case Study: Portfolio Management

Major Australian Beverage Company: Make Good Negotiation

In a landlord's market, a fair solution to meet the needs of the tenant were negotiated.

PROJECT SUMMARY

LOCATION

Oceania

INDUSTRY

Consumer
Packaged
Goods

TMX was engaged to assist the tenant make good negotiations, to ensure an optimal agreement was achieved and savings garnered by the client.

Client Challenges

Having occupied the site since 2011, the tenant carried out an extensive office fit-out, incorporating a reception, bar area, and offices. The make-good cost, outlined in the landlord's dilapidations report, amounted to AUD\$351,940.95 plus GST., far above what was budgeted by the client.

Approach

To reduce the cost of the make good, TMX conducted a comprehensive review of the lease. It was determined that items being considered within the dilapidation report were outside of the lease obligations, including, repainting and recarpeting i.e. no redecoration clause.

The landlord was not agreeable with the revised scope, pushing for the works to be carried out. However, upon review, TMX established that no security deposit or bank guarantee was being held, allowing TMX to be firm in negotiations.

Solution

After various negotiations and reviews of the scope, TMX were able to deliver the **cash payout agreed (AUD\$200,000 plus GST)**, with the site being handed back at expiry, whilst achieving an **AUD\$151,940.95 plus GST saving for the client.**

“After a long tenure at our previous office, we engaged TMX to negotiate the make good component. The initial quote was far above budget, however Catherine (TMX) was able to achieve a reduction of more than 40%.

Thanks Catherine and TMX!”

Procurement Category Manager

Transform your supply chain

TMX Transform is an end-to-end supply chain consultancy, providing expert advice and practical, innovative solutions to businesses globally.