

NAI Hiffman assists Midas with Headquarters Lease

Midas
Itasca, IL

NAI Hiffman | Office Brokerage Group

NAI Hiffman assists Midas with Restructuring of Headquarters Lease

Situation:

Midas, Inc. (NYSE:MDS), one of the world's largest providers of automotive service, was nearing the expiration of a sublease with Cendant (Avis Budget Group, Inc.) for their headquarters in Itasca, Illinois.

Problem:

In the late 1990's, Midas began withdrawing from the manufacturing and distribution of automotive parts, and the company renewed its focus on building their franchise and real estate businesses. With this change in focus and streamlining of operations, Midas found themselves with excess office space. Nearly two years remained on the lease of over 108,000 sq. ft., while Midas' refined business operations required only 60,000 sq. ft.

Solution:

Midas engaged the services of NAI Hiffman's Tenant Advisory Services Group to analyze their space needs and develop an action plan to present to Senior Management. In order to evaluate all options and create a competitive environment, NAI Hiffman identified building alternatives that would accommodate Midas' remaining obligation, while concurrently negotiating restructured lease terms with the current master Landlord.

In the end, NAI Hiffman facilitated a transfer of the sublease to a direct lease extension with the existing landlord at a lower rent and arranged for Midas to be relieved of their excess space one year early. Midas also received a Tenant Improvement Allowance enabling them to reorganize their space and bring their off-site training center into the headquarters facility.

As a result, in just the first year of the restructured transaction, Midas saved over \$1.47 million in rental expense, while realizing the benefit of redesigned space and on-site training.



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