

RICHEMONT



- Two ICC
- 5,500 sqm Relocation/Consolidation

Panasonic Shanghai

The Challenge

Richemont Group, the holding company for brands such as Montblanc, Dunhill & Jaeger-LeCoultre, had their Customer Service & Technical Training Center in an old building. The Group sought to relocate to a building with a larger floor plate in a downtown location, however, given that the operations were not revenue generating, their budget remained below the standard rent for grade A office space. Furthermore, they sought to sign an agreement approximately one year before commencing the fit-out works given that their design & approval process required extensive planning.

Our Strategy

Savills commenced a review of opportunities 2.5 years before Richemont's lease expiration date, identifying only a handful of opportunities with the required floor plate size within their geographic requirement. One of which was part of the mixed-use project being developed by one of Asia's most well respected & professional developers who were in need of an prestigious anchor tenant such as Richemont's. After reviewing all of Richemont's real estate foot print, Savills recommended that the Group combined their Customer Service Center & Technical Training Center with their Senior Management office. This was not only to achieve greater economies of scale but also to help convince the landlord to hold the Customer Service Center space for over a year while the Senior Management office takes their space within a half of a year of lease signing. Furthermore, Savills reminded the landlord that the Customer Service Center attracts wealthy foot fall who would likely shop & dine at the developments luxury retail component.

The Outcome

After extensive negotiation involving the landlords senior management in Hong Kong, the landlord saw the long-term benefits the Customer Service Center & Richemont brand would have and provided rental offerings approximately 30% below market. Furthermore, the professionalism of the landlord ensured the success of negotiating the complex technical requirements Richemont require.