

CASE STUDY

CRI MEDICAL DEVICES - EXPANSION & RELOCATION - PHASE I

Challenge

For almost 30 years, CRI has been a market leader in medical device manufacturing, design, development and product life cycle management. Restructured as an ESOP in 2008, CRI employs nearly 300 team members. Following a very healthy growth period and the completion of several strategic acquisitions, the company had outgrown their current U.S. location and CRI needed to develop a long-term real estate strategy to align with the business plan. The company engaged the Morris/Woods Team, now at CBRE, to assess real estate costs, facility alternatives and relevant strategies to achieve the desired real estate platform and the most cost-effective economics.



Approach

CRI operates out of a facility reliant upon various Clean Room classifications. This required pursuing a strategy with significant lead time. The company also wanted to consider alternatives to Lease or Purchase the next location. As such as new lease or purchase had to be fully executed more than 9 months prior to taking possession of a fully improved facility. The Morris/Woods team immediately assembled a team that would support CRI on the Construction Project Management, Economic Incentives & Legal Counsel. The objective was to secure a new building 100% larger than CRI's existing location, at aggressive market pricing, and establish a turn-key tenant improvement solution CRI could completely control.

They executed on a multi-tiered marketing campaign to create awareness within the marketplace which included electronic marketing to all brokerage firms within the Indianapolis MSA and direct campaigns to all potential occupiers in the area.

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CBRE

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CASE STUDY QUICK FACTS

- New Headquarters, Manufacturing & Distribution Facility
- Chosen building had existing long term tenant.
- 9 month lead time required for TI build out
- Assembled economic incentives and construction project management team
- Secured new long term lease at a 17% lower rate than previous tenant had been paying.

Results

Within 15 months of the start of the project, the Morris/Woods Team worked with the CRI team to establish a competitive, long-term lease in a stand-alone facility for CRI's headquarters, and U.S. design/manufacturing/distribution operations. Benefits for CRI included:

- Secured nearly \$1.1 million in economic incentives;
- Established construction project management services team member working with CRI team to competitively bid and then manage the construction of nearly \$2.5 million of Tenant Improvements.

Established a long term lease for Class A 70,000 SF corporate office, clean room & warehouse facility at a lease rate 17% lower than what the previous tenant had been paying.

Client Testimonial

"Andrew's team took the time to learn our business, thereby becoming a strategic partner focused on the current and future needs of CRI. The result was an in-depth analysis that truly understood our challenges, incorporated the unique needs of our ESOP financial requirements, and as a medical device company understood the sensitive timing of this endeavor. The options presented demonstrated their expertise and the team at CBRE flawlessly executed the chosen strategy."

—Phil Sheingold, President & CEO, CRI