



## SUCCESS STORY

### *Pinacle Stainless Steel Inc.*

9422 – 39 AVENUE  
EDMONTON, ALBERTA



*“Transition went exactly according to initial discussion and agreement, which reduced our overall costs.”*

– Michael Joseph, GM & CFO,  
Pinacle Stainless Steel Inc.

#### STATISTICS

Cancel head lease  
for Pinacle  
20,244 sq. ft.  
5-year head-lease

#### AGENT

Carla Voss, Associate

[www.colliers.com](http://www.colliers.com)

#### INTRODUCTION

I had assisted Pinacle in the purchase of lands in the Pylypow Industrial Park, a new subdivision in South East Edmonton. In the early 2000's, this land was considered farm land and was acquired, unserviced, for under \$20,000 per acre by several investors. Pinacle decided to build and purchased about 3.84 acres for over \$375,000 per acre. They had moved out to their new property in 2007 and had their former location in the Brier Business Centre of 20,244 square feet vacant for over six months in a buoyant market. The remaining lease was going to cost them over \$400,000; and they were not getting any activity to lease the space from their existing landlord.

#### CHALLENGE

As Pinacle had purchased land, which they were convinced was former farmland now serviced industrial lands for a much more expensive price per acre than five years before; I was coming back to them with a solution for the former space. Given their past perception on the land they purchased, I was prepared that Pinacle would resist my plan. I was, however, confident that:

- I could save Pinacle over \$400,000 in basic and additional rent;
- earn a fee for Colliers by Pinacle cancelling their head-lease with the landlord, Eskimo Equities;
- place a good tenant and a good covenant in the 20,244 square feet with a bump up in revenue for the landlord; and
- earn a full fee from the landlord for Colliers.

Timing had to be just right for the plan to work. It was a win-win for everyone if Pinacle could be convinced to hire Colliers to assist in the solution.

#### SERVICES

- Financial summary of the situation with three options (sublease, cancel lease and do head lease, or both).
- Marketing of the sublease.
- Active industrial agent sourcing potential tenant(s) with this requirement.

#### RESULTS

I was sourcing space for a prospect, who was looking for 15,000-18,000 square feet in South East Edmonton. We had been touring numerous properties, which were charging up to \$14 per square foot. The timing for Pinacle canceling their lease and the landlord acquiring a new tenant with a good covenant for five years was perfect. Even with the bump in rent for the prospect in a new head lease to over \$9 per square foot for the landlord. The solution was a win-win for everyone involved.