DELPHI
Case Study

HQ: Troy, MI
www.delphi.com

Location:
Opción Santa Fe III Building,
Ave. Prolongación Paseo de la Reforma # 1236, Colonia Santa Fe, México D.F.

Example: NAI Team Negotiated A Reduction In Overall Real Estate Costs.

Note: This is a sample from the Panamas teams we manage jointly with our Mexico and Latin America Teams. This project is from Mexico City. Samples from other LatAm countries are available upon request.

Background Situation
Delphi is a leading global supplier of technologies for the automotive and commercial vehicle market, making vehicles smarter, safer, and efficient. Delphi maintains over 25 locations in Mexico, requiring both office and industrial support. NAI team has supported Delphi Mexico projects for over 10 years.

Challenges
Mexico City offices required planning and lease renewal support. NAI team identified opportunities to reduce expenses and improve the process for Delphi operations.

Team Actions
Joint planning with Delphi HQ and Mexico executives.

Comparative market analysis was presented to existing landlords. Reduction was accomplished by implying DELPHI would move out if it was not granted a lower rate than other existing tenants.

Implication was strengthened by constant employee complaints of difficulty in getting to Santa Fe submarket during regular hours and presentation of available offices in nearby locations.

To retain a prestigious client like DELPHI, LL agreed to a lower rent. The second reduction was also obtained by leveraging NAI competitive market intelligence.

Results
Negotiated two separate lease contract renewals for office space in Santa Fe for DELPHI AUTOMOTIVE SYSTEMS, reducing rental costs from $23 / M2 to $17.50 / M2 during the first renewal, and from $22 to $19.50 / M2 in the second three-year contract renewal negotiations, as well as reduced the annual cost escalation from Mexican CPI (INPC) to a flat 2.5% per year.