

December 15, 2010

Post Office Hires Steinco for Midwest Renewals

By Robert Carr



Stein

CHICAGO-Steinco Inc., based here, is now handling lease renewals for the US Postal Service in the Midwest. The government hired the company to reduce overhead and create more flexible terms for its interests in five states, including Illinois, Indiana and Wisconsin.

The leases are for between 400 square feet to 25,000 square feet, and always for property already used by the post office. "We think next year we'll do about 300 leases for the postal service," says David Stein, managing principal of the company.

He said his firm has already handled a few of the renewals, and has helped the organization save about 4.5% on average per lease. However, Stein tells GlobeSt.com that it's not easy to convince landlords that the government deserves a break. "Some landlords try to take advantage that the postal service isn't going anywhere. We have to tell them, for example, that no, the market rate is not \$10 per square foot, it's \$8 per square foot. It takes awhile to move a post office, but they have done it and will do it."

Another difference is paying more attention to the actual number of local residents, vs. the projected customer count. Demographics play the key role in determining whether an office is needed.

Stein says outsourcing stayed popular throughout the downturn, and will continue to grow, and there's room for his company to handle the mid-level companies. The government is more than happy to hire a knowledgeable firm to handle the work, he says.