

## **Case Study- Real Estate/ Portfolio Management**

Situation: A corporate headquarters campus included over 1 MGSF of leased space occupied by three corporate tenants from a previous business segment disposition. The lease terms benefited the Lessees with significant flexibility in multiple, unilateral renewal options. The client/ Lessor wanted to both recapture some of this space for growth and limit the Lessee's renewal option flexibility to regain control of the headquarter campus.

### Action:

- Identified and engaged a commercial broker who was not representing either tenant
- Convened multiple engagements with the individual tenants to understand their needs and future plans
- Crafted win-win outcomes for each party, matching needs with needs to benefit all
- Prepared Lessor's officers for a patiently executed strategy over two years due to all the moving parts; four parties within five separate facilities and eight separate lease agreements that had to be "unbundled"

### Results:

- Reclaimed significant priority space for Client/ Lessor 's expansion plans
- Eliminated all but one tenant extension option
- Tenants benefited financially through "blend and extend" strategy where they reduced their rent rate in exchange for a reduced footprint and longer primary term
- The ultimate new leases secured \$104 M of income stream over the next eight years for the client, provided room for growth and significantly reduced the presence of tenants on the corporate headquarters campus.