



70,000 SF Office – Landlord/Tenant Representation

Situation:

A local real estate developer began a high-end office development in a marginal submarket as the market was beginning to decline. The developer had a high land acquisition cost and was committed to building a state-of-the-art, Class A facility that would require a very high lease rate as the market was heading in the opposite direction.

Challenge:

(Representing the Landlord)

To successfully market a high-end, expensive office building in a declining market with limited vacancies and reduced tenant demand, while at the same time...

(Representing the Tenant)

Obtain for the client/tenant attractive aggressive lease/sale package on a new building which could be customized for its particular purpose.

Solution:

After formulating an appropriate game plan and identifying a target tenant base, tenant prospects were contacted by the marketing team and appropriate information was delivered. Individual, proactive meetings were set up to better understand the individual tenant needs. Given the quality of the construction and the resulting economic package, it was estimated that fewer than five percent of the target tenants in the market at any one time would have been able to afford the subject building. As it so happened, one of our clients needed just such a building which could be heavily customized for its particular purpose at a very attractive rate – – much less than the cost of completely new construction.

Benefits:

As often happens, the Forum Group Listing Team, having taken the time to understand the needs of both landlord and prospective tenants, were able to identify a tenant (also represented by Forum), with a need that was addressed by the subject building. The building was suitable for the tenant from a geographic, aesthetic, economic, functional, logistic standpoint and provided critical signage to the subject tenant. A long-term lease was completed with an Option to Purchase which was exercised after the first year of the lease term– resulting in a significant win-win for landlord and tenant.. Both parties recognized that, because of the high construction cost and asking sale price, if this unique tenant had not been identified, it would not have been fully leased at completion, and the tenant would not have had this state-of-the-art facility.