

OPPORTUNITY/CHALLENGE

R.J. Dale Advertising, a 27-year old firm consisting of a group of integrated marketing problem-solvers who speak the language of consumers and build brand communities with clients such as Nike, Jewel Osco and Coca-Cola, approached Transwestern seeking to reduce their rental costs by half, while improving the quality of their office space and building. Furthermore, their former landlord had implemented an aggressive 200 percent holdover penalty if R.J. Dale was to stay longer than four months. This narrow time frame meant Transwestern could only pursue suites where the existing layout matched R.J. Dale's specific requirements, including furniture. They also had to be conscious of the time period required for landlord consent in approving a new subtenant.

SOLUTION

changed the length of the lease term from 7 to 3.5 years. Leveraging this mid-negotiation change, Transwestern was able to add an additional month of rent abatement, a renewal option for the original full term and a significant reduction to the required securitization. To cover costs associated with moving, it was negotiated to have all free rent start immediately upon lease execution and Transwestern was able to capitalize on its excellent relationship with the landlord to expedite landlord approvals.

VALUE ADDED BY TRANSWESTERN

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- costs by 42% while reducing their square footage by only 8.7%
- Negotiated to keep the subleased space in move-in ready condition. Ownership of furniture and phones transferred to R.J. Dale for a \$1.00 bill of sale
- Moved tenant to a building with a more efficient floor plan, leaving room for ten additional employees, yet leased 8.7 percent less space