

## Portfolio Financial Servicing Company

### Project Outline

GVA Kidder Mathews was retained by Portfolio Financial Servicing Company in late 2004, just six weeks prior to the expiration of its roughly 20,000 square foot office lease. PFSC wanted to reduce its overall square footage and to reduce its overall rent exposure. Most importantly, it needed the flexibility to allow it to complete ongoing merger discussions without having a lease obligation that negatively affects the value and marketability of the Company.

### Services Provided

- Real Estate Agency
- Tenant Representation
- Transaction Management

### How We Added Value

Mark and Brandon approached the landlord with a clear understanding of PFSC's business strategy as well as of the deteriorating market conditions for comparable office space. PFSC needed a renewal agreement immediately, needed to reduce rent and needed to be able to get out of the Premises upon sale of the company. We compared the cost of parking at Broadway Plaza with the space alternatives that provided free parking. We explained that the cost of losing PFSC as a tenant, even including holdover penalties, would be very detrimental to the Landlord. Further, we were able to show that many, if not most, renewing tenants in the market were receiving early termination rights. By securing a waiver of parking rent for 18 months, we were able to reduce PFSC's occupancy cost by 40% initially and 25% over the term of the lease. To the firm, this represented a savings of over \$500,000 over the lease term. More importantly, PFSC was able to secure early termination rights in the event of a change in ownership and to renew their lease prior to imposition of any holdover penalties.



Portland, Oregon



*"Everyone wants to save money on rent. What we needed, in addition to that, was the ability to grow or shrink, to extend or terminate our lease in the likely event of a change of ownership. Mark and Brandon took on that job, accomplished it in less than 45 days and got us free parking downtown, too! Our company is more valuable because of their work. "*

**Jerry Hudspeth**  
President/CEO