

One Twelfth @ Twelfth

23,000 SQUARE FOOT SUBLEASE

Challenge

The client had recently closed on a substantial amount of venture capital and needed to expand. The challenge was whether to expand their current operations into adjacent space or move the entire company. Their existing building offered a few advantages for expansion, most notably a limited amount of disruption to on-going business and a favorable rental rate structure. Relocating the company had its own upside: ten year low rental rates and many vacancies already cabled, wired and with some level of furnishings existing.

Strategy

We determined our focus would be on the sublease market because of attractive economics, low securitization requirements, and sufficient spaces offering 'plug and play' type set-ups. Leveraging selected Sublessors against each other and maintaining the possibility of not relocating at all put the client in a commanding position.

Result

A 23,500 square foot sublease with Nortel Networks at One Twelfth at Twelfth—a less than two-year-old project on the edge of downtown Bellevue with great visibility and access to Interstate 405. The negotiated rental rate and parking costs achieved were 50% less than those being paid by the Sublessor, in addition to use of the Sublessor's fully outfitted Herman Miller work space, complete with workstations, Aeron chairs, and support furniture. Additionally, the first-year rental rate was deeply discounted to help offset the client's initial up-front occupancy costs and be more in line with their future expense and revenue projections.



"We are thrilled with the space that Jason Smith helped us find, negotiate and close. Jason quickly understood what we needed and found several properties that would work well for us. As we negotiated with one building, it became clear that we couldn't get the space as quickly as we wanted. Jason kept an eye on the market and quickly came up with an alternative property that was much better for us and turned out to have better economics than any of the other possibilities. Jason did a great job quickly and successfully negotiating the deal for us. He understood our business and financial requirements and made sure we worked all of them into the deal. In the end, Jason found a property that exceeded our expectations and was a huge help in getting us better terms than we had expected. We ended up with terrific space with terrific terms. I highly recommend Jason's services."