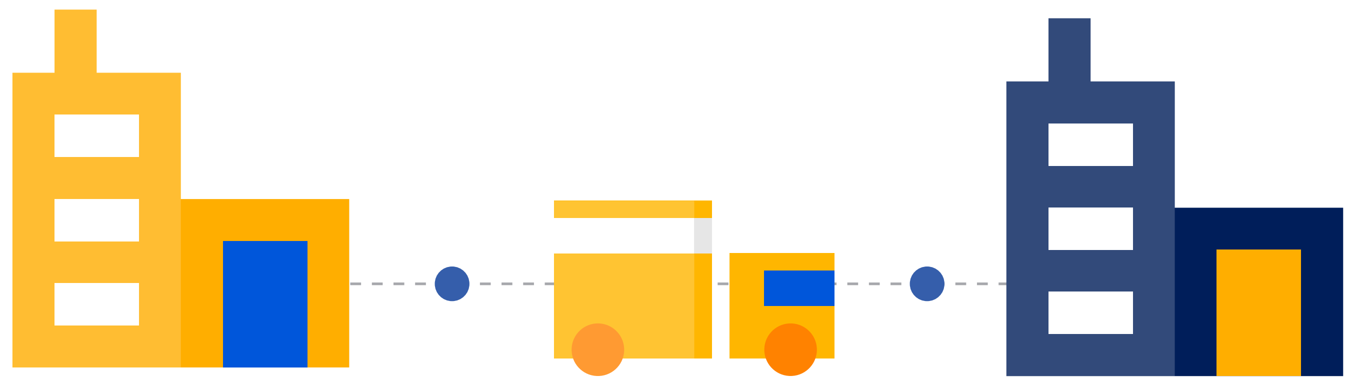
Cresa Viewpoint

Renewal vs. Relocation

Should We Stay or Should We Go?

Answering this deceptively simple question requires thinking beyond your work space and existing lease terms. Instead, consider the current needs of your business and your vision for the future. What type of layout will optimize daily operations and your balance sheet? How can space contribute to employee retention and recruitment? Can your space reinforce your brand?

Regardless of which decision you make, you'll want to start the process early. In fact, the earlier you begin, the more likely you'll make a sound decision that resonates across the organization. Negotiating renewal lease terms or uprooting your workforce for a relocation will produce the best results if your discovery and due diligence begin approximately 12-18 months prior to your lease expiration. Engaging decision-makers, professional real estate advisors, legal counsel and other consultants provides a reliable platform for your selection.



Renewal

Things to consider:

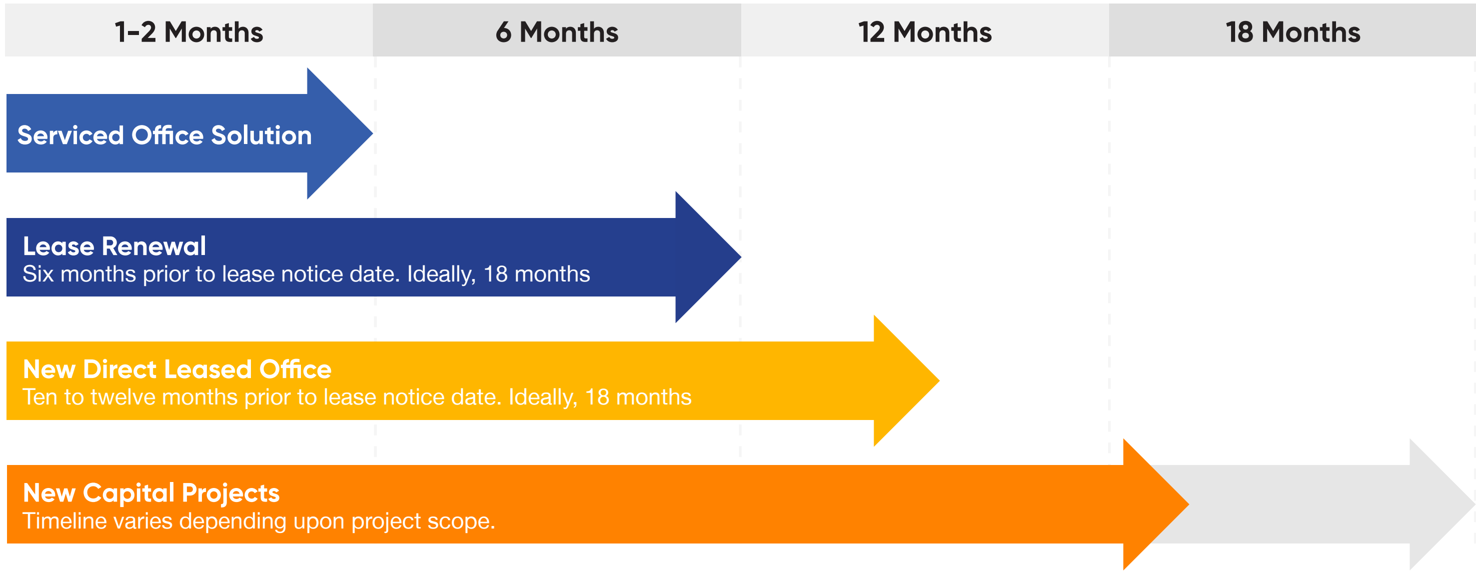
- ☑ Can we manage the disruption to our space without losing productivity?
- ☑ Does this location provide relevant amenities to our workforce?
- ☑ Could our current floor plan accommodate fluctutations in headcount?
- ☑ Is rightsizing an option?
- ☑ What renovations could be made to better reflect our brand, improve our technological infrastructure and optimize our current footprint?
- ☑ What credible benchmark market data have we acquired to gauge the economic benefit of remaining in place?
- ☑ Are we prepared to enter into competitive negotiations with our landlord?

Relocation

Things to consider:

- ☑ What costs are associated with relocating your workforce and can we feasibly absorb them?
- ☑ Would a different neighborhood, city or market provide a more centrally-located office for our workforce?
- ☑ Will the injection of this type of change reinvigorate or demoralize our workforce?
- ☑ Have we acquired market data to use as a baseline for what are considered fair-market terms?
- ☑ Are we prepared to enter into competitive negotiations with a prospective landlord?
- ☑ Are we prepared to implement the move process with minimal disruption to the business?
- ☑ Based on our lease expiration, do we have time to diligently explore a relocation option?

Ideal Timeframes for Real Estate Planning



A **Serviced Office Solution** provides a furnished, fully-equipped space allowing you to "pay-as-you-use" the space and building amenities. It's managed by a professional company. **Capital projects,** such as a build-to-suit, involve a significant investment of resources which build, add or improve an asset. These are typically for organizations seeking a unique type of space such as a factory, laboratory or historic building restoration.

Optimize the Lease, Regardless of Your Approach

Lease Forensics - Ensuring Fair-Market Terms
A detailed lease and expense audit is important for both existing occupancies and in preparation for the evaluation of a relocation. It analyzes historical and anticipated balance sheets for the purpose of mitigating future expenses. These audits help determine if operating expenses and real estate tax passthroughs are in line with the local market and have been calculated in accordance with the lease documents. Lease Forensic experts, in coordination with your Counsel, carefully examine existing and proposed lease language and billing methodologies.

Lease Reviews - Identifying Savings and Ensuring Flexibility
Lease review work includes analyses, lease escalation interpretations, landlord income due diligence, operating expense audits, property management operations and sublease passthroughs. Ultimately, the review will ensure that your landlord isn't billing you more than is legally allowed by the lease.

Counterproposals - Achieving Favorable Terms
Counterproposals to the landlord confirm critical terms including, but without limitation to, rent costs, base building construction, square footages, operating expense passthroughs, notice addresses, critical dates and options. Optimizing the lease structure can result in reduced expenses (i.e., push costs "below the line"), minimize the cost of real estate on the balance sheet, avoid double rent periods and mitigate out-of-pocket capital expenses.