

CASE STUDY ~ Mountain View, CA

Transaction Type & Details

Transaction Date: 2014 Q4
Transaction Type: Disposition - Sublease
Building Type: Office
Market: North America



Our client leased approximately 18,000 square feet of office space in a freestanding building with a lease expiration date in June 2018. As the client was preparing to fully vacate the property, PW was engaged to assist in either finding a credit-worthy subtenant to subsidize the remaining lease obligation or some other creative structure by which they would be relieved of their remaining obligation.

Client Objectives

- Find subtenant to occupy and take over remaining lease obligation
- Generate reduction of client's remaining financial obligation

Transaction Profile

- Present property to market for sublease
- Negotiate with existing Landlord regarding termination of client's lease obligation

Solution

PW engaged a local service provider in Mountain View to assist in the search for possible subtenants to subsidize client's remaining lease obligation or find another creative solution which in turn would relieve client of the final 5 years on their lease term. The property was outdated and highly specialized with lab space taking up nearly 50% of the premises which created challenges when attempting to locate a subtenant. Although our mandate was to sublease the property, the marketing team learned of a prospective Buyer in the market for whom it appeared the property was a logical fit, and presented the property to them as an alternative. They were interested, and the owner of the property was then approached about selling. We were able to manufacture a transaction which resulted in the following benefits for the client:

- Early termination of client's lease and release of all rental/liability obligations as predicated under the lease contract with landlord.
- Resulted in savings of nearly \$1,400,000 for client.