



Client Success Story: Leukemia & Lymphoma Society

Lynn Drake of Compass Commercial was the account manager for Leukemia & Lymphoma Society for many years. When working across state lines, Lynn collaborates with local ITRA Global affiliate members to source the optimal space for clients and assist with negotiations. In the following success story, she engaged the dynamite team of Bertram Rosenblatt and Andrew Stein of Vicus Partners, an ITRA Global affiliate in New York City, to guide the team with local market knowledge and expertise.

THE CHALLENGE

Our client Leukemia and Lymphoma Society (LLS) had outgrown their current office space in New York, and with 18 months remaining on the lease term, they needed to relocate sooner rather than later. Their initial lease had been signed without tenant representation, and as a result, they overpaid for their current space, and had very few favorable rights in their lease.

Compass Commercial was initially engaged to expand LLS' office space in its current building to accommodate its increased staff requirements. Vicus Partners was brought in to work with Compass to help formulate the best solution for LLS. At the time, there were several sublease offerings available in their building that would have worked for LLS; however, the subject landlord refused to permit LLS to sublease in the building, telling them that they could either lease an entire floor, or nothing at all.

To resolve the immediate space issues, we studied their current space and found an area that could be reconfigured to provide immediate relief. We also helped them source contractors to do the work, so that the employees could get organized quickly and resume their work.

Even with these immediate measures, there was still the issue of outgrowing the space. First, our team determined the appropriate square footage for them— that would also allow for growth. Then, we sought space options within a specific number of blocks of the current location to establish geographic boundaries. Finally, we toured the best options in the market, and resolved on a front-runner – that we leased.

THE RESULTS

- **Compass Commercial and Vicus Partners** helped LLS relocate and achieved a total rent reduction of \$5M over a 10-year term in a new building.
- The entire first year was negotiated to be rent-free, so there would be no double payments of rent.
- We negotiated over 2,000 sq. ft. of the space to be free of charge to the tenant for the entire lease term.

- Favorable 'Turn-key' improvements were negotiated.
- Accord was reached on a lease with equitable terms for both the tenant and landlord.
- The new office environment leased by LLS is much more efficiently configured and maximizes the staff's productivity and quality of life.

A FOLLOW UP TO THIS TRANSACTION

While Compass and Vicus worked on this project in New York, Compass also worked on another LLS relocation in Florida with Jason Stagman, CCIM of Stagman Commercial Real Estate Advisors, the ITRA Global affiliate in the Fort Lauderdale area. LLS was scheduled to tour buildings in Florida for lease, when we learned that the landlord for a property on that tour was the same landlord that refused to permit LLS to sublease vacant space in their New York building. Of course, that viewing was canceled. As tenant representatives, whenever possible, we help tenant-clients avoid adverse & uncooperative landlords, and circumnavigate potential pitfalls for our clients' benefit.

OUR CLIENT'S WORDS

"Lynn Drake has worked with The Leukemia & Lymphoma Society for many years and has become an integral part of our team. The savings for the Society have been tremendous. Many of these savings were realized even before the downturn in the U.S. economy. I highly recommend Lynn's work to anyone wishing to hire an experienced and talented tenant representative."

Rich Colbert- Director of Real Estate & Facilities
Leukemia & Lymphoma Society

Article submitted by Lynn Drake / ITRA Global Detroit, Michigan USA