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MARCH 4, 2016

A NIGHT of EXCELLENCE

IN COMMERCIAL REAL ESTATE

2016 NIGHT OF EXCELLENCE IN COMMERCIAL REAL ESTATE AWARDS

2016 AWARD WINNERS



Bill Naito Award Winner, Mike Nye

CAPACITY COMMERCIAL GROUP

Ruby® Receptionists has been a long term client for Mike Nye, and have seen continued growth, especially over the last five years. Mike was asked to help them with their projected explosive growth to ultimately house a staff of over 900. Having a well-defined vision of space needed in the short term, and future projections, Mike was able to work with them to identify the foundation to build on. The project was filled with unexpected twists and turns, as other Tenants had to be relocated to accommodate the growing company, but the outcome provided outstanding results for everyone involved.

Assignment Details

The short term requirement addressed increased space needs as they bring on a large number of employees by year end 2016. The growth needed to follow a specific cadence: First phase, add space for half of the anticipated new employees by Q1 2016. Second phase, the remaining new employees would be brought on by Q3 2016. Aside from the timeline, it was essential the selected buildings provided the Ruby Receptionists "WOWism" to the space and be an extension of their brand. The desired location was limited to The Pearl, Northwest and the CBD North of Taylor.

Three possible scenarios, one big choice

- Long-term – Go big. Find buildings addressing Ruby's growth cadence. This meant evaluating buildings with 60,000 SF or more including existing buildings, under construction, and BTS.

- Mid-term – Grow out. Find buildings with 40,000 SF over the next 12 months and options to absorb additional space.
- Short-term – Settle. Find space to handle the 2016 needs.

Prevailing Issues

- Inflexible Timing.
- Tight geographic parameters.
- Tough market with single digit vacancy rates.
- Limited number of large blocks of space.
- Negotiating in a Landlords' Market.

The End Result

After an extensive market evaluation, we split the requirement into two leases totaling 47,603 SF; leasing 19,290 SF at the Fox tower, and expanding at The Lovejoy to 28,313 SF. Both spaces had significant challenges and hurdles. At the Fox Tower, the existing Tenant who occupied half of the floor had to be relocated to another floor. Ultimately the Landlord agreed to perform half of the improvements, then once the Tenant relocated, complete the remaining work. Two Tenants needed to relocate at The Lovejoy. With the help of Ruby, the Landlord was able to craft a buyout that enabled a win for all parties involving the first Tenant. The second Tenant was a long term client of Mike's, who didn't want to move and relocating within the building wasn't an option. Total relocation in 60 days was essential to meet all of Ruby's timing. Eventually Ruby's tight timelines were met.

These multi-faceted transactions are all about relationships and teamwork and couldn't have been a success without everyone involved: Vanessa Sturgeon, President and CEO of TMT Development, Brandon O'Leary of Kidder Mathews, Brian Pearce of Unico Properties, and Charlie Floberg of Jones Lang LaSalle.