



COMMERCIAL REAL ESTATE SOLUTIONS

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CASE STUDY

Client Since: 2011

Services

Tenant Representation
Project Management
Move Coordination

Scope

23,000 RSF Office Lease
(Corporate Headquarters)

Geography

Richmond, VA



PRIVATE ADVISORS[®]
ALTERNATIVE ASSET MANAGEMENT

Private Advisors

Summary

In September of 2010, 7 Hills Advisors (“7Hills”) was engaged by Private Advisors, LLC (“PA”), an alternative investment management firm with over \$4.5 billion in assets, to assist them in the evaluation of their Corporate Headquarters options in Richmond, VA. PA was paying above market rents and while located in a historically desirable suburban submarket, wanted to explore their options including the Downtown Central Business District. The goal was to elevate PA’s presence in the marketplace to be more in-line with a “NY Firm,” while minding the overall impact to their bottom line. With 24 months remaining on their lease, a project schedule was established. As the downtown CBD market was on the cusp of significant Class A vacancy, 7Hills recommended that PA wait six months before beginning the project allowing market conditions to continue to work in PA’s favor. With 18 months remaining on PA’s existing lease a market survey was conducted. Building tours were then completed with a list of six properties selected to receive an initial request for proposal (“RFP”). Following the evaluation of the proposals, two buildings were selected as finalists. Test-fits (space plans) were then completed for each of the two finalists, construction estimates gathered, and a second round RFP issued. What followed were two properties equal in quality competing strongly for PA’s business. Terms were then agreed to and a lease finalized. 7Hills’ strategy was to process and time this transaction in the best possible manner, to create maximum leverage, and achieve a good fair long term deal for PA. Working together, 7Hills and PA were able to accomplish this goal.

Value Creation

- Achieved overall quantifiable savings in excess \$680,000.00.
- Secured a generous tenant improvement allowance, significantly reducing PA’s out-of-pocket relocation expenses – 65% improvement over the initial proposal, including an allowance for the restrooms and elevator lobby.
- Negotiated the use of the tenant improvement allowance for data wiring, move expenses and project management expenses.
- Negotiated a significant free rent package and extremely favorable renewal option containing arbitration language.
- Negotiated favorable expansion option language to insure PA receives a “market deal” in a captive situation as well as a termination option with a minimal termination fee at the end of the seventh lease year to maintain overall lease flexibility.
- 7Hills was heavily involved in lease negotiations with PA’s attorney and the Landlord, allowing management to focus on its core capabilities during lease negotiations.
- 7Hills was also engaged by PA to handle full project management and move coordination. These services included scope definition, facilitation, negotiation, review, value engineering and vendor management for space planning, construction documents, construction, finish selection, furniture selection, network infrastructure, data cabling, AV package, security, moving, signage, artwork, etc.