



**DUNHILL PARTNERS WEST**

*Commercial Brokerage & Investments*

## TENANT REPRESENTATION PROCESS

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To ensure that DUNHILL PARTNERS WEST clients obtain the most effective space, it is imperative to systematically prepare the strategy to the relocation or renewal process. It is important to evaluate all of the possible options including off-market opportunities, meaning options identified by your DPW team that are not known in the marketplace but can be delivered to you. This evaluation is defined by way of a complete understanding of the client's requirements and possessing a broad knowledge of the marketplace including potential owners, developers and or landlords.





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### EVALUATE AND TARGET THE GOALS

- Evaluate client's real estate needs and objectives. Objectives are typically determined around features affecting location, type of facility, time and cost.
- Location – Establishing the best geographic location in relation to clients requirements, employees, image, environment and amenities.
- Facility – Concentrating on matters involving company's projected growth, parking, technical requirements, flexibility, and security.
- Timing - Determining the requirements for timing of relocation or renewal which has a significant impact on market availability.
- Cost - Analyzing additional factors affecting economics, such as financing, ownership structure and landlords' negotiating leverage
- Analyze the existing lease, conduct an internal lease audit and produce a detailed space plan.

### MARKET SURVEY

- Create a market survey to identify prospective spaces in the desired locational parameters.
- Locate properties which are off market as well as available properties in the market. Your DPW Team's extensive knowledge of the San Francisco Bay Area will allow them to identify those properties that are not currently in the market but can be presented to you for potential occupancy.
- Utilize Dunhill Partners West subscription to CoStar®, Loopnet® and other real estate databases which identify all buildings within the Bay Area market that will correspond with the client's requirements.



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### DELIVER ALTERNATIVES FOR ANALYSIS

- DPW will collectively with the client choose alternative locations for a detailed technical and physical inspection.
- The analysis will reflect the following for example;
  - Features of the site
  - Cost of operations, both current and historical
  - Utilities, HVAC, etc
  - Access - Parking
  - Transportation/commuting
  - Views
  - Security
  - Expansion possibilities
  - Efficiency of useable space/floor plate
  - Environmental audits
  - Current tenant mix
  - Define additional categories for this analysis as we work with you to identify your requirements and objectives.

### REQUEST FOR PROPOSAL

- Deliver 2 or more "best fit" space alternatives with a request for proposal (RFP) to each prospective landlord, owner or developer
- The RFP will include information on topics such as:
  - Specific Options; Renewal or Expansion
  - Floor Plans
  - Space Planning
  - Tenant Improvement Allowance
  - Economics
  - Legal Issues, ADA
  - Parking
  - Subleasing/Assignment
  - Signage
  - Mechanical Systems



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### TECHNICAL AND FINANCIAL ANALYSIS

- Depending on the assignment our analytical team will produce an initial Technical and Financial Analysis Report summarizing the significant factors in regards to each alternative.
- The analysis will evaluate topics, for example;
  - Total Nominal Cost of Occupancy
  - Net effective Rental Rates
  - Square Footage (usable vs. rentable)
  - Free Rent and Other Concessions
  - Total Present Value of Occupancy
  - Form of Landlord Concessions
  - Discounted Cash Flow
  - Available Options to Expand or Renew
- Assess other business topics, such as legal terms, expansion/renewal options and signage that have not been finalized and formulate responses to the most appropriate alternatives.

### PRELIMINARY NEGOTIATIONS

- Prepare negotiating strategy that addresses the number of buildings with which to pursue negotiations and the best approach to utilize in dealing with owners/developers.
- Dedicate special attention to budget, design, scheduling, financing, management, operations and other contractual issues to examine varying degrees of leverage of each alternative and the factors that could alter existing leverage conditions.
- Develop a summary report containing each final owner/ developer proposal, which may include but not be limited to the following:
  - Comprehensive financial analysis
  - Highlights of technical and location data
  - Recommendations with respect to the final selection (market or off-market locations) in addition to a final ranking of back-up choices
  - Summary analysis of leverage conditions and factors



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### CONCLUDING NEGOTIATIONS

- Work with client's legal counsel and other team members to negotiate an agreement that most favorably satisfies the client's needs in terms of operational, financial and contractual flexibility.
- Provide client with an evaluation as to each specific issue raised during negotiations.

The nature and extent of the situations  
 Impact on the established negotiation objectives  
 The recommended course of action

- Review final transaction agreement.
- Make all information used in the negotiating process available to the client.
- Provide customer with documentation that includes both the lease and the transaction agreement.

### FOLLOW-UP

- Review annual escalation calculations and other broad conditions to help insure compliance with the lease agreement.
- Generate a tracking system that will indicate the future timing of option and notice provisions. This process is facilitated by the preparation of a chronological summary of such provisions.