OPPORTUNITY:

Stream was hired by Fortune 20 company to create and implement the expansion of all three business units currently collocated within one facility.

Prior to engaging Stream, the client had an existing global contract with a separate service provider. However, past experiences between the local client team and the third-party provider were unsatisfactory.

Each business unit had different lease requirements, capital needs, facility needs, and overall objectives for their specific divisions.

The circumstances of the project became even more complex when the COVID-19 pandemic hit, which had a material impact on both the company and the platform's revenues and operations.

Stream was selected by a Fortune 20 company, replacing their existing global contract with a separate service provider, to coordinate the facility strategy for three business units within client company. The end result was a relocation of two business units to two, new-construction facilities in a single business park, and the relocation of the third entity to an existing, client-owned property, which maximized efficiencies and ensured cost savings for all three units.

DEAL HIGHLIGHTS:

- After nearly 24 months from initial discussions to project completion, the client was able to grow by approximately 60%, at total costs below previously provided budgets.
- The tenant improvement allowance in the new facility was approximately 2.5X the standard market allowance.
- Relocation deal terms struck at a rate approximately 30% below market, relative to tenant improvement allowance provided.
- The terms of the renewal deal, although ultimately not executed due to the pandemic, were below market and provided approximately 50% more in TI allowance relative to the market.

STRATEGY:

Stream was initially engaged because we won the confidence of the local teams and regional oversight of the client, which led them to push for Stream's engagement on the project, rather than the default third-party provider. Stream's initial engagement was in conjunction with the global provider. Soon after Stream's involvement, the client removed the global provider's involvement altogether and worked exclusively with Stream.

Initial steps included gaining a thorough understanding of each division's construction costs and educating the client as to the true nature and cost of their facility needs and improvements. In total, the three divisions required approximately 60% more space than they were currently occupying. With a lease expiration on the horizon, Stream coordinated to separately evaluate each business' needs, potential relocation options, labor studies, and move-related costs in order to make the most cost-efficient decision for all divisions.

After the creation of separate construction and relocation budgets, it was determined that the most cost-efficient plan would be to relocate two of the three business units and push the existing landlord to downsize the third unit into 50% of the existing premises. Stream was asked to assist in the delineation of costs for each business unit, and how that impacted the overall cost to the project. The team engaged in weekly status calls for the relocation and the renewal projects, and provided regular analysis of proposals, counter proposals, and evolving construction costs.

RESULTS:

The end result was a relocation of two units to two new facilities, a 12-year lease of 180,417 square feet, Ultimately, the relocating business units selected two separate buildings within the same business park, and Stream negotiated an extremely aggressive deal including a Tenant Improvement Allowance (TI) substantially above market standard finish.

Stream provided critical value in discussions necessary for the new landlord to approve the transaction. Ultimately, the TI provided to the client was 2.5x market average, despite the fact that we were competing with another prospective full-building occupant, leasing more space within the project, with minimal TI, on a similar length term.

At the existing location, the landlord agreed to downsize at the landlord's expense and renew in the current building for the third division. However, due to the COVID-19 pandemic, this business unit ultimately decided to relocate operations to an existing, client-owned facility that was no longer in use.

The client's team was extremely pleased with the service they received from Stream, sending numerous notes of appreciation from the team, and are extremely excited about the new facilities and expanded capabilities.

> *"When Stream visited us for the first time, our discussions were very balanced and credible, which built the trust. This was the reason I pushed for having you represent us, even though there were other processes our real estate team was pushing us towards. Your deep local knowledge and your consultative approach was very beneficial during our discussions. - GE Aviation CEO"*