

Case Study: Tenant Representation

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CBRE
*Building Client
Advantage*

Sallie Mae Bank required a more efficient and functional space design. The existing location could not be re-configured to promote communication within a department and did not have additional space for growth. Although the space was inefficient, the building had quality finishes, free covered parking, good freeway access, and was surrounded by restaurants and other retail amenities. The challenge was to identify a space that could be efficiently designed to address the needs of the business unit without diminishing the positive aspects of their current location. In addition to efficiency, occupancy costs were expected to decrease to allow for costs associated with relocation.



Towne Ridge Center

The Solution

Johnson and her team partnered with an architect to meet with Sallie Mae and understand the specificity of their particular needs in terms of space design. In this way, the architect was able to design the space to address the Tenant's needs rather than those of the Landlord. This partnership allowed us to identify specific buildings that best met Sallie Mae's needs. Space efficiency was only one element. Financial consideration, free parking, accessibility, and amenities were also pivotal. The most efficient space was located in downtown rather than their current suburban location. Downtown, Central Business District locations incur the additional cost of parking and can add upwards of \$2.00 per square foot to occupancy costs.

The Result

Our challenge was to keep Sallie Mae's occupancy costs below their current costs. Unfortunately, the downtown location would increase cost. Through lease negotiations, we were able to offset the parking with a decrease in rental rate and rent abatement to allow Sallie Mae to relocate to a new space that was designed and improved from building shell condition. Sallie Mae is surrounded by incredible amenities of City Creek, hotels, theater, convention center as well as light rail, buses and ease of access to all the major expressways from West Temple. The added benefit is the surrounding hotels and the light rail to the airport that better addresses their Board Meetings that occur several times per year. With all these added benefits, the Johnson and Galanis Team were still able to reduce Sallie Mae's occupancy costs over their five-year term.