



# Commercial Real Estate Perspectives

**While most companies have addressed the immediate impact of COVID 19 on their real estate and business, many are now asking themselves:**

- How do I downsize or “rightsize “ my space?
- If I have a lease expiring in the next 24-30 months what can or should I be doing to gain flexibility and reduce costs? Also, how do I determine what to do and when to approach my landlord?
- With the potential challenges of working in highly dense areas ,should I consider alternative locations?
- How will my office space function going forward with issues such as space reconfiguration, new furniture alternatives, and a partially or substantially remote workforce?
- What other things can I do to reduce CRE expenses regardless of whether my company owns real estate or leases space?

## In this Issue

Addressing the longer term challenges associated with real estate for business owners and tenants occupying commercial office space

*While the business environment will remain uncertain for some time, one certainty is that companies will need to continue to find ways to reduce real estate expenses including increasing flexibility in the way in which they use and lease office space.*

If you are like most companies, real estate leases and business expenses in general, were not the primary concern over the past decade as we enjoyed a robust economy with an continued upward trajectory. With confidence high, most companies entered into long-term lease commitments at historically high rental rates; neither of which adversely affected profitability. *Now the question has become; how much space do I need, what does it actually look like, and how do I pay for it including my current leasehold obligation?*

Clearly this will be an evolutionary process where the primary need in the near term is a reduction of expenses followed by a need to determine what the form and function of your office space will be over the next few years.

## OUR STEP BY STEP APPROACH

### Review your real estate.

The first thing we do is examine your real estate including leased portfolios to understand your obligations. This includes examining the nuance of each lease, understanding the tenant make-up of your building, and researching your landlord to understand their objectives.

### Identify areas of immediate relief.

We then examine the potential for rent reduction through modification, strategies to downsize, potential relocation or lease restructuring for long term cost savings.

### Examine other areas to reduce expenses.

In addition to rent, we can assist our clients in implementing cost saving initiatives including lease audits, cost segregation studies, efficiency studies and in the instance of owned real estate refinancing or sale/leaseback. We also work with a suite of closely held business advisors that can evaluate your insurance, employee benefits, and even your retirement plan for savings.

### A forward thinking real estate team.

We will establish and coordinate a comprehensive real estate team that includes architects, industrial engineers, furniture suppliers, and other industry specialists that will work with your CEO, CFO, IT, HR Manager and/or facilities team where we will identify best practices and new ideas to help you build a flexible blueprint for your real estate going forward. We work with companies across every business sector, so we can offer a unique insight into what others in your industry are doing.

### Implementation.

We establish a proactive and customized strategy for your real estate, and begin implementing a tactical program where we negotiate on your behalf. Whether it is a short term lease renewal, longer-term restructuring or relocation; portfolio analysis, and/or refinancing owned real estate, we act as your real estate advocate and constantly look for ways to save money on real estate and support your business needs.

If you are facing any of the questions raised—we can help. For over 30 years **Thompson Hennessey & Partners** has been providing specialized real estate advocacy specifically for tenants and business owners throughout New England. For questions or assistance with any real estate need, please contact:

John Hennessey, Co-Founder/Principal  
O) 617-804-0400 C) 617-529-7217

[jhennessey@thp-re.com](mailto:jhennessey@thp-re.com)

Rick Robinson, Principal  
O) 617-987-4100 C) 617-549-2987

[rrobinson@thp-re.com](mailto:rrobinson@thp-re.com)

Don Hause, Managing Director -Private Client Group  
O) 617-514-2600 C) 617-512-2292

[dhause@thp-re.com](mailto:dhause@thp-re.com)

