



BENJAMIN S.  
**CROCKER**  
SYMPOSIUM 2010



# Leasing 2010: A Tenant Opportunity or Apocalypse Now?

**Nadav Ravid, Buchalter Nemer (Moderator)**

**Stephen Bay, CB Richard Ellis**

**Anthony Gatti, Jones Lang LaSalle**

**John Tipton, Allen Matkins Leck Gamble Mallory & Natsis LLP**



# Current State of the Market



BENJAMIN S.

**CROCKER**  
SYMPOSIUM 2010



# Market Conditions of Los Angeles

March 23, 2010

3



BENJAMIN S.

**CROCKER**  
SYMPOSIUM 2010



**What factors must be considered  
in making new lease deals in  
today's economy?**



- 1. Viability**
  - a. Landlord viability**
  - b. Tenant Viability**



## **2. Ways to protect against viability risks**

- a. SNDA**
- b. Escrow funds**
- c. Offset rights**
- d. Security**
  - i. Bankruptcy implications**
  - ii. Cash**
  - iii. Letters of credit**
  - iv. Guaranties**



### **3. Material terms for new deals**

#### **a. Rent and Concessions**

- i. initial rent**
- ii. rent abatement**
- iii. rent increases**
- iv. free space**
- v. takeover payments**



### **3. Material terms for new deals**

#### **b. Space flexibility**

**i. termination options**

**ii. contraction options**

**iii. fixed options to expand**





### **3. Material terms for new deals**

#### **c. Tenant improvements**

**i. specifications**

**ii. TI allowances**

#### **d. Proposition 13**



BENJAMIN S.

**CROCKER**  
SYMPOSIUM 2010



### **3. Material terms for new deals**

#### **e. Parking**

##### **i. Must-take parking**



- 3. Material terms for new deals**
  - f. (Retail) Co-tenancies**
    - i. Opening co-tenancy issues**
    - ii. Operating co-tenancy issues**
  - g. (Retail) Kick out rights**
  - h. (Retail) Percentage rent**



# Outlook for 2010 and 2011