



MUD, Inc.

65 Broadway
Entire 15th Floor

In 2014 we were retained exclusively to handle MUD's NYC space needs due to the unique nature of their tenancy and the personal attention required for a company based on the West Coast.

375 West Broadway, MUD's NYC home since 2004, had just changed ownership and Tate Holland, CEO of MUD, Inc., wanted us to ensure that he received a fair deal whether he was expanding in his current building or relocating.

Ownership's initial offer to MUD was at an above market base rent but was tempered by the new landlord's proposition to keep MUD's loss factor the same. Initially Tate was excited about the offer as an increased loss factor translated into 10%-15% more in rent; however, something didn't feel right...

After further discussion, we uncovered that the landlord was only willing to keep the same loss factor if MUD kept the original 2004 Base Year for real estate taxes. **This "simple" change would have increased the rent rate immediately by \$13 per square foot per year.** To say the least, we advised MUD, Inc. to explore the market.

The tedious search process involved finding an owner who would accept a school use, finding a space that could accommodate MUD's growth, and finding a floorplate that lent itself to MUD's layout while staying within budget. Based on Tate's direction we initially focused on SoHo and Chelsea, where we negotiated two great options that fit all of the criteria.

Before we agreed to terms, we suggested that Tate explore the up and coming Wall Street market. The neighborhood had seen the beginnings of a revival with the new World Trade Centers rising, a new cross section of tenants gobbling up space, and rents that were still aggressive.

Time was a crucial factor due to the various approvals necessary (Certificate of Occupancy changes, local and national education boards, and more) and MUD's deadline to begin operating in its new space. We had to move lightning fast.

We structured a fantastic deal for a full floor of approx. 17,000 square feet in a matter of weeks. We pushed hard and negotiated that the landlord would completely build the space to MUD's specifications plus 5 months of free rent after the space was built. We also negotiated a fixed rent on a 5 year tenant option.

The deal was a home run for MUD. The H shaped floorplate lent itself to MUD's classroom layout, the lower rent allowed for growth space, and we were personally involved in the deal every step of the way allowing for a seamless transaction.

We saved MUD almost \$4,000,000 compared to the other deals while also incorporating growth spaces at no additional cost.