

Case Study

Vinson & Elkins, L.L.P.

The Challenge

Vinson & Elkins (V & E) occupied 88,000 sf of office space in a traditional downtown class A office building without the ability for expansion and with limited parking. They had 3 years remaining on their lease. V & E's rapid growth was going to force them to outgrow their building prior to their lease expiration. Downtown full service Class A rental rates (including parking costs) had risen to the point that they were \$10.00/sf higher than suburban rates.

Our Strategy

Our team assisted V & E in the evaluation of a renewal vs. downtown relocation vs. a suburban relocation. The suburban relocation alternatives were all located within an "uptown" submarket, with excellent proximity to downtown, retail, and housing. We also assisted V & E in establishing new standards in terms of standard office sizes, security within the space, power demands, floor loading demands, and centralized conferencing facilities. Our team provided strategic planning, tenant representation, construction management (both shell and interior), and move coordination services to Vinson & Elkins.



Primary Contact:

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Results

V & E chose to act as the lead tenant of Terrace Building 7, which broke ground 2/01 with shell completion of 4/02, allowing V & E to occupy their new space in time for their 2002 summer clerks. V&E leased 115,000 sf of a 192,000 sf building. They have expansion rights that will allow them to grow into the entire building over a 12 ½ year lease term. V & E received a 4/1,000 sf parking ratio (free) and their building has extended hours of operation. Because of the significant input that V & E wished to have on the building quality and design, the lease was structured on a "yield on cost" basis.

V & E will save over \$13M over the term of their lease when compared to their downtown alternatives. The Terrace 7 is part of a 1.1 MSF mixed use development, with spectacular views of downtown and the Austin Hill Country.



**This transaction was completed by the contact shown above while at a previous employer.*

