



The King's College

The King's College is a Christian Liberal arts college in New York City's Financial District seeking to educate the next generation of leaders. The school has been challenged by declining admissions resulting from COVID 19 and engaged Armano Real Estate to help meet its real estate objectives.

Armano Real Estate successfully leveraged the New York City office market conditions and renewed a 52,542 square foot lease for The King's College at 52 Broadway. The premises included the entire 5th and 6th floors, part ground floor and storage space. The deal was completed 4th quarter of 2022 representing one of the largest New York City transactions of the year.

Benefits of the transaction included the following:

- Below market long term lease.
- Approximately \$2.1 million Tenant Improvement Allowance.
- Approximately \$2.0 million (13 months) free rent.
- Real estate tax base year reset.
- An expansion option if more space is needed in the future.
- Seamless design and workplace strategy delivery.
- Substantially mitigated future carbon emissions expense.
- Reconfigured the floor plan including the sealing up of walls between old and new space.
- Optimized footprint. Square footage reduced from 81,350 RSF to 52,542 RSF amounting to 28,808 RSF or 35.4%.
- Substantially reduced occupancy expense. Annual occupancy costs reduced by \$1.653 million or 40.4% annually. Annual occupancy cost reduced by \$1.817 million or 45.7% annually taking free rent into consideration.

The King's College received both near-term and long-term benefits.

Renewing at 52 Broadway helped The King's College remain financially stable as 12 months of the 13 months free rent occurs in the first year of the lease. Moreover, Armano Real Estate was able to secure free rent applicable to the current lease prior to the new lease execution. The school also avoided over \$400,000 in relocation costs. Other benefits included approximately \$4.1 in landlord incentives and a 45.7% reduction in annual occupancy expense.

The long-term benefits are far greater as The King's College has locked in a well below market lease in an inflationary and rising rent environment. Armano Real Estate estimates total cost savings over the entire lease term to be well over \$19 million. The school is well positioned to meet its future growth plan and vision.

Northeast Power Coordinating Council Case Study

Northeast Power Coordinating Council (NPPC) is a not for profit promoting and enhancing the reliability of the international, interconnected bulk power system in Northeastern North America.

Armano Real Estate successfully leveraged New York City office market conditions to terminate an existing lease and right size NPCC in the same building.

Benefits of the transaction included the following:

- Custom and new building installation to meet current and future hybrid work plan.
- Increased efficiencies by reducing square footage by 51.6%.
- Reduced annual occupancy expense by 62.5%.
- Reset tax base years.
- Reset operating escalations.
- Negotiated a 7th year termination option.
- Achieved substantial near-term savings and locked in low rents long term in a prime location.

