Putting your plans into motion

Real estate kit for high-growth companies
If you’re reading this, you’ve already made a few smart moves.
Let us help you make the next one.

Jones Lang LaSalle’s High-Growth Services group is a centralized resource with answers to all of the real estate questions that arise for rapidly growing companies. Our advisors are driven by the entrepreneurial spirit—just like our clients—with insights into the unique challenges of a start-up company.

We are one of the largest and most financially stable full service real estate companies in the world. Our commitment to cutting-edge technologies, services and partnerships have made us a leader in what we do best: finding our clients the best real estate at the best terms to meet their long- and short-term goals. Let us apply our knowledge to craft a custom solution for your unique venture.

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Who trusts us?
What’s your growth stage?

Our real estate advisors are well versed in the unique needs and phases of high-growth companies. We can best help you achieve your growth goals by understanding where you are on your startup journey.

**STARTUP**
- You have an idea
- You’ve just started a company
- You’re sharing an office...or your dining room table

**RAMPUP**
- You have a growing business
- You need dedicated office space

**SPEEDUP AND BEYOND**
- You have a successful, proven, growing business
- You have funding or are about to be funded
- You’re hiring at a rapid pace
How much space do you need? How long will it take?

Real estate decisions need to be planned months—even years—in advance, and having a course of action from day one is critical. Our real estate counselors will advise you at every step and through every phase to ensure that your real estate is planned strategically and in line with your rapid growth.

The bottom line? As your company grows, you need incrementally more space and incrementally more time to plan your real estate options.

Key real estate metrics by growth stage

1-5 employees
30-90 day process
<1 year or MTM term

15-35 employees
3-6 month process
≤ 5 year term

75+ employees
6+ month process
5-15 year term

What’s it going to cost you?

Key high-growth markets

**NEW YORK CITY** (per s.f. per year)
- **Sublease** $50.30
- **Direct** $53.49
- **Warehouse** $5.71

**SAN FRANCISCO** (per s.f. per year)
- **Sublease** $31.94
- **Direct** $40.06
- **Warehouse** $6.65

**AUSTIN** (per s.f. per year)
- **Sublease** $22.28
- **Direct** $26.34
- **Warehouse** $5.26

**CHICAGO** (per s.f. per year)
- **Sublease** $26.45
- **Direct** $26.81
- **Warehouse** $4.31

**WASHINGTON, DC** (per s.f. per year)
- **Sublease** $40.37
- **Direct** $51.73
- **Warehouse** $7.18

- Rents shown here are representative and vary by submarket.
- Sublease rates are full service and include all utilities. Furniture may be included.
- Direct office rates are full service and include all utilities, but likely not furniture—though your landlord might provide an allowance toward it.
We’ve got you covered.

More than just dots—we have experienced professionals managing real estate decisions nationwide

Click dots for more information

- **Red Dot**: Established high-tech market and Jones Lang LaSalle office
- **White Dot**: Emerging high-tech market and Jones Lang LaSalle office
- **Gray Dot**: Additional Jones Lang LaSalle corporate office
- **Light Gray Dot**: Jones Lang LaSalle field office
AND BEYOND
At this point, you might need space beyond just offices and are exploring data center and warehouse space. Your balance sheet issues directly influence real estate decisions.

STARTUP
If you’re not working from your home office, you might be in an incubator, co-working arrangement or e-suite that includes furniture, phones and utilities.

RAMPUP
This is when you need a solution that increases flexibility and reduces your financial outlays, such as a sublease or “second generation” space from a like-kind company. You’re also building your legitimacy as a credit tenant.

SPEEDUP
Lease flexibility in your direct office lease is of the utmost importance at this stage. You’ll want to leverage landlord allowances and other concessions to reduce capital expenditures.

Which space is right for your needs?

**Startup accelerator**
Workspace and services for funded, fast-growing companies.

**Startup incubator**
Mentoring and training with comprehensive resources. Equity piece is required as a standard practice, sometimes at no other charge.

**E-suite**
A traditional, built-out corporate office with infrastructure already in place.

**Coworking space**
A shared office space with limited amenities.
What do you need right now?

- Convenient, efficient and affordable space
- Flexibility
- Competitor knowledge
- Cost containment
- An eye toward future growth

Topics to consider:
- Alternate workplace strategies
- Working from home
- Connectivity costs
- Furniture costs
- Tax implications
- E-suites
- Incubators
- Accelerators

How do you pull this off?

- Reading this guide is a great start. Then call your Jones Lang LaSalle high-growth advisor with additional questions. We’re here to help.

- We have information on e-suites and incubators that can help high-growth companies source preferred pricing unique to our clients—and documents to streamline the process.

What’s next?

- When you reach the “rampup” stage, you’ll need flexible office space that can accommodate your growth. Take a look at the real estate suggestions for rampups we’ve included in this document.

- Be mindful that the search and set up time for your next space could take several months or longer. The good news is that we can advise you on how to reduce that window and stay nimble in your next phase of growth—and beyond.

CASE STUDY
KNOWLAND GROUP
45 employees  Washington, DC
5,000 s.f.

Knowland Group wanted maximum visibility, access to public transportation and a progressive loft-style layout in Washington, DC. Working with our occupancy analysis and research experts, we uncovered the perfect space in DC’s Chinatown neighborhood—one of the market’s emerging high-growth hubs. Knowland took the entire top floor, and we negotiated for and secured an aggressive tenant improvement allowance and free rent to cover the build-out from shell condition. In addition to the brand new build-out, we achieved below-market rents and above-market concessions, including exterior building signage, which is extremely rare for a tenant of Knowland’s size.
What do you need right now?

- With more employees, you need a space to call your own. The nearest Starbucks is starting to feel crowded.
- You want to create a sense of identity and legitimacy while maintaining flexibility. You’re thinking about branding and impressions.
- Drill down past the “macro” location considerations (e.g., city or town) and think about the parts of town that make sense (called submarkets) depending on your clients, competitors and future employees. We have cutting-edge tools to help you best decipher all these factors, as well as in-depth market information to help you drill down on specific buildings and locations.
- You want as short a lease as possible, depending on market dynamics and your needs. You may move or expand several more times in the next three to five years, if your business continues its rapid growth, so flexibility is key.

How do you pull this off?

- We have a wealth of tools and information to help you find the best space and location for your specific goals and industry.
- Consider utility and connectivity requirements, especially if they are unique to your business—and make sure there is capacity to accommodate growth.
- Be mindful of your funding endeavors. We can advise you on how your space decisions will be viewed by VCs and other partner groups.
- Maintain laser focus on your day-to-day activities. We can help you manage your current real estate while keeping you up-to-date on market data, space trends and relevant lease and cost metrics for future needs. It is critical to leverage your (and your CFO’s) time—that’s what we’re here for.
- Investigate subleases, spec suites, strategies for securing flexible space, strategies to minimize capital outlay, as well as furniture and build-out trends.
- We have a wealth of tools and information to help you find the best space and location for your specific goals and industry.
- Contact us for best practices for subleases, spec suites and flexible leases. Be sure to check out our form lease(s) for important lease agreement considerations and terms.
- Seek an attorney and/or contact our High-Growth Services team to help button up your lease documents for maximum protection from the outset of your negotiations.
- If you’re fortunate enough to find great “plug and play” space, realize they are not all created equal. We can advise you in-house with evaluating all elements of the infrastructure before you make a decision.
- Contact the Jones Lang LaSalle High-Growth Services group with any questions—this is a complex process and we are here to help.
What’s next?

- Hopefully, your company’s growth is speeding up, and making the right real estate decisions will be paramount to your success.

- Real estate will be a growing cost item, and your bottom line will be more closely scrutinized by your investors and, hopefully, shareholders.

- Let us help you align your current real estate needs with your future goals. Keep in mind that the search and set up for new, customized office space can take six months to more than a year.

- Careful and early planning is key for your continued success. We offer exceptional value through decades of experience with hundreds of high-growth firms just like yours.

CASE STUDY
BLUE STATE DIGITAL
60 employees Washington, DC
13,000 s.f.

An off-market opportunity allowed Blue State Digital to gain required efficiencies as well as the “cool” factor they needed to align with their image—unique loft space in their own boutique building. Blue State Digital occupies a full building with exterior signage and a turn-key interior build-out, with furniture, fixtures and equipment being the only capital outlay. In the first year alone, Blue State Digital realized $500,000 in real estate savings thanks to Jones Lang LaSalle.
What do you need right now?

- Congratulations! Your company is on its way to dominating the industry. You have many happy employees and may be thinking about expanding nationally or globally.

- You’re a relatively stable company, and you have concerns about how occupancy directly affects your bottom line.

- You have a strong focus on branding and on what your space says about your firm.

- You may have several types of facilities, such as data centers, call centers, shipping facilities and/or production factories. Our High-Growth Services group has assisted hundreds of companies like yours in portfolio-based real estate situations.

- You need to keep tabs on all current and emerging markets that could be of growth value. Our High-Growth Services real estate team covers over 1,000 markets on six continents and will proactively provide you with customized, up-to-the-minute market data and considerations.

- You may have an opportunity to match your leased or purchased real estate with important accounting considerations.

- You’ll need to carefully consider how your lease terms and extension options, flexibility terms and amortization of improvements affect your balance sheet. We can advise you in analyzing these considerations and can perform all of these services in-house.

- You’ll need to benchmark your office metrics to ensure maximum efficiency and flexibility. This will help track your current performance, glean best practices and identify new trends.

- Your office and real estate savvy has grown and your real estate choices will continue to heavily influence your investors. We have unique experience in meeting the needs of the companies we represent and the entities that back them. In fact, we most likely already have a relationship with your current (and prospective) financiers.

- We have represented hundreds of high-growth companies and we have the most comprehensive data relevant to your company regarding benchmarking, while strictly maintaining confidentiality.
How do I pull this off?

- **Contact the Jones Lang LaSalle High-Growth Services group.** This is complicated subject matter, and you need to talk through your options with an experienced advisor.

- Peruse some of our tools and information that we’ll use to help you find the perfect locations and spaces.

- Seek an attorney who specializes in real estate and contact Jones Lang LaSalle to ensure that your lease documents cover all relevant aspects of your business—protecting you from all angles.

- Ask our High-Growth Services team to provide a lease audit to uncover avoidable or redundant real estate costs and toxic lease clauses in current or prospective locations.

What’s next?

- You’re well on your way to continued success, growing market share and world domination. Let our High-Growth Services group custom-tailor multidisciplinary solutions to ensure your real estate and business decisions are always properly aligned.

- There is likely no clear path to what the future might hold for your company, but you do know that you need to get there quickly. Our industry-specific experience with hundreds of rapidly growing companies will help keep you on the fast track.

**CASE STUDY**

**FOURSQUARE**

150 employees New York  

56,000 s.f.

Foursquare hired us to help sublet the floor they occupied and find a suitable relocation option that would allow for growth and a collaborative working atmosphere. We ran an aggressive marketing campaign for the sublet floor and found a boutique, loft-style building with great transport access in SoHo that was not on the market yet. We sublet their original space to Tech Stars with a 90% recovery, matching up the sublets perfectly with Foursquare’s move-out, thereby eliminating double occupancy costs. Our negotiations resulted in a generous allowance that covered all of the interior construction. We were even able to refurbish the existing furniture and sold the excess for a profit.
Want to learn more?

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