



Insider's View to Corporate Real Estate



Carrie S. Holstead
Real Estate Consultants Inc.

Representing Users Of Corporate Space Worldwide

Constructing Office Space: The Three Best Ways For The Tenant To Benefit

By: Carrie S. Holstead

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Construction prices have been increasing for years and prior to the pandemic, firms performing this work were so busy they were selectively choosing the projects on which they wanted to work. The pandemic changed everything. Since many tenants have put their corporate real estate requirements on hold until they have more clarity about their needs, the pendulum has swung. Now construction firms are anxious to secure work. The three best ways for tenants to take advantage of current market conditions and benefit from having a construction manager, are revealed below.

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1. **Protect Your Health & Safety**

There are corners that can be cut or issues that can be hidden during construction which can be costly and even dangerous to your health and safety. For example, our construction manager suspected there was asbestos and lead in a space we were constructing for a client and asked the landlord's representatives multiple times if any existed. He was repeatedly told no. As a protective measure, he had a professional firm take samples in the premises and found the lead quantities to be extremely high. Our team immediately shut down the construction project until the lead was removed, at the landlord's expense, and the premises was deemed safe initially for construction personnel and later for employees.

2. **Stretch Your Construction Dollars & Much More**

A highly experienced construction manager that is advocating for your firm will be of great benefit by knowing how to: leverage the project to stretch the construction dollars; ensure none of the tenant improvement allowance is used for base building improvements (for a gross lease); ensure the building and premises meet code requirements; and engage the best sub-contractors to complete the project on time, on budget and properly.

3. **Ensure Your Firm Receives The Money It's Owed**

Your construction manager will protect your firm by closely monitoring costs. For example, due to securing particularly attractive pricing during the pandemic, our construction manager determined there would be \$50,000 left over from a client's tenant improvement allowance. This was a welcome surprise to our client who was able to allocate the \$50,000 toward relocation costs they had previously budgeted to pay out of pocket!

To discuss how we can help you navigate the best office space solution for your company during and beyond the pandemic crisis, contact my firm at the number below.

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About the Author

Carrie S. Holstead is the Chairman Emeritus of ITRA Global which has experience representing users of corporate real estate in nearly 300 markets around the world. She is also the Founder, President and CEO of the longest established conflict-free tenant representation firm in Pittsburgh which celebrated its 30th anniversary in 2019. Carrie was recently recognized with the Diamond Leadership Award from ITRA Global, the highest honor to be bestowed upon a member, and by *Smart Business Magazine* for leading a top company in Pittsburgh. **If your company has a local or global corporate real estate need, contact Carrie Holstead at +1 (412) 255-3737 for a conflict-free solution.**