



SUCCESS STORY

6801 PARK TERRACE, LOS ANGELES, CA

COLLIERS HEALTHCARE SERVICES GROUP (CHSG)

Southern California
Region

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INTRODUCTION

- 90,000 square foot, 5-story medical office building historically 100% leased to Kerlan-Jobe Orthopaedic Clinic (KJOC).
- CHSG represented the landlord of 6801 Park Terrace, Healthcare Realty (NYSE:HR)
- KJOC master lease expired in 2012.
- KJOC desired to renew its lease and reduce its building footprint.

CHALLENGE

- Structure a lease renewal for KJOC that balanced the real estate needs of a major independent HC provider with an institutional owner's need to satisfy ROI.
- KJOC required a reduction of its building footprint by 30,000 SF in order to increase efficiencies and reduce cost.
- Establish market value and negotiate "win-win" terms in a difficult economic & healthcare environment.

"The Colliers Healthcare Services Group has a unique approach to the marketing and leasing of medical properties that goes beyond traditional brokerage. It is clear the healthcare brokers at Colliers have a clear understanding of the healthcare industry giving them an advantage when it comes time to navigate a healthcare real estate transaction."

- Healthcare Realty

STRATEGIES

- Determine market value through extensive comparable MOB market research
- KJOC engaged a team of healthcare design and construction experts to manage the renovation project ensuring optimum outcome for efficiency.
- Transparent approach to negotiations and team meetings on a regular basis.

RESULTS

- Structured a 10 year lease with various economic concessions that benefited both the Landlord and KJOC.
- Converted a single master lease to 4 separate leases offering KJOC ultimate flexibility for future growth and potential consideration for acquisition and/or merger.
- Consolidated departments to create better efficiency and improved bottom-line.
- Upon completion, the KJOC lease renewal was the largest medical office lease based on transaction value and SF in LA County since 2011.