

# CASE STUDY:

## Communications Test Design, Inc.



### NEGOTIATION LEADS TO CONSTRUCTION OF 140,000 SF MODERN FACILITY



#### KEY POINTS

- **Tight timeline in a disparate geographic area**
- **Scarce quality product and inflexible landlord community**
- **Successful pivot to build-to-suit strategy**

#### Company Background

Founded in 1975, Communications Test Design, Inc. (CTDI) is a full-service, global engineering, repair and logistics company providing best-cost solutions to the communications industry. CTDI's one-stop service commitment to customers has fueled their growth exponentially.

#### Real Estate Challenge

In July 2013, CTDI presented Jackson Cross Partners (JCP) with a challenge to find a new location in the Greater Albany, NY area. The combination of an extremely tight timeline, specific institutional product specifications, and wide geographic parameters but colored by a strong geographic preference, posed a formidable acquisition requirement. With aging product and obsolete design features, the existing regional market had scarce institutional product available. Time was of the essence. After two field inspection tours into the market to provide first hand field verification, it was recommended by JCP to look at another geography because the product did not exist in the designated area. To CTDI and their customer, this outcome was unacceptable. They replied, "Go make something happen."

#### Customized Solution

JCP provided an exhaustive property market analysis and data from multiple field inspections over a wide geographic area and product type. After establishing a partnership with a strong broker support team, we demonstrated the inferiority of the existing product and switched gears to a build-to-suit (BTS) lease solution. This pivot was risky given the pending weather, as we all remember the interminable winter of 2013-2014. JCP successfully negotiated a BTS lease that shifted delivery risk to the developer, creating a sense of extreme urgency.

#### Quantifiable Results

The final BTS transaction is a 140,000 square foot "State of the Art" logistics center lease with aggressive business terms, with a considerable landlord investment, along with built in term

#### Ongoing Benefits

The developer used special "frost free" construction materials and techniques to build through a difficult winter. Our lease reflected a better than market circumstance and on the low side of our portfolio average NNN rent. In addition to creating a greater sensitivity to project timelines, this project enhanced the client/customer relationship and demonstrated knowledge of the build-to-suit process and the intrinsic difficulties of development. Further, this experience created a long-term positive relationship with the strongest local developer in that sub-market.

*- Jackson Cross Partners is a commercial real estate firm specializing in Advisory, CRE Strategies & Brokerage services*