



Armata Pharmaceuticals



Negotiated existing location renewal with significant improvements and cost savings.

SITUATION

Armata Pharmaceuticals (Armata) is a publicly traded, clinical-stage biotechnology firm formed by the merger of AmpliPhi Biosciences and C3J Therapeutics. Armata occupied a 35,453-square-foot location in Marina Del Rey, CA and, with their lease expiring more than two years out, talk of renewal or relocation was not a consideration when approached by Stream Realty Partners (Stream).

Armata's plan was to engage their current landlord directly to negotiate their lease renewal. When approached, they agreed to allow Stream the opportunity to begin lease conversations. The caveat was that Stream's advisory services would not cost Armata any money, either in upfront fees or upcharges built into the final lease. The Stream team not only agreed to those terms, but guaranteed Armata they would save 20% on their lease, or the team would forfeit any earned commissions.

STRATEGY

As they were nearing the end of a 10-year lease, Armata's existing lease economics were well below market rate. Moving forward with lease options, the team was mindful of Armata's crucial location considerations:

- Access to biomedical talent
- Improved facilities
- Cost management
- Minimal disruption to operations

QUICK FACTS

- Tenant Representation
- Biotech
- 35,453 SF



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STRATEGY (CONTINUED)

With any tenant, 20,000 SF or larger, the right time to begin needs analysis and site explorations for a new lease is two years prior to lease expiration. For Armata, the even longer lead time of 2.5 years was critical in creating leverage to use in the existing space (renewal) negotiation, demonstrating to the landlord that moving was a real possibility. With lab space, it can take up to 3 years to build out a state-of-the-art facility and up to \$500+/SF in costs. The longer lead time indicated to the landlord Stream's knowledge of lab space requirements and helped educate our client on their position in the negotiation process.

Stream's team quickly went to work, connecting with the private owner of Armata's current facility, exploring renewal options and investigating alternate locations that met Armata's criteria. The team researched Marina Del Rey locations to ensure access to biotech talent and reported weekly to Armata, building a trusted advisor relationship and providing insights as Armata's occupancy strategy developed.

The Stream team was very aware of the importance of their approach and care to deliver the best possible result for the client while managing landlord negotiations. Throughout the negotiation process, the landlord was open to early renewal in a hot rental market—a strong benefit for Armata. After conducting an extensive market survey of availabilities and rates, the least disruptive strategy for Armata was to renew in their existing location with lease concessions and a tenant improvement allowance (TI) to create value and savings.

RESULTS

After complex negotiations and constant communication with the landlord and our client, Stream renewed Armata in their existing location, at terms well below market rate. In addition to rent concessions, Stream negotiated a free rent period and TI for back-office updates, break room expansion and modernization of the space.

By developing an open and collaborative relationship with Armata, our team's approach to early lease exploration and strategy development resulted in exceptional outcomes for our client. The team delivered on the guaranteed lease savings promised to Armata, with minimal disruption and important facility improvements.

In building a trust relationship with our client, Stream capitalized on each of our team member's strengths to stay in front of the client through merger, manage their requirements and expectations, research and vet all possible location options, and maximize opportunities as strategies were solidified.

STREAM SERVICE DELIVERY

Lease Analysis

Financial Analysis

Market Survey

Site Reviews

Lease Negotiations

Stakeholder Presentation

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