

# Seaport Village



*Achieve  
Ambitions*



**DRAFT:** Broker Proposal Analysis, Final Offer Update

July 2018



# *Initial Proposals*

*JLL analyzed the commission structure for the five submitted proposals using the following assumptions and methodology:*

- Commissions assume new leases using sole/in-house broker and cooperating broker scenarios as proposed
- Potential commission costs analyzed based on three lease scenarios representing typical retail spaces at Seaport Village:
  - Lease #1: 500 square feet; 28 leased spaces (35%) at Seaport Village are between 0 and 500 square feet
  - Lease #2: 1,000 SF; 44 leased spaces (54%) at Seaport Village are between 500 and 2,000 square feet
  - Lease #3: 2,000 SF; 9 leased spaces (11%) at Seaport Village are above 2,000 square feet
- Commissions calculated using illustrative base rents for the entire term of an assumed three-year lease period

# Proposed Compensation






## Fee Structure summary



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<b>Proposed Compensation</b> No cooperating Agent/broker	0.0% <i>pro bono</i>	4.5%	6.0% <i>or a minimum of \$2,500</i>	\$10 per SF <sup>(2)</sup>	6.0% or \$10 per RSF <sup>(1)</sup> <i>the greater of</i>
<b>Proposed Compensation</b> Cooperating Agent/broker	Not identified	Not identified	Not identified	\$12 per SF <sup>(2)</sup>	9.0% or \$12 per RSF <sup>(1)</sup> <i>the greater of</i>

(1) Fee structure shall be equal to 50% of the above in the event of relocation and/or expansion lease transactions. Renewal commissions shall be 50% of each renewal amount after the initial term, total commissions from the initial term and renewals shall not to exceed twelve dollars \$12.00 per rentable square feet (RSF)

(2) Commission for leases from 0 to 20,000 SF



# Illustrative Cost Comparison



*For illustrative purposes, costs presented in the chart below reflect the projected lease commissions for each of the proposers under three different leasing scenarios.*

**Lower Commission**

**Higher Commission**

					
<b>Lease #1: 500 SF</b>					
In house:	\$0	\$1,215	\$4,860	\$5,000	\$5,000
Co-op agent:	-	-	-	\$6,000	\$7,290
<b>Lease #2: 1,000 SF</b>					
In house:	\$0	\$2,340	\$9,360	\$10,000	\$10,000
Co-op agent:	-	-	-	\$12,000	\$14,040
<b>Lease #3: 2,000 SF</b>					
In house:	\$0	\$4,590	\$18,360	\$20,000	\$20,000
Co-op agent:	-	-	-	\$24,000	\$27,540

*Note: Rental rates assumed as follows: Lease #1 \$54.00 per SF per year, Lease #2 \$52 per SF per year, Lease #3 \$51 per SF per year*

# *Final Offers*

# Original and Final Offers

## Proposed Compensation Structures



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	Original Proposal	Final Offer	Original Proposal	Final Offer
				
<b>Proposed Compensation</b> No cooperating Agent/broker	6.0% <i>or a minimum of \$2,500</i>	\$9 per SF <i>No minimum</i>	6.0% or \$10 per RSF <sup>(1)</sup> <i>the greater of</i>	6.0% or \$9 per RSF <sup>(2)</sup> <i>the <u>lesser</u> of</i>
<b>Proposed Compensation</b> Cooperating Agent/broker	Not identified	\$15 per SF	9.0% or \$12 per RSF <sup>(1)</sup> <i>the greater of</i>	Not identified

(1) Fee structure shall be equal to 50% of the above in the event of relocation and/or expansion lease transactions. Renewal commissions shall be 50% of each renewal amount after the initial term, total commissions from the initial term and renewals shall not to exceed twelve dollars \$12.00 per rentable square feet (RSF)

(2) New deal with term greater than or equal to twelve months

# Final Offer Comparison

*For illustrative purposes, costs presented in the chart below reflect the projected final offer lease commissions for each of the proposers under three different leasing scenarios.*

	Rents at \$45 per SF <sup>(1)</sup>		Rents at \$50 per SF or above <sup>(2)</sup>	
				
<b>Lease #1: 500 SF</b>				
In house:	\$4,050	\$4,500	\$4,500	\$4,500
Co-op agent:	-	\$7,500	-	\$7,500
<b>Lease #2: 1,000 SF</b>				
In house:	\$8,100	\$9,000	\$9,000	\$9,000
Co-op agent:	-	\$15,000	-	\$15,000
<b>Lease #3: 2,000 SF</b>				
In house:	\$16,200	\$18,000	\$18,000	\$18,000
Co-op agent:	-	\$30,000	-	\$30,000

## Key Takeaways:

At assumed market rents, there is no projected cost difference between the final offers for in-house leasing

Retail Insite's proposed "lesser of" fee structure provides for a lower cost commission at rents below \$50 per square feet (using the assumptions shown on page 3)

However, Retail Insite did not provide a separate commission structure for a cooperating agent scenario

### Notes:

(1) Due to Retail Insite's "lesser of" commission proposal, at rental rates below \$50 per SF per year Retail Insite's commission will be lower than Colliers International

(2) Rental rates assumed as follows: Lease #1 \$54.00 per SF per year, Lease #2 \$52 per SF per year, Lease #3 \$51 per SF per year



*Thank you*