



# You Want to Bring What to Work? Dealing with Unique Demands and Needs of High Tech Tenants

**2016 FALL ACREL MEETING  
NEW YORK, NEW YORK**

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# Dominant Tech Tenant Markets

- West Los Angeles (Silicon Beach)
- Silicon Valley/Bay Area/San Francisco/SOMA
- Seattle/Bellevue
- New York City (TAMI)

## Types of Tenants

- Start-ups – Cash and no operating history
- IPO Tenants – Cash, Operating History, No Earnings, Pre or Post-IPO
- Mature – Brand Recognition, Earnings, Post-IPO
- Co-Work Space – Regus, WeWork, Neuehouse

# General Tech Tenant Characteristics

- Creative Space Usage
- High Growth Rate
- High Density Usage
- Sensitivity to Amenities/Space Utilization
- 24/7 Environment Is Necessary
  - “Live/Work” actually means “Work/Work”
- Credit Issues Due to Operating History





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# New Lease Issues

- **Space Usage**

- Many of these vary based upon type of Tech Tenant
- Dogs/Specific Issues/Paths of Travel/Other Animals
- Fitness Centers/Location
- Cafes/Location

# New Lease Issues

- **Space Usage**

- Roof Decks/Shared Usage
- Bikes/Storage>Showers/Security
- Density Issues – Electrical/HVAC/Elevator  
Speed/Size of Exit Stairs/Number of Restroom  
Fixtures

















# New Lease Issues

- **Dog Clauses**

- Number/Service Animals
- Path of Travel/Leashes
- Aggressive Breeds/Aggressive Behavior
- Repeat Offenders
- Personal Nature of Right



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# Traditional Issues

- **Credit Enhancement**
  - Difference Among Types of Tech Companies
  - Amount of Credit Enhancement
    - Range Dependent on Type of Tech Tenant
    - Burn-Off/Financial Triggers and IPO
  - Posting Date
  - Large L-C/Identity of Banks/Investment Bank Issues

# Non-Real Estate Lease Issues

- **IP Issues re Name, Logo, Signage, and Branding**
  - New Issues
    - Protect IP Rights
    - Promote Project Mark
    - Landlord's Required Use
      - Signage
      - Media
      - Publicity
      - Swag
  - De-branding



# **Non-Real Estate Lease Issues**

- **Competitor Issues for Tenant and Prospects**
  - Finite List
  - Affiliates of Competitors
  - Changing the List
  - M&A/Sublease or Assignment Transactions
  - Personal Nature/Occupancy Requirements