

# Accounting Firm Outgrows Mountain View Headquarters - The Ivy Group Offers Solutions For Acquisition & Expansion Plans

“While every commercial property deal is unique, this one was complicated by the seller's way of handling utility issues and amending existing lease before closing. The Ivy Group was very helpful in negotiating solutions. The time schedule Tim Vi Tran prepared definitely helped keep me on track during the entire purchase process.” ~ Angela Wong, CPA, Tax and Accounting Services

## PROVIDING SOLUTIONS

### The Challenge

The client is an accounting firm with a successful practice in Mountain View for over a decade. The current lease was set to expire and the firm sought to purchase a commercial property that is necessary for expansion. Over the years, the firm built a loyal client base within the surrounding community. One of the challenges was to purchase a property that allowed the firm to expand into additional space within a 2-mile radius of its current location. Additionally, the firm sought to benefit from the sluggish the economy by purchasing an office space that has been devalued through the economic downturn, while simultaneously lock in historically low, attractive interest rates.

The Ivy Group was selected to exclusively represent and negotiate on behalf of the firm's acquisition in Silicon Valley. The services included:

- Site Selection.
- Strategic Consulting.
- Buyer Negotiations.
- Due Diligence Analysis.

### The Strategy

In order to exceed the firm's unique expectations, The Ivy Group met with the CEO to discuss future plans and strategies. Each requirement was evaluated and possible outcomes were carefully considered and crystallized. Among the solutions proposed were:

- Analyzing competitors and demographics data to support strategic expansion of a new location.
- Searching and touring suitable locations so not to alienate the existing client base.
- Preparing proposals and negotiating with the seller to amend existing lease terms to eliminate potential risks, and resolve an utility issue unique to the property.

## CASE STUDY OVERVIEW

**The Challenge:** Accounting firm outgrew its location and investigated expansion options into larger space that would allow it the capacity to maintain and grow its existing client base.

**The Strategy:** Utilizing an acquisition strategy that included analyzing the firm's requirements and surrounding area demographics, The Ivy Group negotiated a purchase agreement that resulted in a win-win for all parties involved.



**The Solution:** The final solution employed involves a two-step process that met the client's requirements and took advantage of existing market conditions that benefited the accounting firm.

**The Results:** After several rounds of intense negotiations and analysis, the firm purchased a turnkey, commercial condo that suits its current and future expansion strategies.

## The Solution

The Ivy Group employed a simple strategy which included a two-step process to gain an understanding of the unique nature of the commercial condo purchase and transformed it to the buyer's advantage. The solution involves:

- Devising a realistic time schedule to keep track of inspection, loan and escrow deadlines.
- Investigating the property history and determined the building was originally built for lease only and later converted to commercial condos for purchase. During the condo conversion process, the electrical meter was inadvertently left out of the plans. The Ivy Group took initiative to engage with outside consultants to perform due diligence concerning the ambiguity of the electrical meter. Upon understanding the matter, The Ivy Group negotiated a purchase agreement that protected the buyer from being responsible for 20 years of electrical back charges.
- During purchase contract negotiations, the seller revised the existing lease with the tenant that resulted in lower income potential and increase risk of maintenance responsibilities. The Ivy Group provided palatable solutions to address this problematic issue and resulted in the seller advancing funds to the buyer prior to close of escrow.



## The Results

Although the acquisition process experienced several hurdles, The Ivy Group reacted quickly and timely to each instances and provided practical and workable solutions. The strong cooperative relationship with the cooperating agent and outside vendors resulted in a solution that was mutually beneficial to both buyer and seller. As a result, The Ivy Group has become a trusted real estate consultant to the accounting firm. Results from this partnership included:

- Agreement on a purchase structure that resulted in a win-win situation for both buyer and seller.
- Resolution of the electrical meter conundrum.
- Delivery of a turnkey facility by the property owner meeting the firm's space requirements.
- Amendment of a lease that is beneficial to the buyer.

Securing the property for the accounting firm led to more effective expansion opportunities. The tangible benefits to the accounting firm after working with The Ivy Group include securing a space that will allow the accounting firm to maintain its current client base while simultaneously providing the opportunity for future growth.

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The Ivy Group, headquartered in Fremont, CA, is the leading commercial and investment real estate firm with expertise in consulting, brokerage and technology solutions. We advise clients in the areas of acquisition, disposition, leasing, partnership formations, portfolio/asset management and value-added services. The Ivy Group offers best-in-class solutions by leveraging innovative process, technology and market conditions to tactically identify the best return on investments. We specialize in office, retail, medical, multi-family, hotel/motel, industrial warehouse, self storage and vacant land. By offering a wide range of comprehensive professional expertise including buyer/seller negotiations, landlord/tenant representations, portfolio management, site selection, investment analysis, strategic consulting and risk management, we help clients balance long-term strategies with short-term expediency to create, grow and maintain value.

The Ivy Group is a privately owned commercial real estate firm with a goal to transform real estate into a competitive advantage. Recognizing clients need for real estate counseling, The Ivy Group created innovative methods to utilize knowledge, experience and technology to deliver customized solutions to enterprises, businesses and property owners. In 2001, The Ivy Group was formed to serve its clients by providing an integrated source of capability for all commercial and investment real estate needs.