

CARMEN THE
TENANT
ADVISOR

USIC CASE STUDY

With a mission to deliver quality, efficient, safe, and innovative solutions to protect our partner's infrastructure and critical assets, USIC performing over 80 million utility locates annually. USIC is the most trusted name in underground utility damage prevention. The company also provides a full suite of utility services throughout the United States and Canada.



THE CHALLENGE

USIC lacked corporate real estate expertise, resources, and market knowledge to best manage its facility leases located in more than 100 markets throughout the United States and Canada. The fast growth of the company to new markets and the continuous rollover of existing leases or mid-term lease modifications was becoming increasingly complicated for the company to manage. Further, that lack of specialized real estate expertise and resources was making it a challenge to minimize and manage USIC's lease expense.

1. Real Estate Strategy
2. Lease Administration
3. Real Estate Document Management
4. Critical Date Management
5. Site Programming
6. Reporting
7. Single-point Brokerage/Lease Management
8. Project Management

Strategies and Solutions

To satisfy the USIC real estate needs, focus was placed on a professional service provider that could provide these services without layering-on multiple vendors or additional in-house headcount. Further, the company placed a priority on finding a service provider whose model was not conflicted by relationships with building owners common to the commercial real estate brokerage industry. USIC needed a dedicated fiduciary service provider.

CARMEN had first started working with USIC in 2016 as a consultant to help negotiate lease terms on a facility following the company's acquisition of another utility service provider, whereas USIC had to lease the building from the prior owner. After adding value on this and other small projects, USIC asked CARMEN to consider taking-on a larger role in negotiating facility leases and finding new locations.

In 2019, recognizing the value CARMEN added in managing the company's leased real estate, USIC continued expanding CARMEN's responsibilities until Chis Carmen, recognizing his firm could provide its client with a more comprehensive corporate real estate service, proposed CARMEN take full responsibility for USIC's real estate lease portfolio. In essence, becoming USIC's virtual real estate department. In its role, CARMEN provided:

- Lease Administration
- Monthly Reporting on USIC's lease portfolio
- New Office set-up
- Office Decommissioning
- Single-point Tenant Representation/brokerage

In early 2020 the COVID-19 Pandemic occurred and with this event, USIC and its parent, Swiss based Partners Group, asked CARMEN to undertake the renegotiation of its facility leases, which numbered over 90 sites across the United States and Canada. This project took over 5-months to complete and yielded the company significant savings in facility expense.

Benefits

The USIC Case Study is unique in that the company did not go to market seeking a corporate real estate service provider, but rather recognized it lacked on staff expertise and resources to maximize the value from its lease portfolio and engaged CARMEN to fill those needs. As CARMEN proved to be a valuable resource and USIC continued to grow, CARMEN was able to grow with the company by providing a custom, but flexible solution until finally CARMEN became USIC's full-service corporate real estate service provider.

Quantifiable Cost Savings

2021 Free Rent Value	\$165,146
2021 Total Landlord Tenant Improvement Value	\$298,500
2020 COVID Rent Relief	\$39,583
2020 vs 2021 Lease Renewal Variance Per Location	-\$1,365

