

# Real Estate Lease Restructuring

Rare is the lease in which the beginning, middle, and end follow the agreed-upon terms without variation. For a host of reasons, leases are shortened and lengthened, rent is reduced and increased, premises shrink and grow, and obligations increase and decrease. At Cozen O'Connor, our multidisciplinary approach to these issues helps clients navigate the legal, business, and practical side of lease restructuring. Whether such restructuring is a result of cataclysmic world events such as 9/11, the Great Recession, or the COVID-19 crisis, or the result of industry sector distress, over-expansion, or idiosyncratic strategic changes, Cozen O'Connor's Real Estate Lease Restructuring Practice has the tools and resources to effectively guide clients through the restructuring process. Our Lease Restructuring Practice draws upon both our deep bench of real estate attorneys as well as bankruptcy, tax, litigation, environmental, and health care law professionals to assist in the vast breadth of issues that may arise when a lease requires restructuring.

Our lease restructuring capabilities cover all forms of leasehold obligations, including rent reduction, lease renewal, assignment/sublease, premises contraction and expansion, and lease termination. In addition, our breadth of practice spans multiple asset classes, including retail, office, industrial, warehousing, hotel, multifamily, and student housing, among others. We guide our clients through all stages of lease restructuring negotiation. We handle everything from restructuring occurring in the regular course of business, to renegotiation in the event of distress, to bankruptcies and workouts.

The Real Estate Lease Restructuring Practice is a unique and integral part of Cozen O'Connor's full-service Real Estate Practice and exemplifies our multidisciplinary approach to the practice of law.

## Experience

Represented entities owned by a vertically integrated office investor in restructuring a national co-work space tenant's obligations under leases in two separate office projects -- one in Philadelphia and one in Pasadena, Ca. -- to provide cash flow relief necessitated by circumstances related to COVID-19.

Represented a corporate biotech tenant in the extension of its entire building (29,221 rentable sq. ft.) lease, requiring the landlord to install a solar electricity system and retrofit the HVAC system, and restructuring payments for utilities and other services.

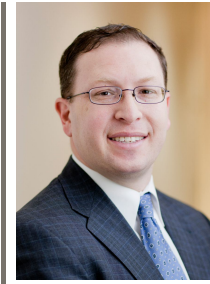
Represented the landlord in the relocation of a professional firm from space in one building to another in the project, increasing the size of the premises and extending the lease term.

Represented the landlord in the relocation of an office space tenant from approximately 15,000 sq. ft. of space in one building to another in the project, reducing the size of the premises and extending the lease term.

Negotiated, drafted, and documented a distressed lease workout agreement on behalf of a landlord against a prominent restaurant tenant for multiple distressed restaurant locations in the client's portfolio of retail centers, while tracking active parallel litigation and using that litigation as a key leverage point and restructuring tool.

Represented a national office tenant in the restructuring of its world headquarters to right-size its space, permit various expansion and contraction options, adjust rent, modify extension terms, and modernize base building aspects of the overall building.

Represented the purchaser of various properties, leased by a national retail chain, in a deal that required the client to restructure the leases to modify various provisions, including but not limited to



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## Related Practice Areas

- Business
- Real Estate

the extension of term, modification of rental rates, allocation of additional tenant improvement allowance to reposition the property to increase the long-term value of the property and dovetail the provisions to take advantage of more favorable loan terms.

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