

CARMEN THE
TENANT
ADVISOR



CIRCLE CITY ABA CASE STUDY

Circle City ABA (Circle City) provides children with autism with behavioral training and modification by nurturing progress of Children with autism through play with ABA therapy. The company provides full-family education and support from day one, making the family part of the process



THE CHALLENGE

Circle City was intent on rolling out opening 10-12 ABA centers located in the state of Indiana over the course of 12-18 months. It's first two centers were purchased and remodeled by the company at costs in excess of budget, reducing cash available for the company to meet its expansion plans. Further, the company minimal systems, tools and resources available to efficiently control the additional real estate as it came on-line.

Strategies and Solutions

In October, 2020 the company was referred to CARMEN to help the company select one or more sites in the Indianapolis metropolitan market. Without formally entering into a formal Corporate Real Estate Services contract, recognizing Circle City's need were significant and immediate in order to meet its growth plan, CARMEN put to into place a team to aggressively help the company meet its goal of identifying superior sites, negotiating lease terms that minimized rental cost while conserving capital, and managing the tenant improvement construction process. The team consisted of CARMEN's founding Principal, Chris Carmen as point and a support team of one project manager and a lease administrator.

As new sites came online during 2021 and 2022, CARMEN integrated the company into CARMEN's lease administration system that allows its clients such as Circle City 24/7 visibility into its lease costs, critical dates, and obligations necessary to maintain the leases in good standing. Further, CARMEN in addition to reporting to Circle City's leadership so they can best manager their business in Indiana and elsewhere, CARMEN continually assesses opportunities for the company to capitalize on its lease portfolio and expansion into new markets.

Benefits

As a result of its engaging CARMEN as its Corporate Real Estate Services provider, Circle City has derived the following results during the past 18-months.

- Avoided having to invest approximately \$3.1M for Tenant Improvements, freeing-up more cash for expansion costs, which include personnel, FF&E, marketing, etc.
- Negotiated over \$510K in free rent incentives to allow Circle City to spin-up new site operations without having to bare the full cost of rent for an average of 5-months following occupancy.
- Helping Circle City leadership in its strategic planning and development by providing them with 24/7 real-time visibility into facility related expense and forecasts.
- Provide better tools to forecast operating costs (rent and operating expenses) associated with expansion locations.
- Added a critical component of support to Circle City's leadership team by providing expertise and resources that didn't exist prior to the engagement.