

# CASE STUDY



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## QUICK FACTS

- 10-year relationship managing AT&T's Southern California assignments

## CBRE SERVICES PROVIDED

- Brokerage Services
- User Sale
- Appraisal
- Corporate Services
- Tenant Representation
- Financial Services

## CASE STUDY

**The Project** Disposition of Asset

**The Client** AT&T

### The Challenge

- CBRE Commercial Properties – AT&T purchased two (2) suburban office buildings for their Los Angeles Call Center operation along with additional land for their over standard parking requirements and occupied them for ten (10) years realizing their full depreciation value.
- In an effort to raise capital due to recent acquisition of SBC Communications and an overall corporate directive initiative to dispose of surplus properties and right size their employee base. CBRE was retained to implement strategy to get this completed in 180-day period or by year end.

### The Solution

- Provided AT&T Opinion of Value and consulted them on pricing expectations and processes.
- Conducted full service tenant relocation process, touring, negotiating, and leveraging the local office submarket.
- Implemented comprehensive marketing campaign to sell building and land to one of Japan's largest companies, Kintetsu, to integrate into the hotel development plan.
- Coordinated market tours, RFP process, to leverage office leasing market identified most efficient full floor to consolidate the previous 98,000 SF user into a 38,000 SF full floor.

### The Results

- Under guidance of CBRE, they optimized process maximized AT&T property values and created approximately \$12,000,000 in gross sale proceeds.
- Additionally, we assisted in identifying reduction of square footage from two building, 90,000 square feet and to an optimal single, highly efficient floor plan capitalizing on some existing improvements and securing the overstandard parking ratio requirement.
- In summary, CBRE obtained highest sale comparable for a vacant office building and vacant land parcel while negotiation of favorable long term lease agreement that included flexible lease terms to assist AT&T with future planning, including rights to expand, a Termination Option, and favorable sublease provisions.
- CBRE is currently reviewing market conditions to explore the possibilities of exercising the termination penalty in an effort to renegotiate additional concessions for Tenant due to current market factors associated with

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ownership needs to sell the property.

