



Headquarters/Call Center Relocation

Client:

The Warranty Group (formerly Aon Warranty Group)

Location:

175 W. Jackson
Chicago, Illinois

Size:

133,000 square feet

Overview:

Because of an impending acquisition and the desire for its own independent headquarters, Aon Warranty Group needed to relocate in a short timeframe. MB Real Estate was hired to analyze the cost differential between moving downtown and moving to the suburbs, as well as the cost and benefits of maintaining separate offices for the call center and executive operations or consolidating the two groups to one location. The goal was to complete the transaction in less than 6 months and to conduct preliminary negotiations on a confidential basis (due to the sensitivity that any rumors about an impending relocation might disrupt the existing employee base).

Approach:

MB Real Estate evaluated both downtown and suburban alternatives. The size of the premises ranged from 70,000 square feet to 130,000 square feet, depending on whether The Warranty Group consolidated or maintained separate operations. MB Real Estate analyzed the overall costs on a cash flow and GAAP accounting basis and compared a number of different options, including raw space, existing conditions, and subleases. In order to meet the client's short timeframe, MB Real Estate's project management group coordinated the build out, hired vendors, procured and compared bids, and negotiated fees and contracts for a myriad of vendors.

Results:

- Successfully consolidated headquarters and call center into the 11th and 12th floors of 175 W. Jackson
- Secured a below-market rental rate
- Negotiated substantial tenant improvement and furniture allowances
- Negotiated 20% decrease in parking fees
- Secured favorable expansion and cancellation options for improved flexibility
- MB Real Estate's project management group oversaw construction and brought the project in on time and under budget



the warranty groupsm

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Headquarters Relocation

Client:

Barack Ferrazzano Kirschbaum Perlman & Nagelberg LLC

Location:

200 West Madison
Chicago, Illinois

Size:

97,000 square feet

Overview:

After being at 333 West Wacker since the firm's inception, it was time to either live through a major overhaul of their space or relocate. MB Real Estate was hired to evaluate a renegotiation versus a relocation to another class A property that could accommodate the firm's expansion needs.

Approach:

In order to identify the goals and objectives of the firm, our team developed attorney questionnaires covering different renegotiation and relocation characteristics. Once the data was compiled, MB Real Estate established available market alternatives to compare with 333 West Wacker.

Results:

- Identified class A, high-rise opportunity with unique characteristics that are sure to assist future recruiting
- Leveraged termination option and expansion need to take advantage of soft market
- Secured concession package in excess of \$100 per square foot
- Obtained future lease flexibility with expansion, contraction, and termination options
- Negotiated minimal lease security



BARACK FERRAZZANO

**Barack Ferrazzano Kirschbaum
Perlman & Nagelberg LLP**

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Headquarters Relocation

Client:

Encyclopaedia Britannica

Location:

The Reid Murdoch Building
325 North LaSalle Street
Chicago, Illinois

Size:

75,325 square feet

Overview:

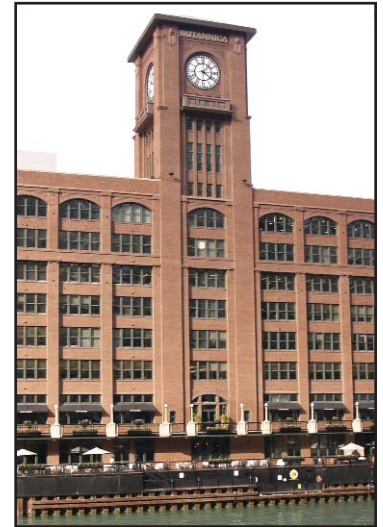
When their landlord offered to terminate their lease at Britannica Centre, 310 South Michigan, in order to convert the building to condominiums, Encyclopædia Britannica, Inc. (EB) was presented with the opportunity to downsize operations, decrease occupancy costs, and move into a facility that better reflected the company's new image. However, EB was also presented with the challenge of finding a new facility within ten months, which is a short period to relocate a major corporation's headquarters.

Approach:

In addition to economics, EB required a building with historical stature and modern amenities. EB also wanted to retain prominent identity on the building, as they had at their previous location. Due to the short timeframe of the project, MB Real Estate immediately completed a market overview and assembled a project team of architects, contractors, and technical support consultants to assist in the evaluation of alternative properties. The evaluation included a complete review of base building and infrastructure for several properties with existing furniture in place as well as properties where total build out of the premises would be required. After several rounds of accelerated negotiations, EB decided to move to the Reid Murdoch building, a renovated loft property with the history and modern infrastructure to reflect the culture and new image of the company. From the time of the initial tours, EB signed a lease within 55 days.

Results:

- Increased operating efficiencies by 33 percent (EB decreased from 90,000 sq. ft. to 75,325 sq. ft., despite 10 percent staff increase)
- Obtained prominent signage on building's clock tower
- Secured a large rent abatement package
- Secured favorable expansion and cancellation options for improved flexibility
- Negotiated substantial tenant improvement and furniture allowances



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Build-to-Suit

Client:

General Board of Pension and Health Benefits of The United Methodist Church

Location:

Glenview, Illinois

Size:

106,000 square feet

Overview:

MB Real Estate was hired to evaluate and compare the costs to develop a new headquarters on General Board's existing property versus alternative sites in the Chicago Metropolitan area. Responsibilities also included assembling and oversight of project team (i.e. architects, engineers, contractors) to assist in evaluation of existing site and alternative locations.

Approach:

MB Real Estate identified GBOPHB's goals and objectives through an in-depth strategic planning process and performed simultaneous due diligence on both the existing property and alternative sites throughout the Chicago Metropolitan area. The evaluation included a comparison of four scenarios: 1) building a new facility on their existing site; 2) renovating properties on existing site; 3) purchasing a condominium interest or ; 4) developing a new building on an alternative property.

Results:

- Oversaw visioning session and developed strategic questionnaire to assist client with goals and objectives for new headquarters
- Hired as project manager to lead development, zoning, and entitlement process for each alternative
- Completed demographic and transportation studies to analyze impact on existing and future labor force.
- Developed budgets and oversaw design of Building on existing site versus building new headquarters on alternative site.
- Currently under contract, finalizing budget and performing due diligence on alternative site.
- In the future, MB Real Estate will perform the project management and oversee the construction of a 106,000 square foot build-to-suit



GENERAL BOARD OF PENSION AND HEALTH BENEFITS
OF THE UNITED METHODIST CHURCH

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Relocation/Lease Consolidation

Client:

U.S. Bancorp

Location:

The Rookery Building
209 South LaSalle Street
Chicago, Illinois

Size:

73,338 square feet

Overview:

U.S. Bancorp hired MB Real Estate to evaluate the costs and benefits of consolidating their three Chicago operations to one facility or renewing the current leases at all three locations.

Approach:

As a part of the assignment, MB Real Estate developed a comprehensive strategic plan, which including economic modeling of several scenarios. The team then identified U.S. Bancorp's options and applied an expert understanding of the impact to the bottom-line created by generally accepted accounting principles. After a thorough review, U.S. Bancorp decided to consolidate to the Rookery Building.

Results:

- Consolidated U.S. Bancorp into one facility at a savings of over \$800,000
- Negotiated a substantial concession package, which included an above-standard tenant improvement allowance, a lease assumption of the existing leases, and significant free rent
- Received prominent exterior signage on historically-significant property within the heart of the financial district
- Secured favorable expansion and cancellation options for improved flexibility



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New Lease Negotiation

Client:

Capital One

Location:

3901 N. Dallas Parkway
Plano, Texas

Size:

120,000 square feet

Overview:

Capital One hired Swearingen Realty Group to negotiate a new lease for their customer service center in Dallas. The new lease led to a total savings/value add of \$2.5 million.

Approach:

- Enhance work environment to increase employee retention
- Optimize expansion options
- Identify existing/future employees by location
- Reduce occupancy costs
- Increase space efficiencies
- Provide redundant electric power
- Provide redundant phone service
- Campus to house up to 1,200 associates at full capacity including future growth

Results:

- Prepared demographics for future employee hires
- Enhanced space efficiencies through creative space and building design
- Increased parking to 600 spaces per building at no cost
- Negotiated extremely favorable lease terms including Phase II expansion rights
- 500 KVA back power generator, full UPS system and dual electrical supply from separate substations
- Negotiated reduced electrical cost from service provider
- Total saving/value added in negotiations: \$2.5 million
- Negotiated for Landlord-enhanced base building



Capital One[®]

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Lease Administration

Client:

PRG-Schultz

Location:

600 Galleria Parkway
Atlanta, Georgia

Overview:

Swearingen Realty Group implements national real estate strategy and Lease Management Software that allows PRG-Schultz to streamline its process, realize efficiencies, and see a positive impact to the bottom line.

Approach:

- Evaluate National Real Estate Portfolio of approximately 80 offices
- Dispose of excess real estate acquired through acquisition of competition
- Centralize the entire real estate process
- Streamline process and coordinate local managers and vendors

Results:

- Negotiated the termination and/or subleasing of several leases within months of acquisition.
- Saved the client more than \$1.5 million over the first year.
- Provided single point of contact which provided consistency in service
- Implemented Lease Management Software to provide all divisions of the company web enabled access to leases, terms, financial reports, etc.
- Continue to manage and provide benchmarking studies on the leased and owned building portfolio



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Research and Database Solutions Consulting

Client:

Crossmark

Location:

5100 Legacy Drive
Plano, Texas

Size:

175,000 square feet

Overview:

Swearingen Realty Group provided market research and database solutions for a large portfolio of approximately 1,000,000 SF of corporate owned real estate throughout the US, Canada, and Mexico, updating Crossmark's real estate techniques, and simplifying in-house efforts for the company.

Approach:

- Implement tools to assist in-house real estate personnel with portfolio management
- Manage client's subleases and revenue generated from subleases
- Provide on-line access to critical dates and lease documents
- Track operating expenses and vendor contact information by location
- Assist in long term strategy planning for corporate campus expansion

Results:

- Transferred thousands of pages of printed lease documents into a lease administration program facilitating multiple dispositions
- Provided quick access to lease documents, building photos, location contacts, and complete real estate costs
- Automated 'critical dates' reminders to address important lease options
- Real estate department receives ongoing "Active Projects" and "Closed Projects" summary reports
- Assist in-house real estate department with communication flow between in-house departments required for each lease or sale transaction



CROSSMARK[®]
The way to market.™

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New Lease Negotiation

Client:

Hotels.com

Location:

10440 N. Central Expressway
Dallas, Texas

Size:

75,000 square feet

Overview:

Swearingen Realty Group was contracted by Hotels.com to relocate their corporate headquarters and call center, increasing space efficiencies while lowering the cost/SF. Through Swearingen's efforts the client was able to relocate to four contiguous floors with maximum flexibility of expansion, contraction, and cancellation options, while receiving a savings of more than \$6.00/SF.

Approach:

- Relocation of corporate headquarters and call center
- Increase space efficiencies
- Lower cost/SF
- Provide more secure environment for Internet Network/Back Bone
- Better corporate identity/branding
- More adequate parking
- Employee demographic studies and wage labor analysis

Results:

- Relocation to four contiguous floors
- Maximum flexibility with expansion, contraction, and cancellation options
- More than \$1.2 million in tenant improvement allowance
- Rate per SF reduction of more than \$6.00/SF
- Backup generator with full UPS System and cabling included in tenant improvement allowance
- Purchased 500+ work stations with tenant improvement allowance
- Received prominent signage option for top of the building



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