

Investor Services Communications

strategic initiatives

Green Building: C&W launches significant green initiatives at 525 Market Street in San Francisco

On April 22, 2009, the C&W team at 525 Market Street hosted the property's first annual Earth Day Green Fair. Local representatives from San Francisco Department of the Environment, Golden Gate Disposal & Recycling, ABLE Building Maintenance, Kelly Moore Paint Company, AAA Business Supplies, Neetos Café, Waxie Sanitary Supply and several other companies were on hand in the lobby of the 1,161,736 square foot, Class A office high rise to share information. The inaugural event was designed to raise awareness among 525 Market Street's over 3,200 occupants as well as the community about ownership management's commitment to environmentally sustainable business practices.

"We are very excited to be hosting our first green event," remarked Tenant Services Coordinator Candy Chu. "This has also been a great opportunity to highlight our restructured recycling program as well."



PHOTO 1: C&W Property Management Team at 525 Market Street. PHOTO 2: Recycling receptacles in action. PHOTO 3: Answering questions on LEED certification standards. PHOTO 4: Presenter talks about recycling program with tenants.

Earlier in April, the C&W team launched a restructured recycling program in conjunction with San Francisco waste management company Golden Gate Disposal & Recycling and janitorial services provider ABLE Building Maintenance. The revamped program is guided by an overall goal of bringing 525 Market Street's waste diversion rate to above 75%. Practices include limiting desk-side wastebaskets to recyclables only, centralized receptacles for waste and recyclables, as well as paper towels and waste items separation in restrooms. Volunteer Tenant Green Monitors are involved in each suite to ensure program guidelines are being followed.

Tenant Green Monitors are also key points of contact for the C&W team as they seek to coordinate and monitor green practices as part of the process of becoming Leadership in Energy and Environmental Design Existing Buildings (LEED-EB) certified by the United States Green Building Council. The approximately one year LEED-EB certification process was initiated by the C&W team at 525 Market Street at the start of 2009 with the assistance of a third party environmental consultant BuildingWise.

"Successfully implementing all our green initiatives at the building really depends on the partnership between owners, management, tenants, engineers and service providers," says Aline Singman, who leads the C&W 525 Market Street team as General Manager.

525 Market Street has long been a leader among major high rises in San Francisco's Financial District on implementing sustainable practices. The owners and management team have invested significantly in upgrading operating equipment such as chillers, boilers and water heaters with state of the art, energy efficient replacements. Major retrofits of lamps and ballasts in tenant spaces, common areas, parking garage and mechanical areas have greatly reduced overall energy consumption and costs. Since year 2000, 525 Market Street has been consistently awarded the prestigious Energy Star by the Environmental Protection Agency.

Aline Singman notes, "We have experienced some great successes as we implement greener strategies at 525 Market Street, and we value as a result both the quantifiable and more intangible benefits. Reducing costs, increasing efficiencies, reinforcing tenant retention and adding more selling points to leasing spaces are all part of what makes this a really positive story for us."

featuredpeople



Cybele Thompson
Director, Client Solutions

In both property management and police volunteer work, Cybele Thompson knows crisis management

As a Client Solutions Director, Cybele Thompson oversees C&W's Property Management portfolio in Los Angeles. Outside of managing local client relations and portfolio operations for C&W, Cybele has been volunteering her time with the Los Angeles Police Department's Crisis Response Team and San Diego Police Department's Crisis Intervention units. Since 2003, she has been going along on police calls that involve deaths, SWAT operations and responses to catastrophic events. Her role is to provide emotional and logistical support for the victims, their family and friends while the police team focuses on investigation activities.

"There are actually a lot of similarities between my volunteer work and what we do in property management because both involve crisis management," she points out. "The relationships I have gained with the police departments and city offices because of my volunteer work are also something that can be useful in the day to day operations and crises that come up managing commercial real estate for our clients."

To become certified, Cybele had to pass background checks and undergo a three month police department training program in both Los Angeles and San Diego. She was involved in the evacuation of people during the major fires in San Diego in 2003 and 2007.

Cybele joined the C&W team in 2007, and she previously managed real estate for CarrAmerica, Trizec Properties, PM Realty Group and Mitsui Kensetsu Development. She is also active in numerous industry and community organizations, including the Building Owners & Managers Association (BOMA), where she is a past president for BOMA California and BOMA San Diego, as well as Commercial Real Estate Women (CREW) where she is a past president for CREW San Diego.

New Business Awarded to C&W Investor Services

San Francisco, CA – **KAP Kearny Property Holdings, LLC**, 153 Kearny Street, 54,820 sf, Property Management
 San Francisco, CA - **W2005/ Lincoln 250 Montgomery LP**, 250 Montgomery Street, 116,078 sf, Property Management
 San Rafael, CA - **Corac, LLC**, Marin Commons, 467,411 sf, Property Management
 Elk Grove, CA – **Chrysler Financial Services Americas LLC**, 9645 Auto Center Drive, 56,995 sf, Property Management
 Sunnyvale, CA - **Chrysler Financial Services Americas LLC**, 1095 West El Camino Real, 25,059 sf, Property Management
 Sacramento, CA - **Chrysler Financial Services Americas LLC**, 2241/2305/2329 Fulton Avenue, 30,545 sf, Property Management
 Newport Beach, CA - **Prescient, Inc.**, 3501 Jamboree Road, 335,000 sf, Property Management
 Fontana, CA - **KTR Management Services LP**, 13003-13169 Slover Avenue, 651,235 sf, Property Management
 Glendora, CA - **Equity Ag Financial, Inc.**, 220-2220 Route 66, 60,295 sf, Property Management
 Granada Hills, CA - **Nationwide Properties**, 10605 Balboa Boulevard, 66,087 sf, Property Management
 Beverly Hills, CA - **Big Rock Partners**, 315 South Beverly Drive, 66,023 sf, Property Management
 Beverly Hills, CA - **Big Rock Partners**, 400 South Beverly Drive, 41,450 sf, Property Management
 New York, NY - **Steinway Musical Instruments**, 111 West 57th Street, 210,000 sf, Agency Leasing/Property Management
 New York, NY - **Hakiman Group**, 467 Eleventh Avenue, 600,000 sf, Commissioning/Consulting
 Boston, MA – **Mariner**, Mariner Portfolio, 1,412,291 sf, Asset Management/Property Management
 Woburn, MA - **JP Morgan**, 100 - 600 Unicorn Park Drive, 601,164 sf, Property Management/Project Management
 Nashua, NH – **Greenfield Partners**, 1617 Southfield, 48,400 sf, Property Management/Project Management

C&W delivers results for Zell Holdings portfolio in the United States

Challenge

Zell Holdings is a commercial real estate investment holding company with nearly two million square feet of property valued at over \$200 million total. Their current portfolio includes a mix of office and retail assets located in Denver, Phoenix, Tempe, Pittsburgh, Tampa, Fort Lauderdale and Boca Raton. In 2000, Zell Holdings made a switch from its previous asset manager to Cushman & Wakefield based on C&W's unique capabilities and synergies to deliver integrated asset management, property management, project management and leasing services.



Approach

The C&W team's approach for the portfolio leveraged a high level of complimentary expertise in transactions, operations and financial analysis. C&W brought over six property managers and engineering staff, adding new talent as needed to help aggressively pursue strategic goals and manage capital improvements. Using their financial management technology platform, YARDI, C&W performs complete final accounting for Zell Holding's portfolio. Reports on cash flow analysis, investment returns and internal rates of return are prepared by C&W, in addition to handling property tax appeals, insurance placement and coordinating with third-party auditors.

The C&W team monitors regional market conditions and makes recommendations for disposition, acquisitions and marketing strategy. C&W reviews economic credit worthiness of tenants, negotiates lease deal terms, coordinates with legal counsel on drafting of all lease documents and handles all inquires with respect to acquisitions and sales.

Results

From 2000 to 2008, C&W was able to increase the average occupancy rate portfolio-wide from the low 70%'s up to 92%. C&W's leasing team negotiated over 700,000 square feet in new leases, increasing new deals portfolio-wide by 30%. When the major tenant who occupied 50% of the 100,000 square foot Fort Lauderdale, Florida building moved out, C&W was able to backfill vacant space to 96% occupancy within 18 months with tenants at higher rental rates. This resulted in increasing property values and spreading out future leasing risks.

As real estate advisor to Zell Holdings, C&W recommended the sale of a 100,000 square foot office building in Coral Gables, Florida, which sold for over \$25 million and brought Zell Holdings in excess of a 200% return on initial investment. In Tempe, Arizona, C&W identified an opportunity to significantly increase return for Zell Holdings by redeveloping a 26 acre retail strip center to a higher and better use as a mixed office, retail and residential complex.

Another successful recommendation was the redevelopment of a 100,000 square foot office property in suburban Pittsburgh, including enhancement to appearance and operations to achieve higher rental rates. Once dated energy management and building operations systems were replaced, which resulted in overall sustainability upgrade by implementing systems that comply with LEED Silver standards.

About Investor Services

Client Solutions, Cushman & Wakefield's global services organization, provides strategic real estate solutions that fully support both our investor and corporate occupier clients. The Investor Services group focuses on providing Strategic Account Management, Property Management and Agency Leasing services to real estate investors. ***For further information, please contact Jim Arce, Senior Managing Director, at 415-773-3503 or via email at jim.arce@cushwake.com.***

What would you like to see in upcoming communications?

Investor Services News is newsletter that is intended to provide C&W employees with news and information about the Global Client Solutions Group focused on delivering our services to real estate investment clients. We would like to deliver useful information in an accessible format, so if you have any comments on content or format, please do not hesitate to [let us know via email](#).

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Client Transition Communications

The Power of Partnership

VOLUME 1 ISSUE 1 | JUNE 18, 2009

PG&E and C&W - Transitioning Toward Success

PG&E Corporate Real Estate (CRE) recently announced that it has selected Cushman & Wakefield (C&W) as its external real estate services alliance partner. The **CRE-C&W Transitions** newsletter is intended to provide real estate employees and partners with weekly news and information, as we integrate people, processes and technology into PG&E's real estate operations.

That integration includes a tightly aligned partnership, with C&W working closely with CRE to provide the following services:

- Real Estate Strategy
- Facility Asset Management
- Sourcing
- Financial Management
- Project Management
- Transaction Management
- Portfolio Administration
- Accounting/Finance

To support this transition, C&W will be implementing best-in-class facility management technology systems, including BIG, a portfolio administration and work management application and YARDI, a web-based accounting system, that are both accessible through FUSION, an Sharepoint information portal.

According to CRE Director Corey Wong, "The cultural fit between the PG&E and C&W organizations is phenomenal, and we look forward to forging a strong business relationship. The challenges that lie ahead will require the cooperation of both organizations. CRE is highly focused on its 2009 performance targets, and with C&W onboard, we are ready to quickly gain the momentum to achieve these goals."

C&W's Senior Managing Director of Client Solutions and acting Account Executive, James Arce, echoes this sentiment, "C&W enters into this partnership with a spirit of optimism, excitement, cooperation and understanding of goal achievement. Building a strong working relationship with the team at PG&E has been key during this transition period."



Transition Progress

The master services agreement between PG&E and C&W was executed in May 2009, and since that time, the transition team has been working hard to begin migrating all related services to C&W by August 2009. Transition subteams are being guided on objectives by the core transition team, lead by Corey Wong, Mary Pimentel-Wheeler, Armando Rodriguez and Mark Rozario of PG&E; Kent Wiegel, consultant with Kapstan Advisors; and Jim Arce,

Corrine Root, Michael Appleton, Sabrina Hughes, Anastasia French and Bill Dugan of C&W. To date, the major focus has been on recruiting for open positions to finalize C&W staffing, setting up accounting and finance operations, implementing technology systems and preparing for training both C&W and PG&E personnel on the new systems.

CRE and C&W All Hands Meetings

All hands meetings are in the process of being scheduled for the dates below. The meetings will focus on safety, mid-year business results and will also be a great opportunity to introduce employees from PG&E's new Alliance Partner, C&W. As always, there will be lots of opportunities for you to provide feedback to the leadership team. Supervisors will be signing their employees up for the appropriate sessions and will let you know which session to attend.

Jul 6 8:00 – 1:00 Conf Room A, 245 Market Street San Francisco

Jul 7 8:00 – 1:00 Conf Room A, 245 Market Street San Francisco

Jul 8 10:00 – 3:00 San Ramon Valley Conference Center, San Ramon

Jul 9 10:00 – 3:00 San Ramon Valley Conference Center, San Ramon

Training

Training sessions are being scheduled to ensure that everyone has the opportunity to learn the new systems. Each course will be offered at least twice, and C&W trainers will be available when systems go live to provide support. If you are a member of the target audiences below, please work with your supervisor to ensure that you get scheduled for the appropriate sessions. More detailed information on training and a full calendar will be coming soon.

Upcoming Training Calendar*

San Francisco

Jun 15 YARDI – Basic & Advanced Leasing (C&W Port Admin, Acct)

Jun 16 YARDI Training (PG&E Senior Staff, FM, Eng, Tech)

Jun 29 C&W Benefits Training (C&W New Hires)

Jun 29 – Jul 3 Project Management Training (C&W Project Mgmt)

Jul 6 YARDI – Basic & Advanced Leasing (C&W Port Admin, Acct)

Jul 7 YARDI Training (PG&E Senior Staff, FM, Eng, Tech)

Aug 3 C&W New Employee Orientation (All C&W Employees)

Aug 3 C&W Benefits Orientation (All C&W Employees)

Sep 2 C&W Operations Training (C&W FM)

Concord

Jun 17 YARDI Capture Training (PG&E AP)

Jun 18 YARDI Training (C&W/PG&E Acct)

Jul 8 YARDI Training (PG&E AP, C&W/PG&E Acct)

Jul 9 YARDI Training (PG&E Senior Staff, FM, Eng, Tech)

Aug 4 C&W New Employee Orientation (All C&W Employees)

Aug 4 C&W Benefits Orientation (C&W New Hires)

Sep 3 C&W Operations (C&W FM)

San Ramon

Jul 16 BIG – Work Management 101 (All Beginning Users)

Jul 16 BIG – Work Management 102 – Kioske (PG&E HD/Call Center)

Jul 17 BIG – Work Management 101 (All Beginning Users)

Jul 17 BIG – Work Management 102 – Kioske (PG&E HD/Call Center)

Jul 27 BIG – Work Management 201 (PG&E FM, Eng, Tech)

Jul 27 BIG – Work Management 201 (PG&E Senior Staff, FM, Eng, Tech)

Jul 29 BIG – Work Management 301 (PG&E FM)

Webex

Jul 10 Vendor Entry System Training (C&W Acct)

Jul 21 BIG – ESS (Employee Self Service) Portal (C&W Trainers)

Jul 21 BIG – Blackberry User Training (C&W Trainers)

Jul 27 FUSION Training (All C&W Employees)
Jul 28 FUSION Training (All C&W Employees)
Jul 29 FUSION Training (All C&W Employees)
Aug 18 - 19 C&W Learning Presentation (C&W Managers)
Aug 25 C&W Learning Portal & ClarityNet (All C&W Employees)
Aug 26 C&W Learning Portal & ClarityNet (All C&W Employees)
Sep 8 - 9 C&W Manager Training (C&W Managers)
Sep 21 – 22 C&W PMP Training (C&W Managers)
Sep 21 – 23 C&W PMP Training (C&W Employees)
Sep 24 BIG Refresher Training (Open)

**Room locations to be determined.*

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The Power of Partnership

VOLUME 1 ISSUE 3 | JULY 2, 2009

Transition Status Updates: What we are focusing on this week

With the transitioning of C&W as alliance partner in full swing, each transition subteam is hard at work meeting key strategic goals. Following is a quick status update on what each discipline is currently focused on this week.



Account Management is focused on interviewing top candidates for the Account Executive position.

Communications is pleased to publish the third issue of *CRE/C&W Transitions* this week in an effort to keep all CRE and partner team members informed on transition progress, new tools, training opportunities and other key topics.

Strategy is working on getting the occupancy planning team up and running, including analysis of current vs. recommended processes.

Transaction Management has successfully moved beyond the initial transitioning stage and is now focused on six work orders for transactions within PG&E's real estate portfolio.

Lease Administration is converting electronic lease files from PG&E for the BIG lease administration system.

Project Management is finalizing the staffing, outlining work flow for projects and evaluating optimal project management technology systems to use going forward.

Facilities Management is reviewing specifications for HVAC and janitorial services as well as recruiting for remaining open Facilities Management positions.

Human Resources is currently recruiting candidates for the Human Resources Manager to be based at PG&E account.

Accounting is training staff on technology and getting financial systems up and running.

Procurement is sending notification and assignment letters to all vendors in order to move them from CBRE's to C&W's contracts.

Technology is testing tweaks to the billing interface for financial management and accounting.

CRE and C&W All Hands Meetings start next Monday

The first round of All Hands Meetings for CRE and C&W staff begin this coming Monday, July 6th in San Francisco. These meetings will cover mid-year business results, safety and introduce employees from PG&E's new Alliance

Partner, C&W. As always, there will be lots of opportunities for you to provide feedback to the leadership team. Supervisors will be signing their employees up for the appropriate sessions and will let you know which session to attend. Please check with your supervisor on which session you should attend.

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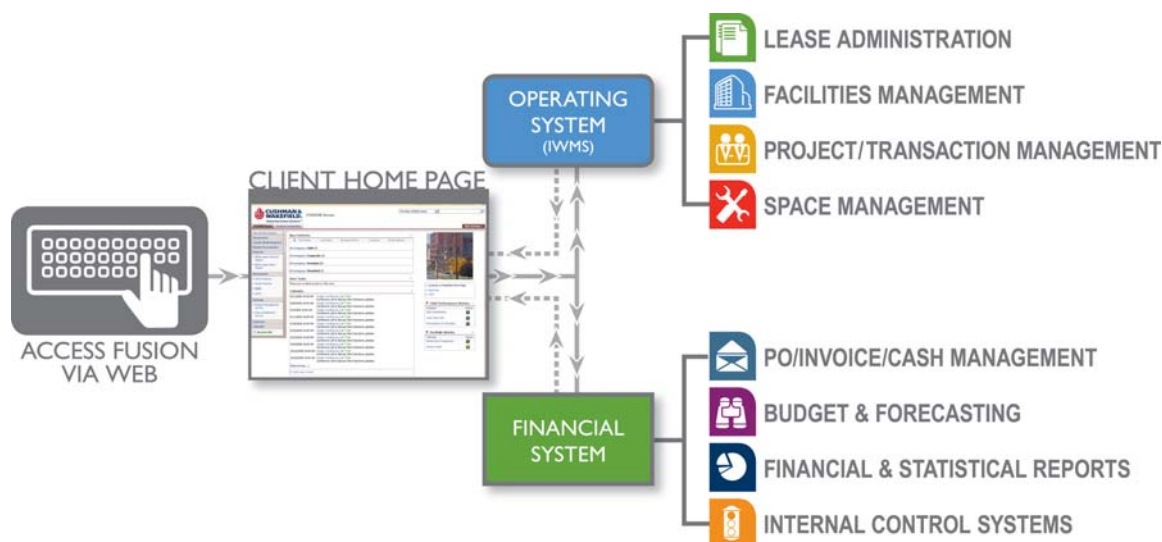
Jul 7 8:00 – 1:00 Conf Room 323, 77 Beale Street San Francisco

Jul 14 10:00 – 3:00 San Ramon Valley Conference Center, San Ramon

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Technology for sharing information: FUSION

As part of sharing of transition and ongoing account management information and documentation, both CRE and C&W team members have started using FUSION. Powered by MS SharePoint, FUSION is a centralized communication tool accessible by all team members through the internet. A secure home page has been created for the PG&E account where all participants with access can share and interact with key data, reports, files, etc. with work flow management and version control. Single sign-on allows CRE and C&W team members to sign-on through FUSION and access SharePoint, the BIG work management system and the Yardi financial system without having to re-enter their log-in for each. If you do not already have access to the FUSION site for PG&E, [please contact the site administrator.](#)



Upcoming Training Calendar*

This training calendar is also available with more detail on FUSION on the Employee and Training tabs.

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Case Studies

CASE STUDY | BROWN UNIVERSITY

LOCATION

Providence, Rhode Island, United States

KEYWORDS

University, Office, Multi-tenanted

SERVICES PROVIDED

Property Management, Project Management



BROWN

CHALLENGE

In 2008, Brown University purchased a portfolio of properties in Providence, Rhode Island, including several office buildings and two parking garages. While the university has long term plans to put the assets to their own use, their strategy for the short term is to maintain them as multi-tenanted properties. The portfolio was previously being handled by MTM, a smaller local management and leasing agent. Brown University sought a full service third party provider with a stronger commercial real estate services platform, broader presence and higher levels of service, so in December 2008 they engaged Cushman & Wakefield to oversee the portfolio in Providence.

APPROACH

C&W assembled an on-site management team including an experienced General Manager, Assistant Property Manager and Administrative Assistant to handle operations, contracting, accounting and reporting for Brown University's portfolio. By implementing C&W's accounting technology application, Yardi, the team was able to integrate portfolio accounting data, including a detailed chart of accounts, with Brown Universities financial data. C&W also enabled Brown University to access reporting, leases and other key documentation online in real-time using its information sharing solution, CW-One. With several renovation projects anticipated, C&W also offered the strength of its integrated in-house property and project management talent.

RESULTS

By outsourcing oversight of their multi-tenanted office and parking assets, Brown University was able to leverage C&W's core real estate management focus put its short and long term strategies in motion with higher focus on efficiency and value creation. By using C&W as a third party provider, the university was also able to avoid union labor issues that arose historically from managing their real estate in-house, where university jobs are typically unionized.

Most key to the success of this assignment has been the building of a strong relationship between the C&W management team and Brown University's real estate group. As a result of their diligence and hard work, Brown University's real estate director presented the on-site C&W team members with an unexpected performance bonus only six months into the assignment.

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CASE STUDY | ZELL HOLDINGS

LOCATION

United States

(Denver, Phoenix, Tempe, Pittsburgh, Tampa, Fort Lauderdale, Boca Raton)

KEYWORDS

Asset Management, Acquisitions, Dispositions, Redevelopment, Property Management, Leasing, Office, Retail

SERVICES PROVIDED

Asset Management, Property Management, Project Management, Leasing

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Another successful recommendation was the redevelopment of a 100,000 square foot office property in suburban Pittsburgh, including enhancement to appearance and operations to achieve higher rental rates. Once dated energy management and building operations systems were replaced, which resulted in overall sustainability upgrade by implementing systems that comply with LEED Silver standards.

C&W has successfully been retained by Zell Holdings for an extended term to continue to provide real estate services and continues to advise on potential acquisitions that will better balance risk and market exposure.



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Datasheets

Distressed Real Estate and Receivership Group

In response to the changing commercial real estate environment, Cushman & Wakefield (C&W) developed the Resolution Group in 2008. This newly developed division identified seasoned professionals within C&W and is utilizing their expertise in creating solutions for the acquisition, management, leasing and disposition of distressed assets. To date, the majority of clients have been lenders and receivers that have become unintended owners of real estate in need of professional advice and strategic consulting. Initial needs of distressed real estate include:

- **Assessment of Staffing and Contracts**
- **Assessment of Accounts Receivables & Payables**
- **Assessment of Capital Needs**
- **Assessment of Engineering Issues and Needs**
- **Retention of Current Tenants**
- **Identification of Potential Liens and Liabilities**
- **Identification of Operational Cost Savings**
- **Develop a Owner Strategy for the Asset**

Case Studies – Southern California Area

Beginning in mid 2007, the Orange County mortgage industry began to exhibit signs of distress fueled by sub-prime Ameriquest Mortgage placing 600,000 square feet of office space on the market. The market continued to slide resulting in 5 million square feet available for lease and 3 million square feet of new product being delivered with very little pre-leasing. Blackstone's purchase of the Equity Portfolio in November 2006 caused rates to skyrocket and investors, who previously had not contemplated a sale, to list their properties. The majority of the assets purchased during this period were purchased at a highly inflated rate.



3501 BAYVIEW

Previously a Downey Savings project, Bayview is a 332,284 square foot Class A six story asset overlooking the Newport Beach Back Bay. US Bank assumed control of the asset in November 2008 occupying 75% of the building; the Bank ultimately consolidated to one of their other locations. C&W was awarded the property management, sales and leasing assignment in June 2009 with one day notice to assume control. The existing management staff was retained in order to create a seamless transition through the sale. C&W quickly created an operating budget so that FDIC could fund the outstanding payables. With a 25% occupancy rate, C&W

prepared an aggressive strategy to lease the vacant space and retain tenants two large tenant's expiring in 2011.

CHRYSLER FINANCIAL

C&W has been awarded the property management and sales assignment on distressed automobile dealerships nationwide. The Southern California assignment includes six vacant dealerships and one parcel of land. C&W is responsible for analyzing the insurance risks, securing the facilities, repairing and refurbishing where directed, and monitoring monthly maintenance services via weekly property inspections.

QUINTANA

Previously a Maguire Properties asset, Quintana is part is a 16-acre campus consisting of 4 low-rise office buildings totaling 415,000 square feet and a 7 story parking structure located in Irvine, California. Maguire was forced to give back the asset in foreclosure. In 2009, C&W was awarded the property and project management and began working with a receiver. The C&W team collaborated and reacted quickly to a proposal request and moved to secure an investment sales, leasing and property management team. With 40% occupancy, C&W is creating an overall strategy with the receiver to stabilize the asset and begin the process of increasing occupancy and an eventual disposition plan.

WALL STREET PLAZA

Wall Street Plaza is a 31,231 square foot office and retail center located in downtown La Jolla, California. When the owner defaulted on loan with lender, this property was received by C&W partner Commerce CRG of Nevada on behalf of asset manager CW Capital Asset Management. In July 2009, C&W was awarded property management, project management and leasing. On the day the receiver took over the property, the restaurants, which make up 55% of the property closed. This left occupancy at 31%, and C&W has been tasked with overseeing maintenance of the property and implementing strategies to increase occupancy in anticipation of eventual sale.

CONTACT

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