



# **Business Review Day** **Global Corporate** **Services**

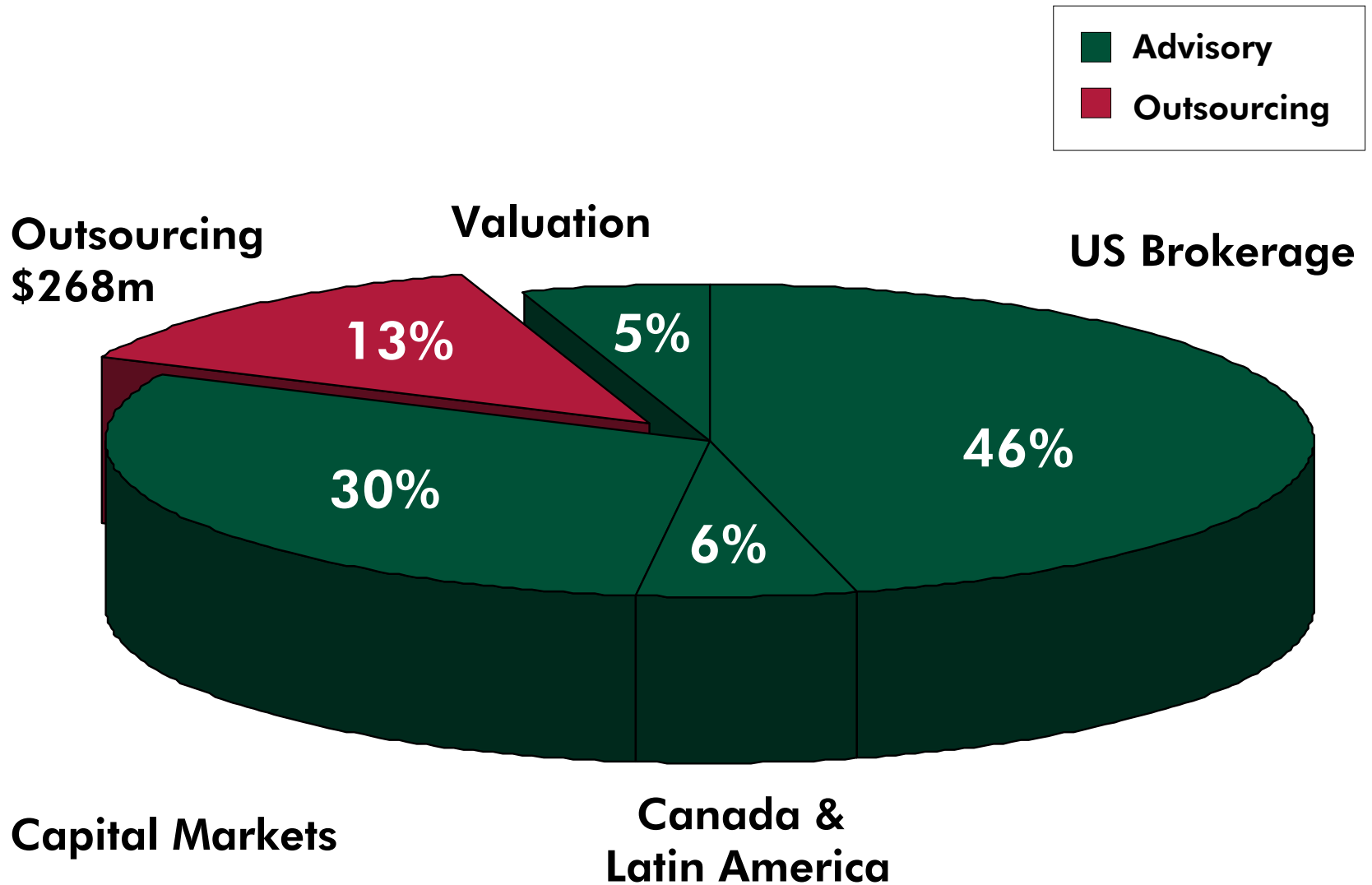
May 17, 2006

Steve Swerdlow  
President, Global Corporate Services

**100** A CENTURY OF SERVICE  
1906 | 2006

**CBRE**  
CB RICHARD ELLIS

# 2005 Outsourcing % of Americas Revenue



# About Global Corporate Services (GCS)

**GCS' business: securing and expanding account relationships with the world's largest corporate occupiers**

**GCS' objective: to form long-term, contractual relationships, each of which would drive substantial recurring revenues**

- GCS provides integrated real estate services to multinational corporations

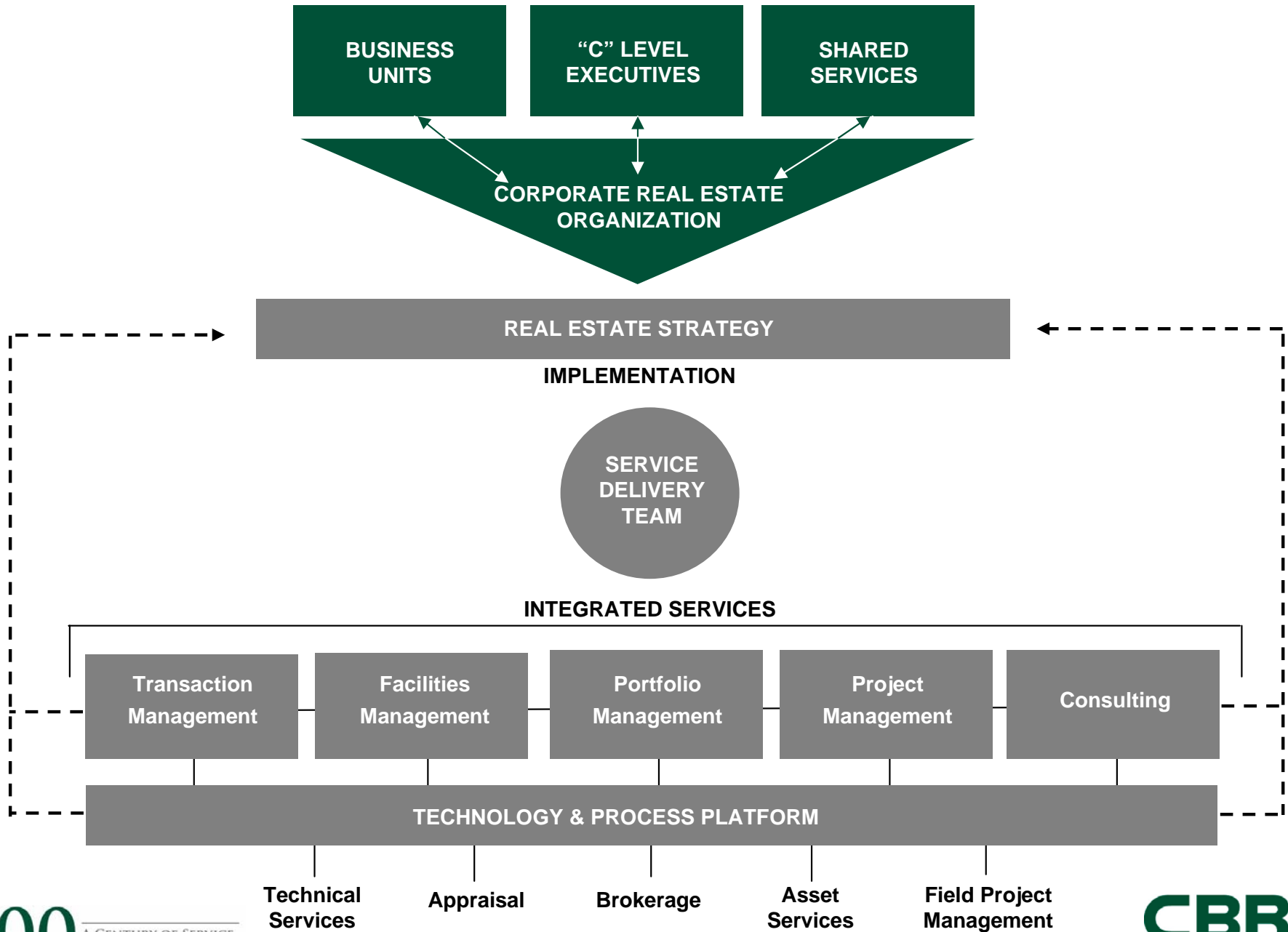
## GCS services

- Transaction Management
- Facilities Management
- Portfolio Management & Lease Administration
- Project Management
- Consulting

## Key differentiators

- Global coverage
- Proprietary portfolio management tools
- Industry-leading account management
- Largest base of transaction professionals with execution track record
- Leading real estate technology platform

# GCS as Integrator – Account Management Model



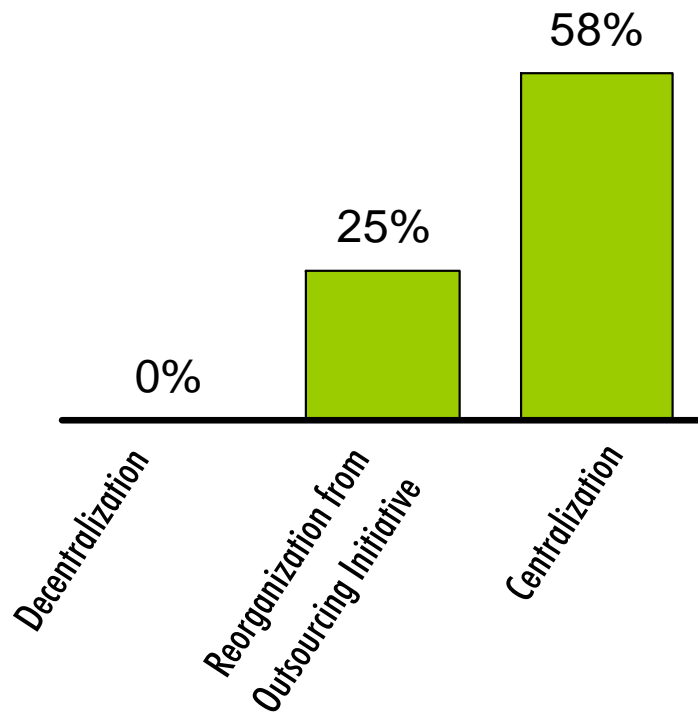
# Key Business Drivers

- Centralization of the corporate real estate function
- Corporations seeking cost reductions through real estate outsourcing
- Corporations seeking to monetize owned real estate assets
- Continued real estate consolidation following corporate mergers

# Key Business Drivers

## Centralization of the Corporate Real Estate Function

Corporate real estate reorganization reason  
(% of respondents)



Clients seek GCS...

- dominant global footprint
- full spectrum of services
- account management model

# Key Business Drivers

## Cost Reductions through Outsourcing

- Real estate is among the top 3 expense categories for our clients
- 85% of companies indicate cutting costs is real estate's top priority
- 25% increase in number of RFPs received in 2005

# Key Business Drivers

## Monetizing Owned Real Estate Assets

- \$3.6 trillion in commercial real estate assets owned by corporations<sup>1</sup>
- Abundant capital and low interest rates producing high prices/valuations for corporate-owned real estate assets<sup>2</sup>
- Sale-leasebacks and other structures allow corporate users to free up cash to reinvest in core business and maintain flexible control of corporate facilities<sup>3</sup>
- \$11.6 billion in sale-leasebacks in 2005, growing by 45% annually<sup>2</sup>

1. Prudential Real Estate Investors
2. Real Capital Analytics
3. Moody's Investors Services

# Key Business Drivers

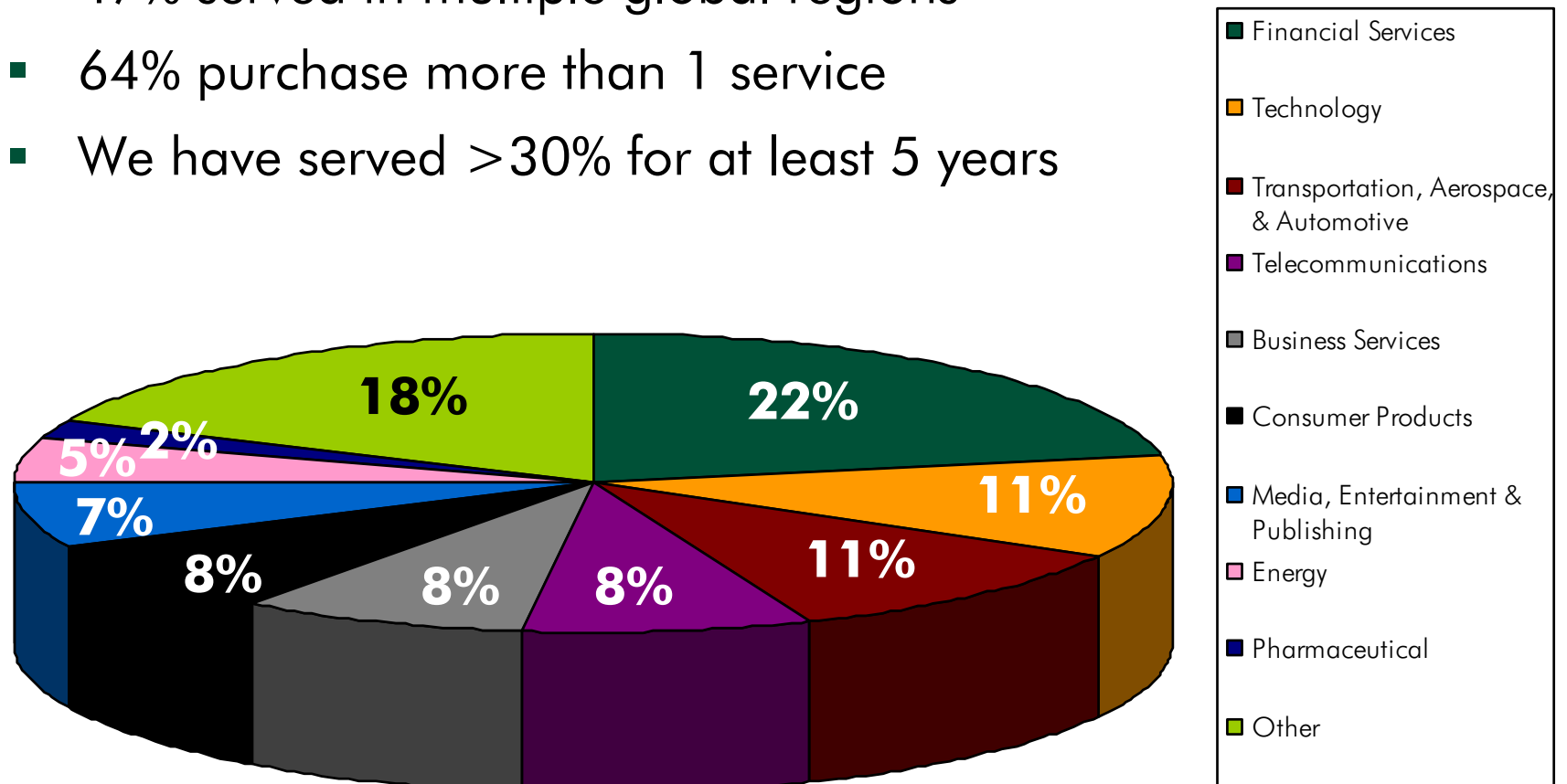
## Corporate Real Estate Consolidation

- \$2.9 trillion in global M&A volume in 2005 – up by 37%<sup>1</sup>
- Real estate and facilities generally part of post-merger corporate consolidations
- Post-merger real estate consolidation fed all GCS service lines and are less fee sensitive

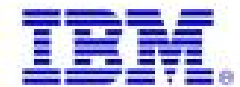
1. Dealogic

# Statistics – Strong, Diversified Client Base

- Diversified by industry
- 47% served in multiple global regions
- 64% purchase more than 1 service
- We have served >30% for at least 5 years



## Select 2005 New Client Wins & Expansions



# Recent Case Studies



- The 750,000 sq. ft. building containing Boeing's worldwide HQ; owned by state pension fund and not up for sale
- CBRE account team and local CBRE transaction professionals worked together to demonstrate value of \$165 million off-market purchase
- Deal possible through deep CBRE local market expertise combined with successful integration of multiple CBRE service lines – Brokerage, Asset Services and Appraisal

# Recent Case Studies



- Business needs evolving from manufacturing to service base – requiring both flexibility and control of strategic facilities
- Performed \$152 million sale/leaseback of 3.8 million sq. ft. (24 properties) in U.S./Canada
- ~90 days from initial offering to signed contract
- Deal and rapid timing possible through breadth of CBRE's geographic coverage and successful integration between GCS account team and CBRE's Investment Properties

# Recent Case Studies



- Smaller corporate portfolio - ~2 million sq. ft.
- Engaged GCS to develop strategic plan for HQ and operations facility rationalization
- CBRE team executed six leases for ~650,000 sq. ft., managed construction and moves
- ~\$150 million real estate commitment over duration; one of the largest lease transactions in Orange County, California in 2005
- GCS management of “smaller” clients produces significant value

# 2006 Strategic Initiatives

- Focus business development on clients with multi-national portfolios
- Pursue middle-market opportunities
- Differentiate through new, proprietary service offerings – CBRE Project Advantage, Client Dashboard, PortfoliolQ™, MarketStrike