

Intel Corporation

Challenge

Intel Corporation acquired Digital Equipment Corporation's (DEC) chip design operation in Austin, Texas in 1998. DEC had just signed a 20,000 square foot ten (10) year lease in a Class A suburban office building at very high rental rates. Intel wished to expand the size of this operation six-fold during the next three years, and the DEC building could not accommodate that growth. Therefore, Intel retained our team to assist them with the sublease of this \$4.6 million liability. Over 1.2 million square feet of competing product was going to be completed within the next 3-6 months, so the timing of this disposition was critical. Intel challenged us not only to sublease the space quickly, but at a profit.

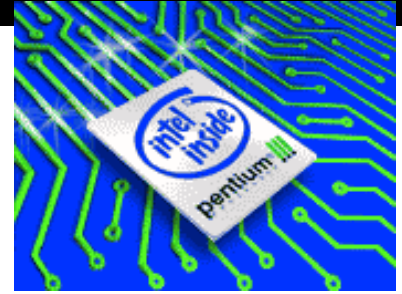
Strategy

Our team developed a two-tiered marketing strategy that was crafted around the quality of the existing improvements within the space and the beautiful views:

1) We targeted venture capital backed early stage companies that assigned value to the timeliness of 2nd generation space, the availability of furniture, and the benefits of hiring and retaining key employees in attractive surroundings; and,

2) We targeted CBD intellectual property law firms experiencing significant rent increases and parking challenges in the Austin CBD due to the 97% occupied Class A CBD market.

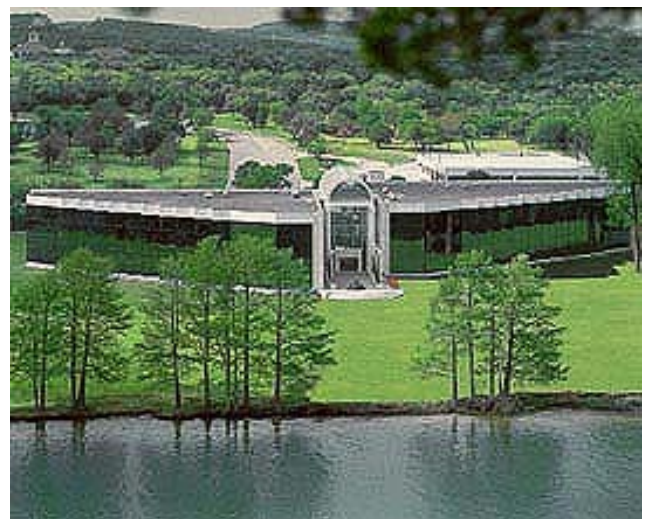
Our team believed that these two groups would pay a premium for this unique space.



Primary Contact:
O. Jamil Alam
Austin, TX

Results

Our team successfully subleased Intel's space at average rates \$2.00 per square foot above Intel's obligation on an as-is basis with only one (1) day of vacancy. The rates are the highest rates for any suburban office lease in Austin. The subtenant also leased all of Intel's furniture for the full term of the sublease.



* This transaction was completed by the contact shown above while at a previous employer.