

Sun Microsystems, Inc.

Challenge

In July 2000, Sun Microsystems, Inc. (“Sun”) signed a 10 year lease on 260,000 sf of single story value office space in Parmer Lane Business Park in northwest Austin. In January 2002, Sun decided to sublease all unoccupied space (150,000 sf) and our team was retained to market the space on behalf of Sun.

Strategy

We focused our marketing efforts around the sustainable competitive advantage that the Sun sublease space offered relative to the competition which was low full service rates, long term sublease, credit sublessor, 24/7 control of HVAC, and a 5/1,000 sf parking ratio.



Results

As of December 2003, through our team’s marketing efforts, Sun has signed leases that will generate \$10.7 million in revenue. Despite the abundance of space available in the northwest Austin submarket, we have been successful in subleasing 110,000 sf of space at rates that are 75% of the rates in Sun’s lease. We have accomplished this without requiring Sun to fund tenant improvements that exceed the allowance provided in Sun’s lease. In addition to marketing the space for sublease, we performed construction management oversight on Sun’s behalf.



* This transaction was handled while at the Trammell Crow Company.