



The Project Team assisted State Farm Insurance with a consolidation of 17 owned service centers.

SUCCESS STORY

TENANT REPRESENTATION / CONSOLIDATION



ADDRESS

Downers Grove, IL
Arlington Heights, IL
Tinley Park, IL

TEAM

David J. Burden

STATISTICS

175,000 Square Feet (3 Hubs)

SERVICES PROVIDED

- Tenant Representation
- Consolidation
- Site Selection
- Consulting
- Financial Analysis
- Disposition

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CHALLENGE

Following a national restructuring, State Farm, one of the world's largest financial institutions, wanted to consolidate 17 of its owned service centers in Illinois into three regional leased hubs in North, South and West Suburban Chicago. With its corporate headquarters facility in Bloomington, and 800 additional employees in the 17 suburban offices, Illinois contains the highest concentration of State Farm employees, making a successful consolidation critical. State Farm's goals included placing the regional hubs in strategic locations close to their employee base in order to facilitate the transition. The obsolete owned service centers would then be disposed.

This assignment was ultimately awarded to David Burden. His team had earned the client's trust and respect by completing several smaller State Farm leases in the past.

STRATEGY

Immediately after receiving the assignment, the project team kicked off strategic planning sessions with State Farm to identify geographic locations that fit the distribution of employees and matched the company's desired submarket hubs.

Looking for contiguous blocks of Class-A space, the team completed surveys of each suburban market and went through multiple rounds of negotiations with building owners and representatives to achieve State Farm's critical objectives related to access, lease flexibility and parking.

Leased hub facilities were signed for 72,000 square feet at Executive Towers West III in Downers Grove; 60,000 square feet at One Arlington Place in Arlington Heights; and a 42,000-square-foot build-to-suit with expansion space in Tinley Park.

SERVICES

The project team provided site selection, financial analysis, consolidation, and lease negotiation services.

RESULTS

In less than a year, the project team was able to negotiate aggressive rental rates on long-term deals with flexible options for all three of the new service centers. In addition, the team was retained to sell six of the owned buildings that were vacated as a result of the consolidation.