

CASE STUDY



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QUICK FACTS

- Hired to dispose of a 30-year-old, functionally obsolete technology manufacturing campus
- Successfully marketed the site to institutional investors
- Sourced a buyer who transformed the campus into a mixed-use development known as The Domain

CAMPUS DISPOSITION :: AUSTIN, TEXAS

Challenge

In the wake of the 1998 Russian ruble crash, which sent world investment markets into a tailspin, IBM was ready to dispose of its 235-acre Austin campus, including 2.1 million square feet of functionally obsolete buildings. The campus was first used as an IBM Selectric manufacturing site and later as a mainframe and PC manufacturing and distribution facility. IBM was moving its manufacturing to outside vendors as it began to focus on software, leaving the company with little use for the 30-year-old campus.

Solutions

CBRE worked with IBM corporate executives in formulating and executing a strategy for disposing of its aging campus.

CBRE's team designed and packaged the campus, dubbing it the IBM Austin Technology Park and put the campus on the quiet market to a large number of institutional investors. The team worked through additional challenges, including conversion from non-standard building area calculations and proper handling and explanation of environmental wastes and testing sites on the property.

Results

In the final analysis, the CBRE team leased a 165,000-square-foot space on the campus and brought in a purchase price for IBM that was significantly above its target. The redeveloped campus is now the multi-million-square-foot, multi-use development known as The Domain.

