

The Property Report: Plots and Ploys By Sheila Muto

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Joining Forces

Real-estate brokerage firm CB Richard Ellis Group Inc. and **HQ Global Workplaces**, an operator of temporary office centers, have formed an alliance to refer clients to each other.

Given that an increasing number of companies are looking for office space with more "flexible" lease terms and are willing to pay a "premium" for it, "it's a natural for us to come together," says Steve Swerdlow, CB Richard Ellis's president of global corporate services. Companies are "sensitive about the ability to get in and out of space agilely," he says.

For **HQ Global**, which emerged from Chapter 11 bankruptcy-court protection last fall, the deal is expected to bring more tenants to fill its five million square feet of space in 208 properties nationwide. About 20% of its space is currently vacant, according to Chief Executive Steve McNeely. The Dallas-based company leases space from office landlords, and then outfits the space with office furniture and equipment, phone and data lines, and staff. It then leases the furnished offices and offers services to companies looking for space for as little as one hour.

Currently most tenants, which tend to be small, local businesses, are referred to **HQ Global** through existing tenants, the Internet, ads and the company's sales force, says Mr. McNeely. With the new alliance, "we're looking to do a better job attracting more corporate clients," he says.

With a 4% to 5% monthly turnover rate at **HQ Global** suites, primarily due to tenants outgrowing the space, he says **HQ Global** will refer to CB Richard Ellis companies looking for bigger space in a more traditional office building.