

CASE STUDY



TIAA-CREF

CB Richard Ellis, working together across multiple real estate disciplines, breaks out of the pack of third-party providers to Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), ultimately achieving preferred provider status for a broad spectrum of real estate services and leading all other competitors in business volume and ratios.



CHALLENGE

Prior to 2003, CB Richard Ellis was considered an interchangeable third-party agent to the Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), one of the largest and most respected financial services providers in the world. Capital investment in real estate by TIAA-CREF had been on the upswing and all indicators suggested a continuation of substantial growth in owned assets. Up to that point, CBRE's pursuits of TIAA-CREF business had been highly fragmented and often undertaken in a vacuum, without a full understanding of the "big picture." Likewise, TIAA-CREF engagement decisions were made seemingly without full consideration or recognition of the array of opportunities provided by the CBRE platform.

CBRE sought a larger and more comprehensive share of TIAA-CREF investor and occupier business, and ultimately to become its leading provider of real estate services.

SOLUTION

When the Strategic Accounts team of Mike Schramm and Ron Patzer assumed leadership of the TIAA-CREF account in 2003, they, in conjunction with IG leadership, set out to distinguish CBRE from our competitors across all business lines. Achieving the desired results required a coordinated program to enhance TIAA-CREF's awareness of how a significant contribution to its overall real estate performance would be derived from the integrated, multiple service lines of CBRE.

The CBRE platform had the potential to be a meaningful contributor to TIAA's success, but needed a strategic plan to achieve it. Initially, coordinated meetings with TIAA-CREF business line leaders of their owner/investor activities were arranged to develop a comprehensive understanding of their objectives and to convey the depth and breadth of our market-leading service capabilities. Concurrently, extensive internal communications occurred to make professionals throughout CBRE aware of client goals and potential opportunities therein. Further, we identified other opportunities to serve TIAA-CREF as an organization.

While Investment Property and Asset Services assignments were the first targets, the Account Management approach uncovered multi-discipline business opportunities within TIAA. Its review of TIAA/CBRE opportunities indicated an increased transaction volume potential crossing an array of service lines. In addition, it was apparent that CBRE was exceptionally well-aligned from a geographic perspective with TIAA-CREF targets. The Strategic Accounts team began to focus on their owner/investor objectives and educated the IG professionals with their purchase goals and criteria and

encouraged agency leasing representatives on TIAA-CREF assignments to aggressively pursue CBRE's tenant representation professionals and their clients. Thereafter, a substantial broadening of CBRE's business pursuits with TIAA-CREF was facilitated to



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include econometric research (Torto Wheaton) and financial analysis/valuation (FCG). In addition, we were selected to service TIAA-CREF's substantial mortgage loan portfolio through CBRE | Melody's GEMSA loan servicing arm. The mammoth TIAA-CREF portfolio will expand our loan servicing business by nearly 50%. Likewise, recognizing that TIAA-CREF was a real estate user as well as investor, a transaction management, project management and lease administration assignment covering their corporate occupied portfolio was pitched and secured by our Global Corporate Services Division (GCS).

RESULT

The combined efforts across all CBRE real estate disciplines have resulted in significant increases in both revenues and ratios of TIAA-CREF engagements. Between 2003 and 2005:

- Annual fees earned from TIAA-CREF grew at a compound annual rate of 58%;
- The Asset Services leasing and property management portfolio for the client has grown at a compound annual rate of 68% and now totals approximately 20 million sq. ft.;
- Valuation work has grown by 150% in two years, and;
- There have been substantial new engagements in loan servicing and occupier transaction management.

In short, with an account management focus CBRE has seen revenues skyrocket while helping TIAA-CREF to solve not only its real estate needs, but maximize its bottom line performance. The future of the TIAA-CREF/CBRE relationship certainly appears bright.

TEAM

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