

CASE STUDY



Fortune Brands - Beam

In CBRE's largest suburban Chicago office lease transaction of 2005, the Global Corporate Services team represented Fortune Brands and its biggest subsidiary, Beam Global Spirits & Wine, in its world headquarters consolidation of 165,000 sq. ft. in Deerfield, Illinois.

CHALLENGE

Fortune Brands, Inc., a leading consumer brands company, has leading market positions in the home and hardware; spirits and wine; and golf equipment sectors. The company's major brands include Moen, Titleist, Master Lock, Aristokraft, Jim Beam, Sauza, Courvoisier and Clos du Bois.

In 2005, ACCO World Corporation, a Fortune Brands subsidiary that had been sharing a facility in Lincolnshire, Illinois, with the company's corporate headquarters, spun off on its own. Another Fortune subsidiary, Beam Global Spirits & Wine, significantly expanded following the acquisition of more than 20 additional spirits and wine brands formerly owned by Allied Domecq. These developments prompted Fortune to turn to its CBRE account team of James Whalen, Christopher Reynolds and Scott Brandwein to develop a long-term real estate strategy.

SOLUTION

At the time Fortune decided to relocate its world headquarters, the CBRE team had already been working with Beam Global Spirits & Wine to accommodate its upcoming brands expansion. In addition to exploring several headquarters alternatives for Fortune, CBRE also proposed consolidating the company's world headquarters at the same location as the expanding Beam. Although the Chicago North suburban submarket had tightened dramatically during the preceding 18 months, CBRE was able to develop a variety of consolidation alternatives, including existing buildings, build-to-suit facilities and the Corporate 500 office park in Deerfield, Illinois, that housed Beam.

Serving as Jim Beam Brands' corporate headquarters since 1988, the Corporate 500 Centre features more than 650,000 sq. ft. of Class A space in a campus-like setting. The CBRE team had represented Beam in a series of expansions at Corporate 500, and Beam occupied 111,000 sq. ft. at the time. Beyond attractive economic terms, the CBRE team was able to work with owner Equity Office to establish the kind of flexibility that this dynamic, consolidated organization would require, including future rights to expand, downsize and extend its occupancy.

RESULT

The CBRE team helped Fortune Brands and Beam Global Spirits & Wine consolidate its headquarters operations at two buildings at the office park: Corporate 500 Centre and 520 Centre. As part of the combined 165,000-sq.-ft. transaction, Beam signed a long-term lease renewal/expansion for 130,500 sq. ft., and Fortune Brands signed a new lease for an additional 35,000 sq. ft. This transaction was CBRE's largest suburban Chicago tenant representation transaction of 2005.

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In the first quarter of 2006, Fortune Brands relocated nearly 100 employees from its current headquarters in Lincolnshire to occupy space on two floors in the 520 Centre building.

TEAM

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