

# CASE STUDY

## DQE READY - RIGHT-SIZING TENANT REPRESENTATION PROJECT PHASE I

### Challenge

Since 1990, DQE has provided expertise, equipment and supplies to companies and organizations in the emergency preparedness and fast response industry. Rapid demand increases from events such as 9/11, Swine Flu and Ebola create a challenge for establishing the right size of office and warehouse/distribution space. Once DQE established the long-term space requirement projections, the company engaged the team of Andrew Morris & Jeremy Woods at CBRE to assess real estate costs, facility alternatives and relevant strategies to achieve the desired real estate platform and the most cost-effective economics.



### Approach

With 20 months remaining on DQE's current lease, DQE was obligated to a rent payment and correlating size of space nearly 40% higher than they needed. The CBRE team immediately put DQE's space on the market for sublease. The objective was to secure a partial sublease for approximately 25% of their space or a new tenant for the entire space, thus allowing DQE to terminate their lease and move to a smaller facility significantly earlier than their current lease expiration date.

### Results

Within three months of the start of the project, CBRE secured a good quality sublease tenant for 25% of DQE's space. Benefits for DQE included:

- Flexible sublease term allowing for continued marketing of entire space for tenant so DQE can terminate their lease and move to a smaller long-term location.
- Lowered DQE current rent obligation 25%. *(continued)*

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## CASE STUDY QUICK FACTS

- Right-sizing project for headquarters and distribution operations
- 20 months remaining lease term
- Current location nearly 40% too large
- Secured sublease tenant for 25% of DQE space, with flexible terms, and lowered DQE rent obligation 25%

### Client Testimonial

"Andrew and Jeremy have been a strategic partner of DQE's real estate requirements since 2008 and it has been a pleasure working with them. They really listen and understand our challenges, then provide in-depth analysis of scenarios we can consider. Once we've chosen a strategy, the DQE team can focus on their core business with confidence that our real estate teammates at CBRE will flawlessly execute with passion."

—Tony Baumgartner, CEO, DQE