



“...to provide flexibility for the potential sale of its engineering division... Weyerhaeuser was able to achieve a flexible year-to-year lease.”

SUCCESS STORY

WEYERHAEUSER

Branch Offices

Beaverton and Portland, Oregon

TEAM

Gordon King

+1 503 499 0099

gordon.king@colliers.com

Mike Holzgang

+1 503 499 0055

mike.holzgang@colliers.com

Brad Christiansen

+1 503 499 0054

brad.christiansen@colliers.com

SERVICES PROVIDED

Tenant Representation

Corporate Real Estate

Consulting

www.colliers.com

CHALLENGE

Weyerhaeuser asked our corporate services team to explore relocating the engineering, legal and information technology divisions from downtown Portland to suburban Vancouver, Washington.

Operational efficiencies created by Weyerhaeuser's previous acquisition of Willamette Industries eliminated all but two floors of leased office space in the Wells Fargo Tower. Nearly five years later, this Fortune 500 company determined that the remaining space exceeded their needs from both a size and image standpoint and determined that occupancy in business park space would be sufficient for all of their Oregon operations.

STRATEGY

Upon receipt of the requirement to relocate the engineering and legal groups, it became apparent that there was a vast difference in expectations between corporate goals and local management's preferences. Weyerhaeuser's local engineering and legal groups' office had been located at Wells Fargo Tower for more than 20 years, and the majority of its employees lived in southwest Portland and Beaverton. Relocating this operation to Vancouver would have a significant impact upon staff. More than 30% of the workforce indicated that relocation to Vancouver would cause them to consider terminating employment. As a result,

in addition to exploring relocation options in Vancouver, we recommended simultaneously pursuing renewal negotiations and relocation options in Beaverton as well. In the end, it became clear that a renewal was in the best interest of both Weyerhaeuser's corporate and local management teams. Near the end of renewal negotiations at Wells Fargo Tower, we were informed that Weyerhaeuser was marketing the engineering division for sale. Thus, it became imperative to negotiate a lease renewal that would allow for the sale of this business unit and the possible closure of the entire office. In addition, the information technology group requested the ability to be relocated within 30 days notice, an atypically short timeframe.

Simultaneously, we assisted the Weyerhaeuser hardwoods division with the relocation of an office in the Tigard Triangle. Weyerhaeuser had been located in a Class A building and preferred a business park setting. Due to economic conditions within the lumber industry, this division did not have funds budgeted to relocate. As a result, Weyerhaeuser was depending upon a well-negotiated lease transaction to pay for the estimated \$150,000 cost to relocate this 9,049 square foot branch office.



WEYERHAEUSER
Branch Offices
Beaverton and Portland, Oregon

TEAM

Gordon King
+1 503 499 0099
gordon.king@colliers.com

Mike Holzgang
+1 503 499 0055
mike.holzgang@colliers.com

Brad Christiansen
+1 503 499 0054
brad.christiansen@colliers.com

SERVICES PROVIDED

Tenant Representation
Corporate Real Estate
Consulting

www.colliers.com

SERVICES

For both the suburban office and Central Business District office requirements,

Weyerhaeuser looked to Colliers' Corporate Services Team to advise them on site selection; drive-time location of employee residences; lease analysis to compare various relocation alternatives; knowledge of landlords' ability to provide the needed terms and conditions; the ability to negotiate lease terms meeting Weyerhaeuser's corporate mandates; as well as provide access to local vendors in the telecommunications and business furnishings industries.

RESULTS

Weyerhaeuser's suburban-based hardwoods division signed a three-year lease term but secured economic incentives based upon a six-year lease term. The Central City-based office divisions were able to attain flexibility at Wells Fargo Tower for the potential sale of the engineering division and keep the Oregon-based information technology services group intact through completion of a flexible year-to-year lease term at a reduced size of 16,870 square feet.