



SUCCESS STORY

LOCATION ADVISORY & INCENTIVES PRACTICE

Raytheon

ASSIGNMENT:
Real Estate Portfolio
Office
23 facilities
Washington, D.C.

INTRODUCTION

Raytheon is a technology leader specializing in defense, homeland security, and other government markets throughout the world and employs 73,000 people worldwide. In Washington, D.C., Colliers was hired to prepare a “Real Estate Alignment Plan”. The goal was to examine Raytheon’s facilities and determine if there could be a more efficient and flexible real estate “footprint” that better suited their changing business.

CHALLENGE

Raytheon directed the Account Management team at Colliers and the Location Advisory & Incentives Practice to review the functional and locational needs of 6 business units in 23 facilities within the Washington D.C. metro, and to identify opportunities for office portfolio efficiencies and cost reduction in a hyper-competitive labor market. Colliers needed to examine the 1.6 million square foot portfolio to determine if too much space, too many facilities, or too much fragmentation existed, and propose solutions to these costly challenges.

SOLUTION

Colliers interviewed more than 60 program managers/department heads, and senior executives to determine business needs and priorities. Employee residential locations were mapped for each location and compared against real estate, labor market, and commuting trends. Key customer locations and customer requirements were determined and lease expirations were compared with customer contracts to determine locational requirements. Competitor real estate information (facility locations, sizes, etc.) were analyzed to establish industry benchmarks. Interviews were held with state and local government economic development leaders to gain an understanding of prospective incentive opportunities within the client’s highly-desired industry sector. All real estate sub-markets in the metro area were examined and Raytheon’s facility options were assessed in all locations.

RESULTS

Colliers identified important employee and labor market trends impacting future location considerations. We highlighted economies of scale available through consolidation, and coordinated the goals of internal and external customers. A strategic “Real Estate Alignment Plan” was crafted in cooperation with the internal corporate real estate and facility team. Colliers made 56 “actionable” recommendations to improve real estate portfolio efficiency, maximize the benefit of shared services, increase the attraction and retention of both employees and customers, and advance Raytheon’s “One Company” vision. Colliers provided Raytheon with a detailed report indicating a potential 40% reduction in number of facilities and 20% reduction in real estate costs.

