



Real Estate Roundtable: Issues & Questions for High-Performing Companies

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A roundtable hosted by Cresa
Facilitator: Jim Vos, Cresa

In real estate matters, there are 20 questions to ask (copy of the document included with these notes), but one of primary importance to the guests today – “How often does your board talk about real estate”.

Points to consider:

- Is real estate a place where capital gets parked?
- Is your real estate underserved?
- Is your real estate a long-term holding for value or used as a rental for income stream?
- Smaller companies under capitalized usually don't own real estate.
 - The phase of the company depends upon owning or not

During this roundtable, we considered the questions and issues your directors and management must understand to uncover a strategic view of your company's real estate.

Before the roundtable adjourned, each participant responded to this question:

“What are you taking back to your board?”

- Have we done enough for emergency planning?
- An increased awareness of the issues and questions relating to real estate.
- Do we have a long-term strategy in place?
- Reminding the board of appropriate capital allocation.
- The metrics for analyzing potential clients for redundancy.
- Board needs to be more attentive to real estate.
- All of the viewpoints and more exposure to the topic.
- Take the time to review a business continuity plan.
- Consider flex leasing.
- Do we have a project plan for the new accounting standards and the resources to implement it properly?
- Zoning and the potential hidden value of property.
- To be more thoughtful and planful of real estate decisions.
- Business continuity plan.



- Keeping the business and real estate separate is a misalignment and adds friction.
- More informed on family ownership.
- Structuring – don't think of it in just one way.
- Real estate profit – needs to have a conversation, possibly use a CEO roundtable.

Included is a questionnaire from Cresa for your board to consider relating to current or future real estate activities.



20 Questions to Ask

1. How will our business units respond if there is a rapid change in market conditions?
2. Do we have a "current state – preferred future state" analysis of our real estate portfolio?
3. How do we measure the performance of our real estate portfolio?
4. Do we know when we are likely to run out of space, and do we have a plan to keep that from happening?
5. Does our space fit with our business strategy for the next 3 – 10 years?
6. If we need 200 new seats in the next 30 days, do we know what we would do?
7. Are our current locations conducive to hiring a productive, cost-effective workforce?
8. How do the current fair values of our owned / leased real estate compare to book values? Are there opportunities to monetize?
9. How much do we anticipate saving from appealing our real estate taxes?
10. How many leases do we have across our organization and what does that represent in square feet and annual occupancy cost?
11. What are the critical lease notification dates and actions required in the next 6 months? How about the next 12?
12. How much do we save through annual real estate CAM cost audits?
13. Is owning property within our company's core competency?
14. Do we have significant capital invested unproductively in real estate, and could that capital be better used elsewhere in our business?
15. Do we need to build or occupy a custom facility but prefer not to own it?
16. If any of our mission-critical facilities were suddenly taken off-line, how would we return to normal operations?
17. Do we have the tools we need to evaluate alternative labor markets and economic incentive opportunities?
18. Does our current data center configuration meet our 5-year needs?
19. How would owning vs. leasing impact our Return on Invested Capital?
20. Are we getting the information we need to monitor our real estate operating costs and risks?