



# News

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**Report: Focus Shifts To Overall Business Outcomes, Not Just CRE Outcomes**

*CoreNet Global's 2009 State of the Industry reports increased alignment of CRE function with overall organizational strategy, delivering long-term value*

**ATLANTA – 27 April 2009** – More than ever, Corporate Real Estate (CRE) is navigating through uncertain, unprecedented times. CoreNet Global's annual *2009 State of the Industry Report* addresses how the CRE industry is responding to global economic turbulence by continuing to strategically align the CRE function to the greater, overall corporate business plan.

This latest 2009 State of the Industry Report features fresh research findings on the industry, events, trends and practices from 2008, into first quarter of 2009, a period defined by tough times in the financial and investment markets. "CRE is now playing the role of both value protector as well as value creator," says Prentice Knight, CoreNet Global CEO, "It is about delivering solutions for the overall business, directly linking real estate initiatives with the core business strategy and measuring success in terms of organizational outcomes."

The 2009 State of the Industry report touches on a wide range of research topics such as sustainability, alternative workplace strategies (AWS) and compensation trends for corporate end users.

Key findings include:

- The integration of sustainable practices through the CRE function or organization continues to be a strategic priority and important focus for CRE, but the willingness to pay a premium for it has lowered due to turbulent economic conditions.
- Companies are placing more emphasis on lower-cost sustainable solutions with more immediate payback, especially energy management. The cost of energy is also impacting location decisions by major corporations.
- The adoption of AWS and flexible work practices is rapidly shifting from cutting edge status to mainstream amongst large global corporations. This and other key findings show how companies and employees are now realizing the benefits of AWS on a much broader scale.
- A special survey of 17 corporate enterprises reflects the current economic mood within the management suite showing that executive compensation for corporate real estate executives on the demand or occupier side of the industry will rise only slightly in 2009, and that bonuses or other incentive payouts are being reduced significantly.

Other report focuses include:

- A snapshot on how the interlocking forces of the economy, financial systems and corporate performance tie to corporate real estate (CRE)
- What outside influences are impacting CRE
- Tools that CRE is using to respond to current conditions
- What can CRE influence
- Risks and opportunities for CRE
- An overview of what and how certain factors may change the structure and nature of the CRE industry

Lastly, the report describes the increasingly complex role for CRE executives. More and more non-CRE people are moving into CRE leadership roles. The job of a CRE executive is requiring a broader skill set and a wider range of individual strategic competencies. The report concludes that CRE executives:

- Are moving up the corporate value chain
- Best practices are showing marked advancement
- Strategic outsourcing is still growing, at least in the corporate real estate context
- All three are usually connected or can stand alone

### **Methodology**

The key findings of the report are drawn from multiple sources, starting with the views, opinions and expectations of more than 60 senior CRE leaders from around the world who took part in the first annual CoreNet Global Industry Leaders Roundtable in January 2008.

CoreNet Global Applied Research Center findings from 2008 were also used to update the CoRE 2010 benchmarking done in 2004, as were results from the CoreNet Global Discovery Forum series conducted in 2008 with industry executives in 6 cities around the world.

Information contained in the report is also culled from:

- *LEADER* Magazine case studies and articles
- CoreNet Global Summit case presentations
- Global Innovator's Award and other award cases
- Contributions by members and the CRE industry

CoreNet Global members manage US \$1.2 trillion in worldwide corporate assets consisting of owned and leased office, industrial and other space. With 7000 members representing large corporations around the world, CoreNet Global ([www.corenetglobal.org](http://www.corenetglobal.org)) operates in five global regions: Asia, Australia, Europe, Latin America and North America, including Canada.

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