Knowledge Leader™

COLLIERS INTERNATIONAL PROPERTY MAGAZINE

WINTER 2013/2014

OUTLOOK 20/20
EVERYTHING PORT-RELATED IS BEING SUPERSIZED

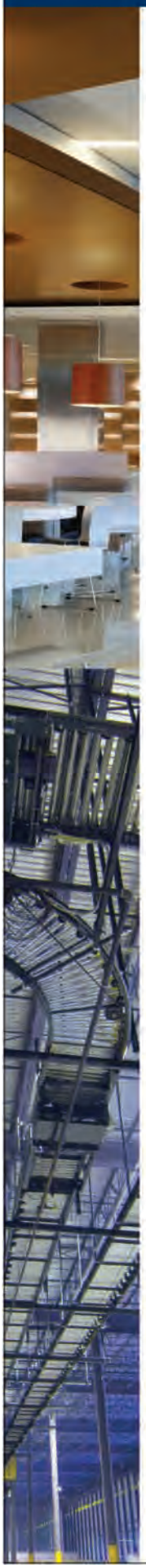
GLOBAL INVESTMENT
WHAT'S AHEAD FOR COMMERCIAL REAL ESTATE?

PACE FUNDING
SACRAMENTO TAKES THE LEAD IN SUSTAINABILITY

Regus

A GLOBAL LEADER IN ADAPTABLE WORKSPACE

Colliers INTERNATIONAL



PANATTONI AND COLLIERS
A VERY PRODUCTIVE PARTNERSHIP

BUILD-TO-SUITS

TA ASSOCIATES REALTY
1-210 Logistics Center II
763,600 SF Rialto, CA
Mark Zorn

TA ASSOCIATES REALTY
1-210 Logistics Center I
718,000 SF Rialto, CA
Mark Zorn

CASTORAMA POLSKA
538,200 SF Strykow, Poland
Malgorzata Zbrog, Tomasz Kasperowicz & Maciej Chmielewski

HOLLISTER
240,000 SF Mt. Juliet, TN
Jack Rosenberg, SIOR, Frederick Regnery & Tim Hart

FAURECIA
151,200 SF Legnica, Poland
Maciej Chmielewski, Rajmund Czajka & Łukasz Grupa

SYNCREON
116,300 SF Zary, Poland
Maciej Chmielewski

CEPHEID
81,000 SF Lodi, CA
Michael Goldstein, SIOR

LEASES

MOBIS PARTS AMERICA
451,200 SF Gwinnett, GA
David Kim

BRIDGESTONE AMERICAS
332,200 SF Lebanon, TN
Jack Rosenberg, SIOR & Terry Smith, SIOR

LIBERTY FURNITURE INDUSTRIES
332,200 SF Atlanta, GA
Sean Boswell, SIOR & Chris Cummings

CRATE SERVICES
296,300 SF Atlanta, GA
Scott Plomgren

FAURECIA
290,600 SF
Pilsen Region, Czech Republic
Martin Varačka

RABEN
286,900 SF Robakowo, Poland
Maciej Chmielewski

FISKARS, INC.
286,000 SF Southaven, MS
Brad Kornegay

COMMUNICATIONS TEST DESIGN, INC.
142,500 SF Lebanon, TN
Terry Smith, SIOR

CEVA
97,100 SF Myslowice, Poland
Paweł Nosal

JAS FBG
75,500 SF Pruszkow, Poland
Malgorzata Zbrog & Paweł Nosal

NAGEL
61,900 SF Gdansk, Poland
Krzysztof Kienorow

DSV
57,700 SF Pruszkow, Poland
Grzegorz Paluch & Tomasz Kasperowicz

RHENUS
48,400 SF Wroclaw, Poland
Tomasz Kasperowicz & Paweł Nosal

OPDF
38,600 SF Pruszkow, Poland
Maciej Cieliczko

ROHLIG
36,900 SF Krakow, Poland
Paweł Nosal & Tomasz Kasperowicz

BACPOL
35,500 SF Wroclaw, Poland
Malgorzata Zbrog

DSV
17,900 SF Gdansk, Poland
Grzegorz Paluch & Tomasz Kasperowicz

ACQUISITIONS

1-210 LOGISTICS CENTER II
35.22 ACRES Rialto, CA
Mark Zorn

1-210 LOGISTICS CENTER I
32.01 ACRES Rialto, CA
Mark Zorn

MEDOSWEET
15.5 ACRES Sumner, WA
Scott Alan, SIOR & Arvin Vander Veen, SIOR

SALES

1817 BURLINGTON STREET E
255,600 SF Hamilton, ON, Canada
Sydney Hamber, SIOR & Paul Mariutti

2560 WHITE OAK
251,600 SF Aurora, IL
Steven Disse & Jeffrey Devine

1980 ELM
98,500 SF Ontario, CA
Rick Nunez

2675 PACES FERRY ROAD
69,200 SF Atlanta, GA
Hayes Swann & Huston Green

1545 PAMA
30,500 SF Las Vegas, NV
Pat Marsh, SIOR & Grant Traub

BELMONT & GROVE, BUILDING 4
23,700 SF Ontario, CA
Richard Schwartz & Brad Yates

BUFFALO 215, BUILDINGS 3 & 4
12,300 SF Las Vegas, NV
Pat Marsh, SIOR

I-45 & AIRTEX BOULEVARD
14 ACRES Houston, TX
Marshall Clinkscales

PIONEER AVENUE
9.43 ACRES Las Vegas, NV
Pat Marsh, SIOR

CHEYENNE EAST
8.77 ACRES Las Vegas, NV
Dan Doherty, SIOR

BUFFALO/215 BUSINESS PARK
.97 ACRES Las Vegas, NV
Pat Marsh, SIOR

This list contains transactions from Panattoni Development Company, Inc. and affiliated companies located worldwide.

PANATTONI®
INTERNATIONAL VISION. LOCAL FOCUS.

Offices throughout the United States, Canada and Europe

CORPORATE OFFICE
PANATTONI DEVELOPMENT COMPANY, INC.
20411 SW Birch Street, Suite 200
Newport Beach, CA 92660 TEL 949/474-7830
www.panattoni.com

contents

PHOTO COURTESY OF REGUS

From the Editors' Desk

DYLAN TAYLOR DAVID BOWDEN

IN BETWEEN THE LINES

AS 2013 COMES TO A CLOSE and we look forward to a new year, it's always good to take a moment and look back over what you've accomplished. For us at *Knowledge Leader*, we're proud of the many developing stories we've covered in the magazine this year: the energy boom in the Gulf Coast, the expansion of the Panama Canal, the evolution of logistics, changes in workspace utilization and the U.S. manufacturing renaissance, to name just a few.

But the most important thing to us about any story that we publish is the community of learning it represents. We strive to bring you in touch with ideas or experts who may be new to you, whether from within or outside Colliers International.

Data in and of itself is useless—it takes the understanding of a mind to turn it into an idea and action, just as surely as a hammer or saw are useless without a carpenter. As we all know, this becomes harder to do as more and more information becomes available to us. Our newest response to the challenge can be seen in social media, where we now rely on thought leaders and experts to curate information for us. This not only increases the speed with which ideas circulate, but also gives us a greater ability to discover important ideas from outside our own industry and apply them to what we do every day.

This process is an opportunity for a new kind of personal connection, one that transcends the information itself that's being shared and creates a new kind of community. The power of this connection is one that we at Colliers believe in very strongly, because we are driven to understand the business problems that our clients are trying to solve.

Regus, the subject of this issue's cover story, offers its clients a wide variety of workspace solutions across the world, whether helping large companies remain flexible, or helping startups and individuals be more productive.

Other stories you'll find in this issue include:

- The latest *North American Port Analysis* report: winners and losers are emerging as 2015 nears;
- An interview with the founder and CEO of Global Relay, a leading electronic discovery provider to the financial sector;
- Bank Notes: KC Conway on the long-term impact of quantitative easing;
- Advice from Herman Miller on data-driven workspace decisions; and,
- Colliers President and CEO Doug Frye, on forging personal relationships.

Best wishes for health and success in the coming year,

Dylan Taylor
Chief Executive Officer | Americas
Colliers International

David Bowden
Chief Executive Officer | Canada
Colliers International

VOLUME 7 ▶ NUMBER 3

Knowledge Leader™ COLLIERS INTERNATIONAL PROPERTY MAGAZINE

EXECUTIVE MANAGING EDITORS
Dylan Taylor and David Bowden

EDITOR
Teresa Kenney

ASSOCIATE EDITORS
Christine Schultz, Lex Perry, Aaron Finkelstein

ART DIRECTOR
Matt Cole

CONTRIBUTING WRITERS/CREATIVE
Dave Arnold, Tracy Brower, KC Conway, Doug Frye, Carla Girvin, Marianne Hale, George Kalergis, Teresa Kenney, Zach Kroupa, Sheila Mickool, Cheryl Reid-Simons, Michelle Santos, Alexa Stanard

PROOFREADER
Sunny Parsons

ADVERTISING SALES
Jenna Badu-Antwi

This magazine is published by Colliers International.

Colliers INTERNATIONAL

To order more copies, learn about advertising options or subscribe to *Knowledge Leader*, visit www.knowledge-leader.com.

TIGER OAK MEDIA

Tiger Oak Media
1417 Fourth Ave., Suite 600
Seattle, WA 98101

Knowledge Leader is published three times annually by Tiger Oak Media Inc., with offices at 1417 Fourth Ave., Suite 600, Seattle, WA 98101; 206.284.1750.

POSTMASTER: Send address changes to: *Knowledge Leader*, Colliers International, 601 Union St., Suite 4800, Seattle, WA 98101. Publications Mail Agreement No. 40064408. Return Undeliverable Canadian Addresses to: Express Messenger International, P.O. Box 25058, London, ON N6C 6A8. PRINTED IN USA.

Tacoma, Wash., was the fastest-growing West Coast port year over year in the second quarter of 2013.

Upsized

IN THE NEW POST-PANAMAX ERA, EVERYTHING PORT-RELATED IS BEING SUPERSIZED, SAYS COLLIERS INTERNATIONAL'S CHIEF ECONOMIST, KC CONWAY.

BY SHEILA MICKOOL

CHIEF ECONOMIST KC CONWAY'S latest Ports Analysis report is out, and its main theme, he says, is that everything is getting bigger in preparation for a post-Panamax world: deeper ports, larger cranes, higher bridges, bigger ships and even more massive capital expenditure (CapEx) spending.

Supersizing port infrastructure is the most visible sign of Panamax preparedness projects. Just as important are the shifts in the trade routes, as well as in the competition occurring in anticipation of the first post-Panamax decade (2015–2025). Inland ports are becoming increasingly important, and potential labor strife in 2014 could have a significant negative impact on West Coast ports. In the latest report, Conway also examines the implications of the Suez Canal's growth in container shipping (in the last three years, it's grown at a faster rate than the Panama Canal) and the emergence of dual-fuel post-Panamax vessels (which use diesel while at sea and natural gas when docked to minimize environmental impact).

According to Conway, expected winners and losers are already identifiable, and the emergence of intermodal and inland distribution as the real beneficiaries of the Panama Canal expansion is now clear. "These capabilities will differentiate winners in the new world of trade," Conway says. Southeast ports are especially good at this—the report recognized the South Carolina Ports Authority for opening its new inland port in Greer in October 2013, which links to the Port of Charleston.

Hagood Morrison, SIOR, principal for Colliers International in Charleston, South Carolina, explains that the Port of Virginia was the flagship for blending coastal ports with an inland port at Front Royal and intermodal distribution. Now Charleston, with its Norfolk Southern (NS) rail link to Greer, is doing the same, and will link to the expanded NS intermodal facility in Charlotte. This will take advantage of the railroad's Crescent Corridor project, intended to enhance the railroad's north-south shipping and distribution capabilities with upgraded tracks between New Jersey and Louisiana.

"In addition to the enhanced NS link, this connection extends the reach of the Port of Charleston inland by more than 200 miles and gives shippers access to more than 94 million consumers within a one-day drive, ensuring super reliability of daily deliveries. The inland port will also improve the match-back of inland-bound containers, which builds exports and thereby attracts larger vessels," Morrison says.

As with past reports, Conway highlights the changing ports landscape with his North American Port Awards. For the second half of 2013, the awards and recipients include:

Sign of the Times Award: National Oceanic and Atmospheric Administration (NOAA)

"This is a new category, established to recognize a watershed event," Conway says. The National Oceanic and Atmospheric Administration (NOAA) announced it will no longer print nautical charts, due to advancements in computing and mobile technologies, terrifying longtime mariners who rely on their trusted paper charts to get them into port despite power outages, natural disasters and network system failures. To them, "It's like not having pilots on board planes equipped with autopilot," Conway says.

A-rated Port: Los Angeles

The Port of Los Angeles received the award for maintaining a AA bond rating (the highest rating available for a port without taxing authority) through five years of national and state fiscal crisis.

GDP (The Gulf's Darn Profitable) Award: Houston

With increases in key metrics such as net income—which in July 2013 rose by 47 percent year over year—the GDP recognition is justly deserved. Houston's strong financial performance is key to securing the necessary private financing to complete critical CapEx projects for post-Panamax upgrades.

The Newest 'Shore' Thing: South Carolina Ports Authority

This was awarded for the authority's flawless execution of the new inland port in Greer. The Port of Charleston will use Greer to offer cost-effective intermodal shipping to protect existing business and grab market share from competitors.

Match-back Award: Chicago

Chicago was chosen for national leadership in match-back container volume, which is especially difficult for an inland port. Chicago dominates this category at 100 percent match-back by refilling containers with grain for Southeast or Seattle ports to ship overseas.

America's Fourth Coast: Cleveland

Although it's an inland port, Cleveland is the new European connection. By using the Great Lakes lock system to establish an ocean express freight route to Europe and Russia, the Port of Cleveland provides a cost-effective option, eliminating rail and truck costs to East Coast ports.

THE PROPOSED NICARAGUAN CANAL

ON JUNE 13, 2013, the Nicaraguan government granted an exclusive agreement to HKND Group to develop a Nicaraguan canal linking the Atlantic and Pacific oceans. The Hong Kong–based firm, under the leadership of Chairman Wang Jing, was given the exclusive right to construct and operate the canal for 100 years. It's a massive undertaking by anyone's account, but Wang is undaunted. In July 2013, he stated that more than 5,000 people are working on the feasibility study, and press reports indicated that globally respected firms from the United States, Australia and Great Britain had been hired. Wang says that he is confident construction will begin in 2014 and conclude in 2019.

But it's a huge and complicated project in an underdeveloped nation. Morrison has spoken with a number of people and finds that, in general, most think the Nicaraguan canal is unlikely to happen. "The entity proposing to build the canal," says Morrison, "has very little public exposure. Their wherewithal is unknown; it will be physically complicated to execute. The costs are expected to exceed $40 billion."

Conway, on the other hand, thinks the canal will happen, and in the time frame Wang suggests. "We need a relief valve for backups at the Panama Canal. The current expansion will accommodate larger ships, but it won't do anything to alleviate the traffic jams. Ships are backed up for miles, waiting for passage," Conway says.

This is a strategic issue for China, according to Conway. It wants to control East-West shipping and to ensure access to the commodities that fuel its growth, much of which comes from Latin America. As for the price tag, it's relative, Conway says. "Expansion of the locks at the Panama Canal will cost $5.2 billion, and Los Angeles/Long Beach together will spend $5 billion to get post-Panamax ready. For $40 [billion]–$50 billion, China gets an entire canal for 100 years."

~ Sheila Mickool

PHOTO COURTESY OF PANAMA CANAL AUTHORITY

The first Panama Canal expansion gates being unloaded for the Atlantic-side locks.

Best 'Audible': Jacksonville

Jacksonville's new CEO surveyed the anticipated post-Panamax field of play, noting the funding challenges facing Jacksonville's plans for a deeper draft, and called an audible. The new play: Jacksonville will focus in the short term on its current strengths to better prepare for the post-Panamax era.

Up-&-Coming: Prince Rupert and Mobile, Alabama

Together, these ports form the only Gulf-to-Canada Class I railroad connection for trade with Latin America. Mobile is the deepest Gulf port, and shipping between Prince Rupert in British Columbia and Hong Kong is less costly than shipping to Los Angeles/Long Beach.

Auto-Pilot Awards: Baltimore and Georgia

These two were awarded for identifying auto shipments as a key port focus and executing plans flawlessly (as if on auto-pilot). These two port authorities do auto exceptionally well, are logistically strong, and have solid relationships with Japanese firms, including Mazda and Toyota.

The 1 Million TEU Club: Tacoma

With four straight quarters at more than 1 million TEUs (20-foot equivalent container units), Tacoma, Wash., was the fastest-growing West Coast port year over year in the second quarter of 2013.

spotLIGHT

THE PEOPLE, PLACES AND EVENTS SHAPING THE INDUSTRY

Government Relations

GOVERNMENT SOLUTIONS AWARDED 21-PROPERTY PORTFOLIO.

COLLIERS INTERNATIONAL'S Government Solutions group has been awarded the management contract for one of the largest Government Services Administration (GSA) leased property portfolios in the United States. Totaling more than 2 million square feet, the portfolio includes 21 assets across the country in major markets such as Washington, D.C., Denver, Dallas, and Portland, Ore.

"We are proud to expand our government property management program with this significant win," says Kurt Stout, executive vice president of Colliers' Government Solutions national practice group. "Government-leased properties require a specialized approach when it comes to management, accounting practices, capital budgeting, tenant relations, engineering and security. We have established a robust portfolio management approach tailored to the unique needs of government-leased assets."

The properties house tenants from a variety of government agencies, including the Federal Bureau of Investigation, U.S. Army Corps of Engineers, Drug Enforcement Administration, Internal Revenue Service, and U.S. Citizenship and Immigration Services.

The Government Services Administration portfolio includes 21 assets in major markets across the United States.

The portfolio is the largest for Colliers' Government Solutions, the industry's leading comprehensive services platform focused solely on government real estate. The Government Solutions platform consists of five integrated services, specifically focused on government real estate: leasing, investment sales, property management, appraisal and tax appeal.

The property management win is a collaborative effort between Colliers Government Solutions and Colliers Real Estate Management Services (REMS), a service line of Colliers International. Colliers REMS manages more than 330 million square feet across the nation and provides expert engineering, accounting and project management resources to the portfolio.

To learn more about the Colliers Government Solutions practice group, visit *colliers.com/government*.

PURE ROMANCE

NEW CINCINNATI HEADQUARTERS FOR GLOBAL COMPANY.

PURE ROMANCE, a growing relationship enhancement products company with offices around the globe, spent approximately one year searching for a new home for its headquarters in the greater Cincinnati area. The company was looking to move its main offices from a northern Cincinnati suburb to the city's central business district (CBD). In the relocation process, Colliers | Cincinnati's Senior Vice President Chris Vollmer, Vice President Chris Vollmer, Jr., Senior Sales Vice President Chuck Ackerman, CCIM, SIOR, and Senior Vice President Bill Keefer represented Pure Romance in its search for office space and tax incentives.

The company was courted by Cincinnati and northern Kentucky in an incentives bidding war that became especially tense when the state of Ohio vetoed expected tax incentives. However, the City of Cincinnati ultimately approved approximately $850,000 in tax credits for Pure Romance over the next 10 years. The decision will help to bring more than 100 new jobs to the city.

Handling both the negotiations and the extensive media coverage, the Colliers team secured a location within the CBD. The 30,000-square-foot building is designed to accommodate Pure Romance's aggressive recruitment requirements and includes exterior signage, naming rights and a turnkey tenant improvement package.

Pure Romance's new 30,000-square-foot headquarters is located in downtown Cincinnati.

SMARTER Commercial Real Estate Solutions

The **YARDI** Commercial Solution

What if you could run your entire business on a single software platform – all from your mobile device? With Yardi, you can. Yardi Voyager® is our global Software as a Service (SaaS) property management system with built-in accounting and real-time performance analytics. With smart additions from the Yardi Commercial Suite,™ you can consolidate your front and back office solutions in one database, with a single login.

To find out more about Yardi's program for Colliers' affiliates, please contact:

PAUL MIELE

Industry Principal at Yardi

paul.miele@yardi.com

Tel 516.609.6000 Ext 3162

YARDI Commercial Suite:

- » Voyager Property Management
- » Procure to Pay
- » Payment Processing
- » Advanced Maintenance
- » Advanced Budgeting & Forecasting
- » Orion Document Management
- » Orion Business Intelligence
- » COMMERCIALCafé
- » Commercial Leasing Pad

YARDI www.yardi.com | 1.800.866.1144

Q&A

EXECUTIVE INSIGHT WITH: ROB GOSSE

SENIOR VICE PRESIDENT OF CLIENT SERVICES, COLLIERS INTERNATIONAL

AS SENIOR VICE PRESIDENT OF CLIENT SERVICES in Canada, Rob Gosse has played a key role in developing and executing projects to drive revenue growth in the Canadian brokerage business. In particular, he led the creation of Canada's successful broker-managed account business. He now works closely with the senior leadership team in the Americas to conceptualize and implement initiatives focused on service excellence, relationship development and performance optimization within Canada's brokerage business. When he is not out working with clients and Colliers professionals, you are more than likely to find him with his family or in a hockey rink, coaching boys and girls who are learning Canada's game.

How did you get started in the industry?

I began my real estate career as an urban planner in Toronto. I loved the process of collaborating with a diverse range of people to imagine the future of the city and set development strategies to achieve that vision. What I didn't like was the length of time it took to get things done. I left that field, completed an MBA and wanted to stay connected to real estate. At that time, David Bowden, Colliers' Canadian CEO, was launching a corporate services platform, and the opportunity to help build a business with global potential in a faster-moving sector of the real estate industry drew me in.

What was your first job?

My first job was a paper route. As an 11-year-old, it provided an early sense of independence, responsibility and reward. Of course, it wasn't until my son started his own route that I grew to appreciate how much my parents did to support my perceived independence. When your child has a paper route, you have one as well.

What inspires you?

I get fired up when I come across an innovative idea conveyed in a compelling way. That can happen through great writing, speeches, paintings or music. I suppose some of that comes from growing up the son of a minister, listening to sermons on Sundays and seeing or experiencing the impact of great oratory. Wherever it comes from, I know that seeing a painting by Lawren Harris, listening to Jimmy Page pull something out of the ether, or hearing a great speaker who is really connecting always seems to strike a chord.

Who are your role models?

My parents first and foremost. My father chose a profession that he pursued with passion and showed me that leadership can be given by understanding how to serve others in an effective and compassionate way. My mother demonstrated her own commitment to serving others as a nurse, and in her passion and energy in our family life. I see the same traits in my wife, who is a dedicated high school teacher and nurtures our children in their development.

What advice would you give to someone entering the business?

This is a dynamic business, and there are many paths to success. Some people have the good fortune of knowing what they want from day one, and they go for it. For most of us, however, I think it is an ongoing process to find your own strengths and design your own path to success. The great thing about Colliers is that the culture of collaboration, and the tools and coaching available to us through Colliers University, can drive you on that journey if you are open to it. So, be curious. Ask your colleagues, your clients and yourself plenty of questions, and be open to change and the growth that change can bring.

What are your favorite business books?

I read so many of them, I'm not sure I could declare a favorite, but *Switch* by Dan and Chip Heath is certainly top-of-mind at the moment. So much of what we try to do involves change management, and while no one has the definitive answer on how to foster change, the framework that the Heath brothers outline has been instrumental in helping us map out our Net Promoter Score (NPS) strategy in Canada.

Any words to live by?

"Perfect is the enemy of good."

These words remind me to avoid the paralysis that can come from overanalyzing and overdesigning solutions, and to make sure to move forward and take action. KL

DATA BASE

THE KEY TO EFFECTIVE PROBLEM-SOLVING IN WORKPLACE DESIGN IS HARNESSING THE RIGHT DATA.
BY TRACY BROWER, PH.D.

ACCORDING TO A STUDY by Herman Miller—a global leader in office product design and services—62 percent of real estate and facility managers prefer to make important decisions based on quantitative data. And with good reason: Today, the risks associated with our decisions are greater. As challenges become more complex, solutions become more global, and the market becomes more competitive. Data provides real estate industry leaders with the critical input they need for informed problem-solving.

Data-driven decision making affords the opportunity to evaluate and bring a measure of control to the process. In addition, data-driven decisions demonstrate return on investment and inform improvements. Data is:

A tool for learning. The only way we can improve tomorrow is to fully understand the influencers of today's performance. Articulating a vision for the future and measuring current performance can inform a road map toward continuous improvement.

A tool for collaboration. It provides a means to establish a shared understanding of where we are today and what improvements need to be made with mutual effort. This type of shared understanding motivates and gives direction to the improvements that must be accomplished.

The basis for celebration. It can demonstrate accomplishment and success.

Quantitative and Qualitative

Quantitative data about the work environment is especially critical because perception often doesn't match reality. When you ask individuals how often they use their workspaces, they will generally report 70–80 percent usage. But the results of quantitative studies reveal usage is much lower: Individual open offices are utilized 40 percent of the time, private offices are utilized 20 percent of the time, and conference rooms are utilized less than 50 percent of the time. Furthermore, analog methods typically point to utilization that is 30–40 percent greater than sensor-based studies, thus missing significant opportunities to optimize the work environment.

Based on accurate utilization data, there is a significant opportunity to make better use of real estate footprints, designing space that can work better for people. The impact that workspace has on employees is rarely neutral; it either supports satisfaction and performance, or it detracts from them. In addition, given technology tools and the new norms for mobility, people can opt out of an environment that doesn't suit them, resulting in lack of engagement and lost opportunities for collaboration and innovation. Ultimately, the workplace and the real estate portfolio are tools that real estate and facility leaders can use strategically to influence their employees and impact their businesses.

In addition to quantitative data, qualitative data is a boon to the decision-making process. Focus groups, surveys, ethnography (the study of cultures) and interviews provide additional windows on reality by capturing the nuances behind the quantitative data. They provide the opportunity to understand not just what is occurring, but why it is occurring. The use of both qualitative and quantitative data provides a more complete picture from which to make sound decisions.

Tangible and Intangible

Our studies reveal that real estate and facility leaders also value both tangible and intangible metrics. Tangible metrics are those that are easy to see, count and assess, such as costs, utilization or energy performance. Intangibles are the outcomes that are more difficult to quantify, such as knowledge sharing, organizational culture or network connectedness. The trend is toward an increasing desire to capture the intangible. Clearly, some organizational cultures prefer the more tangible metrics for decision making, and other organizational cultures place more weight on the intangible. The right mix of the tangible and the intangible is what is most critical—matching the needs of the culture and the decisions we inform.

When harnessing the tangible and the intangible to create a business case for change, start by clearly identifying the business drivers you want to affect and the vision you want to achieve. Then, measure the current state. With these measurements, build scenarios and create financial models, identifying the risks and benefits of each option.

Also give consideration to the resources necessary for each outcome, and plan for how you will measure the success of your pre-established goals. When considering space-utilization scenarios, for example, consider: How can the space be used to its maximum value? How can the space support people and their work? To what extent does the space support the way work is happening today, and the way work will be changing? What are the target ranges for efficiencies, costs, space utilization, employee satisfaction, productivity and effectiveness?

Data has a cost, however, and too much data can overwhelm and create confusion. The most important element of data-driven decision making is the sense we make of the data. When we turn information into insight and take action that positively impacts our businesses, we are truly effective in harnessing data. KL

Tracy Brower, Ph.D., is director of performance environments for Herman Miller, a global leader in office product design and services. For more information, visit hermanmiller.com.

Escape from QE

IS QUANTITATIVE EASING THE NEW NORMAL? AND WHAT DOES THAT MEAN FOR CRE VALUES?

BY KC CONWAY, MAI, CRE

IN NOVEMBER 2008, to combat what was fast becoming the worst recession since the 1930s, the Federal Reserve embarked on an unprecedented (for the U.S., anyway) program: quantitative easing (QE). On the eve of the failure of Lehman Bros., the Fed blurred the line between monetary and fiscal policy by radically expanding both the scale and composition of its balance sheet.

The logic was that economic circumstances were so dire that the traditional influence the central bank exerts—setting the overnight interest rate—had reached the limit of its effectiveness. In December 2008, the federal funds rate was set at or near zero, and Fed Chairman Ben Bernanke had no more shots in his locker with which to add further liquidity to the economy.

The first round (QE1) saw the expansion of the Fed's balance sheet from $905 billion to more than $2.3 trillion between September 2008 and March 2010, through acquisition of both Treasuries and non-Treasury debt instruments (MBS, agency debt, etc.). Bailout operations (e.g., Bear Stearns, Maiden Lane) further contributed, but the *diversification* was the truly unprecedented shift in policy, as the Fed tried to switch out bad assets in the market for high-quality liquid assets.

What effect QE1 had, if any, is highly debatable. The most significant observable result was the swelling of bank reserves (from $11 billion to $848 billion by the end of 2008). It's estimated that total surplus bank assets have grown to about $2.5 trillion—on which the Fed pays a non-market interest rate, currently set at a quarter of a percent. This certainly would seem like a real incentive to keep the money that the Fed "created" out of circulation.

In November 2010, the Fed launched QE2, which shifted purchasing activity toward long-term Treasuries, to the tune of about $600 billion. This could be viewed as an extension of the earlier policies that attempted to artificially

flatten the risk curve.

Then came QE3 in September 2012: an *open-ended* initiative to purchase $40 billion in mortgage-backed securities per month, until such time as the labor market improved "substantially." This number rose to $85 billion a few months later (adding $45 billion for purchase of long-term Treasuries). This summer, Bernanke hinted that the Fed might begin "tapering" its stimulus purchasing to $65 billion. But his failure to follow through led many to wonder whether the Fed believed QE a permanent condition.

In June 2013, the Fed no longer needed to buy $85 billion in assets per month to neutralize $1 trillion annual deficits and support housing because: a.) deficits were falling due to the January 2013 tax increases, and b.) housing was rebounding. With federal deficits running in the $750 billion–$800 billion range, the Fed needed to purchase only $65 billion per month in assets (i.e., $780 billion divided by 12 months) to neutralize our annual deficits going forward. By year-end 2013, the deficit projection had fallen further to just $650 billion, due to revenue increases from taxes and record penalties on financial institutions. By failing to follow through on tapering QE purchases in August, the Fed actually embarked on QE4 (dubbed by many at the time as "QE-Forever"), and is now purchasing assets at a volume 30 percent *greater* than our annual deficits.

While I began writing this article, Federal Reserve Governor Janet Yellen was undergoing U.S. Senate confirmation hearings to succeed Federal Reserve Chairman Ben Bernanke in January 2014. Concurrently, the major stock market indices—the Dow Jones Industrial Average and the Standard & Poor's 500 Index—were converging on new highs of 16,000 and 1,800 respectively, and we were seeing a return of irrational exuberance for initial public offerings (IPOs) of companies that have yet to become profitable, including Twitter and The Container Store. In addition, home prices were experiencing double-digit increases (more than 20 percent year over year in states that were the epicenter of the 2006–2007 housing crisis, such as Arizona, California, Florida and Georgia).

Against this backdrop, Governor Yellen made the now infamous confirmation hearing statement "Stock prices have risen pretty robustly, but I think that if you look at traditional valuation measures … you would not see stock prices in territory that suggests bubble-like conditions."

If the re-creation of equity, IPO, and housing bubbles in half the time as the previous three such bubbles since 1999 is not a measure that future Fed Chair Janet Yellen is monitoring, I would suggest she needs to update her "traditional valuation measures" as soon as possible. The re-creation of these bubbles is directly correlated to QE and post-2009 Fed monetary policy.

But whether the increasing speculation in stocks and real estate precisely meets Yellen's "traditional" definition of a bubble is irrelevant. Sustained QE and the availability of easy money have materially altered investor behavior in exactly the way that creates bubbles. Every time the Fed hints it may shut off the tap, investors sell off stocks and mortgage rates shoot up. Yet every time a jobs report misses Bernanke's notional 6.5 percent unemployment target, investors grow more secure that the artificial stimulus will continue.

Having invested five years of my career (2005–2010) as the commercial real estate subject matter expert inside the Federal Reserve—from the run-up to the housing crisis to the creation of the extraordinary monetary policy intervention that followed, such as the Troubled Asset Relief Program (TARP), the Troubled Asset Loan Facility (TALF) and quantitative easing—I am most troubled by Governor Yellen's statement. It sounds eerily similar to the same kind of denial inside the Fed before 2006 regarding the housing bubble. And we all know how that ended.

Yellen's confirmation hearing exemplifies the failure of our elected leaders to recognize the long-term inflationary impact of QE's continued expansion of the money supply, which puts the Fed on a course to push all capital out the risk curve into an equity or housing bubble. What's ironic is that the Fed wants banks to hold even *more* capital in preparation for these self-inflicted bubbles. The best evidence: the Fed's instructions to banks for the year-end 2013 stress tests—comprehensive capital allocation reviews, or CCARs—published November 1, 2013. Banks are to stress CRE assets assuming a 35 percent decline in values (up from 21 percent last year). Does the Fed anticipate something contrary to what Yellen testified to in her Senate confirmation hearings, I wonder?

At its December meeting, the Fed finally announced a modest reduction in QE purchases to $75 billion, the first of a series of "measured" steps that Bernanke believes could bring an end to the program by YE2014. But investors must be aware of the risk that four rounds of QE pose to real estate values. John Lifflander, in his article "How International Monetary Trends Affect Real Estate Values" (from *Fair & Equitable*, June 2011), puts it best: "Supply and demand used to be the main economic factor influencing real estate values, but now international and national monetary policies are playing a major role…" I recommend reading this article, because it makes clear a number of less than obvious ways that Fed policy has obscured debt conditions that would be impacting real estate values. But the takeaway: you can't expand the money supply without incurring inflation, although you can *defer* it with the accounting maneuvers the Fed has been doing on its balance sheet. But in the end, asset values will have to shake out.

Inflation of the likes that FED Chair Paul Volcker wrestled with in the late 1970s is the probable last chapter to the Fed's QE program, if it isn't tapered off quickly enough. Don't think that Yellen has forgotten that inflation is how debt-ridden nations devalue and purge their debt. KL

Inflation of the likes that FED Chair Paul Volcker wrestled with in the late 1970s is the probable last chapter to the Fed's QE program, if it isn't tapered off quickly enough.

Sacramento, Calif., Mayor Kevin Johnson announced the Metro Center Corporate Park's PACE Energy upgrade project in July 2013.

PACE Your Project

USING PROPERTY ASSESSED CLEAN ENERGY (PACE) FUNDING FOR BUILDING ENERGY RETROFITS, MAYOR KEVIN JOHNSON AIMS TO ESTABLISH SACRAMENTO AS A LEADER IN SUSTAINABILITY. BY SHEILA MICKOOL

ONE THING YOU CAN SAY about Kevin Johnson, former three-time NBA All Star and current mayor of Sacramento, Calif.: He's got game. He's also got vision. He wants to transform the area into the "Emerald Valley" by making Sacramento a hub for clean technology, and the region the greenest in the country. To accomplish this, the City of Sacramento partnered with Ygrene Energy Fund to make Property Assessed Clean Energy (PACE) funding available to property owners for energy upgrades, established Clean Energy Sacramento to administer the funding, committed to President Barack Obama's Better Buildings Challenge, and pledged to retrofit 12 million square feet of commercial property.

Mayor Johnson wasted no time turning his vision into reality. In July 2013, Seattle-based Metzler Real Estate, owner of Sacramento's 250,000-square-foot Metro Center Corporate Park, signed the nation's largest PACE energy upgrade project agreement with Ygrene Energy Fund and Johnson Controls to retrofit the four buildings comprising Metro Center. The $3.16 million project is funded through Clean Energy Sacramento.

The energy upgrades installed at Metro Center are estimated to reduce Metzler's annual utility costs by 27 percent. The project also created 50 local jobs during the construction phase. "The decision to retrofit Metro Center demonstrates the economics of sustainability to increase energy efficiency while reducing costs," says Dwight McRae, managing director for Metzler. At the Metro Center project launch announcement in July, Mayor Johnson said, "Our program is well on its way to becoming the most successful commercial PACE program in the country … and putting Sacramento on the map as a national leader in sustainability."

PACE is a powerful tool in Mayor Johnson's green Sacramento campaign.

PHOTOS COURTESY OF ANTENNA

It is a means of financing energy efficiency and renewable energy upgrades to existing buildings. Property owners like Metzler Real Estate receive financing up front to fund projects and repay costs through a voluntary property tax assessment for as long as 20 years. The assessment is tied to the property, and the obligation transfers to the new owner if the property is sold.

This type of funding mechanism has been used for decades to provide low-cost, long-term capital for improvements, but wasn't used for building retrofits until recently. PACE was first introduced in successful pilot programs in 2008. Today, 31 states and the District of Columbia have PACE-enabling legislation in place. In early 2012, Sacramento took advantage of California's legislation to establish Clean Energy Sacramento, which is administered by Ygrene Energy Fund. By November 2012, "Clean Energy Sacramento had received nearly 200 applications, valued at more than $45 million in potential building improvements," says Amy Black, regional marketing manager for Ygrene Energy Fund–Clean Energy Sacramento.

"Colliers International Real Estate Management Services (REMS) has been at the forefront of Ygrene's Clean Energy Sacramento program since its inception," says Dianna Berry, property manager for Colliers in Sacramento. Built in 1987, the 21-acre Metro Center Corporate Park comprises four buildings, totaling more than 250,000 square feet, says Berry. "There were 16 HVAC units (or boxcars) on the roofs, ranging in size from 30 to 60 tons. Office temperature was manually controlled by pneumatic (air-pressure-operated) thermostats, and the existing energy management system consisted of a time clock based on MS-DOS, which controlled only the start and stop status of the equipment," she explains.

The energy retrofit began in September 2012 and was completed in January 2014. To optimize energy equipment operation, the pneumatic controls were replaced with new direct digital controls (DDCs) that communicate with high-efficiency HVAC units. To minimize tenant inconvenience during the retrofit, the old boxcars were disconnected and craned off the buildings on weekends and replaced with new boxcars. Buildings were vacant of all tenants during crane operation. "The goal was to keep tenants in residence with little or no impact during the upgrade," Berry says. "We want tenants to leave work on Friday and come back to a warm, comfortable environment on Monday—with no work disruption."

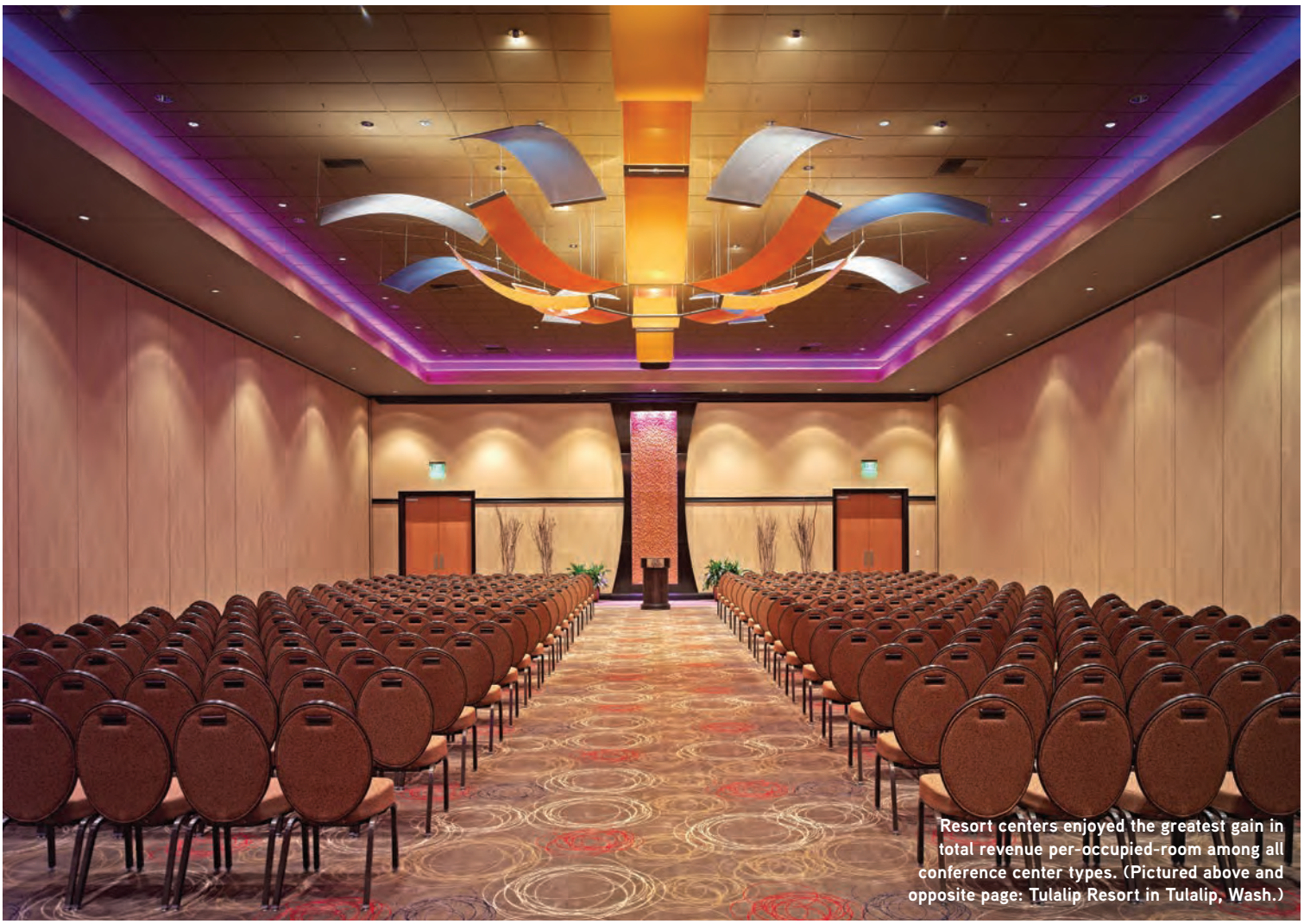
The 21-acre Metro Center Corporate Park in Sacramento, Calif., (above and right) recently completed the largest PACE energy retrofit project in the United States.

Johnson Controls provided the solution package, equipment and installation for the retrofit. The company operates in more than 150 countries, and its commitment to sustainability dates back to 1885, with the invention of the first electric thermostat. "PACE is gaining momentum across the country," says Chuck McGinnis, director, Commercial Energy Solutions, Johnson Controls Energy Efficiency, who sees the Sacramento Metro Center retrofit project as a win-win for everybody.

Ygrene is a leading developer and administrator of clean energy financing programs throughout the United States, and expects to invest hundreds of millions of dollars in local economies from California to Florida over the next five years. A factor in Ygrene's success is its partnership with Carbon War Room, the powerful nonprofit founded by English business magnate Sir Richard Branson to "accelerate the adoption of business solutions that reduce carbon emissions at gigaton scale." He hopes that Ygrene's success will act as a catalyst for others in creating similar programs.

Emissions from buildings, including electricity use, are responsible for more than 20 percent of global carbon dioxide (CO_2) output annually, and could be profitably reduced by 80 percent using existing technology and financial mechanisms. Moving private capital into retrofits, says Branson, "represents a truly gigaton-scale opportunity."

While the economic benefits are significant, the most compelling reason for action is that increasing levels of CO_2 in the atmosphere put our planet at risk and—as the Carbon War Room's website succinctly declares, "There is no Planet B™."



Resort centers enjoyed the greatest gain in total revenue per-occupied-room among all conference center types. (Pictured above and opposite page: Tulalip Resort in Tulalip, Wash.)

Meeting Spaces

THE ECONOMIC RECOVERY FOR CONFERENCE CENTERS GATHERS SPEED.

BY DAVE ARNOLD

THE U.S. LODGING INDUSTRY is well into its fourth year of recovery from the great recession of 2009. One of the pleasant surprises of the current recovery has been the very strong return of lodging demand. However, according to Smith Travel Research, this surge in lodging demand has been led by transient travelers. Through September 2013, transient room nights are 23.3 percent of peak levels prior to the recession. On the other hand, group demand is still short by 3.2 percent. Given conference centers' heavy dependence on group meetings, it is no surprise that the pace of recovery for conference centers has lagged transient-oriented hotels until now.

PKF Consulting USA, LLC (PKFC), in conjunction with the International Association of Conference Centers (IACC), conducts the annual *Trends® in the Conference Center Industry* survey of the operating performance of IACC-certified conference centers. The 2013 report aggregated the 2012 market and financial performance of 34 residential centers and eight day centers.

According to the 2013 edition of Conference Center *Trends®*, the average net operating income (NOI) for the U.S. residential centers that participated in the survey increased by 14.5 percent in 2012. This is greater than the 10.2 percent NOI growth rate posted for all property types that participated in PKFC's 2013 *Trends® in the Hotel Industry* survey, thus indicating that conference centers are finally starting to ascend quickly up the recovery curve of the business cycle.

PHOTOS COURTESY OF TULALIP RESORT CASINO

Revenue

Measured on a dollar-per-available-room basis, total conference center revenue grew by 5.5 percent in 2012. However, since the majority of conference center guests stay as part of a package plan, total revenue is typically measured on a dollar-per-occupied-room (POR) basis. In 2012, the centers in the *Trends*® survey sample reported a slight 1.3 percent increase in total revenue POR. This implies that the 4.3 percent increase in occupancy was the main driver of the growth in revenue, as opposed to an increase in prices.

Resort centers enjoyed the greatest gain in total revenue POR (1.3 percent) among all types of centers. On the other end of the spectrum, total revenue POR at corporate centers declined from 2011 to 2012.

While the group segment started to show signs of recovery, conference centers continued to rely heavily on transient demand. In 2012, non-conference guests rented nearly 36 percent of all occupied rooms. This is down from 40 percent in 2011. It is interesting to note that executive centers (50.2 percent) were more dependent on transient demand than resort centers (36 percent). Corporate centers accommodated the lowest percentage of transient demand (22.8 percent).

Conference centers continue to be most dependent on business generated by local sources of demand. On average, 63.8 percent of the groups that met at the centers in the survey sample came from local businesses, associations and other organizations. While the volume of local meetings remained flat, regional meetings increased by 0.3 percent. National and international groups both declined from 2011 to 2012.

Training and continuing education, followed by management planning, continue to be the primary purposes for meetings held at conference centers.

Expenses and Profits

As noted earlier, the conference center industry recovery is being led by gains in occupancy, as opposed to significant increases in average daily rates (ADR) or complete meeting package (CMP) rates. Accordingly, it is difficult to control costs as each additional occupied room carries with it the incremental variable costs required to service the room. That being said, conference center managers did a commendable job limiting total expense growth to just 2.8 percent in 2012.

Fortunately for conference center owners and operators, the 4.5 percent gain in revenue outpaced the rise in expenses, thus allowing for the very healthy 14.5 percent increase in NOI during the year. Leading the way in profit growth were executive and resort centers with NOI increases of 29.9 and 24.2 percent respectively. Lagging were corporate centers, which suffered a 12.7 percent decrease on the bottom line.

> **Fortunately for conference center owners and operators,** the 4.5 percent gain in revenue outpaced the rise in expenses, thus allowing for the very healthy 14.5 percent increase in NOI during the year.

Looking at 2013

Entering 2013, conference center managers expected occupancy levels to continue to power ahead. On average, the managers in the survey budgeted for a 5.1 percent increase in occupancy during the year. Corporate center managers were most optimistic, expecting an 8.8 percent rise in occupancy.

As for pricing, management's budget for CMP rate growth indicates an expectation of increased pricing power in 2013. On average, the centers in the report sample are projecting an increase in CMP rates of 3.3 percent.

According to the September 2013 issue of *Hotel Horizons*®, PKFC is forecasting a 1.6 percent increase in occupancy and a 4.2 percent gain in ADR for the overall hotel industry for the entire year. Given what we have seen so far in 2013, the occupancy expectations for conference centers may be ambitious, but the CMP growth projections are reasonable.

While group demand recovery continues to lag, the meetings that are taking place are seeking more specific venues to meet their needs and are more receptive to lower-profile properties, such as university centers. The properties catering to the government market are faced with more difficulty in the future. After surveying the negative perceptions of AIG and GSA, the IRS has now added to the problem. Conference centers need to clarify their purpose of being a choice for "responsible" meetings as yet another point of differentiation.

Dave Arnold is CEO East of PKF Consulting USA, LLC, and is located in the firm's Philadelphia office. He also serves as an industry adviser to the IACC board of directors. *To purchase a copy of the* 2013 Trends® in the Conference Center Industry *report, please visit pkfc.com/store. This article was originally published in the October 2013 issue of* Lodging.

Toast of Miami

SABMILLER'S NEW LATIN AMERICA HEADQUARTERS ENCOURAGES A SENSE OF FUN AND A SPIRIT OF COLLABORATION.

BY TERESA KENNEY

NOTHING BRINGS A GROUP TOGETHER like a cold beer. Just ask the team at SABMiller—the second-largest beer company in the world. When the company decided to move its Latin America head office to Miami from Bogota, Colombia, it was opportunity to re-create the way it uses its space.

"There were about 70-odd people working in Colombia. We had two floors that were interlinked by a staircase," explains Karl Lippert, president of SABMiller Latin America, Inc. "The way the office was laid out was imbalanced: At the lower level were the administrative people, and the level above had our traveling consultants."

Lippert says the unbalanced appropriation of space to working style was clear. "The upper level was more generous but empty, due to people travelling, while downstairs all the people were crammed together like sardines. It looked unfair; it was uncomfortable for some and overly gracious for others," he says, adding "There wasn't a sense of unity or cohesion."

Although the decision to move the headquarters to Miami was for talent availability, costs and ease of travel, it was also, says Lippert, an opportunity to address the design issues. "We could create a space that was more attractive, more egalitarian," he says.

By all accounts, that mission has been accomplished. Now in its new South Florida home for more than a year, the company has created a better space—not just for employees, but for visitors as well. "There was a trickle of people coming to the Colombia offices and now there is a flood of visitors coming to Miami," Lippert says. "People are using Miami as a place to gather. The move has been entirely successful. The quality of life here is simply wonderful. The offices are near the airport and across the

PHOTOS BY BRETT HUFZIGER

street from great hotels. Out-of-town visitors can check in to the hotel and walk across the street to the offices. They find a family feeling in the office here; they feel welcome."

The new headquarters includes fewer offices and private spaces. Those offices that were incorporated feature walls of glass for a more inclusive, open feel. "We designed the entire facilities for meetings, for people, for social interaction," he explains. And for the view: The office space includes glass windows that face out toward the city and the open water, offering an inspiring work setting. "We can see all of Miami, Biscayne Bay and the boats going by. It's glorious here," says Lippert.

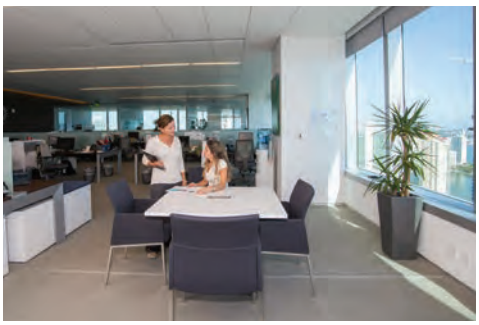
The company also looked at the workflow of its teams—which employees interacted with others most often—and furnished the workspace to facilitate that communication. "We put in furniture that promoted one-on-one conversations, such as benches away from desks where employees can sit down together and talk with each other. We have telephone rooms, where people can make private phone calls and a Telepresence facility, which offers high-speed video conferencing. It looks like someone is right in the room with you; it's very high definition and a wonderful saver of travel time. We also have a big board room. The employees don't feel boxed in, there is space for people to move around, they don't feel confined," he explains.

The flexibility in design was mirrored in its employees' work schedules, as well. "Because some of our employees travel often or live farther out from the office, we give people some flexibility for when they come in and when they leave. Most of the people who work here work harder than they should," says Lippert.

But then, staying late at your job doesn't seem so much like work when you have your own pub and canteen at your disposal. Yes, you read that right: SABMiller Latin America Inc.'s headquarters has its own pub and canteen.

Located in a corner office position, the pub can accommodate 80, and is furnished with tables and benches that fit six across. "There is something more sociable about sliding in next to someone on a bench," notes Lippert.

The pub serves as a lunch-time and after-hours gathering spot for employees, where they work, share, celebrate—and sample what makes the company so profitable. The pub is open for an hour and a half after work, and neighboring companies are often invited to share a pint as well, making the team at SABMiller Latin America Inc., a popular group to know. ("We have friends in J.P. Morgan," Lippert jokes.)



SABMiller Latin America, Inc.'s new Miami offices include (opposite page) a pub with tables and benches for company gatherings, (top) walls of windows that frame views of Miami and Biscayne Bay, (bottom right) spaces for one-on-one conversations and (bottom left) a Telepresence facility with high-speed video conferencing.

Each day the company caters lunch, and its employees gather in the pub together to talk about sports, careers and family in a relaxed setting. For employee birthdays, the catering gets personal.

"We wanted to know what happens when you make food interesting. When a Mexican employee has a birthday, we have Mexican food. When a Colombian has a birthday, we have El Corral burgers; when a Peruvian has a birthday, we have Peruvian food," he explains. "Everyone is peeking around the corner to smell what food we are going to have."

To further enhance the collaborative spirit the new offices promote, SABMiller Latin America Inc., organizes group activities.

"Our office manager and receptionist organize activities that make it fun to come to the office. There are dress-up days, or Thursday Zumba classes. We've had sushi chefs come in to teach us how to make sushi. The constant social activities bring life and soul to the office," he says.

The end result of its move and new workplace style, says Lippert, has been transforming, "People feel freer here; it's a friendly, magnetic place."








Each Regus center is equipped with a reception area, meeting spaces, offices and communal areas, such as a kitchen and business lounge. Shown here: First Canadian Place in Toronto, Ontario.

Flexing Room

BY MARIANNE HALE

ADAPTABLE WORK-SPACE PROVIDER REGUS PROVIDES GLOBAL OFFICES FOR A VARIETY OF COMPANIES AND NEEDS.

EMPLOYEE FLEXIBILITY has long been considered an asset in the workplace, but in today's ever-evolving business world, it's becoming increasingly important for the office space itself to be flexible. ¶ Enter Regus, a global provider of flexible workspace that appeals to everyone from the small-business owner just getting started to Fortune 500 companies looking to set up shop in a new city, and a whole host of businesses in between. The company provides clients with a physical address, office space, administrative support and access to meeting rooms in its 1,700 business centers, scattered across 600 cities in 100 countries worldwide.

PHOTOS COURTESY OF REGUS

Businessman Mark Dixon founded the company in 1989 in Brussels, Belgium, after noticing many professionals doing business in hotel lobbies and cafes for lack of a more sufficient work environment. Since its inception, Regus has grown tremendously across the globe, and its expansion in Canada alone—from two business centers in 2000 to 60 by the end of 2013—is just a snapshot of its tremendous success.

Wes Lenci, vice president of Regus Canada, says his team plans to open 40 more business centers in Canada by the end of 2014—all part of their ongoing quest to connect the entire country. Colliers International has partnered with Regus Canada, and together they have strategically created an expansion road map after analyzing every single town, city and potential submarket across Canada. Wherever Regus decides there is a viable market to open a new center, Colliers sets forth on its behalf to locate and secure the most optimal office premises to meet the requirement. Regus, in turn, constructs numerous offices within the space and then rents to a multitude of tenants in the marketplace that are seeking an entrepreneurial business culture with like-minded professionals.

NO TWO CENTERS LOOK EXACTLY ALIKE. FOR EXAMPLE, A CENTER IN VANCOUVER, BC, INTEGRATES BLUES AND GREENS TO EVOKE THE SURROUNDING NATURAL BEAUTY OF THE CITY.

Each center is equipped with a reception area, conference rooms, offices and private meeting spaces, as well as communal areas, such as a kitchen and business lounge. No two centers look identical, Lenci says, although they all have essentially the same amenities. The centers will often incorporate some elements of their locales into the décor, as well. A center in Vancouver, BC, for example, integrates blues and greens to evoke the surrounding natural beauty of the city.

CLIENTS & SERVICES

GENERALLY SPEAKING, LENCI SAYS, an entire floor of a building is converted into a new Regus center, averaging 16,000 square feet—enough space for offices for approximately 150 Regus clients.

So who are these clients? Think big names like Facebook, Amazon and Hewlett-Packard, and small businesses and independent contractors who need flexible solutions.

"We have lots of clients like that," Lenci says. "They can stem anywhere from lawyers, accountants and financial planners to engineers, software developers and Web page developers. We even have home improvement companies that office with us. They manage their businesses out of our centers in order to maintain a professional image."

And that's just in one business center.

Maryanne Goodwin is the national sales manager for employment agency Transline Resource Group, one of the 50 fastest-growing companies in the United Kingdom. Transline recruits and manages temporary and permanent employees for companies so they can focus on other aspects of their businesses. When a client made the move to Canada, Transline followed, temporarily securing three office spaces at a Regus center in Ontario. Once it outgrew the spaces, the company moved to a permanent location.

Yaletown, Vancouver

"The Regus office represented a way for us to be very polished and professional," Goodwin said.

In addition to Regus' office space, its reception area provided a professional greeting space for potential candidates, and Regus also took care of Transline's other administrative needs, including answering phones, faxing and shipping.

Of course, office space is just one component of Regus' offerings. While one Regus business center might have 150 clients on-site, another 150 virtual office members, may—for a monthly fee—use the center as an answering service and mailing address. The fee also grants them access to Regus' business lounges, where members can pop in to enjoy free Wi-Fi and refreshments in a professional environment, rather than having to work in a loud coffee shop or hotel lobby. Depending on the package, they may also enjoy the use of a private office for as many as five days each month. And the packages aren't limited to sole proprietors. Hewlett-Packard, for example, provides a lounge access card to 200 employees across the country.

Yonge and Richmond, Toronto

Lenci says that no matter which Regus location you work from, members have access to the company's entire network. That means you have access to all of its 1,700 business centers. "We're a global company," Lenci says. "Once you're a member of one location, you're a member of all locations." With the help of the Regus smartphone app, it's easy to find an office, business lounge or book a meeting room in a nearby location. If, for example, you're traveling abroad for business in the U.S., Europe or Asia, you can find a nearby Regus center to work from.

And then there are the fringe benefits to working out of a Regus center—networking being chief among them. Shared spaces like the kitchen and business lounge provide Regus clients with opportunities to meet other professionals. Goodwin, for example, mentioned that a Transline colleague met their benefits provider, another Regus client, in the elevator.

MEETING A DEMAND

TOBIN DAVIS, EXECUTIVE VICE PRESIDENT of Colliers International's Toronto office, has been working with Regus Canada since 2006. He says Regus' success boils down to essentially one thing: "They're simply satisfying demand by catering to the evolving needs of today's tenant."

Davis explains that the business landscape for office space is changing, and companies don't require the type of space they once did. There is a growing need for tenants to become more efficient and secure greater flexibility in their physical space. "A commitment to permanent office space (and a long-term lease) often detracts from these objectives, which is why Regus has become such an attractive solution to so many companies," he adds.

Regus is also a scalable office solution. Say, for example, a company starts by leasing space for 10 people, but then decides to downsize to five. Regus' flexibility allows for that. On the flipside, say the company begins with 10 and then expands to 20 people. That works in the Regus model, too. "It's the ideal solution for companies in a state of transition," Davis says.

And then there's the speed at which Regus can set up a new client. While it could take months for a company to find its own space, negotiate an offer and a lease, apply for building permits, draft construction drawings and then build out the space, in a Regus office, the company can be in operation within a day of putting down a deposit.

"Regus provides a key differentiator," Davis says. "Speed to market. They can get somebody up and running within 24 hours, instead of several months. They also provide flexibility in their length of lease terms. Six months, 12 months, 24 months—whatever the client requires, Regus is agreeable. Regus provides what a typical landlord is often unable to provide—flexibility of terms."

Plus, Davis adds, those clients with multiple Regus locations (nationally or globally) can have peace of mind knowing they have just one landlord.

From the Colliers perspective, Regus provides an option for Colliers' clients who desire first-class office space without spending their own up-front capital on items such as leaseholds, furniture, fax machines, photocopiers and servers—or spending the time searching for space and negotiating a lease for permanent space.

"If someone says, 'I just left my practice of 10 years. I'm starting up my own company now,' Regus is the instant solution," Davis says. "A phone, a desk, an identity—everything is ready to go."

It can also be a solution for a company that's renovating. As it's meant to be a short-term solution, Regus complements commercial real estate, because brokers can send their clients to Regus offices whenever there's a lag in getting a more permanent space set up.

"Regus provides the Colliers brokers, or all brokers for that matter, with a solution that traditional office landlords can't provide," Davis says.

For now, Regus Canada's business centers are 90 percent occupied, with 80,000 clients across the country. "People obviously like what we have to offer," Lenci says.

Among the 40 locations Regus Canada plans to open in 2014, Lenci lists more centers in Ottawa, Toronto, Vancouver, Saskatoon, Calgary and Edmonton.

Part of its plan to connect the entire country includes expanding into smaller towns with fully automated business centers, which would be equipped with Wi-Fi and printers, according to Lenci. Similar smaller-scale operations are already in use in places such as Germany and the United Kingdom.

"There are a lot of opportunities in Canada, and by continuing to expand our network, we help our clients be successful," Lenci says. "That's what we're working on in the next five years."


900.00
800.00
700.00
600.00
500.00
400.00
300.00
200.00
100.00
90.00
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
100 200 300 400 500 600 700 800 900 1000 1100 1200 1300 1400 1500 1600
2500
2000
1500
1000
500
0

Going Global

Global Relay CEO and Founder **Warren Roy** talks about technology, taking a leap of faith and the key factors to business success.

by Michelle Santos

"IT CAME TO ME AT NIGHTTIME," reveals Warren Roy, CEO and founder of Global Relay, referring to the moment he coined the name for his firm. "I'd thought about it for six months."

The moniker says it all. The Vancouver, British Columbia–based technology company—which specializes in compliance data archiving, electronic discovery (e-discovery), mobile messaging and collaboration—is indeed global, with offices in New York, Chicago, Vancouver, London and Singapore. Servicing more than 17,500 customers worldwide, its clients include small to large broker-dealers, hedge funds, investment advisers and public companies, as well as 22 of the world's top 25 banks and two public exchanges. The firm uses mail "relay" servers to collect critical information from all over the world and archive it back in its data center in Vancouver.

And to think, it all started with computer-aided design (CAD) drawings and a book on network protocols. With a strong background in home design and construction, Roy recognized the architecture, engineering and construction industries' need for CAD file management. Although he had no experience in the technology field, after reading *Using TCP/IP* by John Ray in 1999, understanding how the Internet worked and finding this new frontier to be "a really interesting space," he took a leap and founded Global Relay.

Fast-forward four years and the opportunity to service the financial sector presented itself following the Enron Corporation and WorldCom scandals, as well as the U.S. Securities and Exchange Commission (SEC) mandates to financial institutions to archive their correspondence. "We had the perfect technology for the finance sector and we jumped into it," Roy recounts. Today, Global Relay archives e-mail and a variety of other message types 24 hours a day on behalf of 70 percent of all the U.S. hedge funds and 40 percent of all U.S. broker-dealers. The company also captures the public instant messaging of approximately 20,000 traders in the financial industry.

Roy acknowledges the positive impact that Canada's neighbor to the south has had on his business. "Our whole business was built selling initially to the U.S. market, and we had enormous support from New York–based firms; so today, the majority of our revenue comes from Manhattan. Americans have been exceedingly good to our company. Truly, the biggest opportunity in business and technology is in the U.S. They love entrepreneurs and the underdog. They will give you backing and support more than any country. I personally love New York because it's the global center of finance."

That's not to say doing business in Canada doesn't have its own advantages.

Having its new, state-of-the-art data center situated in North Vancouver enables Global Relay to ensure its European and Asian clients comply with their respective privacy laws. "To the best of my knowledge, Global Relay is the only non-American technology vendor in the compliance space that services the financial sector globally," Roy states. "While we do the majority of our business in the U.S., we have to keep data in Canada to meet global privacy laws."

While other technology companies choose to outsource data storage, Roy and his team opted to keep this service in-house. "Our requirements and our customers' expectations warrant that we control the entire 'technology stack' and be ultimately responsible for servicing it," Roy explains. "So everything is within our control. No third parties. We're accountable." With the magnitude of reliance on Global Relay's services, the company boasts of servers "designed to never go down."

Global Relay's data center is also certifiably green, thanks to its British Columbian address, home of hydroelectricity, which powers the facility. "Our data center is the greenest data center ever built anywhere," Roy declares. The data center has also adopted flywheel uninterrupted power supply (UPS) technology to help ensure power in the event of an outage, doing away with the harmful lead/acid batteries other centers typically rely on. Designed to European power standards, it runs higher voltage than North American electricity, thus bringing less copper to the racks. Evaporative cooling reduces 50 percent of electricity usage. These innovations add up to a zero carbon footprint for the data center.

"OUR REQUIREMENTS AND OUR CUSTOMERS' EXPECTATIONS WARRANT THAT WE CONTROL THE ENTIRE 'TECHNOLOGY STACK' AND BE ULTIMATELY RESPONSIBLE FOR SERVICING IT. **SO EVERYTHING IS WITHIN OUR CONTROL. NO THIRD PARTIES. WE'RE ACCOUNTABLE."**

— WARREN ROY, CEO AND FOUNDER, GLOBAL RELAY

Building the data center is one of Roy's most rewarding and interesting projects to date; it was also a top priority for Global Relay over the past three years. And it's only the beginning. While Global Relay already has a growing customer base in the areas of insurance, health care and manufacturing, the firm is expanding into other verticals, fulfilling an industry-wide need to safely unify, store, access and leverage data, from anywhere. As Roy puts it: "What vertical doesn't need secure data managing, archiving and storage?"

For 2014 specifically, the firm will focus on establishing major operations in New York and London to fully capitalize on the financial market. "We're talking a minimum of 12,000 square feet of commercial tower space in midtown New York and 5,000–8,000 square feet in London—room for 100 employees in New York and 50 in London—over 2014 and 2015," forecasts Roy.

If the design of Global Relay's Vancouver headquarters is any indication of what these future employees can expect, it's safe to say they will look forward to coming to work every day. Roy is an advocate of optimal, enjoyable workspaces, ones that reflect a company's brand and image. Drawing from his immense experience dealing with global banks, he elaborates on the importance of creating an environment that projects both expertise and trust, and fosters employee engagement. "Your customer's impression starts when they first open your door," he explains. "What does your facility look like? How do people speak? Present themselves? Your customers rely on you, so you have to be at their level. Global banks rely on their vendors to make them competitive in the marketplace. If any of our customers don't feel comfortable meeting with us in our facilities and don't believe we're investing in our future and are here for the long term, they won't likely do business with us."

PHOTOS COURTESY OF GLOBAL RELAY

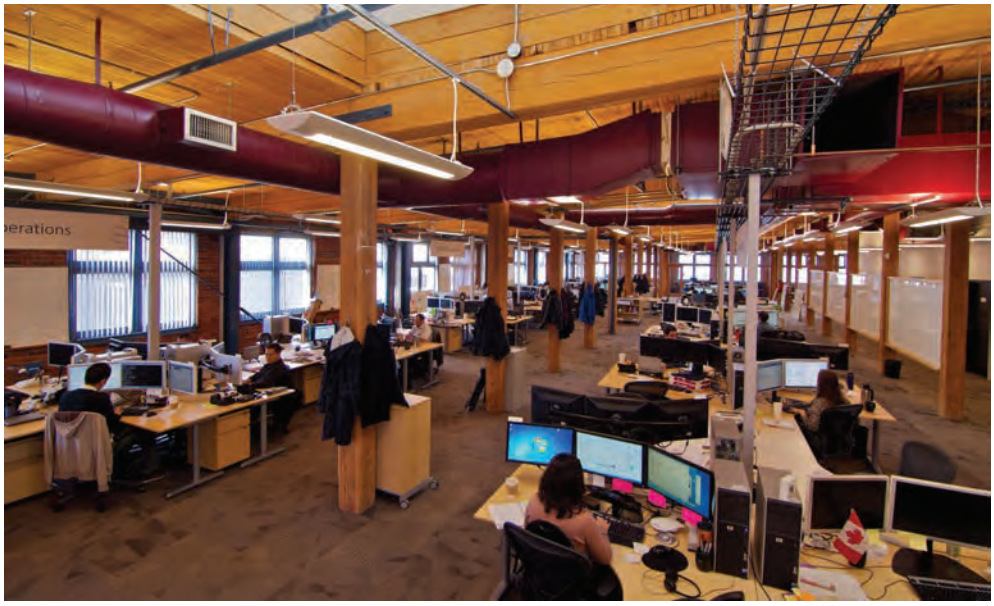
One look at Global Relay's Vancouver office design—a modern, open-space layout that encourages transparency and collaboration—and it's apparent Roy and his team invested considerably in creating a space that maximizes productivity while promoting employee satisfaction. Case in point: Roy recently hired a personal chef so staff would have access to gourmet meals throughout their workday.

But Roy's employee engagement strategy extends far beyond catered meals. Recognizing that its employee base is its most valuable asset, Global Relay invests heavily in the professional and personal growth of its employees, putting its top performers on a "global education track" by providing them with the business fundamentals locally, and then relocating them to one of the firm's global offices—essentially sending them on their own "global relay."

According to Roy, that is the best way to learn business and elevate one's value. "I learned the majority of what I know in business being on the road and working within large corporations, mimicking their processes and methodologies," he shares. "I always tell new graduates in Vancouver: 'Move abroad. Go to New York City, Chicago, London, and don't think twice about it. That's where your education begins.' Employers are looking for people with global experience, because every company aiming to be successful is going global. And ultimately, your experience, combined with your education, is what gives you value in the eyes of your employers."

Colin Scarlett, senior vice president for Colliers International in Vancouver, has experienced firsthand the benefits of hands-on, real-time learning in the company of Roy and his team: "Having worked with Global Relay for close to 10 years on so many projects, I'm fortunate to have developed a close, personal relationship with the executive group. This relationship has afforded me the unique opportunity to gain a deep understanding of the business, which ultimately translates into being able to provide real estate solutions based on business drivers."

Practicing what he preaches, Roy himself is on a never-ending learning program. At the time of the interview, Roy was getting set to embark on an eight-week trip to London and New York. First and foremost on his itinerary was to gather additional best practices that he can integrate into Global Relay's operations. "The more time I spend abroad, the more information I bring back, and the better technology we can build to service our global customers," he explains.



Global Relay's Vancouver, BC, offices (right) have an open-space layout (above) to encourage transparency and collaboration.

Indeed, bettering and furthering its technology offering is a primary and ongoing goal for Global Relay. The company invests more than $1 million every month in software development alone.

It has been, to say the least, a memorable and lucrative journey for Global Relay, now entering its 16th year of operation. The firm's slew of plaques and trophies attests to its formidable success, with awards ranging from a top 100 spot in Profit 500—an annual ranking of the 500 fastest-growing Canadian companies—to Community Engagement and Person of the Year (which recognized Roy) awards from the British Columbia Technology Industry Association (BCTIA). And that's just in 2013 alone. Most recently, Roy and Global Relay's president and general counsel, Shannon Rogers, received Ernst & Young's 2013 Pacific Region Entrepreneurs of the Year honors in the Business-to-Business Products and Services category.

Looking back on the path he took to get where he is today, Roy reflects on the importance of capitalizing on one's skills and the continual impact of technology on business. "You never want to start over with something 'cold.' Instead, extend your skills," he advises. "And I think anyone age 35 or older has had technology change their life in a significant way, and it continues to do so. So you always want to leverage your technology skills. And of course, you have to do things that are fun," he adds.

Amidst all the accolades and accomplishments, the aspect of which Roy is most proud is Global Relay's economic impact on its place of operation. "The most important thing is the number of good jobs we provide in the city, what we're doing for Canadians and British Columbians," he explains. "As a Canadian firm, we're socialist-thinking. We don't bet it all on profitability, but on doing the right thing by our staff."

After all, Roy says, creating and keeping the right employee base is a prerequisite to a lucrative business: "If you don't have capable, skilled, talented, loyal employees, you will never succeed." KL

Surveying *the* Land

A new ***Global Investor Sentiment*** report explores what's ahead for the industry.

BY CHERYL REID-SIMONS

While those following the news cycle obsess over European defaults and the U.S. debt ceiling crisis, capital investors are taking a longer and more upbeat view of the market, according to the third annual Colliers International *Global Investor Sentiment* report.

"I think 2014 is going to go down in history as being a very strong year for the Western advanced economies," says Walter Boettcher, director of research and forecasting for Colliers International in London.

"The picture is quite good," Colliers' Senior Research Analyst Bruno Berretta concurs. "The majority of respondents expect volumes to be stronger in 2015 and 2014, which underlines an improving confidence among investors. That's a good sign we're moving in the right direction."

Colliers conducts the massive study to assess the thinking, mood and sentiment of the market, surveying a cross section of investment managers specializing in everything from institutional to private equity funds. "There are a few private investors included as well, but primarily it's the institutional and large-scale funds," Boettcher explains.

Participation in the survey this year was "quite robust," Boettcher says. "It's not distorted by lack of responses."

The results are generally no surprise to Colliers analysts. "Because we're active in the market, we've got a pretty good idea of what they're thinking anyway, but the survey helps to formalize it and gives us an excellent means to know what we're understanding is what they're thinking," Boettcher says. "It was pretty spot-on."

The only mild revelation for Boettcher was how little investors seem concerned with political and sovereign risks. "If you read the newspaper these days, we've had the debt ceiling crisis and the ongoing European sovereign defaults," he says. "You would think these would be foremost in the minds of investors, but in the end, the data suggests they're looking beyond these risks because they're looking ahead three to five years, beyond the immediate political risks. … When we look at factors influencing investment decisions, property fundamentals were much more important than the perception of sovereign and political risks."

Global Overview

WORLDWIDE, 70 PERCENT OF INVESTORS surveyed indicated that they intend to increase property holdings over the next year. "Foremost in this thinking were the Americans, which I thought was a bit ironic," Boettcher says. "The U.S. has generated the most uncertainty in the world in the last year and yet they seem to be the ones least concerned about it from an investment point of view."

In addition to the global overview, the Colliers survey includes regional analysis for markets including the United States, Canada, Europe, the Middle East and Africa, Australia and New Zealand, Asia and Latin America.

"THE GENERAL TONE OF THE DATA IS MUCH MORE UPBEAT THAN LAST YEAR. INVESTORS ARE MORE OPTIMISTIC ABOUT CONDITIONS, ESPECIALLY IN THE U.S. AND THE U.K."

— BRUNO BERRETTA, SENIOR RESEARCH ANALYST

"The general tone of the data is much more upbeat than last year," says Berretta. "Investors are more optimistic about conditions, especially the U.S. and the U.K." And that optimism is translating to a willingness to increase risk exposure.

"We're seeing more appetite in terms of risk-taking," Berretta says. According to the survey results, 74 percent of investors are willing to take on more risk in the coming year.

"The increased risk appetite—it's not just by asset class; it's not 'Let's go buy some dodgy industrial,'" Boettcher explains. "It's a bit more geographical. People are beginning to look outside key, prime markets."

So, says Boettcher, while cities like New York, Tokyo and London remain prime markets, "What's happened is competition has gotten so fierce in the key safe-haven markets that investors who normally don't like to take on much risk … are looking to good-performing secondary cities. This is a trend that's likely to last all the way through 2014."

The competition pushing some investors into secondary markets is a direct result of an increase in large funds boosting their real estate holdings. "Most investment funds around the world are looking to increase their exposure to property," Boettcher says. "Part of that has to do with the performance of other asset classes. Bonds are currently seen as pretty expensive and the return is pretty limited. Risk is a little more acceptable now, so they're moving to property, which is more risky but with a higher return."

Even a small shift by certain funds can impact markets. "Some of these funds, especially sovereign wealth funds, have massive amounts of capital," Boettcher says. "If they increase property holdings by 15 percent, we're talking hundreds of millions of dollars that will go into property."

Berretta cites Norway's sovereign wealth fund. "They are planning to allocate up to 5 percent of funds under management to property. … In terms of potential capital that could flow into property, there's a lot of room for much more of this coming, so this is something we're monitoring with a lot of interest."

Asset Classes

THE COLLIERS RESEARCH TEAM is also monitoring the geographic differences in which property asset classes will see the most movement in the next year.

Globally, office is king. "There is a lot of interest in offices at the moment," Boettcher says. "Mergers and acquisitions are starting to tick up in different parts of world … which would suggest the corporate world is getting ready to start moving again and moving to expansion mode."

Expanding companies will need more office space as will the supply chains that service them. "The fundamentals for offices stack up pretty well for the next several years," Boettcher says. "Office is just now coming into the upsurge and could see some significantly improved performance over the next three years."

While office is the most popular class globally, in the U.S. and Latin America, industrial and logistics are the top sectors for buyers.

"Logistics is making some really interesting movements," Boettcher says, citing the rapid rise of e-commerce and changing world trade patterns and alliances. "Industrial is in a position to be completely reshaped in the next five to 10 years."

Those changes in the market are also reshaping retail space. "What's happened with e-commerce is that it has blurred the distinction between industrial distribution and conventional retail," Boettcher says. "To survive, the retail offer increasingly has a larger percentage that tends to be not strictly speaking conventional retail, but res-

taurants and pubs that turn retail into a destination experience."

For Canadian investors, retail has actually overtaken office as the favored asset class, fueled in part by the entry of several large retailers into the Canadian market. Those new retail players are competing for prime mall space and are projected to drive improved property performance in the Canadian retail property sector.

That's not true around the world. "Retail was a bit oversold in the run-up to the downturn," Boettcher says. "Even though the pricing is looking a lot more appealing worldwide for retail assets, a lot of people don't want to crystallize a loss." Until values come up a bit more, investors who want to buy good retail won't find much available. "A lot people are holding on to the best retail, anticipating a further recovery of pricing."

Markets & Products

THE SURVEY SHOWED A STRONG PREFERENCE by the majority of investors to keep the bulk of their portfolios onshore, with the U.S. being the favored market for foreign investments.

Still, Boettcher says, don't count out emerging markets. As more stable countries taper quantitative easing, "It's well documented that … there were significant capital outflows from the emerging markets," he says. But, "The fundamentals in a lot of these emerging markets are not really that bad."

Several so-called "challenging markets" have grown enough that they have their own domestic economies to fall back on, Boettcher says. "These markets are becoming much more mainstream. ... If the savvy investor keeps his eyes open, there are going to be some huge buy opportunities in emerging markets over the course of the next two years."

The tapering of quantitative easing will also change the outlook for debt products. While 54 percent of investors surveyed considered debt an attractive investment, it's not gained much traction. "The survey basically tells us that debt as an investment product is interesting, but it hasn't really picked up momentum of its own," Boettcher says. "I suspect partly it's unfamiliar to many conventional property investors, who don't understand what the product is as clearly as they could."

Boettcher says that will change. "Over the course of the next two to three years, a whole new range of financial products are likely to arise and replace some of the discredited models of the past. Securitization got a bad name, even though in principle it's a perfectly logical product. It will come back, perhaps under a different guise, restructured with different safeguards." When new financial products do come on the market, debt sales will rise, Boettcher says. "Banks are pretty much out of the equation for the next two years, so there is a window of opportunity for new financial products, debt products, and the returns on them are potentially quite good."

THE SURVEY SHOWED A STRONG PREFERENCE BY THE MAJORITY OF INVESTORS TO KEEP THE BULK OF THEIR PORTFOLIOS ONSHORE, WITH THE U.S. BEING THE FAVORED MARKET FOR FOREIGN INVESTMENTS.

Both Boettcher and Berretta say the survey results promise better times ahead, something they're eager to experience. Boettcher, who had been with Colliers in the 1990s, left and returned just at the start of the credit crunch. "It's been a hard time, we all know this. The steps that have been made over the last few years by Colliers International to grow the international business and to grow the linkages internationally, the timing's going to prove to be very fortuitous. The uptick in transactions we're already seeing puts us in prime pole position to really take advantage of it and to grow internationally. I've been waiting for a long time for this to happen and I, personally, am pretty excited by it all."

Berretta, who also started to work just as the credit crunch began, shares that enthusiasm. "I've never seen good times," he says, "so I'm excited as well." KL

Investment/Leasing Opportunities

A SELECTION OF COLLIERS INTERNATIONAL AVAILABLE PROPERTIES

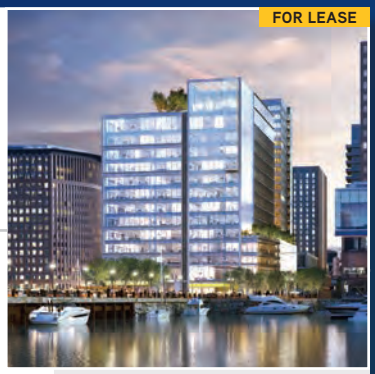
Colliers INTERNATIONAL

Pier 4

SEAPORT DISTRICT

Boston, Massachusetts

FOR LEASE



- 1 million SF mixed-use development
- Sponsored by New England Development
- 13-story, 350,000 SF first-class office building
- Exceptional waterfront location
- Dynamic harbor and city views
- Prominent identity
- Flexible, efficient floor plates
- Ample parking

LAUREN VECCHIONE
lauren.vecchione@colliers.com

TOM HYNES
tom.hynes@colliers.com

RON PERRY
ron.perry@colliers.com

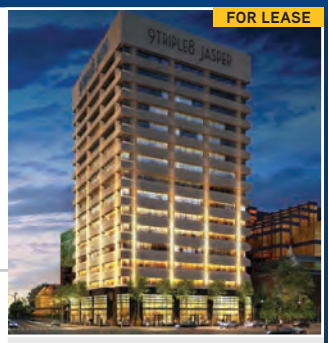
+1 617 330 8000

9Triple8 Jasper

9888 JASPER AVENUE

Edmonton, Alberta

FOR LEASE



- Enhanced building systems in this LEED Gold Existing Building reduce operating costs for tenants
- Can accommodate tenants up to 174,000 SF – available March 2014
- Just steps away from ETS transit hub and Churchill LRT station
- Building naming rights available

IAN BRADLEY
+1 780 969 2996
ian.bradley@colliers.com

KEVIN PETTERSON
+1 780 969 2992
kevin.petterson@colliers.com

www.9triple8jasper.com

Exceptional Manufacturing Facility in the Greater Charlotte Area

1942 AIRPORT ROAD

Monroe, North Carolina

FOR SALE & LEASE

- 160,000 total SF on 15.84 acres
- 10,900 SF of office
- Building is expandable to 285,000 SF
- 30' clear height
- 13 (9'x10') dock doors
- ESFR sprinkler system
- Excellent condition
- 8 miles from Charlotte's outer belt
- Located in Monroe's Airport Industrial Park

GREG COPPS, SIOR
greg.copps@colliers.com

GRANT MILLER
grant.miller@colliers.com

DON MOSS, SIOR, CCIM
don.moss@colliers.com

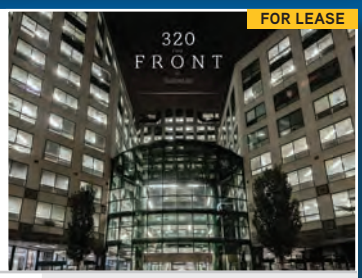
+1 704 409 9933

The Forefront of Business

320 FRONT STREET WEST

Toronto, Ontario

FOR LEASE



- Up to 280,000 SF available
- Building signage
- Targeting LEED Platinum EB
- 10-minute walk to Union Station
- 2-minute walk to PATH
- Destination dispatch elevators
- HVAC system upgraded
- On-site amenities: daycare, Fionn MacCools, food court and more
- 24/7 security and underground parking

RYAN MCIVER
+1 416 643 3749
ryan.mciver@colliers.com

ADAM HALL
adam.hall@colliers.com
+1 416 643 3766

MIKE COWIE
mike.cowie@colliers.com
+1 416 643 3743

Z Block LoDo

18TH & WAZEE

Denver, Colorado

FOR LEASE

- Approximately 240,000 GSF, 6 levels (retail, office, residential)
- LEED Gold Certified
- 2015 estimated completion date
- Proposed development by McWhinney and Grand American
- Close proximity to Union Station, Coors Field and numerous LoDo amenities
- Z Block LoDo will bring new life, vitality and a sense of place to LoDo

ROBERT M. WHITTELSEY
robert.whittelsey@colliers.com

CHUCK ZEMAN
chuck.zeman@colliers.com

+1 303 745 5800

The Globe and Mail Centre

351 KING STREET EAST

Toronto, Ontario

FOR LEASE

- New 17-story Class A office space with LEED Gold certification
- Walkability score: 98
- Available areas: 25,000 - 300,000 SF
- Corporate neighbours: SAS, Coca-Cola, George Brown College, Novell and Quebecor

JASON BOOK
+1 416 643 3729
jason.book@colliers.com

DAVID MORETTI
+1 416 643 3712
david.moretti@colliers.com

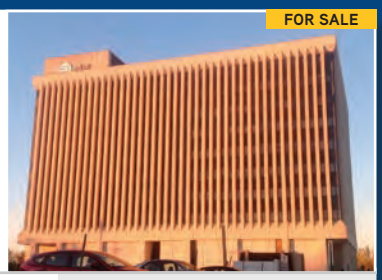
Investment/Leasing Opportunities

A SELECTION OF COLLIERS INTERNATIONAL AVAILABLE PROPERTIES

Colliers INTERNATIONAL

1111 Capitol Office Tower

FOR SALE



1111 CAPITOL AVENUE

Little Rock, Arkansas

- 10-story, 373,565 SF office tower
- Positioned in the heart of Little Rock's central business district
- State Capitol is located immediately to the west
- First floor features lobby area, security, 3,051 SF auditorium and 20-space, covered parking garage

KEVIN HUCHINGSON
+1 501 372 6161 X708
kevin.huchingson@colliers.com

ISAAC SMITH
+1 501 372 6161 X736
isaac.smith@colliers.com

LEE STROTHER
+1 501 372 6161 X703
lee.strother@colliers.com

Landmark Property

FOR SALE

888 S.E. MARINE DRIVE

Vancouver, British Columbia

- Prime 6.65-acre site in the city of Vancouver
- Direct exposure to SE Marine Drive
- 179,342 SF, freestanding industrial building
- Potential to retrofit existing facility

DARREN CANNON
+1 604 662 2637
darren.cannon@colliers.com

STUART MORRISON
+1 604 662 2676
stuart.morrison@colliers.com

ROY PAT
+1 604 694 7204
roy.pat@colliers.com

Hermosa Pavilion/ Trophy 116,250 SF Mixed Use Investment

FOR SALE

1601 PACIFIC COAST HIGHWAY

Hermosa Beach, California

- Irreplaceable So-Cal coastal location
- High avg. HH Income of $134,475+
- Strong anchor – 24 Hour Fitness (top 5% in chain)
- 94.9% occupied office and retail
- Ample 4.58:1 parking structure

TOM LAGOS AND
EL WARNER
+1 213 532 3299
tom.lagos@colliers.com

www.colliersretail360.com

The Ratcliffe Lands

FOR SALE

3655 CROUCH AVENUE

Coquitlam, British Columbia

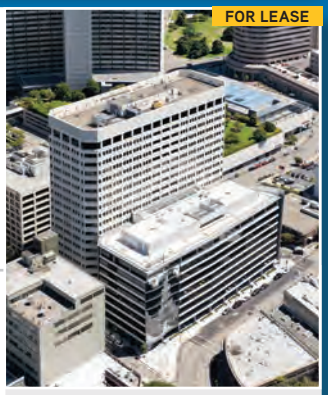
- 34.4 acres of outstanding residential land on Burke Mountain in northeast Coquitlam (Not in ALR)
- Designated "Compact Low Density Residential" in the recently adopted Partington Creek Neighbourhood Plan. Potential for 120-150 single-family lots.
- Spectacular panoramic views over the Fraser Valley

GEORGE MCLACHRIE
+1 604 662 2644
george.mclachrie@colliers.com

OWEN YATES
+1 604 315 5141
owen.yates@colliers.com

CENTER 21

FOR LEASE



2100 FRANKLIN / 2101 WEBSTER

OAKLAND, CALIFORNIA

- 675,000 SF of Class A office space
- Ideally located
- Elegant, nine-story skylit atrium
- Full floors available (approximately 25,000 SF)
- Close proximity to BART and Oakland's Public Transit System

KEN MEYERSIECK / TRENT HOLSMAN / SCOTT GREEN-WOOD
+1 510 986 6770
ken.meyersieck@colliers.com

www.Center21-Oakland.com

Unique Distribution in GTA

FOR LEASE

6780 CREDITVIEW ROAD

Mississauga, Ontario

- The only opportunity of its kind in the GTA West
- A 324,600 SF, stand-alone precast facility on a 14.44 acre lot
- Optimal highway signage exposure along Highway 401
- Serviced by CP Rail and equipped with 7 rail doors

COLIN ALVES
+1 416 620 2848
colin.alves@colliers.com

GRAHAM MEADER
+1 416 620 2841
graham.meader@colliers.com

Investment/Leasing Opportunities

A SELECTION OF COLLIERS INTERNATIONAL AVAILABLE PROPERTIES

Colliers INTERNATIONAL

Bent Oak Industrial Park

FOR LEASE

TAFT VINELAND ROAD

Orlando, Florida

- Up to 700,000 SF of new Class A distribution buildings
- Abundant trailer storage
- Redundant road access
- Located near the Beachline Expressway-Florida Turnpike interchange
- Offers excellent access to Interstate 4 and all major distribution thoroughfares
- Developed by McCraney Property Company

MATTHEW E. SULLIVAN, SIOR, CCIM
+1 407 362 6175
matt.sullivan@colliers.com

WILSON MCDOWELL, SIOR, CCIM
+1 407 362 6143
wilson.mcdowell@colliers.com

BOBBY ISOLA
+1 407 362 6122
bobby.isola@colliers.com

Superior-Quality Industrial Property

FOR SALE & LEASE

22000-22200 TRANS-CANADA HWY

Baie-d'Urfé, Québec

- Building size of 308,445 SF
- ± 86,000-236,000 SF available for a tenant or an owner-occupier
- 30' clear height
- 18 truck-level doors and 3 drive-in doors with the potential to add 4 truck-level doors
- Quick and easy access to the Trans-Canada Highway
- Located in the Baie-d'Urfé Industrial Park

JEAN-MARC DUBÉ
+1 514 764 2829
marc.dube@colliers.com

NORMAN S. LAFF
+1 514 764 2824
norm.laff@colliers.com

@4240/183,000 SF office/lab/retail building to be completed in December 2013

FOR LEASE

4240 DUNCAN AVENUE

St. Louis, MO

- Various suite sizes available for office, lab or retail space built out to tenant specifications
- Expertise in construction and design of life science and high-tech facilities
- Customized leasing arrangements to allow for a tenant's planned growth
- Access to national and international institutions through vast Wexford Network

BECKY BAHN
rebekah.bahn@colliers.com

SPENCER TODER
spencer.toder@colliers.com

+1 314 373 3030

www.colliers.com/p-usa1000563

Industrial Development Site

FOR SALE

1550 MISSION FLATS ROAD

Kamloops, British Columbia

- 89.92 acres zoned for heavy industrial use
- Located 5 km from Kamloops city centre
- In proximity to a natural gas pipeline
- Potential to connect to CP Rail mainline
- Improved with a ~31,000 SF office building

JOHN BOER, PREC
+1 604 662 2659
john.boer@colliers.com

ERIC WEBER, PREC
+1 250 861 8106
eric.weber@colliers.com

RON EHRENHOLZ
+1 250 372 7000
ron.ehrenholz@colliers.com

www.collierscanada.com/10762

Westshore 500

FOR LEASE

500 N. WESTSHORE BLVD.

Tampa, Florida

- 10-story Class A office building
- Adjacent to Westshore Plaza, a major regional mall
- One of the few Westshore buildings with an attached parking garage
- Pylon signage on Westshore Blvd. with exposure to 42,000 cars per day
- Highly efficient floor plates for small to mid-sized tenants

CLAIRE CALZON
claire.calzon@colliers.com

JOANNE LEBLANC, CPMC
joanne.leblanc@colliers.com

+1 813 221 2290

www.cilistings.com/westshore500

Northfield Station Workplace Matters

FOR LEASE

139 NORTHFIELD DRIVE WEST

Waterloo, Ontario

- All the character of brick-and-beam developments without the dust or noise
- Cutting-edge technology
- Easily entertain clients or guests with a variety of great amenities nearby
- Located directly adjacent to future LRT stop

JOHN FREZELL
+1 519 904 7003
john.frezell@colliers.com

JOHN LIND
+1 519 904 7009
john.lind@colliers.com

www.northfieldstation.com

Florida manufactured home communities: part of RHP Properties' 16,867-site portfolio.

STAR PERFORMANCE

NORTHSTAR REALTY FINANCE CORP.'S SPEED AND CREATIVE APPROACH PROVIDE AN ATTRACTIVE SOURCE OF CAPITAL FOR LARGE REAL ESTATE ACQUISITIONS. BY ALEXA STANARD

LAST YEAR, in conjunction with NorthStar Realty Finance Corp., Michigan-based RHP Properties became the largest privately held owner and operator of manufactured home communities in the United States.

RHP, with the help of its partner NorthStar Realty Finance Corp., achieved that distinction with a $865 million purchase—71 communities comprising 16,867 home sites located throughout five states—completed in just 45 days and only four months after the two companies completed the joint acquisition of 36 manufactured home communities for a total cost of $330 million. NorthStar Realty Finance Corp. and RHP were able to successfully accomplish the large acquisition in a tight time frame by working closely with Colliers' Valuation and Advisory team.

"This particular portfolio had very strong assets located in in-fill locations with good demographic profiles," says Sujan Patel, managing director and co-head of investments for NorthStar Realty Finance Corp., a publicly traded company focused on investing in commercial real estate in all asset classes and all markets. "The bulk of the portfolio is in Salt Lake City and Florida, both of which are strong markets for manufactured housing. It's really top-tier real estate."

"Speed played into it, too," he adds. "Interest rates were rising, and we had the ability to move quickly to lock in low rates, and use NorthStar Realty Finance Corp.'s capital markets relationships to get very competitive financing."

NorthStar Realty Finance Corp. is a diversified commercial real estate investment and asset management company that is organized as an internally managed real estate investment trust (REIT). The company focuses on real estate-related investments that can produce attractive risk-adjusted returns, generate stable cash flows for distribution to stockholders and build long-term franchise value. NorthStar Realty Finance Corp.'s primary activities include the origination, structuring, acquisition and managing of commercial real estate debt, commercial real estate securities and net lease properties.

"The company keeps a low profile, but NorthStar Realty Finance Corp. is the best at what they do," says Bruce Nell, executive managing director and national practice group leader for Colliers International's Valuation and Advisory Services Division.

The purchase required an equity investment of over two hundred million dollars, which "not many companies have sitting in a checking account," he adds.

"We're able to look at a deal and have a flexible and creative approach in addition to moving quickly," Patel says. "We have permanent capital, so unlike some private equity funds which may have issues on how long they can hold on to assets, we can invest long-term. We're willing to look for opportunities where others may not—you don't see a lot of institutional investors looking at manufactured housing. We're not hung up on only investing in the major asset classes."

The project was the largest ever for Nell. In 2013, he expects to appraise about $4 billion of manufactured housing across the country; Colliers evaluates two to four times the volume of properties of any other company in the industry.

"The key is the market data. There's no equivalent to the MLS [multiple listing service] system in the commercial real estate world. The majority of high-dollar real estate transactions are off-market, and the details don't show up in any service," Nell says. "When I do the appraisals, I have the data because I've done so many past appraisals. It's having a good understanding of the nuances of the real estate and having a good understanding of the participants."

That expertise was critically important for the RHP purchase, as Colliers had just two weeks to complete the appraisals and deliver the reports. The properties' owners needed to sell, but the portfolio's strength ensured multiple bids in the marketplace. Nell says several institutional buyers were gearing up to approach the seller.

NorthStar and RHP made "a competitive offer right up front and said they would close in 45 days or less," Nell says. "By the time we got engaged, we only had two weeks to deliver 71 appraisals. Usually that would take a month."

Nell's team of 18 worked nearly around the clock to complete the valuation. The deal brought RHP's $2.25-billion real estate portfolio to 231 manufactured home communities with approximately 51,000 home sites in 25 states.

"There was a lot of pressure on Bruce and his team to assemble all over the country and produce reports with the depth that lenders are accustomed to and require," Patel says. "And when you're securitizing loans, bond investors have standards they look at, too—who's doing the appraisal and the overall quality. Colliers has a very good knowledge of the industry. It's a high-quality team, and we could not have been happier with how they performed." KL

HONOR ROLL

Midwest Real Estate News

2013 CRE HALL OF FAME A+

Amanda Abraham
Vice President, Assistant Director & Principal, REMS | Columbus

David Bercu
Principal | Chicago

Earl Clements
Principal | West Michigan

Ed Elder
President | Kansas City

John Gartner
Senior Vice President & Principal | Cincinnati

Andrew Jameson
Brokerage Senior Vice President & Principal | Columbus

Thomas Osborne
Principal Broker | Indiana Region

Frank Pschirer
Senior Director, REMS | Cleveland

Terry Smith
Executive Vice President & Partner | Nashville

Steven Tharpe
Executive Vice President | St. Louis

Colliers INTERNATIONAL

Accelerating success.

Online gaming company KIXEYE Canada occupies the top floor of this heritage building in downtown Victoria, BC.

TECHNOLOGY ROCK STARS

GENERAL MANAGER CLAYTON STARK SETS THE STAGE FOR KIXEYE CANADA. BY CARLA GIRVIN

EVEN BEFORE OPENING the Canadian arm of KIXEYE—a San Francisco–based online gaming company—a year ago, Clayton Stark already had made a great impression on Will Harbin, the company's chief executive officer. Stark was handpicked by Harbin to be the general manager of KIXEYE Canada because of his proven track record, which included working with Harbin on Netscape early on in his tech career. "He'd seen me throw a hundred people in a room and kick ass before," says Stark. "He contacted me and said, 'Let's do this.'"

Stark's circuitous road to KIXEYE started young. When asked how he got his start in the technology industry, he teases, "Getting kicked out of elementary school," before noting his love for science and engineering actually sparked while working at a shipyard—"Remember shipyards?" he jokes. Next, he moved on to heating, ventilation and air conditioning (HVAC) control and power management.

"I had a fantastic opportunity with many years at Power Measurement Ltd. to learn project management, product management, and understand logistic risk, technical risk and commercial risk," says Stark. "That really rounded everything out."

From there—sequentially—he moved on to help startup biotechology firm GenoLogics win a TELUS New Ventures award for its business plan; became the chief operating officer at Mercurial Communications, where he worked on the Netscape browser for America Online (AOL); and opened Flock, a successful social Web browser that was later acquired—along with Stark—by Zynga. "We got to innovate in social networking before it was even real, before Facebook had a wall," says Stark of his time at Flock and Zynga.

Along the way, he worked his way through the ranks, holding executive positions in technology, operations, marketing and business development. Now, as general manager of KIXEYE Canada, he credits his diverse background for his success.

"I had an opportunity to span a lot of elements of business. It's key to opening up more opportunities. Being versed on all sides of it is definitely helpful," he says.

Having worked with Colliers International broker Robert Down in the spring of 2012 to help Zynga procure office space in Victoria, British Columbia, Stark was looking to improve his surroundings when he was searching for a location for the KIXEYE Canada development studio.

"Because KIXEYE and Zynga are sort of competitive, certainly for resources, we wanted to have a better space than the office we'd set up for Zynga … so I phoned Robert back up and I said, 'We're doing it again, only a little bit bigger this time, please.' And now we're in this beautiful place," he says.

"This beautiful place" being the top floor of 31 Bastion Square, a heritage building on the Inner Harbour of downtown Victoria, B.C. Constructed in 1892 and renovated in the 1970s, the Board of Trade Building, as it is known, is owned by Vancouver-based Reliance Properties. KIXEYE occupies 8,000 square feet, but currently uses only half of the space for offices.

"We love the landmark nature of the building," says Stark. "We are definitely a consumer-facing organization and we like to show big. Especially in the gaming industry, you like to win. You want the guy coming to work feeling like he's a rock star."

With technology overtaking tourism as the private-sector industry having the most economic impact in Victoria, Stark says that, for him, the reason he works here is simple: "I chose to live here. My family is here. I'm not leaving. I'm trapped here, if you like, but what a beautiful place to be trapped in."

Besides the appealing lifestyle, Victoria is gaining attention among tech workers because of the growing opportunities. With a highly skilled talent pool comes the risk of employees breaking out and starting their own companies, but Stark says that he welcomes the concept, benefiting from the expanding network of resources.

"It creates quite a network of people," he says. "If you can do business with a trusted friend whom you've been through a project with, then you are going to have a lot more confidence in knowing what to expect from that person."

Besides his belief that communication is the key to success, Stark's advice for people trying to break in to the tech sector is to be hungry for it.

"Whenever you're given an opportunity, always do two things: Deliver the opportunity to the best of your ability—do A-plus work on what you've been asked to do—but also bring back a second answer that you weren't asked for, about what you learned while you were doing the first opportunity. And don't wait for somebody to give you a path to create value—go and find ways to create value." KL

Home Office

NEW PRODUCTS CAN ENHANCE YOUR PRODUCTIVITY WHEN WORKING FROM HOME.

BY GEORGE KALERGIS

ACCORDING TO A RECENT REPORT from CDB Research & Consulting Inc.—a research and communications strategy consulting firm based in New York City—more than 26 million Americans have created and utilized an office in their home. And seven out of 10 of those home offices are being used to operate small businesses.

While a 15-second commute has its obvious advantages, working in a limited space does present some challenges. Technology, organization, furnishings and the ability to work without distractions are key areas you should focus on when setting up a home office. Here are some new products that can help.

Technology

SmartLink Network Adapter / zyxel.com (Approximate retail cost: $65/single or $115/pair)

Given how wired our lives are becoming, the residential demand for bandwidth is exploding. Add the needs of a home office to your smartphones, televisions, etc., and that wireless router you bought at the office supply store may not cut it anymore. Wired connections are faster, but who wants to drill holes in the wall and string Ethernet cables everywhere?

PHOTOS COURTESY OF ZYXEL, NEAT, ONELESS DESK, DOORBOT, HENRY THE DESKTOP HOOVER

The PLA5205 Powerline Gigabit Ethernet adapter from ZyXEL can maximize connectivity in your home by passing network signals over your existing electrical wiring. Capable of transfer speeds of up to 600 megabytes per second (Mbps), this compact adapter uses the newest HomePlug AV2 industry standard, supports secured and reliable multiple-path transmission, and supports plug-and-play connection to smart televisions and game consoles. Just connect one to the wireless router and plug it into the closest electrical outlet and the other into an outlet in the room you need to extend connectivity to, and you're good to go.

Organization

NeatConnect and NeatCloud / neat.com (Approximate retail cost: $499.95, including three months subscription to NeatCloud)

One of the most onerous tasks when running your own business is filing and maintaining records, particularly with the limited filing space of a home office. Offering the first wireless scanner with direct-to-cloud capabilities, NeatConnect scans documents directly to cloud storage services like Google Drive, Dropbox or Microsoft's Skydrive—without needing to use a computer. In addition, NeatConnect extracts and organizes information from receipts and business cards for direct export into programs such as Microsoft Excel for reports. The Neat Company also offers its own cloud storage service, NeatCloud, which includes a mobile app that turns your smartphone's camera into a portable scanner.

Furnishings

OneLessDesk / hecklerdesign.com (Approximate retail cost: $749)

Space can be at a premium for some in-home offices; choosing the right furniture can make all the difference between feeling claustrophobic and being productive. Created by a former software designer, Heckler Design's OneLess™ Office modular suite features a sleek, modern design that maximizes your square footage with its nesting decks. One Less™ Desk is a sleek and ergonomic two-level solution that compacts down to a 15-inch-deep footprint; the upper deck holds your monitor, the lower deck acts as an ergonomic keyboard tray that allows for hours of comfortable typing. The peripheral shelf in back keeps speakers, external storage devices and wiring out of sight and organized. When work is done, the two decks can be nested together.

Distraction-free

DoorBot / getdoorbot.com (Approximate retail cost: $199)

Working from home can include nuisance distractions, not least of which is the doorbell. The DoorBot is a simple Wi-Fi-enabled doorbell that streams live video of your home's front doorstep directly to a smart phone or tablet. It enables you to not only see who is at the door, but also chat with them, so you never miss an important visitor while working toward a critical deadline.

Just for Fun

Henry The Desktop Hoover Vacuum / amazon.com (Approximate retail value: $17.99)

Don't be fooled by its cartoonish design. T3.com—a leading consumer tech gadget website in the United Kingdom—called this gadget "a touch of genius." Battery-powered, the mini-vacuum effectively cleans up desktops and keyboards, and features attachments for sweeping up in between computer keys. KL

WRITE-OFF

NEW OPTIONS FOR HOME OFFICE DEDUCTIONS FOR 2013 TAX FILINGS.

A new provision from the IRS provides a simpler option for determining the deduction for your home office. Under the terms of Rev. Proc 2013-13, the new option—which the IRS calls its "safe harbor" method—allows you to deduct from your taxes $5 per square foot of home used for business (up to 300 square feet), regardless of whether you rent or own. Unlike the regular method—which is still available—the simpler option does not require you to maintain records of actual expenses. You may alternate between methods in subsequent tax years.

To claim the deduction, your home must be your principal place of business, and a room or area of your home must be used exclusively for business. (If you have another business location, but use your home substantially for business or for the convenience of your employer, you may also be eligible for the deduction.)

For full details on the new option, visit irs.gov, or consult your tax preparation professional.

The Most Important Plan You've Never Written

INVESTING IN YOUR SOCIAL CAPITAL.

BY DOUG FRYE

Doug Frye is the Global President and Chief Executive Officer for Colliers International.

IT'S COUNTERINTUITIVE, but in an age when we're far more likely to be connected to our smartphones than to actual people, relationships—and the ability to nurture them—are more important than ever. At our recent Americas conference, Keith Ferrazzi, best-selling author of *Never Eat Alone* and *Who's Got Your Back*, shared his perspective on building relationships. Ferrazzi has built a career around his mastery of the art of networking, and he says that any of the more than 5,000 individuals on his contact list would take his call. After hearing Ferrazzi talk, I have no reason to doubt his claim.

Ferrazzi's message is something I believe we all understand intuitively: When we commit to building authentic relationships with the people in our lives, we simply become more successful. Recent studies conclude definitively that people with more "social capital" find better jobs more quickly, are more likely to be promoted, receive better performance evaluations and, according to MIT research, were 7 percent more productive than their colleagues. Not surprisingly, the top 1 percent of income earners rate highest on every measure of social capital.

But just because we understand this concept doesn't mean that it's easy. In fact, most of us have preconceived notions about others that can prevent us from forming close relationships with them. And let's face it, it's simply more comfortable to stick with people we already know and understand. This prevents us from expanding our inside group, and stands in the way of our success.

The most important plan

So how do we get out of the mind-set that obstructs our path toward better relationships and more success? As Ferrazzi shared, step one is building a *people plan*. We spend considerable time and resources developing financial plans, sales plans and project plans—but what about our *people plans*? Who are the five (or 25) people you can commit to building a personal relationship with? These people may be colleagues, business prospects or even casual friends. The important thing is that you identify these people and then, with purpose, begin to forge lasting bonds.

This is where the work becomes both challenging and immeasurably rewarding. Because to create more meaningful relationships, we need to open ourselves up to giving. Instead of approaching our interactions with others as exchanges where we either take all we can get, or at least come out even, we need to approach others with a spirit of generosity.

Rather than thinking about what those on your people plan can do for you, consider how you can make their lives that much better. As Ferrazzi says, "Find a way to help; find a way to care." Maybe you connect a customer to a prospect they've wanted to meet. What about passing along an article that offers real solutions to their challenges? Or maybe you simply take the time to enjoy their company over a long coffee (or their beverage of choice). What's important is that we invest in our people plan the same way we invest in our other plans: with purpose, focus and all the resources at our disposal.

Social media ties still bind

Remember those smartphones we're all so attached to? The social connections enabled by these devices can't be ignored. Social media communities enable us to stay connected to important people in our lives and to our businesses, even if we haven't seen them face to face in years. These tools allow us to easily stay in touch with everybody in our people plans, regardless of their location. And this is particularly critical in a global business, where leads and referrals can come from anywhere in the world. Social media makes our "inside group" that much larger, and while it's no substitute for that lingering conversation over dinner, these days it's an indispensable part of how we ensure relationships stay strong.

Who has your back?

I've talked a lot about being generous with our relationships and investing heavily in helping the people we've identified as important in our lives. But there's another side of the equation: We also need to learn to *ask for help*. Ensuring there are people in our lives who "have our backs" is a key predictor of success, and our people plans need to take this into account. Ferrazzi calls these important people lifelines, ambassadors and mentors. Whatever we call them, it's clear we can't be successful without them. As human beings, we instinctively want to help others, so asking for support is actually giving a gift to our supporters, providing them with the opportunity to make a difference.

So, as we prepare to end one year and embark on a new one, drawing up the many objectives, strategies and plans that will grow our business, let's not lose sight of our people plan. Because rich, intimate and long-lasting relationships aren't just the glue keeping our personal lives whole; our relationships also define how successful we can be at achieving our goals and helping others achieve theirs. KL

KENNA KLOSTERMAN

YOUR LOCAL PARTNER TO GLOBAL TRADE

Prologis is the leading owner, operator and developer of industrial logistics real estate with approximately 563 million square feet owned and under management in 21 countries on four continents.

Corporate Headquarters
Pier 1, Bay 1
San Francisco, California 94111, USA
Main: +1 415 394 9000
info@prologis.com

Operational Headquarters
4545 Airport Way
Denver, Colorado 80239, USA
North America toll-free: +1 800 566 2706
Main: +1 303 567 5000

www.prologis.com

PROLOGIS®