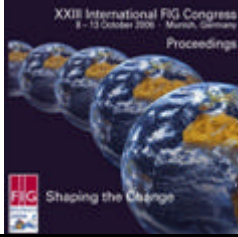




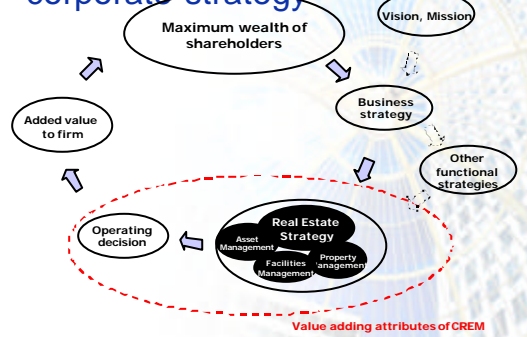
A framework for identifying and measuring value added by corporate real estate

Anna-Liisa Lindholm
Kari I. Leväinen



11.10.2006

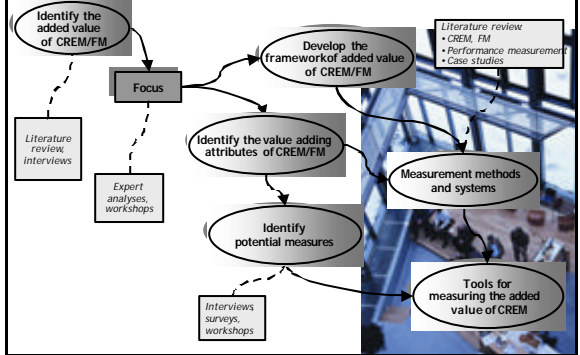
Linking real estate strategies to corporate strategy



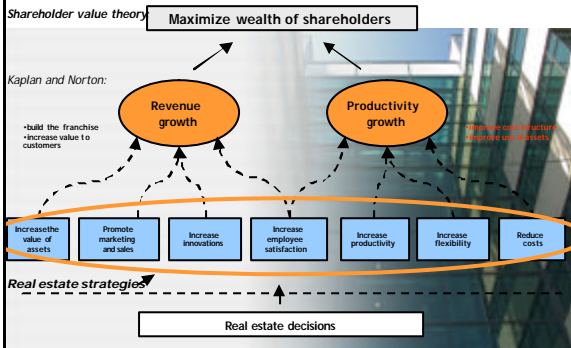
Four primary questions

- What is the added value of CREM and FM from the core business point of view ?
- What are the value adding attributes of CREM and FM?
- How to measure the added value of CREM and FM?
- How to develop a tool based on the measures?

The methodology



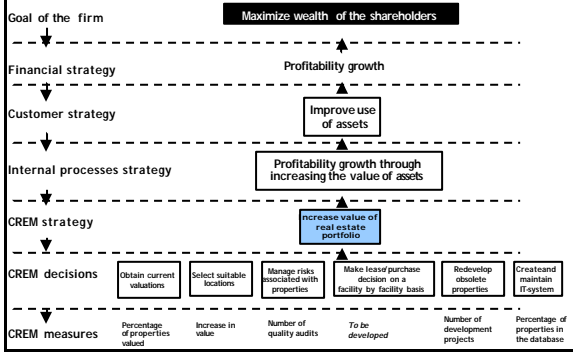
How CREM adds value



Core business performance level	Real estate strategy level	Real estate decision making and operation level
Maximize wealth of shareholders	Increase value of assets	Obtain current valuations of facilities Select suitable locations Manage risk associated with properties Make lease/purchase decision on a facility by facility basis Redevelop obsolete properties Create and maintain IT system for property management
	Promote marketing and sale	Select locations that attract customers Provide space that attracts customers Make symbolic statement through design and location Create workplaces that support the brand Provide environment that support to the sale
Revenue growth	Increase innovators	Develop usability of the workplaces Design facilities that allow innovative processes Emphasize knowledge work setting Allow users to participate in design phase
	Increase employee satisfaction	Seek locations convenient to employees Provide pleasant working environment Provide functional workplace Provide desired amenities Respond quickly to real estate requests
Reduce cost	Increase productivity	Maintain facilities to accommodate optimal operations Provide environment that enhances productivity Choose convenient layouts and locations for providers Design facilities that improve the creation and delivery of products Choose convenient locations for employees in separate buildings
	Increase flexibility	Choose leasing instead of owning Negotiate short-term leases Create flexible workplace solutions Favour multiple use facilities Select serviced offices
	Reduce cost	Minimize acquisition and financing costs Minimize operating expenses Create economies of scale in acquisitions Use workplaces more efficiently Conduct routine maintenance Balance between outsource and in-house services Act as a control mechanism

ac1 Change 'testing' to 'test' the model
kls02ac; 10-06-2005

Applying the model



Results and more info

<http://www.tkk.fi/Yksikot/Kiinteisto/Sivut/isaaryo>

