

# Real Estate Strategies

A Quarterly Publication of the ITRA Realty Group

## Some Hard Lessons Learned

*"Prosperity is just around the corner"*  
—H. Hoover, one-term President

Hopefully, as we plow through the first quarter of 2002, recovering from the tech, telecom and dot-bomb bust, there is a recovery on the horizon, even as the air is filled with sunny predictions on CNBC that will one day be remembered for their irony alone.

In the US, one does not have to visit an airport or office building to understand how much things have changed in one year. H.L. Mencken wrote long ago that war was a divine way to give Americans a geography lesson. We have learned more than that—patriotism and an appreciation of our freedoms and way of life, for starters.

In the change department, the ITRA National Business Survey found that companies are now more accepting of alternative workstyles—telecommuting, job splitting, hoteling, staggered shifts and compressed hours—than ever before, but those seeking career advancement pay a price. On the other hand, executives still express a strong preference for a private office, even while a growing number of firms are knocking down walls for open space plans. We'll cover this and more in our next issue of *Strategies*.

In this issue, we cover business continuity planning, what top executives think it takes to recruit employees, our expansion into the world's largest market, China, leasing tips and the Altruism Award.

## Business Continuity Requires Planning, Proactive Strategy



**N**O MATTER WHAT SIZE YOUR BUSINESS IS, PLANNING FOR THE UNEXPECTED HAS TAKEN ON A CHILLING URGENCY THAT WAS BROUGHT HOME BY THE EVENTS OF LAST SEPTEMBER.

Ask yourself how long your business can survive with the loss of critical computer, telecommunications and other vital functions, and you have begun the analytical process necessary to develop a business continuity plan.

*Real Estate Strategies* interviewed Ben Thornton, a senior executive with Sungard in Atlanta, an expert in business continuity planning and data recovery systems for some basic advice on how business owners, executives and facility managers can plan to protect their companies from the unexpected.

### The Tenant's Side

Starting on the corporate tenant side, Mr. Thornton of Sungard suggests that every business have in place an "incident management team (IMT)"

that helps identify critical areas that require emergency disaster planning. While it isn't necessary for a "C" level executive or partner to be on the IMT,

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# Fast Internet, Air Quality, Short Commutes Top Job List

**W**HAT DOES IT TAKE FOR COMPANIES TO ATTRACT AND RETAIN EMPLOYEES? HIGH SPEED INTERNET ACCESS FOR STARTERS!

Here are the *seven most important "hot button" items for recruiting*

*employees* or keeping existing workers happy, in order of importance, according to a new survey of senior business executives by ITRA Realty Group:

1. High speed Internet access
2. Interior Air Quality
3. Short commuting time (1/2 hour or less)
4. Quality K-12 education available
5. Ample free parking
6. Low noise environment
7. Natural light and ambient light

The 2001 ITRA Realty Group National Business Survey, based on written interviews with senior business executives who were asked to evaluate the most important items for recruiting and retaining employees.

The survey, conducted annually by Washington-based ITRA Realty Group, included 40 questions comparing the relative preferences of the US work-

force on office, quality of work-life and geographic issues. The survey has been



widely quoted during its four-year history in such leading publications as *The Wall Street Journal*, *Business Week*, *Associated Press*, *the Globe and Mail*

(Toronto) and *USA Today*.

The Survey found that executives believe that US employees highly valued proximity to "high-quality healthcare," a major airport with "multiple national and limited international service," "facilities with kitchen areas," "moderately priced housing," and "two-career family opportunities." Of less concern, was close proximity to "local range of restaurants," "recreation," and location in a "temperate climate."

Of the 40 items in the survey, the least important included:

- recreation area
- on-site health club
- campus environment
- on-site day care
- on-site quality food service

## Recruiting Locations Rated

The best location for recruiting and retaining employees were mid-sized metropolitan areas with

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## Altruism Award to Brian Schwelling

**A**t the annual winter meeting of the ITRA Realty Group, before

ITRA strategic partners from the US, Canada, Mexico and China, Brian Schwelling, president of ITRA Wisconsin, was awarded the organization's annual Altruism Award.

As the name indicates, this annual award is presented to the strategic partner agreed upon to have voluntarily contributed the most to the interna-

tional organization during the previous twelve-month period.



Brian Schwelling (left), president of ITRA Wisconsin holds Altruism Award presented by Levi Smith, Chairman of the ITRA Winter Meeting.

Mr. Schwelling serves as chairman of the committee that oversees the *Real Estate Strategies* newsletter, and in that role has taken the publication through a graphic makeover, while introducing new articles such as the ITRA markets survey and an editorial calendar.

Congratulations, Brian!

## TOP LEASE NEGOTIATION MISTAKES

*(The item below is a part of a series of common lease negotiation mistakes that tenants should avoid, prepared for Real Estate Strategies by Craig Melby, president of ITRA/Palm Beach Corporate Real Estate):*

### Don't Limit Your Future Flexibility

Will the company want to carry a new product line or install a new technology? Will a neighboring Tenant vacate (or move-in) which impacts the business? Tenants should be cautious with their "Use Clause" since these clauses can be very specific as to what goods and services the Tenant will provide, and may prevent a Tenant from offering a very lucrative product or service in the future which has not yet been invented!

# Major Beijing Brokerage Joins ITRA Realty Group

**B**EIJING SKYLINE REAL ESTATE SERVICE COMPANY LIMITED IN BEIJING, CHINA HAS BECOME AN INTERNATIONAL MEMBER OF ITRA REALTY GROUP.

Mike Xu and Philip Wang are the principals of the firm that will now be

known as ITRA/Beijing Skyline Real Estate Service Company Limited. ITRA Beijing serves many financial services companies, such as Boshi Fund, China Asset Management, Haitong Securities and Everbright Securities and the regional offices of prominent international companies including KPMG, Ingram Micro, Ogilvy & Mather Advertising, Amgen, and Phillip Morris.

With the addition of ITRA Beijing, ITRA Realty Group expands its global representation of businesses into the capital of the world's most populous nation. ITRA Realty Group represents more than 40 markets in the United States, Canada and

rapid growth of that nation's economy and the growing importance of Beijing as an office location for international companies in finance, technology, advertising, pharmaceuticals and consumer products," says Bogue Miller, president of ITRA Realty Group.

"Messrs. Xu and Wang are highly experienced in representing the world's most prominent multi-nationals and have built a reputation in the Beijing business community as trustworthy, effective professionals who achieve results," adds Mr. Miller.

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Philip Wang, (left) president of ITRA Beijing/Skyline Real Estate Service Company Limited, ITRA's newest strategic partner, is welcomed by Winter Meeting Chairman Levi Smith.

known as ITRA/Beijing Skyline Real Estate Service Company Limited.

ITRA Beijing serves many financial

expansion into China is a recognition of the

Mexico. "ITRA Realty Group's

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## Letters from our Clients

# ITRA Realty 'Helped Us On Every Front'

I felt that Paul Suzman and Larry Pflughoeft were available to us whenever we needed, and provided sage advice during crucial points in the negotiations in addition to staying on top of the details.

I was particularly struck by the time Paul and his team spent understanding our culture, and what makes our company successful. I run a creative enterprise in which my core asset—the minds of my people—go up and down the elevator every day. Our space is essential to fostering a creative environment, and ITRA/OfficeLease found us exactly what we were looking for. Business like ours jump into the real estate maze every ten years or so. We are very unsophisticated when it comes to the entire process—from picking a space to hiring an architect.

ITRA/OfficeLease helped us on every front, and, because they understood our operation, and my perspective so well, they connected us with all the partners I would have picked for myself had I been an expert at this stuff.

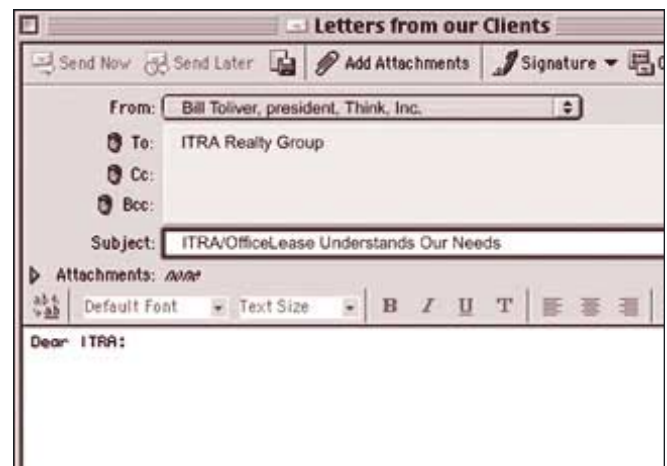
I felt I had a partner across all dimensions of the process, not just finding space and leasing it. ITRA/OfficeLease understands all aspects from finding space, to finding an architect, lease negotiations, project management, moving, etc., There was one number I would call in the event I was confused or concerned about anything.

They understand that this isn't just

about "space." It's about building a brand, and a thriving culture.

ITRA/OfficeLease exceeded my expectations in every dimension.

—Bill Toliver  
Think, Inc.



## Business Continuity

Continued from page 1

it is important to select team members who “have moxie” and are able to “handle stressful situations,” says Mr. Thornton.

A team of executives may be necessary for each department or each facility that your company occupies, depending on the size of the space, number of employees and the physical assets that are involved. IMT members have to develop contingency plans in the event that a company loses access to its offices due to:

- Fire
- Flooding
- Terrorism or acts of war
- Natural disasters, i.e., storms, earthquakes
- Other situations

“As part of any disaster plan, the team needs to decide in advance where to meet off-site when the situation first occurs,” says Sungard’s Mr. Thornton.

As another example of smart disaster planning, he notes that in San Francisco key people such as the IMT can secure an authorization ahead of time from the sheriff to cross evacuation lines and enter the property during the emergency, if conditions allow.

“Companies that rely on data processing need an off-site data recovery center,” says Mr. Thornton, whose firm helped numerous companies that were located in the World Trade Center in New York recover their data center and

business operations.

“Very often, companies will split their data centers, with one site serving as the back-up to the other site, creating a built-in redundancy” says Mr. Thornton.

“The downside may be cost, and that is why Sungard, for example, will work with firms on an individual basis to develop a business continuity plan that is tailored to the needs and budget of a specific firm. A business continuity consultant will work with a company to help them identify their risks and solution options,” Mr. Thornton adds.

“A more cost-effective solution for some companies is a hot site,” explains Mr. Thornton. “This is a shared facility that operates a ready-to-go data center when the need arises.”

### Facility Manager

From the facility manager’s side, Mr. Thornton urges the FM to “know your tenants, the type of businesses they are in, such as a company that may keep dangerous substances on the premises

or a tenant that may be a target—like the FBI or a foreign embassy—or those types of tenants that could be locat-

ed in an adjacent building.”

On the FM side, the IMT must work to bring together the tenant, internal security, emergency services and building manager to plan what to do ensure safety, security and business continuity in the event of a situation requiring

evacuation of the property.

Every tenant should be given an emergency contact list—police, fire, hospital, emergency services, etc. Every tenant should have a floor warden versed in the details of evacuating the building in a safe and orderly manner.

Building evacuation plans must be developed, tested and periodically re-tested, and there must be coordination established between the IMT and local authorities.

In the new realities of the world today, there is no article or manual that cover the many contingencies that can arise in the workplace. Companies can best ensure their continuity by working with a professional business continuity consultant and developing a plan that best fits their needs and budget.

## ITRA Job Survey

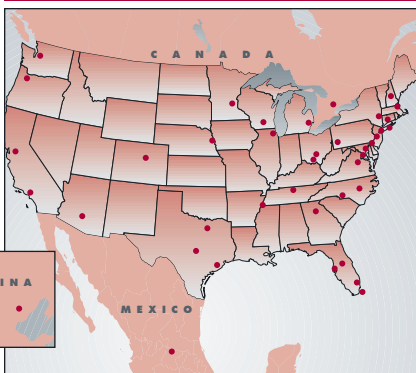
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populations of one to three million, report 35.5% of the surveys respondents. The small-sized metropolis fared slightly better than cities with populations of one million or less, 32.5% and larger cities of three million or more people, 32%.

1. Prefer Mid-Sized Metropolitan Areas (1-3 Million)—35.5%
2. Prefer Small Metropolitan Areas (1 Million or Less)—32.5%
3. Prefer Large Metropolitan Areas (3 Million or more)—32%

In a separate rating, the respondents indicated a stronger preference for working in suburban locations, 44%, over the central business district (CBD), 36% and semi-rural locations, 10%.

*Ask yourself how long your business can survive with the loss of critical computer, telecommunications and other vital functions.*



ITRA Realty Group provides corporate real estate services for tenants and buyers exclusively in 40 major markets worldwide.



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