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How to Reinvent and Reposition Your Business



Agenda

1. Reopen Your Business
2. Reevaluate Your Footprint
3. Reduce Underutilized Space
4. Reassess Your Lease Terms
5. Roadmap to Recovery
6. Cresa Can Help



Reopen Your Business

How can you bring employees back to the office safely?

Create Optionality

Empower employees by allowing them to choose when and how they return to the office.

Re-entry Tips

- **Timing.** Some organizations plan to return to work 30 days **after** state stay-at-home orders are lifted.
- **Diversify.** Returning groups should contain a cross-section of employees to ensure business continuity in case of illness.
- **Wellness.** Nominate a Chief Wellness Officer to monitor employee health and morale upon return to work.

Your re-entry plan should be **flexible** to meet the diverse needs of your employees.



Phased Re-entry

Staggered shifts or alternating days



Remote Work

Ability to work from home full or part-time



Blended Solution

Pairing remote and on-site work to maximize productivity

Priorities for the Return to Office

Ensure your employees feel engaged, productive and healthy.



Reduce Density

Reconfigure your workspace to adhere to the CDC's latest social distancing guidance.

Increase Sanitization

Elevate cleaning protocols and offer sanitizing stations throughout your space.

Foster Productivity

Develop a Change Management and Communication Plan to facilitate the transition.

Develop and Articulate Your Plan

Manage employee expectations by communicating the Return to Office Plan.

Change Management Plan

Identifies required modifications to workplace and the sequence of alterations and communications.

Month 1				
	Week 1	Week 2	Week 3	Week 4
Employee Communications	Employee Outreach: Current State Assessment	Distribute Return to Work Schedule and Guidelines	Seek Employee Feedback to Re-Assess and Adjust	Continue to Distribute Regular Updates to Work Strategy
Corporate Strategy & Communications	Determine viable methods for re-entry			
HR & Finance	Identify Essential Workers and Remote Candidates			



Communications Plan

Familiarizes employees with new policies regarding shared spaces, work shifts and cleaning protocols.



Return to Office
What to Expect

Same Space, New Habits FAQs

Is everyone returning to the office at once?
No. Please see the Phased Return to Office Schedule on the following page for more details.

What measures are being taken to sanitize the workspace?
In addition to elevated cleanings between shifts/workdays, each workspace has a sanitization station equipped with masks, gloves and hand sanitizer.

Can we utilize shared spaces (meeting rooms, kitchen, etc.)?
Yes. Signage showcasing the new capacity for these spaces has been posted. Please adhere to these recommendations and be mindful of the suggested distancing measures denoted by floor and desk stickers.

GoSpaces Mobile

Apply technology and gamification to ensure a safe Return to Office.



- Using **Locate Space** your team can feel comfortable knowing they are returning to work safely. Floor plans on the app account for social distancing and sanitized seating.
- In **My Workplace**, users can easily inform you that hand sanitizer is running low or a light over a desk is broken, this is an easy method of recording problems and tracking corrections.
- **My Contributions** is used to boost your employee engagement and promote positive company culture by gamifying social responsibility programs into customized challenges.

Reevaluate Your Footprint

Do you need all the space you have?

Has Your Space Requirement Changed?

The pandemic has prompted the adoption of new work styles.



While some companies prepare for the Return to Office, many others are **incorporating remote work** into their long-term workplace strategies.

For these occupiers, it will be important to **reevaluate your space utilization and shed what you no longer need.**

Our workspace experts can help you explore your options.

Space Utilization Study

Though the rate of reduction may vary, most companies can thrive in less space.

Sample Space Optimization Study

Space Optimization Study

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Employee Spaces	Current State Quantity	Future State Quantity
Assigned Private Office	30	8
Unassigned Private Office	0	10
Assigned Shared Office	1	0
Unassigned Shared Office	0	1
Assigned Workstation	32	6
Unassigned Workstation	0	7
Assigned Reception	1	1
Total Employee Seats	64	33

Shared Spaces	Current State Quantity	Future State Quantity
Board Room	1	1
Large Conference (Capacity for 10-12)	1	0
Medium Conference (Capacity for 8-11)	2	1
Small Conference (Capacity for 4-5)	1	2
Huddle Room (Capacity for 2-3)	1	2
Copy/ Print Area	1	1
Storage Room	2	1
Focus/Phone Room	1	2
Open Work Lounge	0	2
Enclosed Work Lounge	1	1
Break Room/Cafeteria	1	1
Work Booths	0	2
Server	1	1

Employee Types by Department	Agile (Unassigned)	Anchored (Assigned)	FT Remote (Unassigned)
Administrative	2	10	0
Leadership	0	4	0
Advisors	22	4	2
Project Managers	5	1	0
Interns	2	0	0
Total Employees	31	19	2

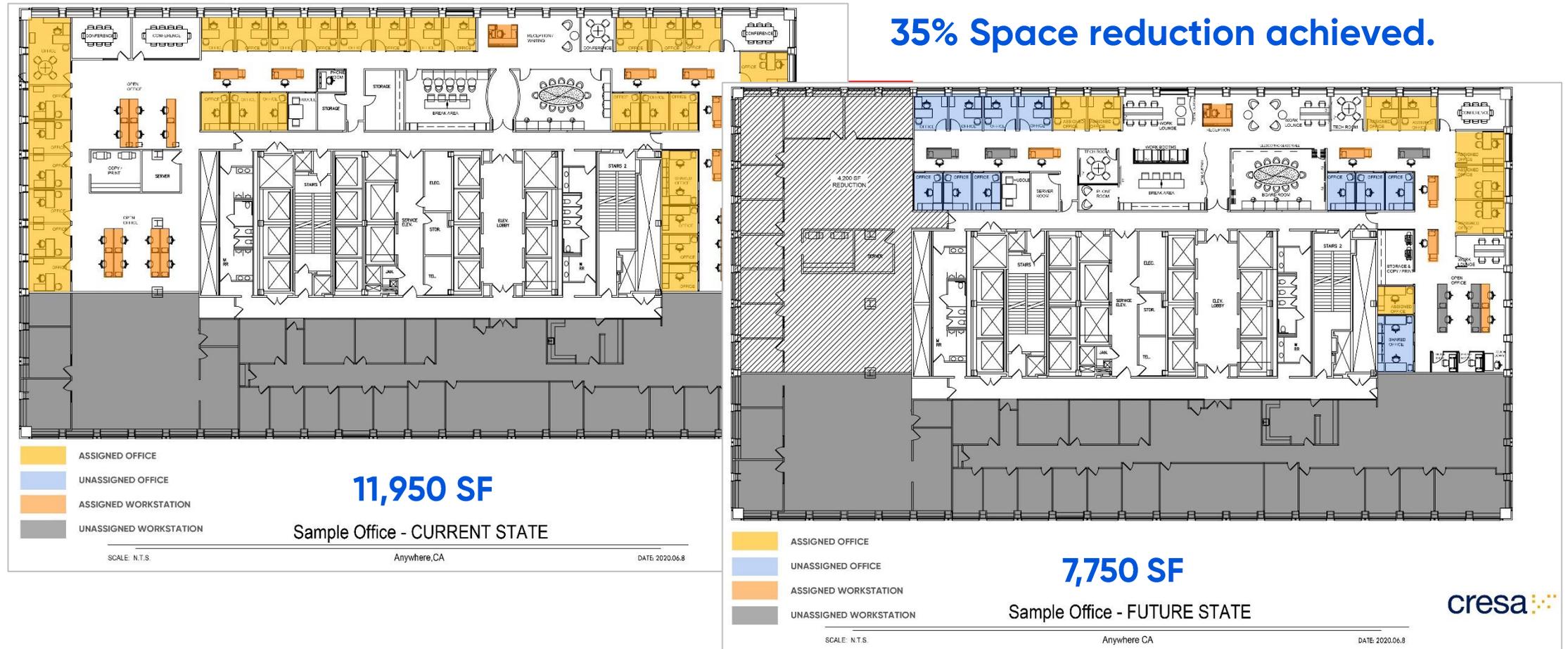
Total Square FT	
Current	Future
11,950 SF	7,750 SF

The Process

- Classify employees by work schedules (agile, anchored or full-time remote)
- Understand support and shared space utilization to ensure the right types and quantities of non-desk spaces
- Determine ideal ratio of anchored and flexible workspaces
- Oversee any necessary alterations to space
- Assist team with the transition to new environment

Explore Your Current v. Future State

Achieve cost avoidance by shedding space while still supporting employees with the space they need.



Reduce Underutilized Space

Do you have excess space to sublease?

The Subleasing Process



Define Objective & Collect Data

- Execute listing agreement
- Define business goals and other financial/accounting considerations
- Collect necessary documents to confirm brokerage costs, sublease rights and landlord consent process



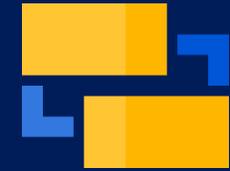
Strategy Development

- Evaluate market
- Run Sublease Recovery Analysis/Buyout Analysis
- Evaluate Capex required for marketing
- Identify target prospects and competitive rental rate
- Alert landlord of intent to sublease



Go to Market

- Develop marketing materials and outreach strategy
- Generate awareness through consistent outreach (brochures, virtual tours, databases, etc.).
- Agree on cadence and form of activity reporting



Transaction Management

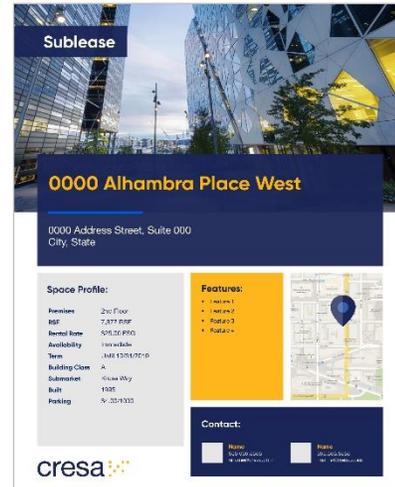
- Agree on proposal format
- Analyze offers
- Evaluate subtenant credit risk/security deposit
- Negotiate proposals and LOI
- Execute sublease in collaboration with attorney
- Manage landlord consent process
- Support delivery of premises

Launch Marketing Campaign

We'll leverage our professional network and begin active outreach to target tenants.

Sample Activities

- Live and virtual tours
- Listing featured on nationwide sites
- Creation of custom marketing collateral
- Direct email campaign to target occupiers
- Open houses and events for brokers in submarket



Sublease Flyers

Will be developed for both digital and print distribution.



360° Virtual Tours

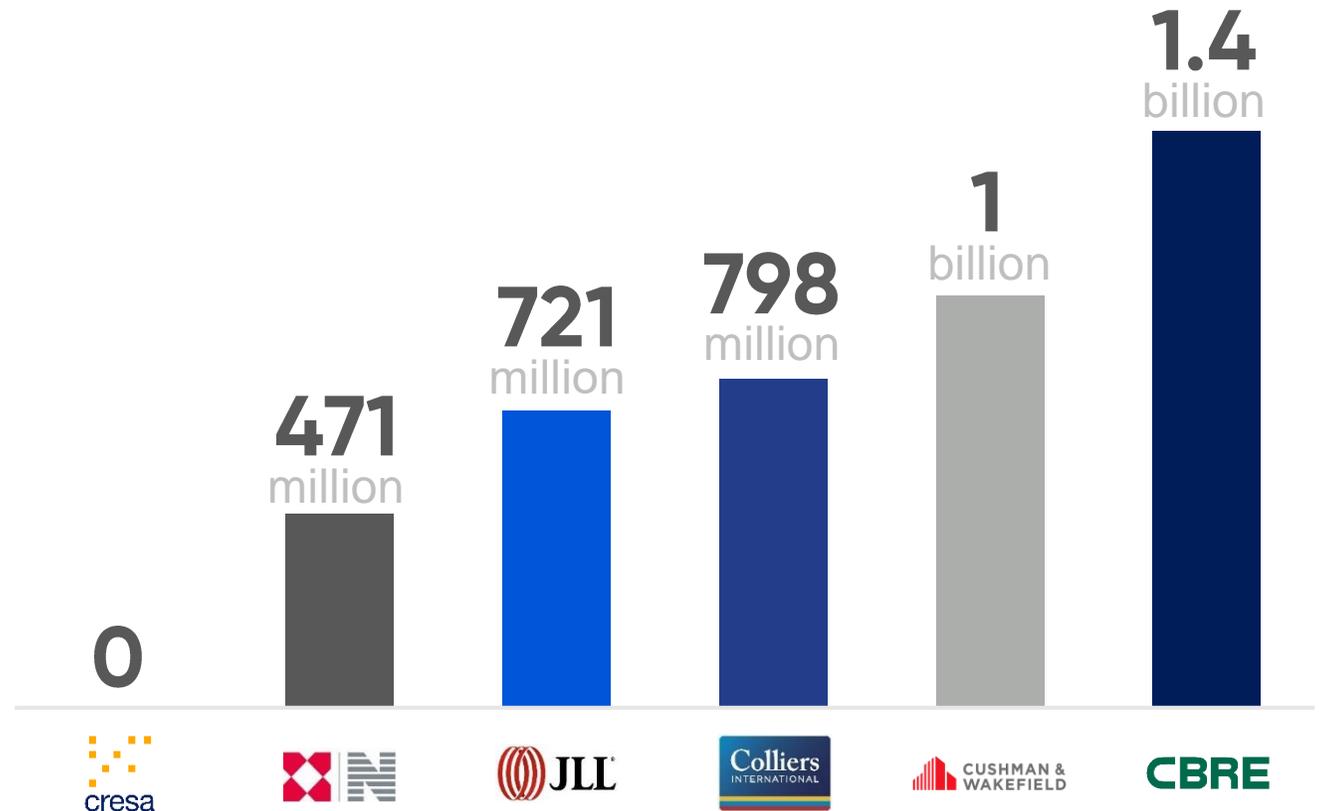
Make your space available to tour at any time, from anywhere.



Your Sublease is Our Priority

You shouldn't use a listing agent for your sublease.

- **Billions** of commercial square feet are represented on **the landlords' behalf** nationally.
- A listing agent wants the highest return for **their client – the landlord.**
- Listing agents will prioritize major listing assignments, **not smaller subleases.**
- Cresa **never does business** on behalf of the landlord.



Reassess Your Lease Terms

Can you secure more favorable lease terms in the current climate?

Occupier Leverage is Increasing

As remote work increases, many occupiers will require less space. Building vacancies will force landlords to assume more risk and be more transparent.

2010-2019

Limited vacancies create competition for space and less leverage for occupiers.

2020 & Beyond

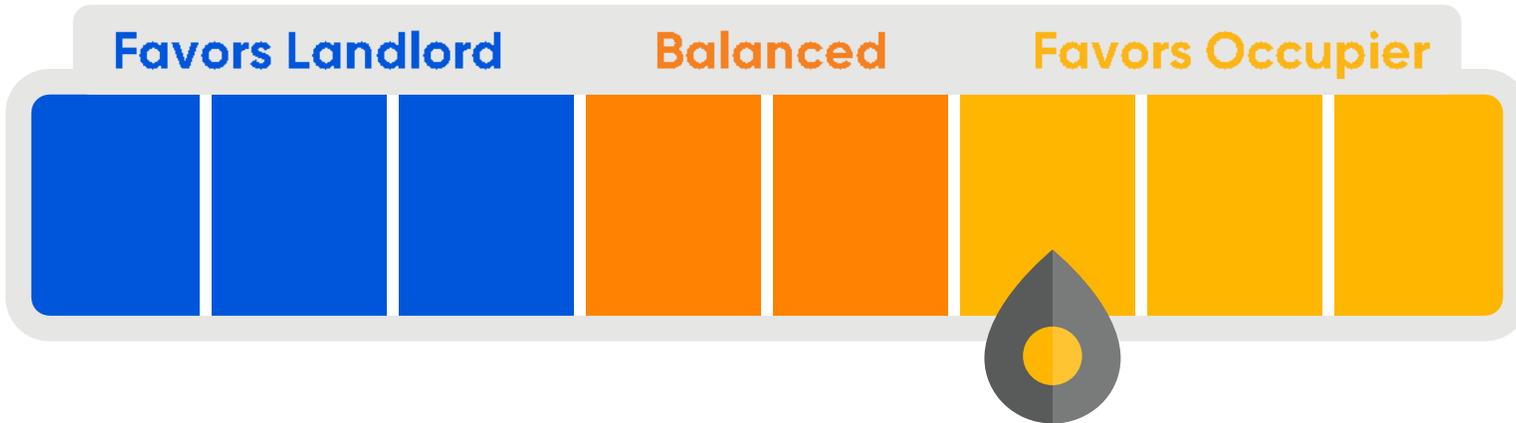
Increased vacancies prompt landlords to assume more risk to secure tenants.



Favors Landlord

Balanced

Favors Occupier



Potential Points of Negotiation



Reduce Cost

Rental Rate Leverage market conditions for more favorable rent structure

Base Rent Escalation Reduce the rate of escalation to lower fixed costs

Rent Abatement Delay rent to start, offsetting costs

Tenant Improvement Allowances Reduce exposure by reducing capital expenses

Security Deposits Preserve cash so you can use it to support your business

Base Year Minimize long-term expenses

Audit Rights Landlord mistakes are unintentional, but inevitable

Repair & Maintenance Keep the landlord accountable

Operating Expenses Ensure you get what you pay for



Maximize Flexibility

Length of Lease Is shorter really better?

Renewal Options Renew all or part of your space with less notice

Termination Rights Only you should decide how long your space works for you



Mitigate Risk

Holdover Plan for the unexpected

Subleasing & Recapture Rights Ensure you can use your space your way

Abandonment Ensure you can work where you want, when you want

Notice Provisions Secure communication timeframes that meet your needs

Landlord Default Protect yourself from over-leveraged landlords

Force Majeure Rent protection from the unknown (pandemics)

Roadmap to Recovery

What does the future look like for your organization?

Position Your Organization for Success

Our experts help you determine where you are now and where you want to be in the future.

STABILIZE

Immediate actions

- Review key lease terms (force majeure, etc.)
- Explore opportunities for immediate rent relief
- Consider additional options for relief (federal and state stimulus packages)
- Identify employees who need access to the workspace and offer remote work if possible
- If workers remain in the office, elevate cleaning protocols and increase fresh air
- Assess disruption to supply chain

ASSESS & PLAN

Within the next month

- Assess efficacy of remote work program
- Monitor impacts of pandemic to operations and revenue
- If facing a renewal, consult your Cresa advisor: a 6-12 month deferral may be advantageous
- Monitor efficiency of supply chain and viability of inventory plans

IMPLEMENT

Within the next 2-3 months

- Implement plans for re-entry and make required physical adjustments to work environment
- Implement and monitor the phased work scheduled
- Execute plan to enhance engagement with clients/customers/vendors

OPTIMIZE

At the 4-6 month mark

- Continue to monitor economic, functional and cultural effects of pandemic on your organization
- Evaluate the challenges and virtues of your "new normal"
- Identify opportunities for strategic investments or operational modifications that support long-term growth



Tactical Actions



Strategic Planning

- Formulate a task force to discuss business continuity planning
- Streamline formal decision-making and communication processes
- With your attorney and Cresa advisor, determine unintended impacts of not paying your rent
- With your attorney or tax advisor, determine impacts of receiving relief on your balance sheet

- Consult our workspace experts about reconfiguring your space to meet CDC standards and developing a phased work schedule
- Consult our remote enablement experts about elevating your remote work program
- Evaluate implementation of hands-free devices and request the same of landlords
- Assess impact of social distancing on relationships with clients/customers/vendors

- Assess functional, economic and cultural viability of making remote program part of permanent work model
- Speak to our supply chain experts about future-proofing your supply chain

- Identify the ideal operational model to support your strategic plan post pandemic
- Understand how location strategy and geographic diversity can drive business continuity planning
- Determine if your space requirement has changed due to the pandemic or transition to remote work
- Achieve savings by looking at your portfolio holistically and shedding underutilized space
- Safeguard your space by limiting exposure to future contaminants (HVAC upgrades, etc.)
- Evaluate opportunities for a sustainable space and travel policy that prioritizes employee health



Our Approach to Portfolio Optimization

360° Assessment

- Leadership interviews
- Key strategic issues impacting real estate
- Project goals and evaluation criteria
- Demand analysis and forecasting
- Future operational model
- Baseline data gathering

GAP Analysis

- How does the current portfolio align with the business model
- Supply/demand assessment
- Identify targets for portfolio performance improvement

Scenario Development

- Identify optimization tactics including:
 - Dispositions and Contractions
 - Receiving Sites
 - Renovations and Restacks
 - New Acquisitions
- Create scenarios

Analysis and Recommendation

- Model cost to achieve and steady state financial impact of short-listed scenarios
- Evaluate implementation timing, feasibility, risks
- Rate scenarios on quantitative and qualitative criteria
- Recommend solutions

Value-to-Fee (VtF) Index

First-time portfolio optimization achieves an average VtF ratio of 5:1.

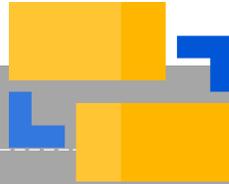
End-to-End Savings and Cost Avoidance

Lease Administration



1. CAM Reconciliations
2. Lease Audits
3. Process Improvement
4. Platform Selection

Transaction Management



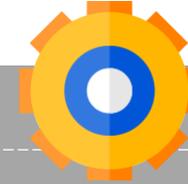
1. Occupier-focus
2. Create Leverage
3. Skilled Negotiation
4. Creative Leasing Solutions

Project Management



1. Competitive Bidding
2. Value Engineering
3. Cresa Vendor Relationships
4. Efficiencies of Scale

Facilities Management



1. Competitive Bidding
2. Benchmarking
3. Spend Analysis
4. Self-Performance

Consulting



1. Remote Advisory Services
2. Location Strategy/Incentives
3. Occupancy Planning
4. Supply Chain Optimization

Remote Advisory Services



Are you considering remote work as part of your ongoing work strategy? We'll help you:

- **Understand the considerations, [the benefits and the challenges](#)** of a remote work strategy and how it affects your real estate
- **Create a plan** to maximize productivity, financial benefits, talent acquisition/retention and the investment in real estate
- **Implement the plan;** leveraging human resources, technology and real estate solutions

A Holistic Look at Your Business

We'll create a strategic plan that balances new costs and savings opportunities.



Cresa Can Help

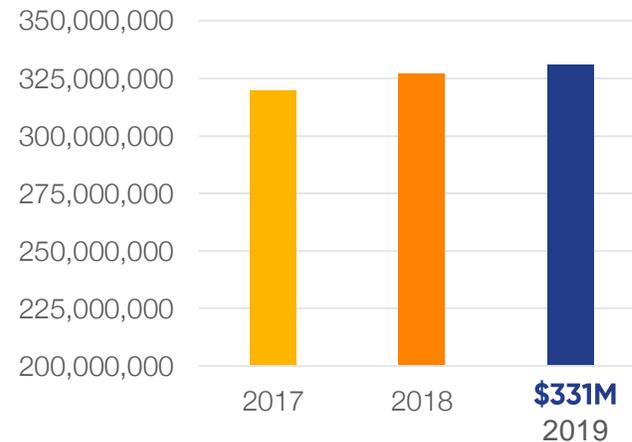
Contact a Cresa advisor to learn more about how we can help you reinvent and reposition your business.

Who We Are



- 54% TRANSACTION MANAGEMENT
- 13% PROJECT MANAGEMENT
- 12% CONSULTING SERVICES
- 21% STAFF

Company Revenue



Cresa is the preeminent partner for real estate occupiers everywhere.

In 2019 we provided unbiased, conflict-free advice for over 61 million SF of transactions.



In 2019, our unique **strategic approach** helped over **2,347** clients, in **60** industries in **1,091** cities globally.

Focused entirely on occupier needs, we provide integrated real estate solutions that support your entire business.

Our Services

Everything we do is from your perspective – and to your advantage.



Why Partner With Cresa?



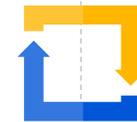
Cresa is the largest global commercial real estate firm **exclusively serving occupiers.**



We offer the capabilities of a large CRE provider with the **personalized service** of a boutique firm.



We're **relationship-oriented**, not transaction-oriented.



We never serve landlords or developers. **We are completely conflict-free.**

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Think beyond space.