

Occupiers

Retailers | Corporates | Industrial | Leisure

Banking on change at the CoreNet Global

Heads of property at leading financial services firms share their real estate strategies at last month's CoreNet Global Summit. **Aditi Shah** reports

Deutsche Bank: seeks advice

We bought Deutsche Postbank for €10bn last month and now have a big programme of change under way – our capacity in emerging markets will increase by 200% after the recent takeover.

We have acquired a large retail portfolio and are looking at risk and cost management. We need to assess the value of the portfolio, type of assets, cost on the balance sheet, and then rationalise, integrate and standardise it, and get rid of excess space. We prefer having an operational lease because it reduces the risk rate of assets on the balance sheet.

We are seeking a consultant to advise on the strategic and transactional management of the property portfolio, and will make a decision before the end of the year.

We need advisers that can provide global services because we have offices in Frankfurt, London and New York, and our chief executive, Josef Ackerman, says the next phase of growth will come from the Asia-Pacific.

Rick Bertasi is global head of real estate for Deutsche Bank

Bank of America: moves in house

Unless you're a property company, trying to develop a property strategy is futile.

We used to outsource our property function, but brought it in house because, from a business perspective, we were not able to share exact future plans with our advisers and they therefore could not make the best decisions. We still rely on them for open-market intelligence.

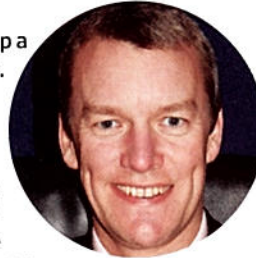
We've developed a forecasting tool over the last 12 months that looks at future needs on the basis of what was forecast in the past and what was eventually acquired. This gives us a comparison, so we can factor in the discount.

There is no set strategy for owning versus leasing. It fundamentally depends on the type of asset.

For instance, data centres and iconic buildings have high capital investment, which makes a strong case for ownership.

But the governance in the banking sector has become a big issue, not just around real estate, but also around the support functions, and there are strict controls on risk management.

Ian Crowe is international corporate workplace executive for Bank of America Merrill Lynch



HSBC: shows its face

Property is only 7% of the total cost at HSBC. It's good to keep the cost in line with the competition, but the fear is, if you drive down costs too low, it could raise impact on other costs.

It will be interesting to see how investors deal with the proposed changes to the accounting standards.

Occupiers will start driving for shorter leases like it is in Europe and America, and this will be a bit of shock for investors in the UK.

Property is a manifestation of the brand and deciding where to locate is aligned with the vision for the business and the company's image in the marketplace. We are in the process of renewing our office portfolio.

It is important to review off-shoring decisions periodically, because the benefits can soon fall away. When we decided to off shore work to Bangalore, the cost of property was a driving factor. If you look at cost, it is comparable to that in Sheffield.

Jane Hamilton is head of European property for HSBC



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For more presentations from the CoreNet Global Summit last week, go to propertyweek.com/occupiers

Bringing Game Design to the Workplace: Lessons for the Corporate Real Estate Executive



Worlds collide

Gamers the world over are eagerly awaiting the release of *World of Warcraft: Cataclysm* next month and corporate occupiers could soon join the fun. Speaking at the CoreNet Global Summit at the Lancaster London hotel last Wednesday, **Jeroen van Bree**, senior management consultant at consultancy YNNO, which specialises in innovative workplace solutions, drew parallels between the gaming and corporate occupier worlds. **Bree** said respect, collaboration and teamwork and strategy can be learned from games. ■