

# trends

A Publication of CoreNet Global, Atlanta Chapter

JUN10

## DATA & ANALYTICS Page 4

Program Highlights • Sponsor Spotlight • Upcoming Events

# trends

**TRENDS** is a Publication of the Atlanta Chapter of  
CoreNet Global Communications Committee

## DIRECTORS

**BRIAN ASHMORE**, *Analytics*  
Education Management Corporation

**BILL BLAND**, *Special Projects*  
Choate Construction

**AMY BREY**, *Young Leaders*  
Regent Partners

**GAIL CROWDER**, *Programs*  
Grubb & Ellis

**ANDREA DALTON-LAY**, *Community Outreach*  
Nortel

**ANNA FORD**, *Sponsorship*  
Jones Lang LaSalle

**HANS GANT**, *Sponsorship*  
Metro Atlanta Chamber of Commerce

**KEN GWINNER**, *Communications*  
Advent pds

**SCOTT JENNINGS**, *Membership*  
Holder Construction

**SALLY MAXWELL**, *Chapter Development*  
IBM

**ADDISON MERIWETHER**, *Young Leaders*  
Cushman & Wakefield

**BETSY NURSE**, *Membership*  
idea|span

**JOHN O'HARA**, *Networking*  
Hardin Construction

**DIANA SIMAAN**, *Networking*  
Baker Barrios Architects

**HANK SMITH**, *Analytics*  
Earthlink

**LYNN STOREN**, *Communications*

**GLEN WONG**, *Programs*  
Invesco



## OFFICERS

**SAM UNGER**, *President*  
Ernst & Young

**TIM MCCARTHY**, *President Elect*  
Jones Lang LaSalle

**PEGGY HENDERSON**, *Treasurer*  
Technical Innovation

**DARLENE HAWKSLEY**, *Secretary*  
McPherson Implementing  
Local Development Authority

## SENIOR ADVISORS

**BUZZ ANDERSON**, *Senior Advisor*  
Anderson Advisory Services, LLC

**MATT FANOE**, *Senior Advisor*  
Coca-Cola Enterprises Inc.

**TREX MORRIS**, *Senior Advisor*  
Ernst & Young

**SCOTT SMITH**, *Senior Advisor*  
Education Management Corporation

*President's Letter* 3

*Data & Analytics* 4

*Member Focus* 5

*Lease Accounting Changes* 6

*Education Highlight: Deal or No Deal?* 7

*Sponsor Spotlight* 8

*CoreNet Global Summit* 9

*Events Calendar* 10

*trendSettings* 11

# a letter from the president



Dear Atlanta Chapter Members,

**AS WE APPROACH MID-YEAR**, I am pleased to see all the activity, participation and momentum taking place in our Chapter. We continue to advance our core mission of member involvement, education and outreach to Fortune 500 Corporate Real Estate executives. Our most recent Education Event held on May 13<sup>th</sup>, entitled “Deal or No Deal”, drew great interest with over 110 people in attendance. The four-member panel represented both end users and the brokerage community, allowing for varied comments and perspectives on current (and historical) trends in lease negotiation.

On the Global level, CoreNet hosted an outstanding Summit in New Orleans in April! Feedback on the speaker and breakout sessions was very positive and enrollment was strong, with over 1300 registered attendees and the largest percentage of end users of any Summit to date. The Summit concluded on Wednesday, April 20<sup>th</sup> with the Component Leadership Forum, an annual gathering of the association’s leadership and approximately 75 senior corporate real estate executives. Attendees included future industry and association leaders, as well as Chapter Officers, CoreNet Global Department heads, Community & SIG Leaders and Board representatives. It was a productive day, as those in attendance focused on charting the course for CoreNet Global membership, Chapter growth, and education of the industry.

As we embark on the summer season in Atlanta, I welcome you to participate in the following Chapter events:

**June 23 - Young Leaders Event**

**July 8 - Networking Event**

**August 12 - Education Forum “BUILD TO LAST”: New Foundations for a New Economy**

**August 25 - Young Leaders Event**

Finally, I want take this opportunity to again thank our sponsors for their support of our Chapter. They help us provide a multitude of programs and events for our members.

Warmest Regards,

A handwritten signature in black ink, appearing to read "Samuel Unger". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

SAMUEL S. UNGER, *Chapter President*

Area Director of Real Estate, Ernst & Young LLP



# DATA & ANALYTICS

## Atlanta Chapter's Newest Committee

BY HANK SMITH

*Business Analytics is the collection and analysis of information by an organization in order to use the interpreted data to make better business decisions and optimize business processes.*

**THIS YEAR THE LEADERSHIP WITHIN THE ATLANTA CHAPTER** of CoreNet Global has created this new committee for the purpose of leveraging available information to improve our value to the Chapter membership. The committee's overarching goal is to establish the Atlanta Chapter as a leader in the use of all available information to develop an understanding of the attributes of our members and sponsors, thereby allowing us to tailor the Chapter programs and events to their needs and schedules, and creating long-term organizational value in the process.

The term "data mining" may sound familiar, as this is another way of defining the analytics process. The first step in this process is to determine the sources and types of data that are to be collected. The second step is to provide a robust and reliable method for input, i.e. storing, compiling and accessing the data. Analysis, the third step, is the method used to analyze the data to create useable information. The final step, output, is the generation of information in a form that is usable for business decisions, including tables, graphs, lists, etc.

For example, the participation patterns (or frequency) in Chapter events by our members, prospects and sponsors, along with additional information, can be analyzed to optimize attendance at those events. With real attendance information at hand, the Chapter leadership could target people or organizations that seldom or never participate, encouraging their attendance versus investing efforts pursuing those who are already active participants at most events. The information may also allow for more direct marketing of certain types of events to specific industry segments.

An example of this approach can be seen with Amazon.com. If an individual has ever purchased goods from the website, pop-ups will be sent that suggest additional purchases based on previous buying patterns. This illustration, although quite specific, shows how, when used properly, target marketing has the potential to go a long way towards increasing member participation in all Chapter events.

Data that is retained and continually updated will become an empirical record of what works well and what does not, allowing the Chapter to continually improve its value to our members. Membership and sponsorship patterns, along with attendance data, can also be compared to previous years to assist the Chapter leadership in developing an overarching strategic plan.

*If you are interested in being part of the new Data & Analytics Committee, please contact Hank Smith, Chair, at 404-748-6670 (office) or email him at [smithh1@corp.earthlink.net](mailto:smithh1@corp.earthlink.net).*

## Member Focus: Kathy Godwin

Chapter Administration, CORENET GLOBAL'S ATLANTA CHAPTER



You register for an event online. You show up and there is always a nametag for you — not to mention a smiling face to greet you. *Meet Kathy Godwin.* She deftly handles all of the Chapter administration for CoreNet Global's Atlanta Chapter.

For those of you who know her, you'll agree that Kathy is a wealth of information and the key contact for all members, sponsors and vendors regarding events, membership, committee volunteers, sponsorship and communications. For those members who aren't familiar with Kathy, we suggest you take the time to stop at the next event's registration desk and introduce yourself.

Kathy has 24 years of administrative support experience in the commercial real estate industry, including property management, acquisitions, brokerage and association management. While most of her time is spent with the Atlanta Chapter, she also began working with the Carolinas Chapter in 2007. "Working with the Atlanta and Carolinas Chapters has been a perfect fit for me," says Kathy. "I thoroughly enjoy assisting the Boards with setting and meeting goals, getting to know our sponsors and members, and striving to provide excellent customer service so everyone will see the benefits and opportunities that CoreNet Global offers."

The Atlanta Chapter brought Kathy on board in 2004 to provide administrative support to the Board of Directors and help keep everyone on track. Her role was expanded in 2006 and, in addition to assisting our members and sponsors, she attends all Board meetings, prepares and tracks our budgets, assists with annual Board nominations and committee chair transitions. Throughout the year Kathy maintains the calendar of events and assists each committee, as needed, with the planning and execution of scheduled programs.

In other words, Kathy makes sure that our organization runs smoothly and that all of our members are informed and connected. According to Sam Unger, the Atlanta Chapter president and Director, Americas Real Estate Services at Ernst & Young, "Kathy is an excellent administrator and colleague who spends a great deal of time understanding our organization and its current needs, and thinking about its future needs to assist consistent growth."

*Be sure to take the time to say "Hello" and "Thank You" to Kathy next time you see her.*



# Lease Accounting Changes

*A timely discussion*

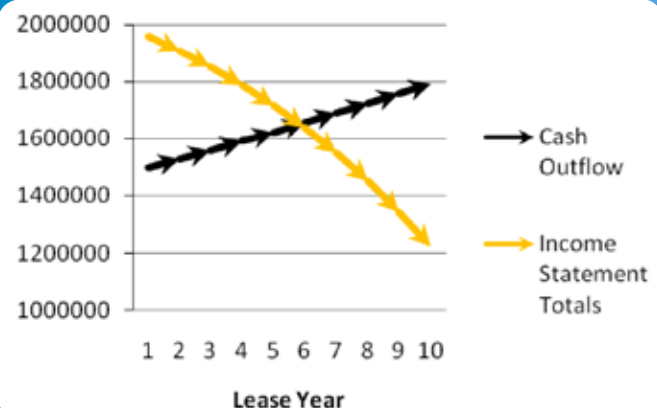
*The more than 100 people attending the March 18<sup>th</sup> Education Program exited the elevator in the newly constructed Pope & Land/Duke Realty building in Buckhead to be greeted by a spectacular view of the Atlanta skyline. This provided the perfect backdrop for a very relevant and timely discussion on the vast changes to lease accounting that will be upon us very soon.*

THE PARTICIPATING PANELISTS, WHOSE BACKGROUNDS SPANNED THE REAL ESTATE SPECTRUM, INCLUDED:

- **Betty Davis, Partner in Financial Services at Ernst & Young**
- **Mindy Berman, Managing Director of Corporate Capital Markets at Jones Lang LaSalle**
- **Matt Fano, Corporate Director of Real Estate and Facilities at Coca-Cola Enterprises**
- **Jeff Shell, Executive Vice President of Corporate Finance at Grubb & Ellis (Moderator)**

To set the stage, Betty Davis provided an overview of the upcoming changes, with input from the other panelists, and then Jeff Shell posed questions to the three. Lively discussions ensued, which elicited responses from three very distinct perspectives.

In a nutshell, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) have recognized leasing as a form of financing, and as such it will no longer be afforded off-balance sheet treatment. The resultant changes will require all leases to be capitalized and placed on the balance sheets of tenants at the present value of the lease payments. The asset will be amortized on a straight-line basis over the life of the lease, but the liability will be written off like a loan, with a heavier interest burden at the onset. In a lease with rising rents, the income statement expense will travel in the opposite direction from rent paid.



## Education Program Highlight: *Deal or No Deal?*

### **In this volatile real estate market, how do you know if today's deal is the best deal?**

With concessions amped up and rates dialed down, it's no doubt a great market for tenants. But are all deals created equal? Should a 3000 SF tenant expect to get what a 30,000 SF tenant does? If you believe the rumors, the answer would be yes.

**At the May 13<sup>th</sup> program,** we heard what industry experts had to say about office transactions being made in the Atlanta market today. With viewpoints from a tenant rep broker, a landlord's agent and an end user, the event provided insights into the realities of negotiating a lease in today's environment. Those attending learned how landlords evaluate a transaction, what concessions are really being offered, why building ownership matters now more than ever, how long the window of low-cost opportunities will last, and much more.

Another facet of the changes is the determination of the length of term to be capitalized. A tenant must determine its most likely tenancy, which may include one or more renewal terms, and use that as the basis for capitalization. Contingent rent and residual value clauses are handled in a similar manner, with the capitalization dependent on the tenant's determination of the most likely outcome. FASB and IASB plan to issue the new guidance covering the changes this year, with implementation slated for 2012 or 2013.

As the panel concurred, now is the time to engage a real estate professional to review current leases and obtain advice regarding future transactions, and the impact these changes may have on the strategic decision making process. According to Matt Fanoë, "The accounting changes will have an impact on the real estate process, but the fundamental values that CCE considers when making decisions about real estate leases will remain the guiding force behind the strategic decision making process." The entire panel agreed that the number of parties involved in real estate within a corporate occupier will increase as a result of these changes.



**Matt Fanoë, Corporate Director Real Estate & Facilities, Coca-Cola Enterprises Inc.**

The program was a great success, with lots of spirited questions from the audience. Thanks to the panelists for their enlightening and engaging conversation on a topic critical to the real estate industry. At the end of the program, our guests mixed and mingled while enjoying the follow-up networking event.

# Sponsor Spotlight

*This year, each bimonthly issue of Trends will introduce you to our Platinum Sponsors. They will share with you some industry insights from their unique perspective, as well as invite you to get to know them a little better.*

## CRESAPARTNERS

CresaPartners, the largest pure tenant representation firm in North America, is guided by a *Do the Right Thing* concept, both internally and externally. Since the founding of our firm in 1998, the primary focus of CresaPartners has been to serve the best interests of tenants. By representing tenants, not landlords, we ensure objectivity and avoid the inherent conflicts of interest of companies representing both owners and users of real estate.

Unlike traditional real estate firms, we are service-oriented, not transaction-oriented. We provide an array of integrated corporate services, including:

- Strategic Planning
- Transaction Management
- Project Management
- Relocation Planning and Management
- Workforce and Location Planning
- Subleases and Dispositions
- Lease Administration
- Capital Markets
- Sustainability
- Supply Chain and Facilities Management

CresaPartners has more than 50 offices in North America and over 700 employees, including nearly 90 Project Managers. Internationally, CresaPartners covers more than 125 locations in 35 countries. Many of CresaPartners' senior-level Principals have corporate real estate backgrounds and average tenures of more than 20 years in their respective markets. Our Advisors and Project Managers form partnerships with our clients, providing ongoing service that goes "beyond the deal." As true tenant advocates, we are accountable from start to finish.

CresaPartners Atlanta was founded in 1998 by Tom Tindall and Jim Byrd. Since that time, three additional Managing Principals have joined the firm, including Kevin

Creel, Richard Chrismer and Billy Hobbs. With more than 20 Advisors, the Atlanta office represents over 1200 clients and completes approximately 200 transactions each year.

CresaPartners is an active supporter of CoreNet—at both the national and local levels. On a global level, the company is a Silver Strategic Partner, provides faculty members for CoreNet educational events, and is a frequent sponsor at CoreNet Summits. CresaPartners also provides financial contributions and volunteer manpower for CoreNet's Corporate Reinvestment Challenge projects and supports other local Chapter community service efforts.

**CoreNet Contact:** Jim Dezell, Executive VP, Corporate Services—[jdezell@cresapartners.com](mailto:jdezell@cresapartners.com)

## INTERFACEFLOR

A global innovation and sustainability leader, InterfaceFLOR is the largest manufacturer of modular carpet in the world and is the flagship company of Interface, Inc., a global floor coverings company with operations on four continents and sales in more than 100 countries. The company offers beautiful, high-performing and environmentally responsible products for all commercial market segments.

Interface began in LaGrange, Georgia in 1973 when Ray C. Anderson, currently Chairman of the Board, recognized the need for flexible floorcoverings for the modern office environment. Since its founding, Interface has grown into a billion-dollar corporation through a series of acquisitions and is the worldwide leader in the design, production and sales of modular carpet. Today, InterfaceFLOR has diversified its business and provides products for every market segment, including corporate, retail, hospitality, government, education and residential.

In 1994 Interface began considering the impact that its business processes had on the environment and set out to eliminate waste, use fewer raw materials to make its products, and restore the planet for future generations. It set out on a mission to become "the first name in industrial ecology—a corporation that cherishes nature and restores the environment." Interface has a goal of "Mission Zero"—the company's brand promise to eliminate any negative impact the company has on the environment by 2020.

Keeping products in a "closed loop process" is, in fact, a huge part of the company's Mission Zero brand promise. As a historically petro-chemically intensive company, InterfaceFLOR aims to "get off oil" as it seeks to eliminate any negative impact its operations have on the environment. A central part of this mission involves the company's recycling program in which they seek to close the production loop by turning carpet tile backing into backing and fiber into fiber to make new, vibrant products. The company's innovative ReEntry® program has resulted in the diversion of more than 200 million pounds of carpet from the landfill globally since 1995. And now with ReEntry 2.0, InterfaceFLOR is proud to lead the industry in the use of post-consumer fiber in its products. Its new Convert™ Design Platform is the industry's first process for recycling and creating post-consumer yarn to make beautiful, colorful and high performing products. These steps have also made the company more efficient, resulting in products made with up to 75% recycled materials (up to 35% of this being post-consumer content).

*Interface* FLOR

**CoreNet Contact:** Kevin Parks, Account Executive—[Kevin.parks@interfaceflor.com](mailto:Kevin.parks@interfaceflor.com)

# Southeast Chapter Reception

*CoreNet Global Summit*

By JOHN O'HARA

THE CORENET GLOBAL CONFERENCE in New Orleans was a grand success! The Atlanta and Carolinas Chapters hosted The Southeast Chapter's reception on Sunday, April 18<sup>th</sup> for Southeast Chapter members attending the conference. The event, held just prior to the Sunday evening Host City Reception, was a great networking activity and an excellent icebreaker for the Summit.

With response from an e-mail blast reception invitation sent out prior to the conference, it looked as though about 60 guests were expected. However, between 80 and 100 guests meandered through the reception — a tremendous showing! Notable sightings included Hans Gant, SVP Metro Atlanta Chamber of Commerce; Matt Fano, Coca-Cola Enterprises; Ken Ashley, Cushman Wakefield; David Guen, Capital One; Philip Grossberg, Time Warner Cable; and Trex Morris, Judy Bowles and Sam Unger with Ernst & Young.

## A Few Summit Moments:

*CoreNet Global Summit*



Lee Utke



**All faculty members are committed to sharing their knowledge and experiences.**



**2010 Global Award winners recognized at the New Orleans Global Summit**



# 2010 Events Calendar

Mark Your Calendar: August 12<sup>th</sup> — 2010 EDUCATION FORUM



*Build to Last:*  
**"NEW FOUNDATIONS FOR A NEW ECONOMY"**

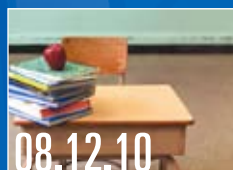
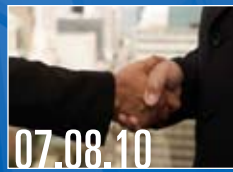
YOU WON'T WANT TO MISS THIS INCREDIBLE EVENT!  
*The 2010 Education Forum brings in national and local experts to highlight the knowledge and practices that create the right foundations for the new economic environment.*

Conveniently held in Buckhead at the JW Marriott Hotel and Conference Center, the August 12th full-day

learning and networking event will include keynotes and education sessions that address the cornerstones for a lasting platform for growth. Networking with the Atlanta corporate real estate professional community will provide ideas and experiences on rebuilding our businesses in the midst of sustained challenges.

With a keynote address from influential journalist, Alan Deutschman, continuing education credits and valuable networking opportunities, you'll want to register today for the Atlanta Chapter Education Forum.

- Young Leaders Event **Jun 23**
- Networking **July 8**
- Education Forum **Aug 12**
- Young Leaders Event **Aug 25**
- Networking **Sept 9**
- New Member Luncheon **Sept 30**
- Community Reinvestment **Oct 8**
- Education Program **Oct 14**



2010 EVENTS CALENDAR

## March 18<sup>th</sup> Education Program: Lease Accounting Changes

OVER 100 PEOPLE attended the March 18th Education Program held at the newly constructed Pope & Land/Duke Realty building in Buckhead. The Program provided a relevant and timely discussion on the vast changes to lease accounting that will be implemented in the near future. (See a full article about the Program on page 6.)



*Jim Huslig and Andrew Walker*



*Robert Farrar & John O'Hara*



*Richard Kadzis, Amy Brey, Stephanie Belcher, Matt Hayner*



*Betty Davis*



*Russ Jobson, Pete Shelton, Bob Ward, Glen Wong, Clark Gore*



*Jeff Shell*

# trendSettings

## New Member Orientation April 29<sup>th</sup>, 2010

THE PROSPECTIVE AND NEW MEMBER LUNCHEON is held semi-annually to welcome new members, educate them about our Chapter and help to get them plugged in and active right away. The key to having a strong Chapter is having active members, and by educating them on how to get plugged in, they will get the most out of their membership.



*Betsy Nurse and Karen Dick*



*James Manning, Aimee Bennett & Jay Fraser*



*Scott Jennings and Melissa Borrman*



*Gail Crowder & Chuck Alexander*



*Carmen Granato & Melissa Borrman*

## Deal or No Deal? Education Program, May 13<sup>th</sup>, 2010

INDUSTRY EXPERTS provided insight about current office transactions in Atlanta's market. Attendees learned how landlords evaluate a transaction, what concessions are really being offered, why building ownership matters now more than ever, and much more. (See highlights on page 7.)



*Kay Younglove, Jones Lang LaSalle*



*David Tennery, Regent Partners*



*Jeannie Cave, Cox Communications*



*Glen Wong, Invesco*

