

COREISSUES

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Fast Facts & Industry Stats

Together, the Carolinas are home to 15 Fortune 500 Companies, and a total of 30 in Fortune's Top 1000 rankings. Within the top 500 are the following companies (in order of ranking): **Bank of America Corporation (9)**, **Wachovia Bank (38)**, **Lowe's (48)**, **Nucor (151)**, **Duke Energy (204)**, **Progress Energy (248)**, **BB&T Corporation (250)**, **Reynolds American (290)**, **Sonic Automotive (298)**, **VF (335)**, **Family Dollar Stores (358)**, **Goodrich (375)**, **Pantry (405)**, **SPX (466)**, and **Scana (500)**. Source: *Fortune Magazine*

According to March 2008 statistics from McGraw-Hill Construction, publisher of *Southeast Construction*, the value of new contracts for future construction improved by 1% in North Carolina from last year, with a February new-starts total of \$2.7 billion. However, future construction values in South Carolina fell by a significant 44% as compared to the same period of a year ago. March '08 contracts valued \$718.9 million in South Carolina, whereas in 2007, the tally was \$1.3 billion.

In a May 16, 2008 release, The Employment Security Commission of North Carolina reported that unemployment in the state has increased to 5.4% — up from 5.2% in March. This is the highest unemployment rate for the state since August 2005 and represents the fourth straight monthly increase in joblessness.

Likewise, South Carolina's Employment Security Commission also reported in May that this state's unemployment rate edged up to 5.9%, a two-tenths of a percentage point higher than the 5.7% rate recorded in March.

A Letter from the President

TREMENDOUS! FANTASTIC! OUTSTANDING! These are some of the superlatives that I teach my 5-year-old son to say with the enthusiasm only a preschooler can muster. And it's great to see the response he gets when someone asks him how he is doing, and he spouts out "Fantastic!" in his bright, innocent voice. It is contagious and brings a smile to all in earshot.

Well, I can't use enough of these words to describe the last six months when speaking of our local CoreNet Chapter. We have had such an exciting resurgence within this great organization. Our networking socials are packed with 75-80 folks coming out to Loft 1523 in Charlotte, and over 50 participants enjoying the hospitality of Edge Office in Raleigh. Both of our recent educational events were models of academia, with an intense sharing of ideas at the Charlotte Roundtable and a wealth of knowledge and interaction during Raleigh's Green Payoff assembly.

As if all this weren't enough, Carolinas CoreNet had a record-breaking turnout at our best-run, best-staffed, best-sponsored, and arguably best-played annual golf outing on May 14th at Greensboro's Grandover Resort & Club. Moreover, our Outreach Committee, through everyone's generosity, was able to make a lasting commitment to the very worthy Brain Tumor Fund of the Carolinas.

Like never before, Carolinas CoreNet is providing a wealth of opportunities to connect with peers, dive into the relevant topics of our time, and simply enjoy the company of some of the finest industry professionals in the region.

At this time, I would like to recognize and once again thank the Board. It is only through their tireless efforts and dedication to producing something greater than the parts, that we have been able to enjoy such success and growth within the chapter. A Board Member chairs each aspect of our organization — Education, Sponsorship, Golf, Outreach, Membership and other internal responsibilities. With the indispensable support of countless chapter volunteers, each committee has brought greater depth to the organization as a whole.

We look forward to your continued participation as we move into the second half of the year. We have more great activities planned, including additional roundtable and other educational programs, networking socials that extend our geographic reach, and of course, great events to show our appreciation and recognition to our valued Sponsors. We can't emphasize enough the effect of Sponsor support, and we are continuously striving to return the favor in the value proposition of each event.

So here is to a great rest of '08. I hope to see you all frequently and I solicit your help in growing our chapter. Remember, if you are finding value, *your colleagues will as well!*

Best Regards,



Philip H. Grossberg, LEED AP, Senior Director - Corporate Real Estate
Time Warner Cable



Carolinas CoreNet Calendar Events

July 24th | Sponsor Appreciation Event, *Charlotte*

July 29th | Sponsor Appreciation Event, *Raleigh*

August 19th | Education Event, *Charlotte*

August 20th | Education Event, *Raleigh*

August 20th | Networking Event, *Charlotte*

September 10th | Networking Event, *Raleigh*

October TBD | Industry Leaders Roundtable, *Raleigh*

November 19th | Networking Event, *Greenville, SC*

December 3rd | Networking Event, *Charlotte*

Green Building Benefits: Can Environmental Responsibility Be Profitable?

(Summary article from the “The Green Payoff: The Economics of Going Green” educational event held on April 2th at Nortel Networks, presented by Hunter Fleshood, CoreNet Carolinas Board Member)

According to a 2007 global survey conducted by CoreNet Global and Jones Lang LaSalle, 44% of respondents believe that sustainability is currently a critical issue to corporate real estate. Another 35% believe it will be critical within 1-2 years.

But what does environmental responsibility in real estate development do to the bottom line? Is it just a “feel good” thing to do, or **can sustainability actually be commercially profitable?**

A traditional view of commercial real estate would seek to get the most building for the buck. However, with environmental perceptions changing in our society, it's time to seriously consider building green. And with increased upfront investment costs to go this route, we must challenge traditional thinking. A Total Cost/Total Return view would seek to get the most building for the buck, while also attempting to get the most bucks from the employees in the building by providing an environment that optimizes employee productivity.

You may be saying to yourself, “Sure, I can see some soft benefits to going green... but it's not going to markedly increase my ROI.” It is true that there are many “soft” benefits to building with sustainability in mind. Improved employee health, reduced absenteeism and turnover, increased employee productivity and satisfaction, improved brand strength and positive public perception are just a few. But “soft” does not mean “unprofitable”! Even though there are no direct occupancy savings, and these benefits are people-focused and perhaps hard to quantify, there are still significant “hard” savings to be reaped.

In fact, according to the United States Green Building Council (USGBC), a \$4 investment per square foot in building green nets a \$58 benefit per square foot over 20 years (see pie chart, bottom right). When utility and energy savings, as well as operations and maintenance savings, are combined with the actual value of productivity and health benefits, that minor investment to go green can yield quite a return.

Prove it!

The key is to be able to convince investors and stakeholders that going green creates green. There are three primary approaches to quantifying the soft benefits of sustainability in real estate:

1. Illustrative
2. Applied Research
3. Owned Research

The Illustrative method simply involves knowing the benefits and presenting them to your audience. It offers qualitative versus quantitative evidence and is quick and easy to do. Unfortunately, green skeptics will want more hard proof.

Applied Research goes a bit further by providing scientific evidence. Because the body of research is becoming increasingly robust, it is both accessible and credible. This method does require time and effort to find the most relevant studies and analysis to apply to your specific projects. Stakeholders will buy into the science, but must still believe the application assumptions.

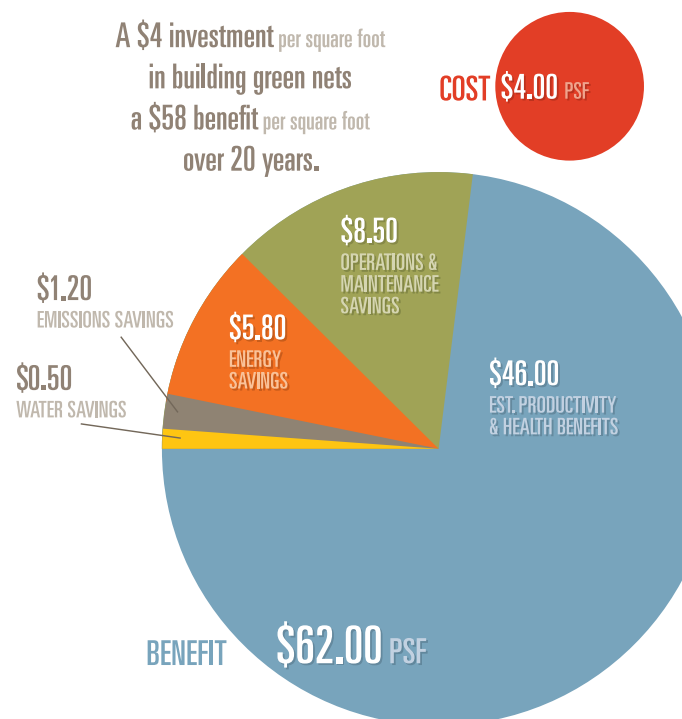
Finally, you can conduct research on your own green project and use those studies as you move forward. This Owned Research approach provides real tests

on your real projects to yield undisputed results. It is especially appropriate for multi-project green programs where initial studies can be directly applied to the rest of the program for ROI. Although it is more expensive and time-consuming, this method can be extremely valuable.

Going green in commercial real estate does pay off. People costs are typically 10 times workplace costs. Green workplace investments lower workplace costs...but more importantly, they maximize the return on people costs by improving health, productivity, satisfaction and retention. **The bottom line: To maximize the Green Payoff, it is critical to articulate, incorporate and calculate the soft benefits of Building Green.**

For more information, please access the presentation materials from this program at our chapter's website:

www.corenetglobal.org/chapters/carolinas



Carolinas CoreNet **Sponsor Spotlight**

Platinum Sponsor: Jones Lang LaSalle

Jones Lang LaSalle is a global financial and professional services firm specializing in real estate. The firm operates in more than 700 cities in over 60 countries across the globe, and has a significant presence in the Carolinas with over 200 professionals based in the region. They advise corporations on their real estate requirements and manage local transactions and properties on behalf of clients across the region.

Jones Lang LaSalle's property expertise ranges from corporate headquarters to data centers and from industrial properties to bank branches. Its menu of corporate services includes a broad platform of transaction, facility management, project management, retail leasing and management, and hotel investment services. Additionally, Stuart Hicks, CEO of the firm's Corporate Solutions group, and Mike Longmore, who manages the firm's Open Air Retail division, are all based in Charlotte. The firm currently services many North Carolina-based companies and counts AT&T, Bank of America, Duke Energy, and HSBC as key clients.

John Ashmore, who heads the Project and Development Services business group in the Carolinas is the point of contact with the Carolinas Chapter of CoreNet Global. Also based in Charlotte, the lead executive is Market Director Chris Wasko, who heads the business for the Carolinas region. The firm has 19 million square feet of space under management, executes over one million square feet of lease transactions annually, manages over \$250 million in Project Management assignments annually, as well as transacts \$500 million in Capital Market sales each year.

Sponsorship is vital to the success of our chapter and we appreciate each of our 2008 sponsors for their support. If you or your organization would like to become a Carolinas CoreNet sponsor, please visit our website at www.corenetglobal.org/chapters/carolinas.



260 Peachtree Street NW
Suite 1500
Atlanta, GA 30303

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Golfing for a Good Cause

Everyone had a great time at the 8th Annual Carolinas CoreNet Golf Tournament. The event was held on May 14th at the Grandover Resort in beautiful Greensboro, NC. The tournament has seen tremendous growth over the years, with 83 golfers teeing off this year — that's almost double the participation since 2006!

The weather was ideal on the links, and after the 18 holes of modified Texas Scramble, our members and their guests enjoyed an evening of enthusiastic networking and excellent refreshments. Many thanks to Steve Bodenheimer who chaired the event committee and, along with his team, worked diligently to put together a wonderful tournament this year.

In addition to the excellent golf and abundant laughter, we did take time to focus on our community reinvestment initiative that directly links our Chapter with the Carolinas community. We were honored to present the Brain Tumor Fund with a check for \$2020 raised by the event. Steve Gassaway, managing director for CBRE in the Carolinas, accepted the check on behalf of this worthwhile organization.

The evening ended with a fun, light-hearted awards ceremony. Congratulations to the following winning teams, who were presented with gift cards and other prizes:

1st Place Team

Ben Green, Darryl Smith, Hank Gentry and Matt Lam, all from Aaron's Furnishings

2nd Place Team

Chip Olsen and Guy Harvey from The Staubach Company, and Mendy McNeel and Chris Brogden from BB&T

3rd Place Team

Jeff Farnham of Strategic Connections, Dan Jennings of AREVA ANP, Inc., Tommy Catone and Frank Dixon

Finally, we would like to once again offer our sincere thanks to our 2008 Chapter Sponsors. The quality of the venue, gift bags, awards and food is a direct reflection of their support for our vision.





Golfing for a **Good Cause**

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at the Grandover Resort in beautiful Greensboro, North Carolina.

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