

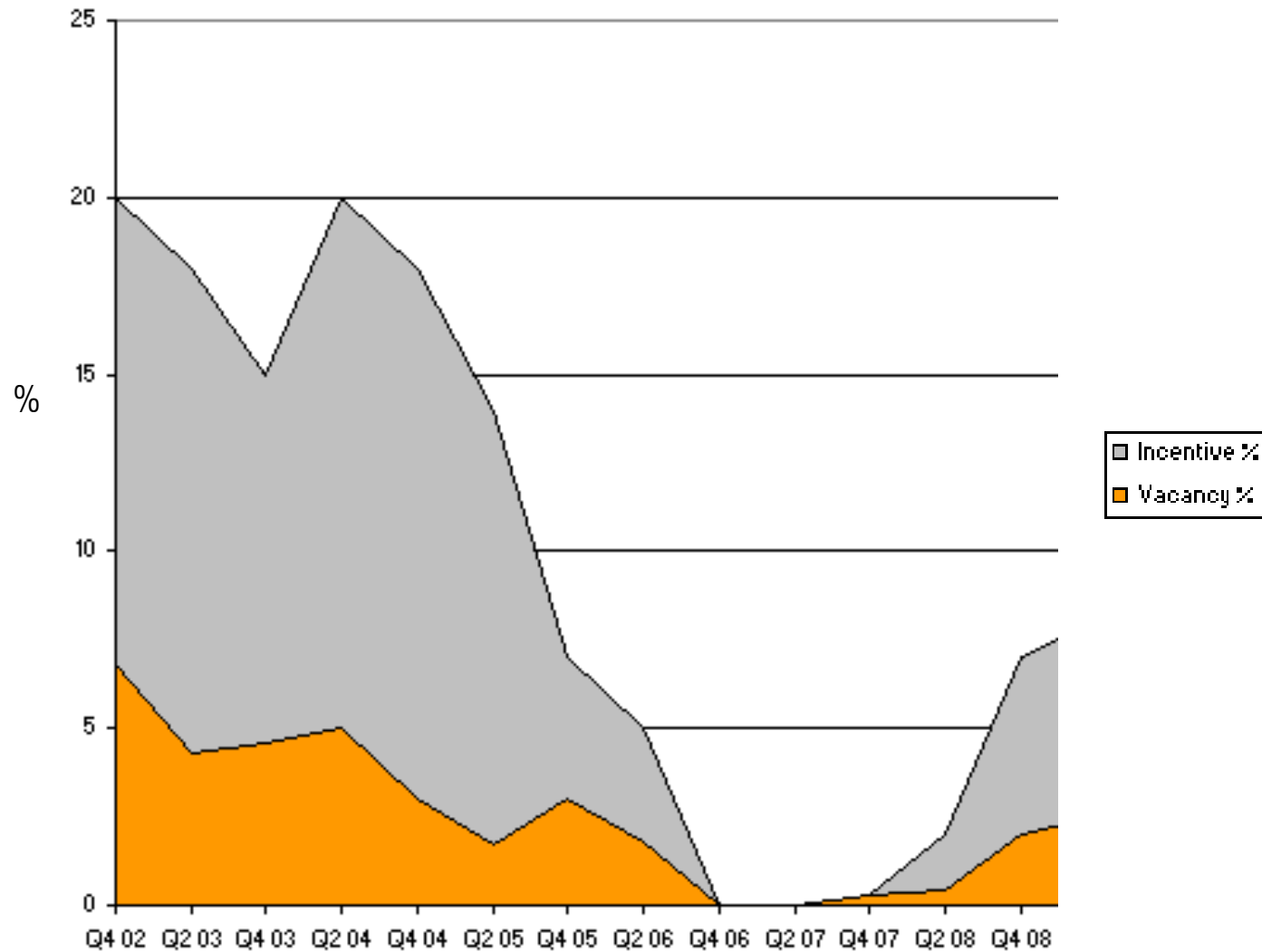


NEXT PRACTICE IN CORPORATE REAL ESTATE

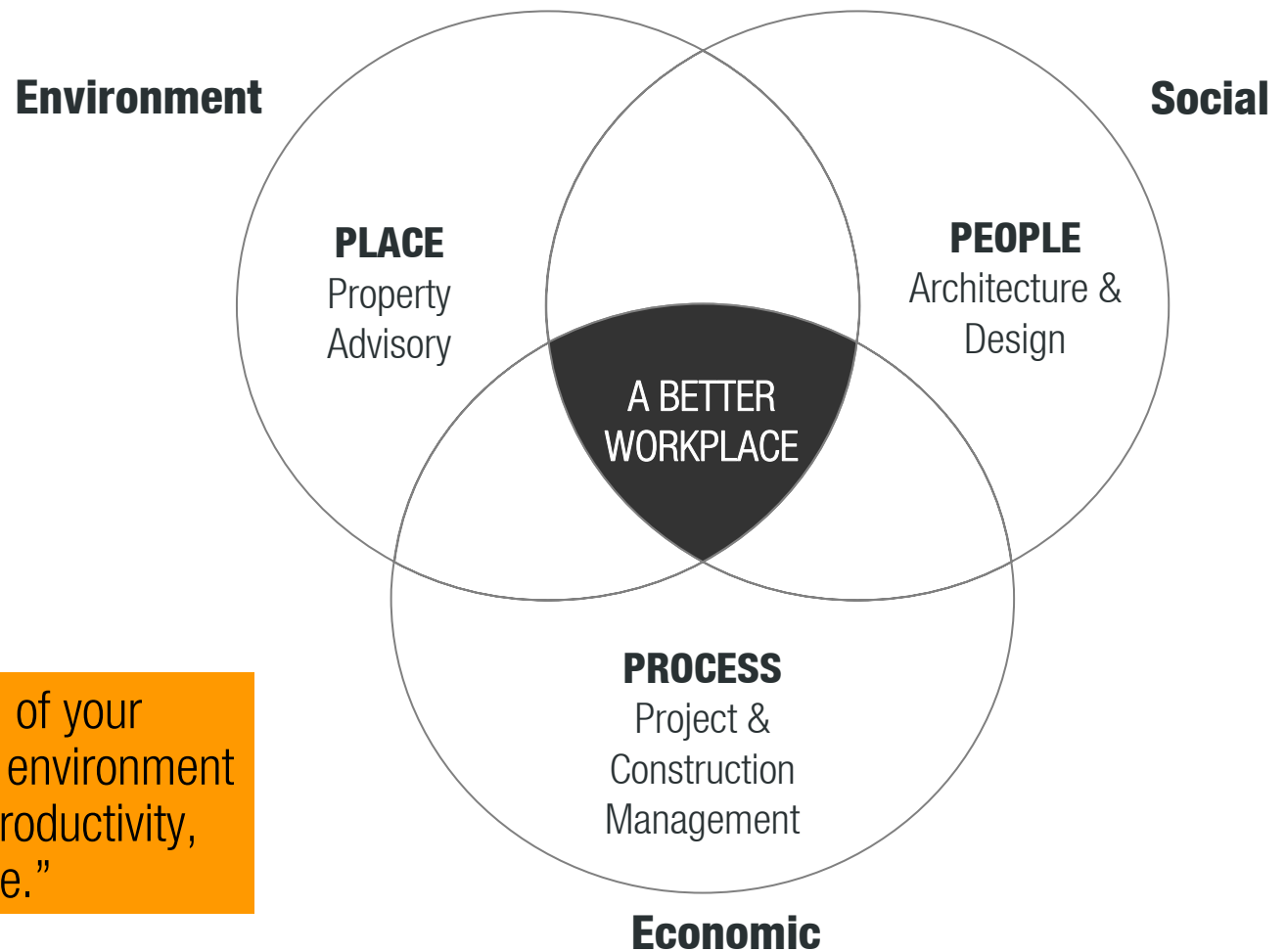
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PCG RESEARCH UPDATE

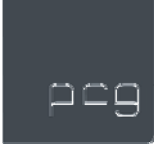
BRISBANE CBD OFFICE MARKET OVERVIEW (2008)



INTEGRATED WORKPLACE CHANGE DIMENSIONS

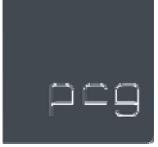


“Unlocking the potential of your corporate property and work environment to contribute to business productivity, innovation & culture.”



2007 PCG RESEARCH PROJECT - RECOMMENDATIONS

1. Integration of CRE and Business Strategy
2. Measure and Manage your CRE Performance
3. Implement Workplace Change Effectively
4. Work with Integrated Service Providers



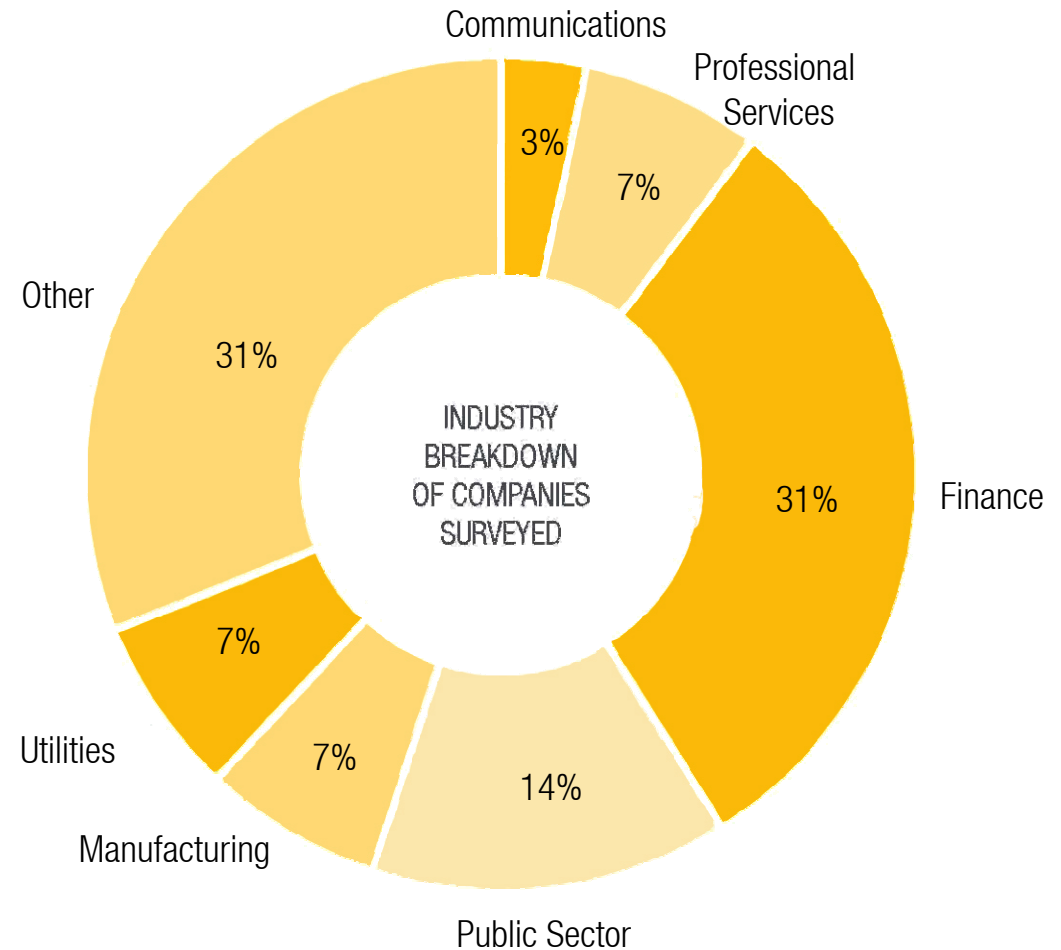
2009 PCG RESEARCH REPORT PROJECT - UPDATE

White Papers

1. How to extract maximum value from the office leasing market.
2. Is your workplace working for you?
3. How to save millions of dollars o your next workplace project.
4. Getting the right help to Master workplace projects.

2007 RESEARCH PROJECT - WHO DID WE ASK?

- BRW Top 200 Growing Companies
- That were undertaking a major workplace change project in the last 12 months or the next 12 months
- "C" level managers participated
- Typical headcount 1000 - 5000
- 65% reported profit growth
- 80% had increased market share
- 80% had increased staff





REASONS TO INTEGRATE CRE AND BUSINESS STRATEGY?

- Manage costs and minimise risks
- Transparency and accountability to stakeholders
- Flexibility (for growth and change)
- Productivity (Potential impact on profit)
- Top management attention to CRE issues

EXPERTISE REQUIRED FOR A WORKPLACE STRATEGY

The expertise required to undertake a workplace strategy includes;

Property (Environment)

Knowledge of the current situation, its risks, liabilities and opportunities.

Understanding of opportunities and alternatives available in the market.

Ability to negotiate the most favourable terms for alternative options.

Design (Social)

Interpretation of the organisations workplace needs

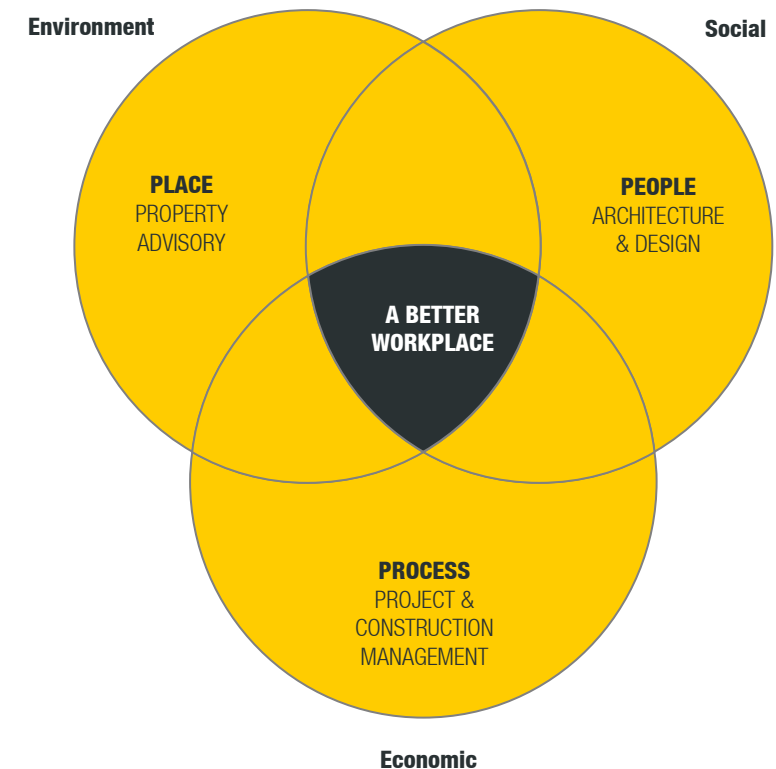
Stakeholder consultation and communication

Innovative property and workplace design solutions

Procurement (Economic)

Understanding of the cost, time and risk implications of options

Ability to plan and implement the agreed strategy and project outcomes.





BENEFITS OF INTEGRATING CRE AND BUSINESS STRATEGY?

- Express Brand and Values
- Attract and retain the best people
- Futureproofing for growth or change
- Buying power – maximise return on investment
- Drive collaboration and innovation
- Improve Space utilisation and reduce operating costs



TOP SEVEN CRE SUCCESS MEASURES

Positive impact on workplace
and culture

Design excellence

Facilitation of knowledge
creation and innovation

Increased real estate value

SOFT MEASURES

1. Delivery on time and within
budget

2. Positive impact on
bottom line

3. Increased productivity

HARD MEASURES

THE WORKPLACE FITNESS TEST

The top six criteria for workplace performance (based on the highest average performance gaps) are:

Critical criteria for workplace performance		Performance gap
1. ENVIRONMENT	The environmental comfort afforded by natural daylight, views, air quality, cooling, heating, lighting.	35%
2. PRIVACY	Acoustic and visual privacy to allow for confidential or concentrated work (including settings away from your own workspace).	28%
3. AMENITY	Quality and availability of staff facilities such as kitchen, showers, break out spaces.	23%
4. FLEXIBILITY	The ability to accommodate growth, changing team structures and needs with minimal cost or disruption.	23%
5. IMAGE	The ability of your workspace to reflect the values and culture of the organisation.	23%
6. INTERACTIVITY	The ease of interaction and opportunities to meet colleagues in a variety of formal and informal settings.	20%

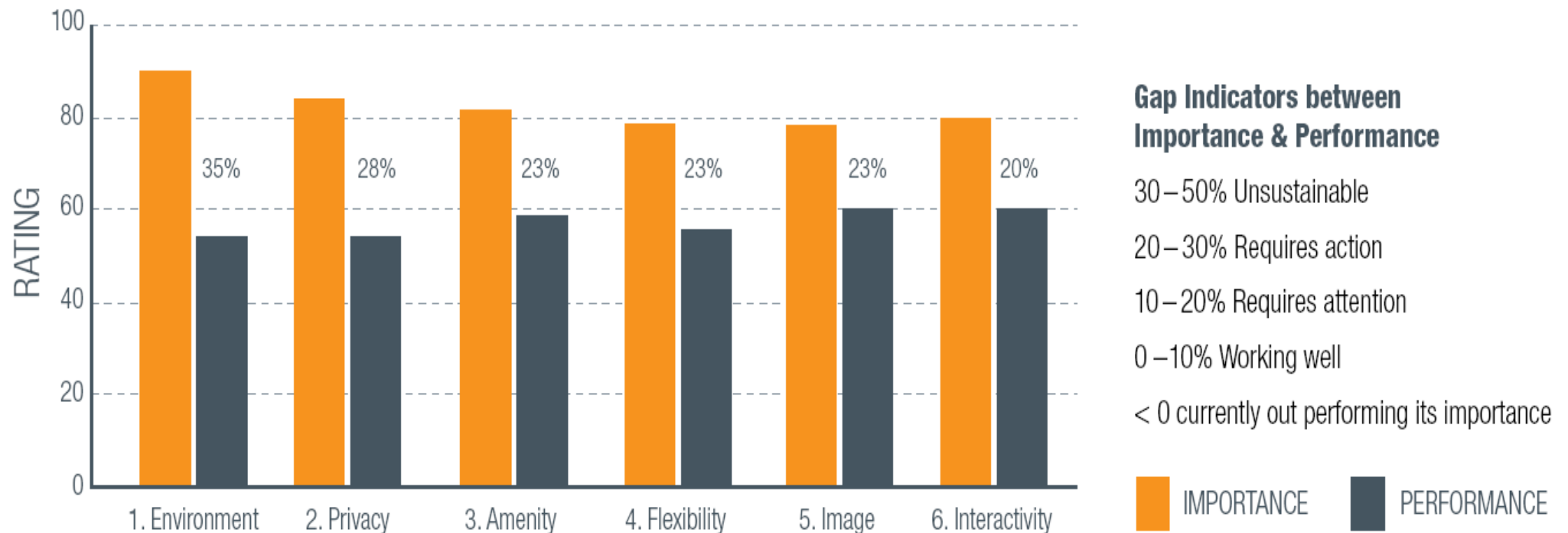


VALUE OF WORKPLACE PERFORMANCE DATA

- everyone can participate and influence the outcome
- performance gaps highlight the best opportunities
- a common language for acceptance of the solutions and outcomes
- statistically robust and measurable results
- a sustainable workplace solution

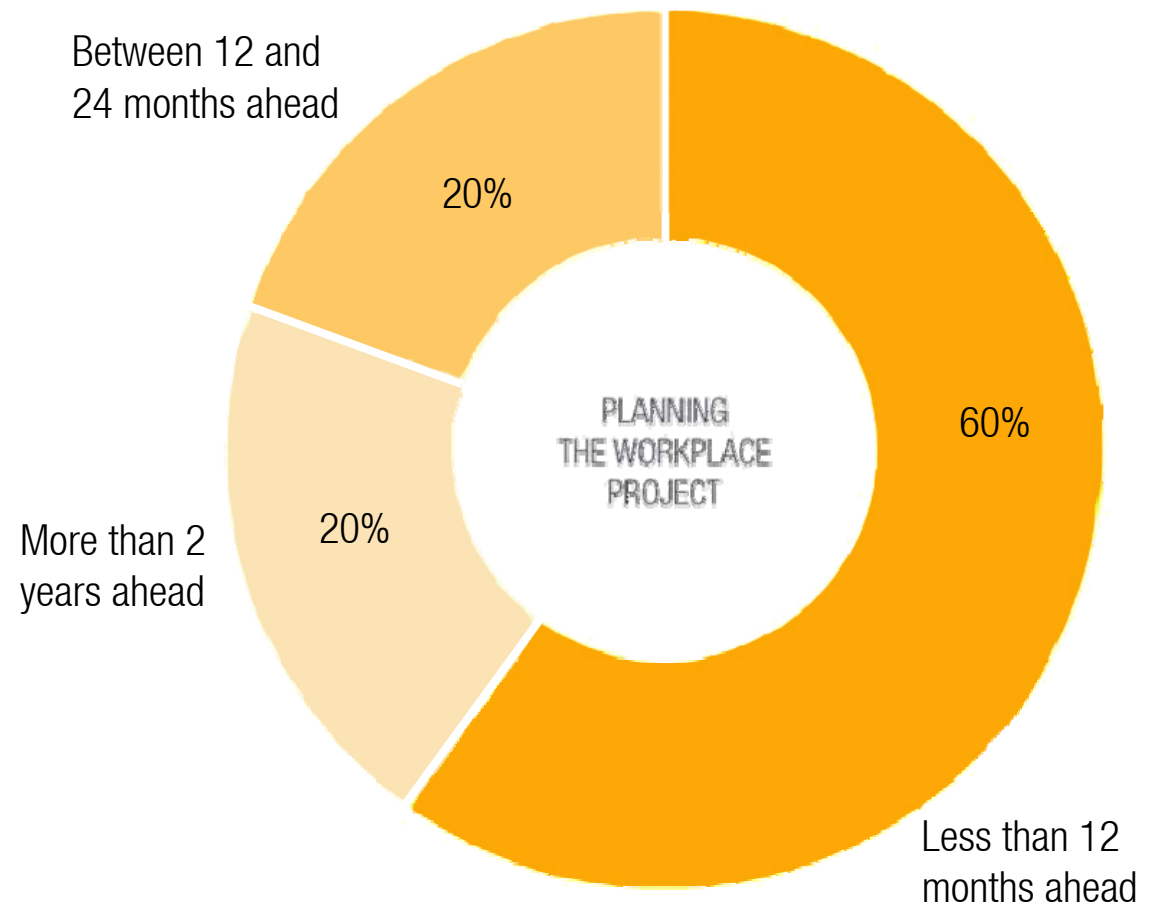
THE WORKPLACE FITNESS TEST

The following graph highlights the relative importance and performance of these criteria on average across the data sample.

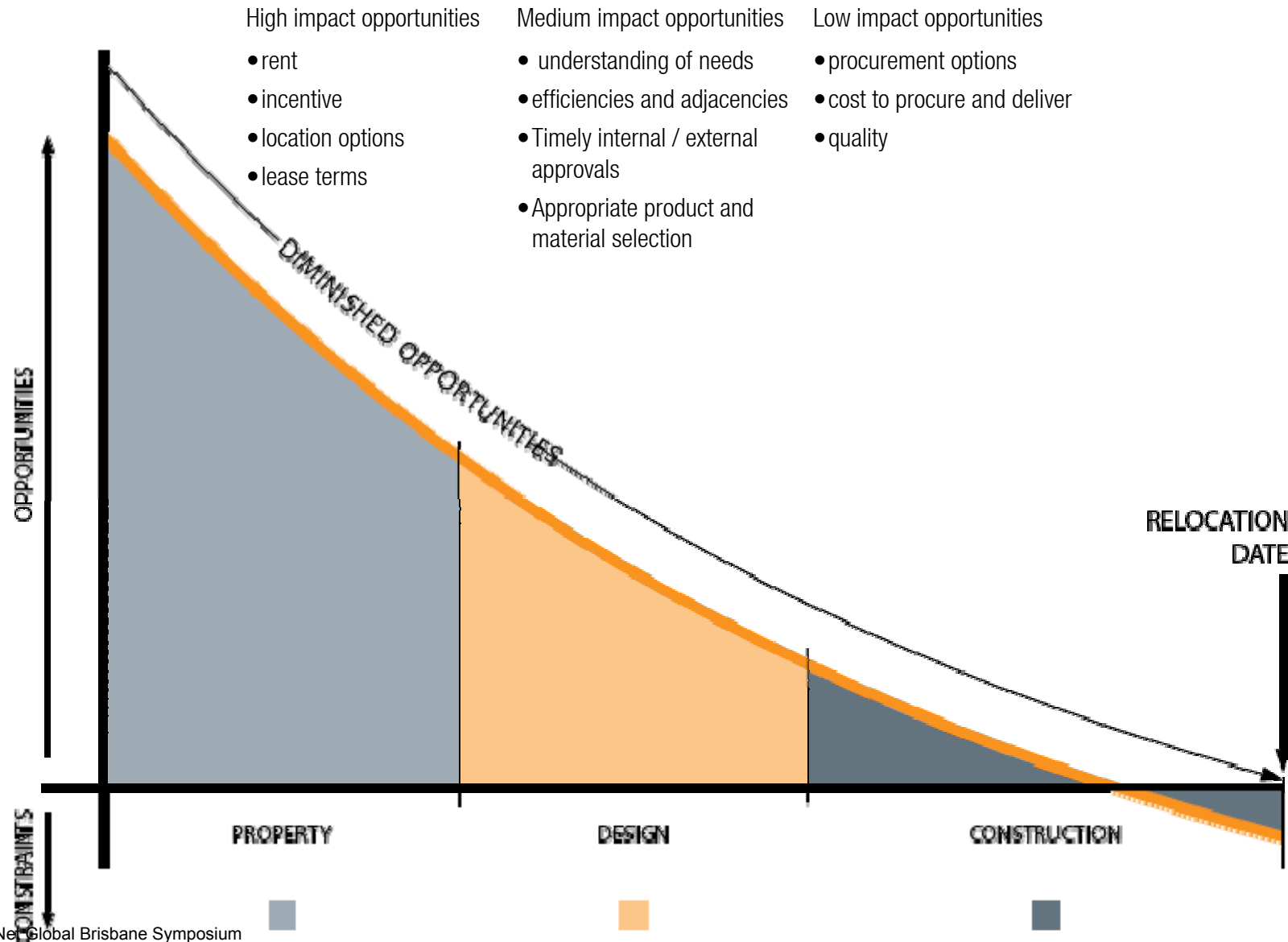




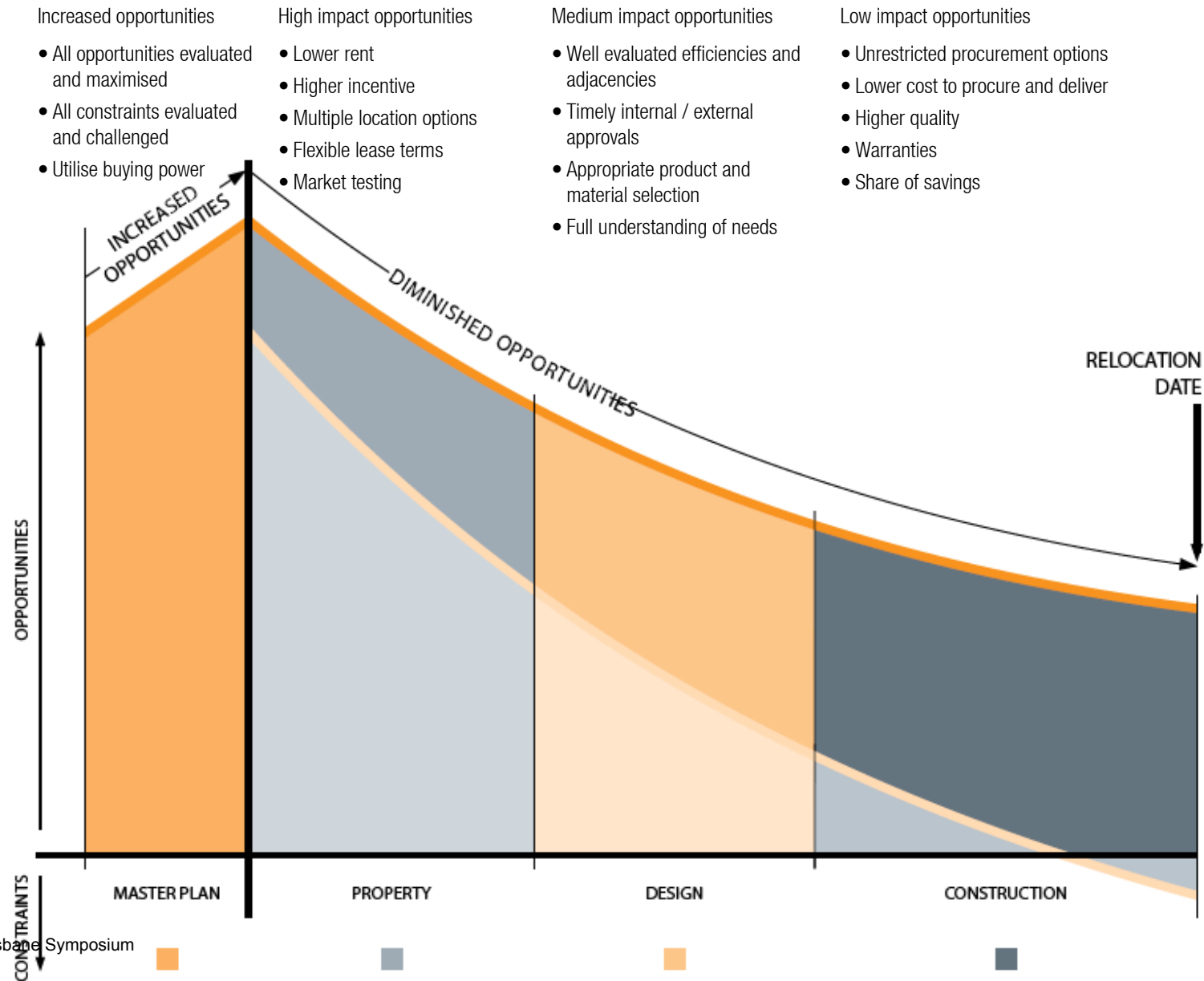
WORKPLACE PROJECT LEAD TIME



PROJECT PLANNING - THE TRADITIONAL APPROACH



STARTING WITH THE END IN MIND – MAXIMISING OPPORTUNITIES



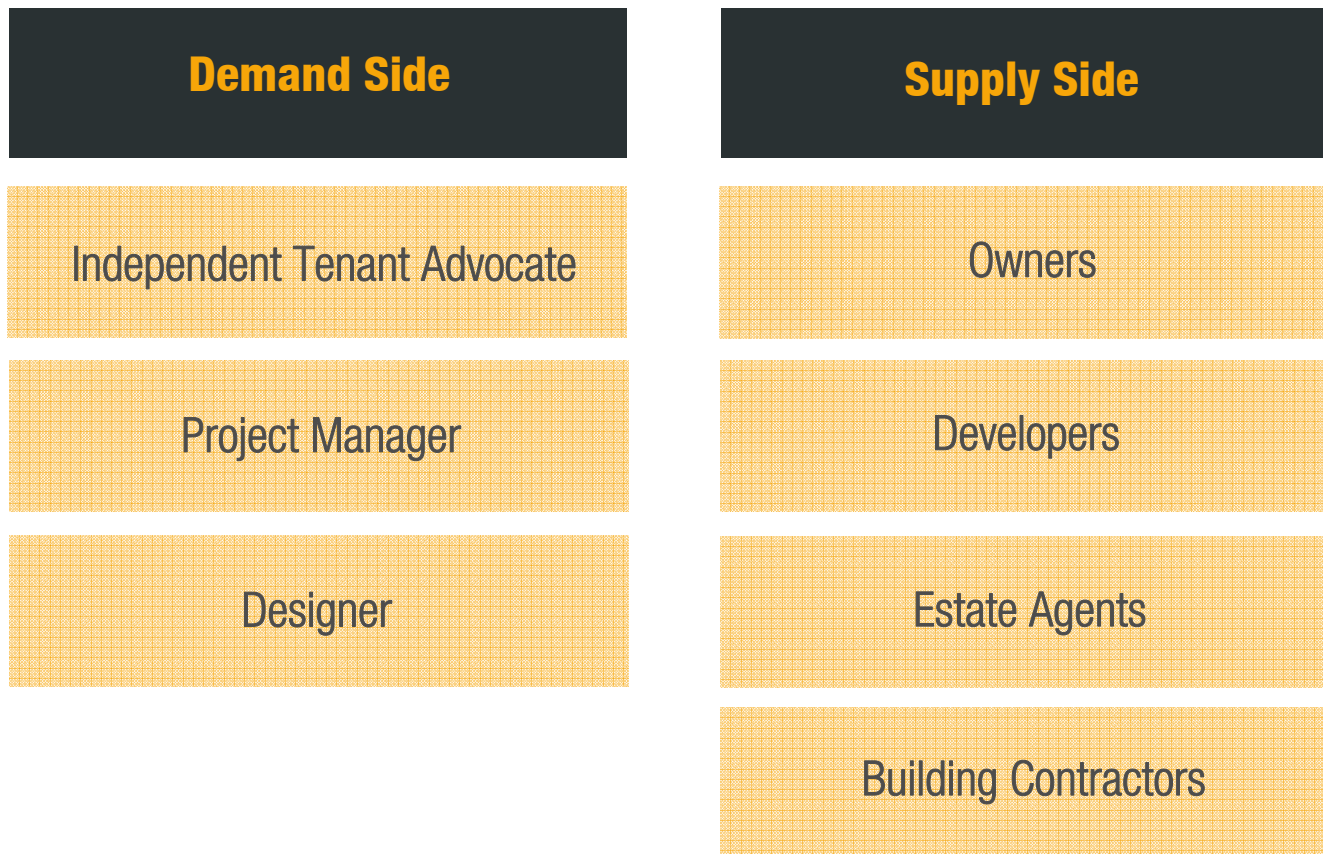


WHICH PROVIDERS CONTRIBUTE MOST TO PROJECT SUCCESS

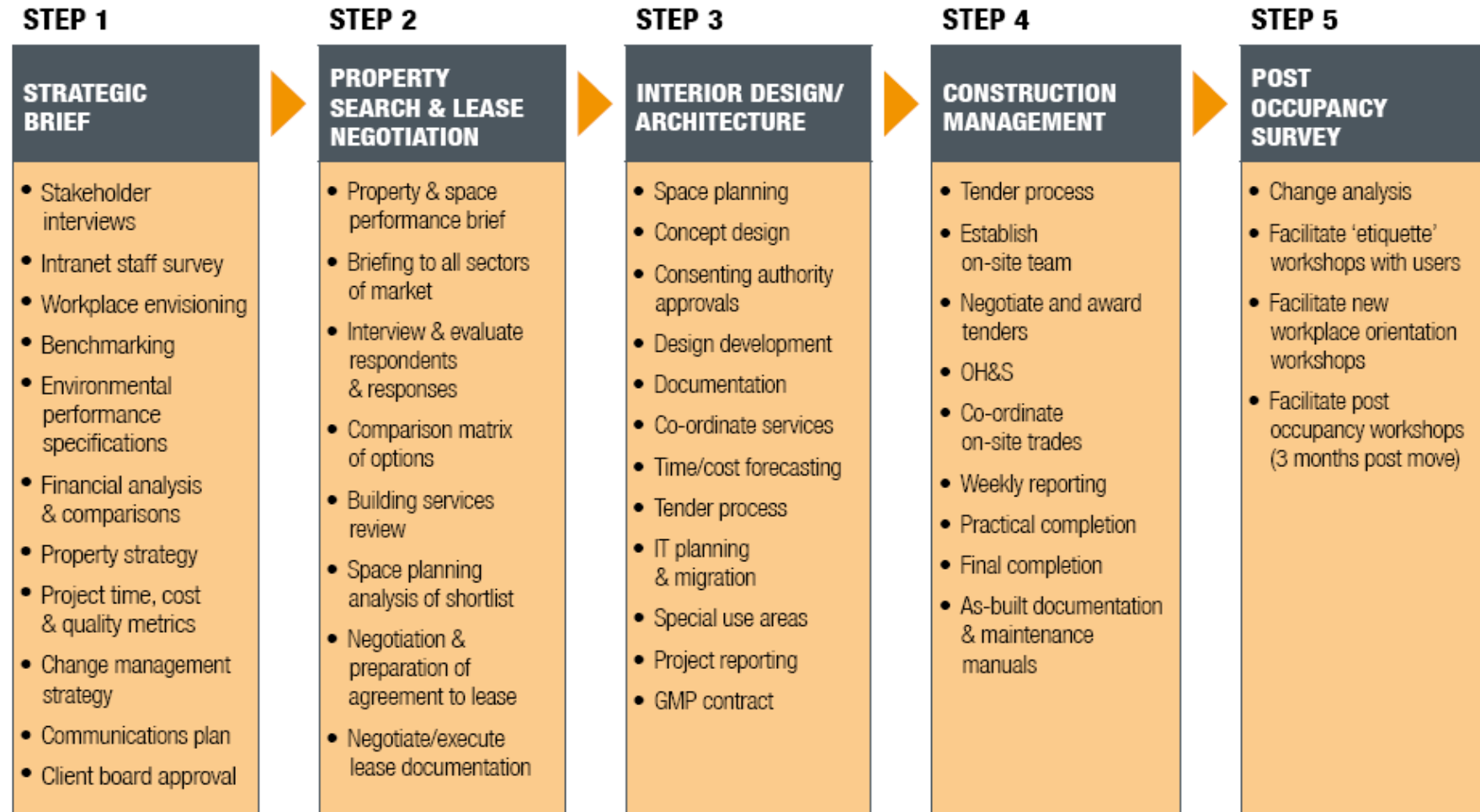
Project Manager	62%
Architect / Designer	23%
Head Contractor	19%
Property Advisor	7%
Construction Manager	7%
Strategic Workplace Consultant	7%



THE PLAYERS



STAGES AND DISCIPLINES IN A WORKPLACE PROJECT



The Masterplan incorporates a comprehensive understanding of all Steps 1 - 5 with their cost, time, risk and quality implications



RELATIVE COSTS OF PROCURING A WORKPLACE PROJECT

This table shows the relative costs of using multiple service providers compared to a single provider and the effect on the net project budget.

	Traditional Approach	Real Estate Services Provider	Integrated Service Provider (independent)
Fee as percentage of total budget	16%	16.5%	9%
Total % Budget Available for Construction	84% (average)	83.5%	91%
Total Project Budget	100%	100%	100%

CORPORATE REAL ESTATE SUCCESS

CRE SUCCESS

=

INTEGRATION OF
Social, economic & environmental
dimensions of the workplace

+

MATCHING SKILLS
Property, Design &
Project Management

+

INDEPENDENCE



YOUR OPTIONS IN THE CURRENT MARKET

Do Nothing

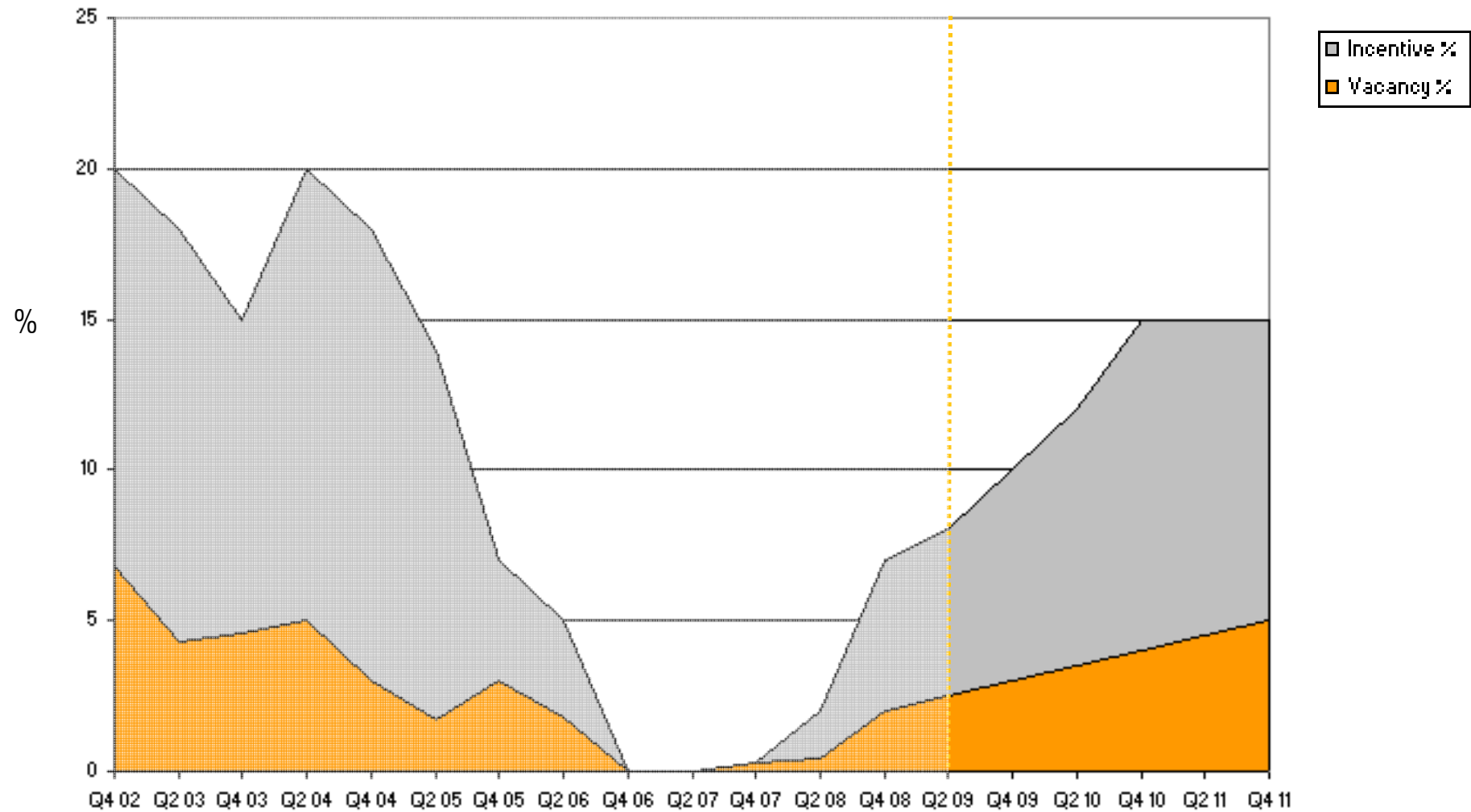
Stay Put (test the market first)

New Space (Old Building)

New Space (New Building)

Pre commit (Bespoke Building)

BRISBANE CBD OFFICE MARKET FORECAST (2009 - 2012)



Source: PCG Research 2009
CoreNet Global Brisbane Symposium