



THE ULTIMATE GUIDE TO TRANSACTION MANAGEMENT



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REAL ESTATE TRANSACTION MANAGEMENT DONE RIGHT

With companies targeting the Fall of 2021 for their return to the office, business activity in general is expected to increase across all sectors. Retailers and restaurants are preparing for increased foot traffic, cities are preparing for more cars on the road as well as trains running on time, and distributors that supply businesses with essential items are prepping for an uptick in demand.

What this means for the commercial real estate industry is a major increase in demand for office, retail, warehouse, and almost every other space type. The net result of this pent up demand for real estate executives and brokers will be a significant influx of leasing transactions to manage.

While the administrative burden of managing a back to work strategy seems daunting, the good news for tenants is that landlords expect rental income to decrease by at least 20% in the next year, ([Deloitte](#)) presenting an unprecedented opportunity to score low rents and flexibility.



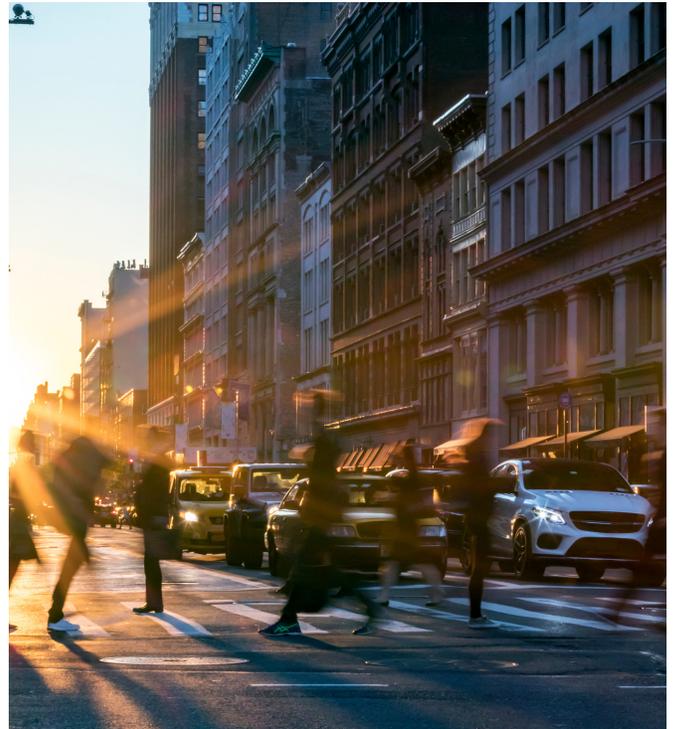
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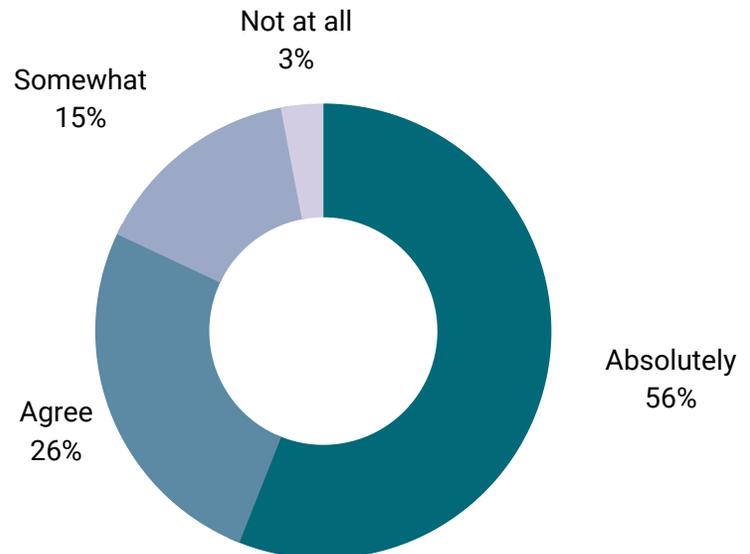
During the past year, restrictions due to the COVID-19 pandemic have forced businesses to reevaluate their real estate footprints and operations. Unfortunately, businesses that were lagging in digital adoption for managing their real estate portfolios were caught off guard by a forced transition to a virtual real estate decision making framework.

However, it is not too late to employ a modern transaction management process that uses collaboration and data to drive better real estate decisions. In fact, the current market situation presents a major opportunity for corporate real estate teams and tenant rep brokers to elevate their games leveraging the digital solutions available to them.



THE PANDEMIC REVEALED SHORTCOMINGS IN CRE DIGITAL TECH STACK

[DELOITTE](#)



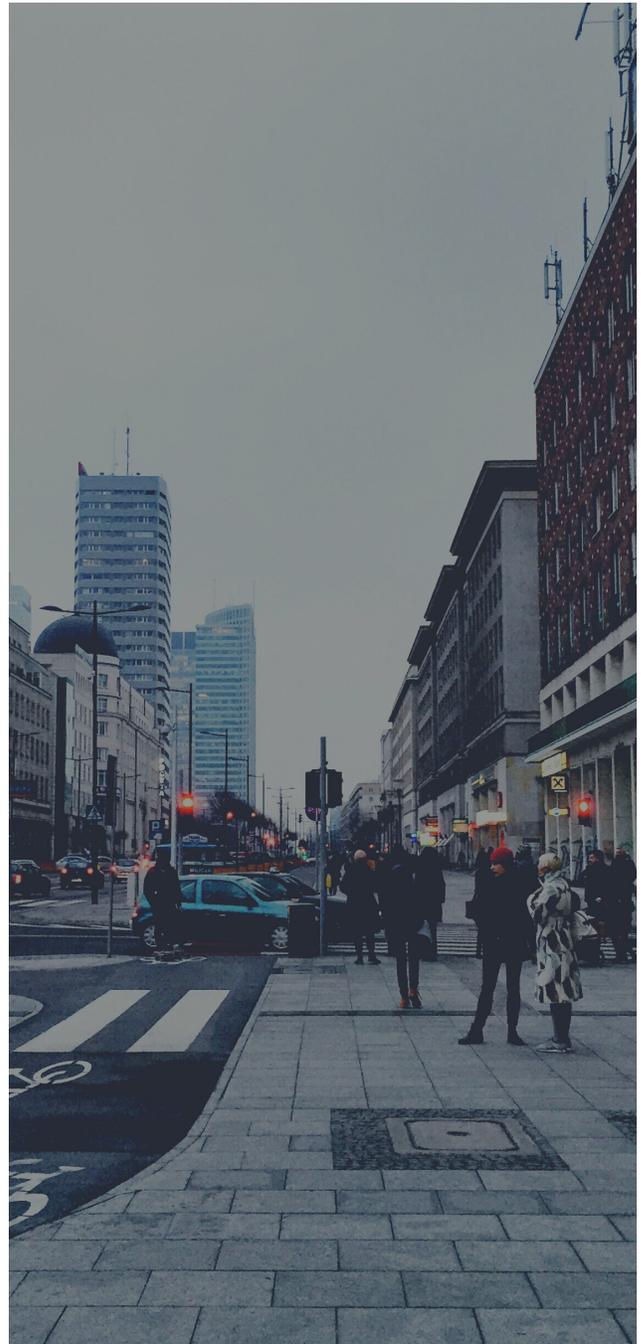
ADOPTING A DIGITAL-FIRST TRANSACTION MANAGEMENT PROCESS

Collaboration

Real estate decisions involve an increasingly large number of stakeholders both inside and outside a business. The day-to-day of the transaction management function within a company's real estate department historically involved a heavy reliance on paper documentation being passed back and forth between broker and tenant via email. There was limited visibility given to the important stakeholders in the business. So those with a vested interest in the lease outcomes lacked insights into deal progress, data, and communication surrounding real estate decisions.

Today, the workplace experience is a top consideration for the C-Suite, and influencers from across departments; those in people operations, marketing, sales, and IT are increasingly called on for their input in leasing decisions. In an off-line, paper-based process, it is nearly impossible to connect all of the required stakeholders to align on the information that drives the optimal outcome.

In order to rapidly adapt to changes in market dynamics, and be in a position to make the best decisions, all stakeholders must be connected to the same set of facts and given the opportunity to weigh in in real time.



Efficiency

If a company is in the process of evaluating existing spaces and scouting new sites, its deal pipeline can stack up rather quickly. To avoid costly delays, it is imperative that each transaction follows a streamlined process consistent across the entire deal pipeline. By defining each stage of the process, identifying the required documentation, and assigning duties to an assembled team, the chances of success are much greater.

A well-defined process will ensure that real estate decisions will benefit from better market timing, shorter transaction lifecycle times, and reduced costs associated with delays in construction and legal review.

Data-Driven Decisions

With commercial real estate market data more readily available than ever, tenants are better equipped to align business objectives with market forces, presenting opportunities to optimize portfolios. During the transaction process, mountains of data are constantly flowing in for consideration - asking rents, TI allowances, building information, employee data, etc. If a transaction management process is designed to collect and analyze data points at the most crucial points, decisions can be made with much more confidence and accelerate executive team buy-in as well as deal execution.



HOW TO DEVELOP A DIGITAL STRATEGY FOR TRANSACTION MANAGEMENT



01

UNDERSTAND WHAT TRIGGERS A TRANSACTION

Understanding the rationale behind the transaction is first step in aligning on a strategy to approach the management process of a potential new deal. This is even more true with Post-Covid, as businesses needs have changed significantly.

02

ASSEMBLE YOUR TEAM

Real estate decisions no longer fall singularly on real estate teams. Stakeholders across business functions from the C-Suite, to Operations, Marketing, Sales and IT are all involved in various functions of managing a transaction.

03

DEFINE YOUR PROCESS

Here is where your teams transaction strategy is put into action! What are your goals, timelines and ideal processes in the transaction process?

LET'S DIVE INTO THESE DIGITAL STRATEGIES MORE:

Understand What Triggers a Transaction

Businesses initiate real estate transactions based on their unique needs - the return to work after the pandemic being the prime example here. Changes within an organization such as headcount growth or contraction, entering new markets, M&A, or new product launches are traditionally catalysts for leasing decisions.

However, there are fundamentals within existing leases that also dictate a company going to market for space or renegotiation. Renewal options, lease expirations, termination options, sublease provisions, to name a few, will always result in an evaluation of the current space. Now that you know where the catalyst is coming from, you can understand how to centralize your data so that you can automate the initial steps of your process. By starting with a baseline source of digital truth for your portfolio, you will be able to identify opportunities and stay in front of critical dates.

Assemble Your Team

Real Estate is typically the second largest expense for a business, making it essential to involve the right stakeholders for making real estate decisions. Identify who needs to provide input at what stages of a deal, and make sure are aware of their responsibilities and



empowered to share their input. Both internal and external stakeholders influence the process of planning and executing a leasing deal. Company executives, people operations, sales and marketing, IT and procurement, workplace and facilities management, may all need to be brought into the process at different times. Outsourced partners in brokerage, legal, design and construction are integral players in ensuring a project runs smoothly. With a multidisciplinary team in place, you can now take steps to connect them with a central workflow with a well-defined process built-in.

Define Your Process

Now that you understand the triggers for your deals, and your team is aligned on its roles, it's time to define your process. The first step is to define success for your project. This may be as simple as "we need to be in this space by date certain," or it may be dependent on changing variables that are difficult to predict. In either case, once the main objective is established, you can design your process to execute on the goal. Consider breaking your project down into stages:



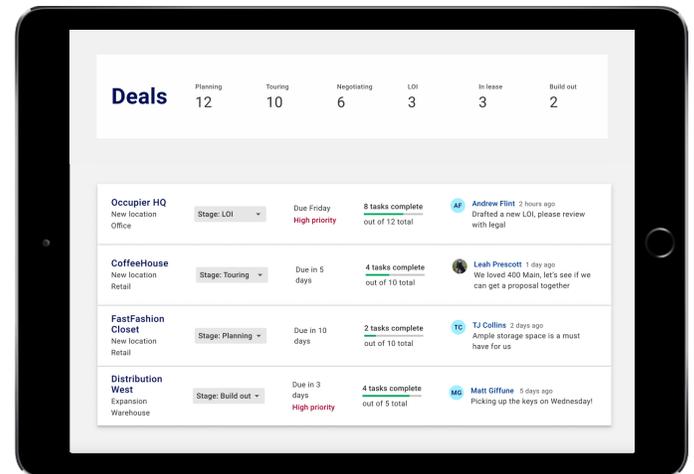
NOW PLANNING FOR YOUR PROJECT CAN COMMENCE:

The **planning stage** should start as soon as a trigger is identified, whether that is a critical date notification from your lease management system, or a business change that dictates a real estate decision. Some areas of consideration during the planning stage are location, headcount, budget and timing. Once the basics of the requirement are established, you can mobilize the relevant parties to kick off tasks.

As you enter the **touring stage**, your broker will be the main point of contact for all property information and strategy. This is where the data begins to pile up, so be sure to establish a central place to not only store information, but also organize it in a way that produces insight and fosters collaboration.

Following the successful short listing of sites, you are now zeroed in on the properties that fit your requirements. At this stage, you commence **negotiations** with one or several parties. As proposals stack up, brokers are providing several data points that need to be crunched to ensure the financials of a deal are within budget constraints. A tool that can easily track progress and give at-a-glance details of negotiations will not only catalyze faster and better decisions, but will also provide an executive level summary when seeking approvals.

You've made it to the **final decision** - stay vs. move, building A over building B. Now it is time to negotiate a lease document. Whether you rely on in-house or external counsel, the historical trail of how you arrived at this decision provides important context for your redlining process.



As documents begin to trade back and forth with your landlord, your attorney will benefit from understanding your goals and objectives, and what lease provisions are acceptable. Many times, a company may have already negotiated several leases. The data contained in these leases, when organized properly, can serve as guidance for speeding up negotiations.

The **post-lease execution stage** of ensuring an on-time occupancy is your final step towards wrapping up a successful lease project. If construction is involved, the earlier you can involve your team in the process the better. As early as touring spaces, architects, project managers, and contractors should be included in order to avoid costly delays once a lease is signed. As TI allowance and base building deal points are hammered out by both parties during lease negotiations, a proper understanding of all the moving parts will guide your project delivery team to a smooth end result.





ONCE THE LEASE IS SIGNED, ON- GOING MANAGEMENT IS CRITICAL FOR FUTURE SUCCESS

A successful lease acquisition project is only as good as the ongoing monitoring of the lease once it is signed. Be aware of employee and customer feedback on the space, and track any critical dates and lease provisions on a regular basis to ensure your real estate portfolio is aligned with the needs of the business.

With a scalable and repeatable process in place, you will be prepared to tackle any unexpected real estate requirement at a moment's notice.

A major benefit of tracking your leasing projects with a centralized system is that you can now gather data of past deals, and understand success factors as well as surface any historical data that might drive future decisions.

