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## CONTENTS

- 2** President's Message & Upcoming Events
- 3** Commercial Real Estate Trends in Economic Development
- 4** Change Management
- 5** Young Leaders
- 6** CRE Strategies
- 7** Board Members
- 8** Co-working Impact on Leases
- 9** University Relations
- 10** Why Get Your MCR?
- 11** Company Member List

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**LOOK INSIDE** for  
Why to get Your MCR  
and other CRE articles

# PRESIDENT'S MESSAGE

If you are involved with any aspect of corporate real estate (CRE), the CoreNet Global Master Corporate Real Estate (MCR) Designation will enhance your career! The MCR designation is recognized throughout the CRE industry and around the world for outstanding up-to-date corporate real estate industry content, experienced faculty, high-quality instruction and designees that have the education and experience to add value to any organization or transaction.

Earning the designation signifies to your clients and colleagues that you possess an advanced competence and have successful experience as a corporate real estate expert. The designation is recognized around the world as the industry's standard for corporate real estate and the content is valuable for service providers, end users and economic developers.

To earn the designation individuals must complete three required seminars, two of 13 elective seminars and a capstone seminar. An assessment will be given at the end of each seminar and a passing grade must be attained to receive credit for the seminar.

The seminars provide a unique opportunity to build essential skills, comprehensive knowledge and use a case study format for practical applications to real work situations. Led by industry experts, MCR seminars will help you enhance



**Joseph Larkin, CCIM, MCR, SIOR, SLCR**

CEO, First Realty, Inc. Larkin is the 2018 CoreNet Global Colorado Chapter President

critical skills and engage in a peer-to-peer learning environment. Typically, two or three experienced faculty members will lead the seminar, allowing participants to benefit from the experiences of several experts as well as the experience of other seminar participants.

By participating in the MCR seminars, you will:

- Demonstrate your expertise in performing financial analysis, developing sound business cases, identifying risks in the portfolio and recommending risk mitigation strategies.
- Develop real estate strategies that effectively support the

goals of the business units.

- Analyze the impacts of real estate decisions on your organization's financial statements, as well as participate in discussion of how these impacts are viewed by the CFO and senior management.

- Effectively assess and manage the overall real estate portfolio, not just the specific assets.

- Complete a business case including creation of vision, charter strategy, scope of products and services, delivery and resource sourcing with other CRE professionals.

Seminar topics include: Corporate Real Estate Finance, Enterprise Alignment and Real Estate's Impact on Financial Statements. Other topics include: Advanced Lease Analysis, Advanced Negotiations, CRE Technology, Leadership, Portfolio Management, Service Delivery and Outsourcing.

Additionally, the designation requirements include a series of professional development seminars that emphasize the critical need for understanding the CRE connection to the bottom line. This series of seminars comprises of topics such as: Strategic Approaches in Portfolio Management, Aligning Real Estate to Business Strategy, Outsourcing and Partnering, Technology and Workplace Strategy.

In addition to completing the required seminars, to earn the MCR designation you must

also demonstrate experience in the CRE industry. One of the following experience prerequisites must be met to attain the MCR designation: three years of experience in CRE industry and a master's degree; five-years of experience in CRE and a bachelor's degree; or 10 years of experience in the CRE industry. Candidates must complete the required learning (seminars) within a five-year period.

By attaining a MCR Designation, CRE professionals:

- Learn from top-tier industry experts.
- Expand their network and knowledge in a stimulating peer-to-peer learning environment.
- Gain essential skills that focus on critical core business issues and the mission of the organization in relation to corporate goals.
- Broaden their knowledge and deliver ever-increasing value to their enterprise.
- Enhance critical skills and learn innovative approaches that can be applied in your organization immediately.
- Implement current best practices in analyzing real estate portfolio options to reduce risk, contain costs, manage assets, and communicate scenarios with clarity for decision-making.
- Improve your ability to review business needs, cost justification, scope, budget, risks and impacts in order to deliver concise business case recom-

mendations for projects.

Just like any professional organization what you put in is what you get out. The CoreNet Global network of over 10,000 members in 50 countries, providing you with the opportunity to network, sharing ideas and building relationships with top CRE professionals from around the world.

Attending the annual North American Global Summit brings over 2,500 professionals together to share best practices, contemporary trends in corporate real estate and the opportunity to participate in prominent level educational seminars. More importantly, many of the seminars fulfill the MCR requirements.

Each year the Colorado CoreNet Chapter delivers the best CRE education and training in Colorado by sponsoring MCR seminars. This year, on July 23 and 24, the Chapter is sponsoring the required MCR seminar "Enterprise Alignment," which provides a comprehensive overview of the role of a CRE professional and the competencies required to be effective in that role. This offers a fantastic opportunity to start or continue your path to the designation.

Standout from your peers as the best in the business. Take the time to complete professional development opportunities that the CoreNet Global MCR designation provides and at the same time expand your professional network.

## THANK YOU 2018 CORPORATE SPONSORS



### 2018 CALENDAR OF EVENTS

**MCR COURSE**

July 23-24  
Denver, CO

**BOCCE BASH**

August 16  
Commerce City, CO

**YOUNG LEADERS  
"THE CRE LIFECYCLE"**

September 13  
Denver, CO

**THE ART, SCIENCE &  
POLITICS OF THE  
EMPLOYEE EXPERIENCE**

October 1  
Englewood, CO

**CORENET GLOBAL  
SUMMIT**

October 14-17  
Boston, MA

**HOLIDAY PARTY**

December 12  
Denver, CO

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# Commercial Real Estate Trends in Economic Development

No economic developer likes to hear the news that a headquarters company is leaving. But on May 25, that's what Coloradans heard: Chipotle's corporate headquarters were relocating from Denver to Newport Beach, California. A brand known nationally, Denver had been Chipotle's birthplace and incubator from the company's humble beginnings in 1993. While losing a headquarters is never fun, Colorado's economic development pipeline remains robust.

Never defined by a single company, the metro Denver region sees tremendous economic development activity across major industries including aerospace, beverage production, bioscience, telecommunications, financial services, health care, and wellness and information technology software.

Commercial real estate plays an important role in economic development as metro Denver works to attract, retain and expand diverse industries with unique location needs. Thoughtful development, placemaking and investments in infrastructure round out the region's competitive approach to supporting new jobs and capital investment. The economic development community relies heavily on the strength of the commercial real estate market to support new and existing companies locating to the metro Denver region.

The Metro Denver Economic Development Corporation – Colorado's largest private-sector economic development organization focused on attracting and expanding new jobs and capital



**Sam Bailey**

Vice president, Metro Denver Economic Development Corporation

investment – is currently working with 40 companies considering relocation or expansion projects across the region. The regional collaboration of metro Denver has attracted and expanded companies like Arrow Electronics, BP (Lower 48), Charles Schwab, Fidelity, Gusto, Leprino, Lockheed Martin, Maxar Technologies, Smuckers, Strava, Sunrun and Vestas.

The most active industries considering the metro Denver region are in tech and finance. These two industries represent 50 percent of Metro Denver EDC's active pipeline and account for nearly 6,500 potential new jobs to be created over the next five to eight years.

#### Recent Development

The financial services indus-

try has been a staple of metro Denver's economic strength. Often referred to as the Wall Street of the West, metro Denver commands a significant presence of financial services professionals working for well-known companies such as Charles Schwab, Fidelity Investments, Janus Henderson Investors, OppenheimerFunds, Partners Group, TIAA and others. Metro Denver has seen the build-out of dedicated campuses in communities that blend office space, training centers and transit-oriented development to attract workers from across the nine-county region. Charles Schwab has become a major anchor in Lone Tree, employing thousands of professionals along Interstate 25 and light-rail stations. More recently, Partners Group, a Swiss-based private markets investment manager, landed in metro Denver, occupying leased space in Denver before settling into a new campus in Broomfield.

Information technology (IT) has taken a diverse approach to metro Denver, seeking existing real estate in downtown Denver, the Denver Tech Center and along the U.S. 36 corridor from Westminster to Boulder. Well-capitalized IT start-ups are landing co-working spaces like WeWork, Industry, Regus and Galvanize before securing longer term leases following successful validation of the market. Jumping out of a co-working space, these start-ups often seek 7,500 to 20,000 square feet of leased space adjacent to light rail and amenities to attract a skilled millennial workforce. For these companies, the real estate

search is driven by the ability to attract talent.

Beyond IT and financial services, metro Denver sees constant activity across the region from companies in aerospace, aviation, bioscience, broadcasting and telecommunications, energy, beverage production, and health care and wellness. These industries represent over 5,700 potential new jobs considering the metro Denver region.

#### Colorado's Richest Incentive? Its talent

While economic development incentives make headlines, Colorado's performance-based incentive portfolio is not the main driver for company relocations and expansions. Operated by the Colorado Office of Economic Development and International Trade (OEDIT), the state's economic development incentives are calculation-based and reward actual performance after jobs have been created and maintained for at least one year in the form of a corporate income tax credit or cash grant. Companies must also be considering additional markets outside of Colorado to be eligible for state incentives. OEDIT's approach to incentives reflects responsible management of taxpayer dollars and rewards net new job creation in the state. Programs like the Job Growth Incentive Tax Credit, Strategic Fund, Colorado First Customized Job Training Grant Program and Enterprise Zone have supported both large and small companies making investments in good-paying jobs in Colorado. These programs are important for Colorado to remain

competitive, but the main driver for Metro Denver EDC's pipeline is talent.

Home to the nation's second-most highly educated workforce, Colorado is sought after by companies for having a skilled workforce and excellent quality of life. In 2017, Forbes ranked Colorado first in the nation for state labor supply and the third highest in the nation for tech worker concentration behind Massachusetts and Virginia. The clustering of advanced industries, along with an inflow of skilled professionals has created a network of talent with a depth of experience. The confluence of organic talent growth and high net-migration to the state supplies metro Denver businesses with top talent to support their needs.

Colorado's strength is in its economic diversity, driven by strategic economic development, smart capital investment and a talented workforce. With ongoing investment, new partnerships and the hard work of industries across the state, we're poised to continue to be on the map for companies worldwide.

*Bailey is the vice president of the Metro Denver Economic Development Corporation, Colorado's largest private sector economic development organization focused on attracting and expanding new jobs and capital investment. An affiliate of the Denver Metro Chamber of Commerce, the Metro Denver EDC covers a nine-county territory including Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer, and Weld Counties. Reach him at 303.620.8025, Sam.bailey@metrodenver.org or www.metrodenver.org*

  
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# Change Management for CRE Users

It is inevitable that successful companies will eventually find that they have outgrown their current location and need to move to another facility. This is exciting but also challenging and disruptive. In addition to a large, complex and expensive construction project the CRE team needs to consider the impact on the workforce. This article offers tips and advice on how the CRE team can create support and excitement about the coming changes amongst the employee base.



Jeb Evans

## What is Change Management?

Simply put, change management is the process of taking proactive measures to address the people side of a real estate project. Once all the planning, building and moving are over the true measure of the success of a project is how it supports and advances the goals of the organization. To maximize the return on this investment it is crucial to align the employees with the objectives of the project. There are multiple reasons for this but the most important is to address human's natural resistance to change. A successful change management program addresses concerns and creates a level of enthusiasm for the new environment.

## Why Bother with Change Management?

As real estate professionals with the daunting task of delivering a facility that meets expectations, it is natural to define success as the completion and delivery of the new facility. However, by focusing on the immediate task it is easy to lose track of the ultimate goal.

Companies are a collection of resources – the most valuable and critical of which are its employees. Change, especially to their personal workspace, can create fear resulting in resistance toward the new space. This distraction will lower productivity and reduce

the return on investment. If we can get the majority of the employees to be neutral or even excited, the transition and will be much smoother and quicker.

## The Change Management Process

Fortunately, with some planning and minimal resources it is possible to develop and execute a strategy that will allow employees to embrace the new space and concepts.

For CRE purposes there are four phases to change management. Each phase is designed so that it builds upon the prior phase and each article and activity within the individual phases is timed to prepare for the transition. The phases are:

**Education.** This first phase informs the workforce about what is happening and why. In this phase the emphasis is on concepts more than the actual design.

**Acceptance.** Once the employees begin to understand what is driving the design of the new space we begin to discuss how those concepts are being implemented. Increased understanding helps people get comfortable with the change that is going to occur.

**Excitement.** In this phase we begin talking about the new, impactful features of the space.

We actively engage selected members of the workforce to generate some positive buzz. Activities are planned and designed to be interactive with the workforce and timed so that excitement peaks just prior to the move.

**Acclimation.** The final phase is intended to reinforce some of the earlier messaging and to help shape behavior that supports the design-intent of the new facility. We discuss how to use the new facility with the objective of helping employees understand how to get the most out of the new location. This is also a good time to provide some tips on behavior that will maximize productivity and minimize activities that might be disruptive to others.

## Communication

We know that individuals have limited time and that there are numerous, competing issues vying for their interest. We also understand that different methods of communication work better for different people. For this reason, we employ a multimodal communication strategy.

Below are some of the passive and interactive activities that may be utilized as part of your change management efforts:

**Passive:** Always begin with a formal announcement of the project to the affected employees. This lets them know that they are being considered as partners in the project and promotes support and “buy in.” Let them know not only what is planned but also why it is being done.

All employee emails are the primary tool for communicating to the workforce. These serve as a basis for many “water cooler” conversations and are effective for reaching a general audience. The articles should cover a wide range of topics, be substantive and should be released at regular intervals. Time their release so that the audience doesn't get annoyed with the volume of messages but instead looks forward to receiving them.

Targeted newsletter articles addressing a particular concern or key feature are critical to helping allay fears that have been raised as a concern by a portion of the population. These are often the vocal naysayers who can generate a negative vibe around the project. It may not be possible to recruit them as supporters but by proactively addressing the concerns that they have shared we can limit their negative influence on other employees.

A model of the new facility, placed in the current break room, reception area or another high-traffic area is a great reminder of the exciting changes that are in the works.

Selected articles from industry sources that discuss the key topics, such as collaboration space, natural lighting, ergonomics and “collision areas” help educate employees on workplace features.

Manufacturer articles that explain the technology that will be employed and that demonstrate how it will address a concern or enhance the work environment are effective communication tools.

If you can arrange it with your furniture provider, consider setting up a display of a typical workstation or pod at the current site. This will generate questions and help employees acclimate to the coming change.

A monitor at the existing location that displays a live web cam feed from the construction site and that also shows time-lapse images of the construction is a great way to make the project real for employees.

**Interactive:** Online surveys work well to gain a general sense of how employees view the project and provide invaluable insights into the concerns that must be addressed by change management. To be effective, the survey must be released during the early stages of the project while there is still time to incorporate the results into the project. It is particularly powerful to not only gather the data but also

to disseminate the sanitized and summarized results to the workforce and to detail the resulting actions.

Town hall meetings, with a key member of the project team providing project updates and answering questions are very effective for gaging the mood of the workforce and intercepting misconceptions before they grow out of control. These should be scheduled regularly and open to all employees. Holding the meetings at lunchtime may help with participation.

Presentations by the vendors on the goods that they are providing and that the employees will use are very popular. Furniture and seating are good examples.

Recruit key employees to serve on committees that help to decide how the space will “look and feel.” Examples include fabrics, colors, table-tops, carpet, etc. It is recommended that the pallet be carefully down-selected before being presented to the committee members to ensure the result is consistent with the initial vision. Consider including employees that are vocal, whether they are supportive or pessimistic. Both will provide you with valuable insights!

Consider holding a “chair rodeo.” Invite some chair vendors to bring in samples of their products for your employees to try out and have them vote for their favorite. Again, it is recommended to down-select to only products that you will actually consider prior to holding the rodeo.

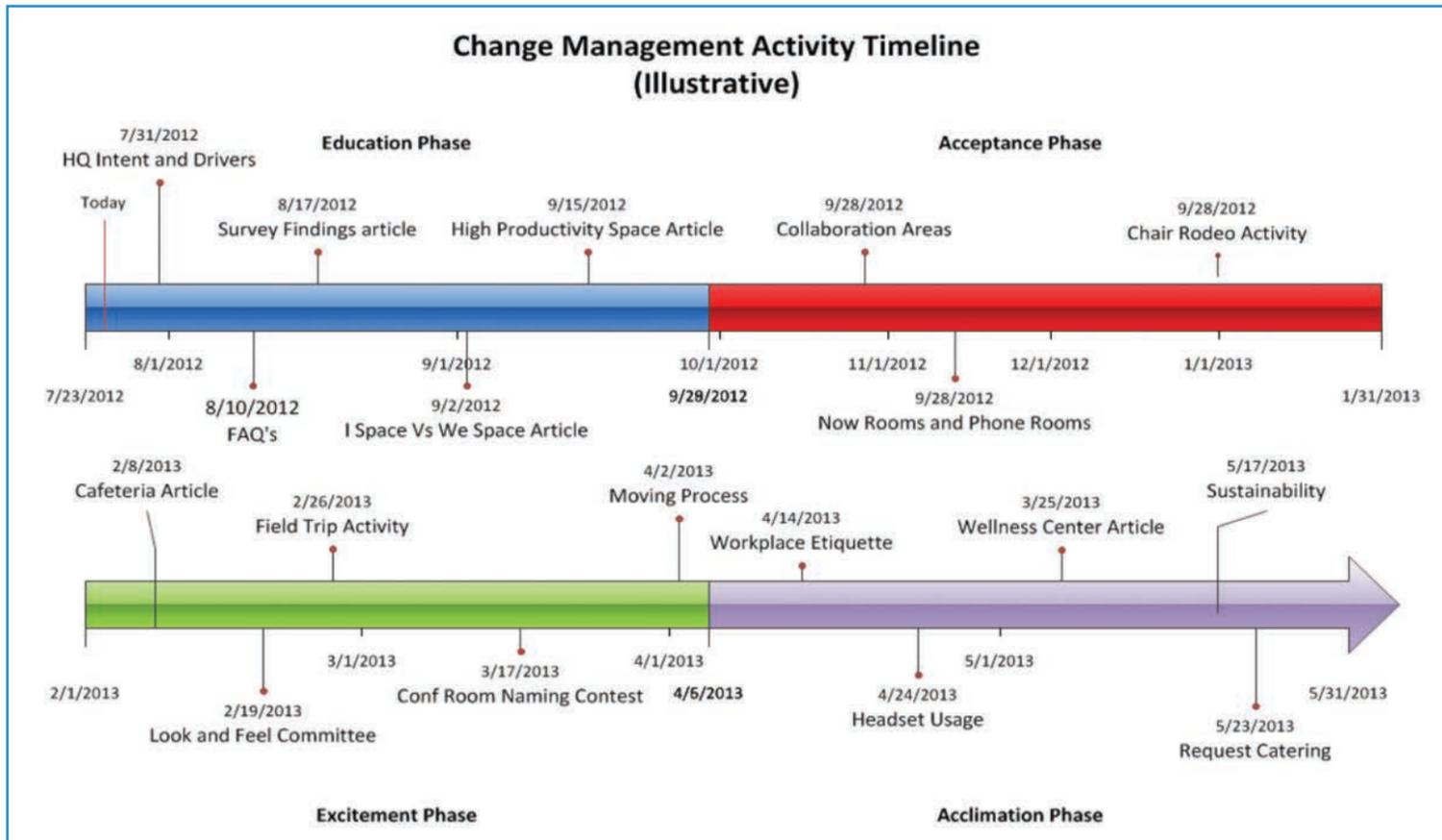
As the new space begins to take shape consider coordinating with the GC to conduct onsite tours for employees. It is very exciting to see a new site take shape and imagine what it will be like to work there!

If you want to inject some imagination into the names of your conference rooms, consider holding a naming contest and let your employees submit their suggestions.

If your project includes artwork, another contest idea is to ask your employees to submit their photos. The winning entries can be professionally mounted and displayed in prominent locations.

Consider holding an open house for employees, families of employees or possibly the community. If your project includes onsite food service this is a great opportunity for them to demonstrate what they can do!

Effective change management ensures that the workforce understands the real estate project and why it is necessary and beneficial for them and the company. It engages a broad swath of the workforce, management, key suppliers and partners. Investment early in the project to understand and address employee concerns will dramatically improve project success. Activity design and sequencing is critical to convey the right information and cadence. This is a major milestone for the company and its employees. Include them on the journey to make it fun, exciting, and cause for celebration!



# CoreNet Young Leaders

Are you a commercial real estate professional, age 35 or younger? Do you have interest in networking with other young professionals in the commercial real estate industry, while developing yourself as an emerging leader in Denver? If you answered “yes” to either of these questions, you might consider getting involved in CoreNet Young Leaders!

What is a CoreNet Young Leader? We are a part of CoreNet Global and commercial real estate professionals who are 35 or younger. With over 10,000 members, CoreNet Global has the mission to advance corporate real estate through research, learning opportunities and designations. The Young Leaders take these overarching principles, and translate them into learning events that the group can apply to their daily work lives.

When asked about Young Leaders in the commercial real estate industry, CoreNet Colorado Chapter President Joe Larkin says, “The Colorado CoreNet Chapter is committed to the future leaders in the commercial real estate (CRE) industry. We will continue to inspire and help young leaders to lead the CRE profession by providing opportunities for young leaders to grow, connect and interact with corporate real estate professionals.” The Young Leader community takes this to heart when planning events, networking and looking at ways to make each other



**Sam Gill**

Pear Workplace Solutions. Gill is a commercial real estate professional with seven years of industry experience. He co-chairs the Young Leader Committee with Kevin Winn (Cushman & Wakefield)

better. With many companies encouraging their employees to “get involved” in something, why not take that opportunity to develop yourself as an emerging professional, while simultaneously getting involved in an outside organization?

Like with every professional organization, CoreNet is what you make of it. There are multiple benefits to becoming a CoreNet Young Leader member. First and foremost, at about \$275 for the whole year, membership is one of the more affordable young professional groups in Denver. This cost

gives Young Leaders discounted access to every CoreNet Colorado event (14+ events per year), as well as free access to the Young Leader only events (2-4 events, plus 10 informal networking events per year).

Membership is easy and many companies will support their employees joining a professional organization. To join CoreNet Young Leaders, simply sign up on the CoreNet Colorado website to be a member, and select “Young Leader” as your membership type. Once signed up, a Young Leader member will automatically get invited to Colorado chapter-wide events, as well as Young Leader-specific events.

What can an attendee expect from a Young Leader only event? That depends. In efforts to build a Young Leader community, where Denver’s young professionals come together to share great ideas and understand each other’s business, the group has established monthly CoreNet Coffees for informal networking. Monthly CoreNet Coffees are free for attendees and are a great way to test the waters for members and nonmembers, alike! The only requirement to come to the monthly coffee meetups is that attendees must be under the age of 35, and have a commercial real estate focus. The CoreNet Coffees happen the 4th Wednesday of each month, and rotate locations around different neighborhoods in Denver. For more information

on the next meetup, please visit the CoreNet Colorado Young Leaders website.

The Young Leaders also have several more structured events throughout the year. Structured events are generally more content-driven, with an emphasis on leadership development, soft-skills development, or mentorship. CoreNet Global heavily supports the continued growth of the commercial real estate industry’s future leaders. By attending the content-driven events, attendees gain skills and insight that they can apply to their jobs both today and in the future.

Past examples of Young Leader structured events are: “Power Peers,” where attendees gained access to young professionals who had found early success in their careers in a speed-mentoring style roundtable discussion; and “Essentialism,” where attendees learned about “the disciplined pursuit of less” in an interactive presentation led by the author of the book. At the end of the “Essentialism” event, attendees gained an understanding of the power of managing their energy and focusing on the few, most important, things in both their work and personal lives. The Young Leaders have content-driven events coming up in both the third and fourth quarters of 2018. For dates and registration info on our upcoming structured and informal events, please visit the

CoreNet Colorado website.

Behind the scenes, there are multiple ways for a Young Leader to get involved in both the Young Leader Committee, as well as the CoreNet Colorado chapter. The Young Leader Committee spearheads the annual CoreNet Bocce Bash, Young Leader content-driven events and the CoreNet Coffee meet-ups. The Young Leader Committee is selected at the end of each year and is open for all Young Leader members to apply. Additionally, Young Leader members have active involvement in the Membership, Sponsorship, Programs, University Relations and Communications committees.

The CoreNet Colorado Young Leader community is always looking for young professionals who want to make an impact and share great ideas. With multiple ways to expand your professional network, develop yourself as an emerging leader, and attend great events, the CoreNet Young Leaders is a group that many employers and individuals find highly beneficial. The opportunity is there; reach out and grab it!

To learn more about CoreNet Colorado and events: <http://colorado.corenetglobal.org/home>

To learn more about Colorado Young Leaders: <http://network.corenetglobal.org/colorado/leadership/committees/young-leaders-committee>



## Young Leader Company Names

Alt Ethos

Brown and Caldwell

CBRE

CH2MHill

Comfy

Cresa

Cushman & Wakefield

Denver South EDP

Gensler

Google

Herman Miller

Howell Construction

IA Interior Architects

IHS

JLL

Knoll

NV5

Oracle Corporation

OZ Architecture

Pacific Project Management

Pear Workplace Solutions

RS&H Architects

Savills Studley

stök

Technical Design Services, Inc.

Teknion

Turner Construction Co.

# Best-in-Class CRE Strategies in Today's Competitive Environment

Real Estate preceded by the word "Corporate" might evoke visions of a corner office entered by invitation only or executive offices along the perimeter and sterile cold cubicles with high walls as far as the eye could see. In today's hypercompetitive work environment, the most successful heads of Real Estate have distilled their identities, priorities and cultures in the open space between their walls or within their Corporate Real Estate (CRE) assets. After all, according to the World Health Organization, most employees spend one-third of their lives at work. "Best-in-Class" CRE leads must prioritize their strategies and make every attempt to leverage the space within their portfolio in the best possible light to their clients, customers and employees.

The priorities of today's Best in Class CRE lead are three-fold. In order to be successful, CRE leads must 1) Balance their cultural priorities within their geographical footprint; 2) develop their spaces to allow for the representation of dynamic demographics within the workforce; and 3) facilitate the collaborative nature of work within those spaces.

When developed correctly, a firm's Real Estate should distinctly evoke the firm's brand and culture, leaving



**Mahesh Vidyasagar**

Senior Vice President of Real Estate & Workplace  
JLL Americas

no doubt to the end user that they are firmly in that firm's space regardless of location, be it New York or New Mexico. Successful firms have unified their CRE strategy and represented their brand seamlessly to allow for their clients, customers as well as their employees to have a continuous experience across the portfolio. In turn, the end user experience has created an anticipated atmosphere where a stronger corporate culture is fostered as well as a more efficient workforce.

While financial implications are important to any company's P&L, a competitive CRE lead realizes that decisions on a company's workspace should not be solely driven by finance alone. As millennials enter the workforce and become the dominant demographic, it is important for CRE leadership to capitalize on how their Real Estate is stewarded. With unemployment at 3.9%, progressive firms differentiate themselves using every possible avenue to compete for top talent. CRE is the latest asset that these firms have used to attract and retain top employees. More specifically, investments in A level spaces will result in the attraction and retention of A level employees.

Across industries and across the maturity scale of business, forward-thinking firms have realized that investment in Corporate Real Estate plays a significant role in elevating the employee experience and showcasing their brand. When done correctly, this CRE investment increases collaboration and productivity, which ultimately boosts revenues and profits to a firm. As an example, firms in mature industries such as ExxonMobil (Oil and Gas), Comcast (Telecom), Boston Consulting Group (Management Consulting) and Zurich (Insurance) have success-

## Investments in A level spaces will result in the attraction and retention of A level employees

fully elevated the work experience for the younger workforce without alienating their tenured employees.

Finally, as developed nations move towards an increasingly knowledge based economy, the nature of work is becoming more collaborative and fluid. Offices in large firms should be a fully functioning integrated system with other locations versus a remote outpost. When developed correctly, Best-in-Class office environments helps to facilitate that reality by breaking down silos, which then, foster employee engagement. Specifically, with increased transparency in the office, employees are able to see cultural behaviors in practice, embraced by the firm's successful leaders, and mirror those behaviors appropriately.

At JLL, CRE is continuously innovating in the space of our Best in Class CRE footprint.

Currently, we are in the process of refining the Client and Employee experience to reflect the fluid demands of today's business and work environments through concepts developed in our Future of Work model – soon to be displayed in our Denver Downtown office. Our Best-in-Class offices embody the current dynamic reality of work. JLL and other innovative firms such as those mentioned in this article, have taken note that employees are often asked to blur the lines of work and play. As a result, it is no surprise that successful modern offices are branded more like high end boutique hotel lobbies and less like Don Draper's office. Progressive firms across any business should view CRE as an active partner and as a division that can help improve financial and operational performance of the portfolio, as well as increase retention and recruitment of top talent.



Colorado Chapter

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SAVE THE DATE  
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### CORPORATE END-USER PANEL

Stay tuned for details!

[colorado.corenetglobal.org](http://colorado.corenetglobal.org)

# Co-working Space: Landscape Disrupter

The landscape of co-working space and its impact on real estate decisions and leases will continue to be a disrupter in the corporate real estate space. The single office user of traditional serviced office has transitioned to accommodate the changing needs of our diverse workforce to include co-working offices, dedicated seats and hot desk-ing.

**'Flexible space has been growing at an average annual rate of 23% since 2010.'**

[1]

The growth of co-working cannot be attributed to one factor or trend. However, it caters to a willingness to spend an increased amount of expenses to get exactly the services and environment required while increasing speed to market, reducing capital expenditure and risks associated with a traditional lease. Co-working allows members to identify the location, community and culture they are looking to align with.

## Advantages - Community, Culture, Credit Card vs. Credit Check

There are many advantages to the Co-working environment for freelancers, start-ups, small businesses and medium to large corporations.

**Freelancers** can benefit from joining an established community by moving out of the coffee shop or home office. The right



**Adam Drvenkar**

Vice President, Corporate Services & Real Estate  
OppenheimerFunds

community can have positive impact on the employee experience and lead to an increase in productivity and connection to their work. The monthly fee includes a seat, connectivity and, depending on the location access to a fitness center, bike storage, sponsored happy hours, networking and potential employment opportunities. Freelancers can contract for either a dedicated seat or a hot desk. A dedicated seat is assigned to you and supports the development of a semi-permanent workspace, whereas a hot desk is more flexible, less expensive and gives you access to an array of seating options.

**Start-ups and small businesses** may be looking for an energetic workspace to foster the collaboration and creativity required for a product launch while forgoing the headaches, costs and risks associated with a traditional lease. Not all landlords are the same, but most traditional leases require a 3- to 5-year term and have a longer lead time prior to occupancy for several reasons, including a review of financials (including tax returns), good credit standing and a solid business plan. Additionally, a Broker and Legal representation may also be required depending on the complexity of the transaction and lease structure. Once these items are approved, there is still design, construction, establishing a network connection, setting up WiFi/VPN and furniture layout and installation. When your margins are razor thin, your team needs to be spending more time developing products and less time on facilities and technology setup.

**Medium to large corporations** have also been opening satellite locations at co-working offices to take advantage of the low cost of entry, quick startup, lack of infrastructure spend and flexible occupancy durations. These advantages allow a large corporation to test a new market for talent, spin off a technology or project development team or create an incubator for new products and work structure. This incubator environment is used by large corpora-

tions looking to develop a new culture or networking presence outside of the home office. It allows for teams to experiment on innovative work structures while averting the scrutiny of more traditional business units.

These advantages are also useful when considering opening an office overseas. Each country has its challenges to navigate through, but using a co-working or serviced office provider may reduce the risk, lead time and legal fees associated with establishing a new market.

Boutique co-working options also offer more custom solutions for their clients, ranging from locations that focus on personal wellness, education, art and design and architecture.

## Challenges - Flexibility isn't Cheap

There are also challenges that Co-working spaces present depending on your situation. Co-working is expensive, the provider often holds all the leverage and each location's quirky differences may be tough to quantify. These differences range from a monthly conference room credit system, limitations on printing and exposure to dogs for people with allergies.

Co-working spaces forego traditional leases for member/membership agreements, where the terms and conditions vary by company and location. Depending on your provider and their current vacancy, negotiating terms and

conditions will range from rigid to flexible. Unfortunately, some co-working providers are managing several hundred individuals (hot desk) and office users and the member agreements include language that allows for the co-working provider to alter the agreement without notifying its members. Depending the risk tolerance of you or your Legal department, and the urgency for new workspace, this may or may not be a showstopper. Signing a member agreement and paying a down payment with your credit card may be easy, but you may want someone to review your agreement and ensure you are managing your risk effectively.

Many co-working locations offer non-redundant WiFi that is exposed to both latency during peak hours and service interruptions. Co-working locations are also vulnerable to power outages and many do not have backup power generation onsite. Operational flexibility is key and you'll need a plan if your needs to pick up shop and work offsite during any service incidents.

The co-working community continues to evolve its offerings though alignment with the needs of its members and allure of community and culture. There are many advantages and challenges to these offerings, if the community is right for you.

[1] Jones Lange LaSalle - Co-working market growth

  
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**WHAT'S  
NEXT?**  
EXPLOITING UNCERTAINTY

# CoreNet Global University Relations

The Colorado CoreNet Chapter continues to strengthen relationships with academic institutions around the state with the intent of raising awareness of the corporate real estate profession and attracting diverse talent to career opportunities available in the corporate real estate industry.

What is the University relations initiative about?

CoreNet Global has made a strategic priority of strengthening its relationship with academic institutions around the world in order to raise the profile of corporate real estate and grow the pipeline of talent into challenging and rewarding careers.

A key part of this initiative has centered around identifying and pursuing opportunities to partner with colleges, faculty and members to introduce corporate real estate curricula into real estate and related programs. CoreNet Global has the **CoRE Fundamentals Lecture Series**, a seven-module series that serves as an introductory course designed to give participants an overview of the corporate real estate industry. Additionally, the **CoreNet Global Academic Case Study Series** was created in response to numerous requests from faculty around the world. Each case study is aligned with chapters in *The Essential Guide to Corporate Real*



**Joseph Larkin, CCIM, MCR, SIOR, SLCR**

CEO, First Realty, Inc. Larkin is the 2018 CoreNet Global Colorado Chapter President

Estate to help reinforce fundamental comprehension of corporate real estate topics.

Chapters have also contributed to the success of the **CoreNet Global Academic Challenge**, which began in 2015 as a high-profile means of attracting graduate and undergraduate college students from all academic disciplines to tackle key challenges facing the corporate real estate profession. More than 1,000 students from 166 academic institutions and 57 countries have applied to participate in the five student

competitions held to date.

In addition, CoreNet Global offers the **Master of Corporate Real Estate (MCR) designation**. MCR designation is well recognized throughout the corporate real estate profession for outstanding faculty, high-quality instruction and current content. The MCR curriculum consists of a wide variety of seminars on topics such as: impact of the real estate decision on the real estate strategies; management of the overall real estate portfolio; lease negotiations and analysis; service delivery and outsourcing; and workplace strategy.

**CoreNet Global Academic Challenge: Brainstorm. Globetrot. Network.**

CoreNet invites students from around the world to think creatively about a problem facing real estate professionals for renowned companies like Google, Duke Energy, AstraZeneca, Whirlpool, and many others. In exchange? Teams that are selected will potentially travel the world with an all-expense paid trip to one of the Global Summits in Asia or North America. Challenging your mindpower by competing with your peers from around the world. Gain international experience. Connect with experts. Your team could win \$5,000!

Teams from academic institutions are selected to compete in a contest with other

CoreNet Global has made a strategic priority of strengthening its relationship with academic institutions around the world in order to raise the profile of corporate real estate and grow the pipeline of talent into challenging and rewarding careers

competing institutions from all over the globe. The team is to address challenges like creating an employee experience that attracts millennials while retaining all other generations of employees; or reducing the gap between the speed of business and the typical speed of real estate.

The University Relations include Resources for Students, Educators and Members:

Corporate real estate is the real property used by a company for its own operational purposes. It provides corporations with a productive environment to house employees, manufacture and distribute products and provide services to the market. Corporate real estate touches all classes of property, land, and buildings such as office facilities, data centers, manufacturing facilities, logistic centers, corporate headquar-

ters, distribution facilities, retail stores and hotels.

The corporate real estate portfolio needs to align with and support the core business of the enterprise. Corporations need to have the right space, in the right place, at the right time, with enough space to meet business demand. Real estate assets, whether acquired by lease or purchase, are long-term investments that are not easily modified or liquidated. CoreNet members will deliver to universities students the CoRE Fundamentals Lecture Series. The University Relations committee has been visiting students on campus connecting members with students for internships and potential jobs. In addition, CoreNet offer a job postings, mentor matching and internship from around the United States on the CoreNetGlobal.org website.



## HOLIDAY PARTY

AT OFFICESCAPES  
445 MARKET STREET, CO

Join us as we celebrate another successful year with drinks, food and fun!



**REGISTER NOW: [colorado.corenetglobal.org](http://colorado.corenetglobal.org)**

**12  
DEC**

**4:30-6:30PM**

MEMBERS: FREE

NON-MEMBERS: \$25

YOUNG LEADERS: FREE

STUDENT: FREE

SPECIAL THANKS TO:



# Why get your MCR?

“I have found great value in taking the required coursework for the MCR designation. If you are a commercial real estate advisor, the MCR program is a tremendous tool-sharpener. The MCR program provides real-life examples to help you better understand how companies utilize, strategize and plan for their real estate needs.”  
**Alec A. Wynne**  
 Managing Director  
 Avison Young



“I am pursuing my MCR designation as a way to promote my specialization in the corporate real estate industry. The quality of the faculty coupled with peer to peer learning opportunities with other service providers and end users globally is unique in the commercial real estate business. It is worth the journey.”  
**Dave Johnson, CCIM**  
 Managing Director  
 Cushman & Wakefield



“Pursuing my Master of Corporate Real Estate (MCR) designation has been a goal of mine for several years. The MCR designation represents the mastery of corporate real estate as well as adds to and supports my CRE foundation. In addition to CoreNet’s rigorous MCR training the program also offers the opportunity to network with your peers and learn from some of the most quality CRE’s in the business. I believe that the MCR designation sets you a step ahead of your competition as it’s designed for intellectual growth and provides a holistic approach to the CRE industry. There is a high level of respect for this advanced designation as such, if you are looking to position yourself as a quality leader or preparing for advancement opportunities I believe the MCR designation is the best place to spend you educational dollars.”  
**LuAnn Garcia**  
 Xcel Energy



“I chose to pursue my MCR to not only gain a competitive edge, but to also expand my knowledge base and develop my understanding of practical applications in my day to day job.”  
**Natalie West**  
 Director, Real Estate – Americas  
 Jacobs



“I am pursuing my MCR designation to get the knowledge, skills, and connections I need to succeed in the complex world of Corporate Real Estate. The classes provided by CoreNet have been excellent and up to date, with the latest industry information available. The networking has also been a great resource.”  
**Andy Bade**  
 Senior Director,  
 NAM Facilities West  
 Oracle



“The pursuit of the MCR and SLCR credentials has allowed me to continue to develop my knowledge of the Commercial Real Estate Industry, stay current on trends within the industry and build a great network of talented professionals across the country.”  
**Tim Millican**  
 Director of Facilities  
 Operations & Services  
 Lockheed Martin Space



Colorado Chapter

Are you looking to grow your professional network and become a corporate real estate expert?

Get your MCR credits with CoreNet Global on July 23 & 24 in Denver.



**CoreNet Colorado Chapter is hosting an MCR course July 23 & 24. Register now!**  
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CoreNet Global is the premier association for corporate real estate professionals and the only one capable of convening the entire industry.



CONNECT



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Join the Colorado chapter and become a part of this greater community!

[colorado.corenetglobal.org](http://colorado.corenetglobal.org)



## Company Members

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| Alvarez & Marsal               | Domo                                    | Metro Denver Economic Development Corp. | Sutherland Global Services             |
| Arizona Commerce Authority     | ESD Global                              | National American University            | Swinerton Builders                     |
| ASSA ABLOY                     | Fidelity Investments                    | Navarro Engineering                     | Tandus-Centiva, a Tarkett Company      |
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7TH ANNUAL



**BASH**

**AUGUST 16, 2:00PM-6:00PM**

Join the Corenet Colorado Chapter for the 7th Annual Bocce Ball tournament. Last year, 64 teams and over 300 attendees made this event a success!

**REGISTRATION WILL OPEN IN JUNE WITH THE FOLLOWING RATES:**

4 Person (max) teams: **\$295** for Members  
**\$395** For Non-Members

**REGISTRATION COMING IN JUNE:**  
[corenetboccebash.weebly.com/registration.html](http://corenetboccebash.weebly.com/registration.html)