

# A Study of Corporate Real Estate Resource Management

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**Abstract.** Corporate real estate resources have been estimated at over one quarter of the current market value of the total assets of major American corporations. This study, based upon interviews with corporate real estate executives, examines the current state of corporate real estate resource management practices. It found that while the dominant view of real estate continues to be as a production factor within this sample of corporations, there has been significant growth of corporate real estate units. This has been accompanied by increased influence and more active real estate resource management.

## Introduction

In the early 1980s a study by Zeckhauser and Silverman [8] indicated that corporate real estate was estimated to comprise anywhere from 25% to 40% of the total assets of major American corporations at then-current market values. Corporate managers were regularly neglecting their firm's real estate and, as a result, were leaving themselves open to takeovers, lost profits and lower stock price performance.

Conducted primarily in 1987, this study was undertaken in selected corporations to determine the status of their real estate resource management programs, perceived need for changes in these programs, and what further research might be needed to understand the problems of corporate real estate resource management.

This study reveals that many corporate managers continue the neglect found in the earlier research. The findings indicate that much of corporate real estate resource management is still centered in lower levels of management, with some real estate specialists being used on a limited basis. However, on the brighter side, an increasing number of executives are now taking better advantage of the rich opportunities for improved corporate financial performance available through the intelligent management of their real estate resources.

## Research Design

In an attempt to ascertain the current manner in which major American corporations manage their real estate resources, thirty large firms in fifteen industries were selected for study based upon size, importance in their industry, reference to their real estate management interests in relevant publications, referral from professional organizations (NACORE and IDRC), willingness to submit to a detailed interview process, and a willingness to permit publication of results. A listing of the industries and companies studied appears in Exhibit 1. Interview questions were developed drawing upon the

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**Exhibit 1**  
**Industries and Companies**

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**Aerospace**

Hughes Aircraft  
Lockheed  
Rockwell

**Amusement and Theme Parks**

Disney  
MCA

**Drugs (Retail)**

Walgreen  
Longs Drugs

**Engineering Services**

Fluor  
IT Corporation

**Financial Services**

Bank of America  
Security Pacific

**Food Services**

Collins Food  
Taco Bell

**Grocery (Retail)**

Lucky Stores  
Safeway

**Railroads**

Burlington Northern  
Santa Fe Southern Pacific

**Hotels**

Hilton  
Westin

**Home Improvement**

Standard Brands  
Wickes

**Medical Facilities**

Beverly Enterprises  
Nat. Med. Ent.

**Misc. Manufacture**

Bergen Brunswig  
Xerox

**Natural Resources**

Mead

**Int. Petroleum**

Atlantic Richfield  
Standard Oil of  
California

**Public Utilities**

General Telephone  
Pacific Telesis

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literature including Brown [1], Dues [2], Neidich and Steinberg [3], Nourse [4], and Silverman [6].

Detailed profiles were developed for each firm. The executives in charge of real estate in each of these organizations were personally interviewed for an average of four hours on the structure of their real estate operations and their management processes. Because proprietary information was often discussed, it was agreed that no direct attribution would be made to participating corporations.

This approach has limitations as well as strengths. A significant amount of information was gathered through the direct one-on-one interview process. Likewise, the personal interview process provided a better opportunity to explore specialized circumstances of the organizations. Since this is not a random sample reflective of American corporations as a whole, statistical analysis of results is limited and care must be taken when attempting to generalize these results to all U.S. corporations. Nevertheless, the results of this study, as shown in Exhibit 2, provide one of the few in-depth pictures of the management activities and organization of corporate real estate in US corporations.

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## Exhibit 2 Results

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1. Dominant Corporate Attitude Toward Real Estate ( <i>N</i> = 30)	
Cost Factor	90%
Cash Source	45%
Earnings Source	38%
2. Organization Form for Corporate Real Estate Activities ( <i>N</i> = 30)	
Real Estate Department	67%
Real Estate Division	17%
Real Estate Subsidiary	17%
3. Title of Executive Managing Corporate Real Estate Function ( <i>N</i> = 30)	
Director of Real Estate	37%
Vice-President—Real Estate	30%
President—Real Estate Subsidiary	17%
Other: (ex: Real Estate Manager)	17%
4. Corporate Real Estate Function Reports to: ( <i>N</i> = 30)	
Chief Executive Officer	50%
Vice President—Finance	30%
Vice President—Marketing	7%
Executive Committee	3%
Other (ex: Exec. V.P.)	13%
5. Is There A Corporate Real Estate Policy Committee? ( <i>N</i> = 27)	
Yes	52%
No	48%
6. How Is Corporate Real Estate Managed? ( <i>N</i> = 29)	
Profit Center	38%
Cost Center	93%
7. Are Outside Consultants Used? ( <i>N</i> = 29)	
Yes	86%
No	14%
8. Corporate Use of Funding Sources for Real Estate Activities ( <i>N</i> = 30)	
Internal Capital and Corporate Funds	79%
Outside Capital	21%
Joint Ventures	31%
Leasing/Non-ownership	41%
9. Real Estate Included in Corporate Planning ( <i>N</i> = 29)	
In Corporate Plans	74%
In Division/Department Plans	59%
In Budgets	56%
Real Estate Subsidiary Plan	7%
10. Real Estate Planning	
Corporate Real Estate Master Plan ( <i>N</i> = 24)	54%
Real Estate Expenditure Budget ( <i>N</i> = 17)	57%
11. Real Estate Information Systems ( <i>N</i> = 30)	
Centralized Inventory	90%
If yes, does it	
Include Site Data?	93%
Include Operating Data?	89%
Include Market Value Data?	44%
12. Property Performance Evaluation	
Individual Properties ( <i>N</i> = 30)	63%
Pools of Properties ( <i>N</i> = 29)	54%

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13. Standards Used in Property Performance Evaluation ( <i>N</i> = 30)	
Return on Investment	88%
Budget Standards	38%
Corporate Hurdle Rates	6%
Other (ex: Included in operations evaluation)	25%
14. Real Estate Unit Evaluation Standards ( <i>N</i> = 29)	
Budget-based	59%
MBO	45%
Profitability	31%
Return on Investment	21%
15. Are Other Units Charged for Real Estate Resource Use? ( <i>N</i> = 30)	
Yes	68%
No	32%

Notes: Values are percentages of firms that provided information on the item. Firms for which no data exist are excluded; percentages for items may exceed 100% due to multiple responses by a firm.

## Results

Executive attitudes toward real estate and the manner in which the real estate function is organized reflect an ambivalence toward corporate real estate resource management which results in underutilization of corporate real estate resources.

### *Corporate Attitudes*

When corporate executives were asked why they did not "manage" their real estate resources, they usually replied "We are not in the real estate business;" "Our financial analysts or accountants are already doing this as part of our overall financial planning;" or, "Real estate returns cannot meet our hurdle rate requirements." Fewer than half of the firms in this study treat real estate as either a source of profits or cash flows. But, 90% of the organizations consider the costs of acquiring and using real estate as costs of production, a treatment similar to that given other production factors such as labor and equipment.

As a cost of production, real estate is included in the financial reports as the cost of acquisition minus an annual depreciation charge, usually a percentage of the original cost of buildings and improvements. The depreciation charge usually does not change, or changes infrequently, and along with real estate maintenance, repairs and replacement represents the only real estate-related expenses included in total costs of production. In addition, the value of the real estate as an asset is usually reported at book value (cost to the firm less depreciation) not current market value, which means that real estate values are almost always significantly understated.

Corporate real estate resources can present a source of cash through sales of excess real estate, sale and leaseback, or sales and repurchase of equally satisfactory, but cheaper, real estate. If properties have appreciated, these sales may be a source of earnings as well. The firms who are managing their real estate resources not only see selling real estate as a source of cash flows and earnings, but also as a chance to enhance their opportunities to impact profits, stock prices, price-earning ratios and dividend payouts by paying strategic attention to the active acquisition, management and disposition of these resources.

### ***Organizing Real Estate Operations***

The corporations follow no consistent pattern in managing their real estate resources. Two thirds have some kind of real estate department. However, these departments range from one person to upwards of fifty professionals with a variety of real estate specialties such as finance, appraisal and law. Seventeen percent have split their real estate into a separate division, while an equal percentage have established subsidiaries. Those firms that have established organizational real estate units have, as will be discussed later, generally placed most activities relating to real estate resources in the unit.

Seventeen of the firms have independent subsidiaries. Twelve of the seventeen use franchises. An important first consideration for doing this was to remove the financial impacts of real estate from the balance sheet and to focus on the costs of using the assets. It was also felt that this separate identity would better enable the unit to pursue more active real estate development opportunities by removing it from other reporting channels. In most respects, the subsidiaries were managed similarly to the departmental or divisional units.

The executive in charge of the real estate function carried different titles in different organizations. Most frequently the person was identified as vice president of real estate (30%) or as real estate director (37%), the latter including such other titles as division or department head. In many of the firms, the title was important sounding but the position had few responsibilities except passively managing real estate as a service function to help meet other functions' needs and objectives.

However, it is recognized in most of the organizations that real estate involves a significant commitment of corporate funds. Consequently, there is relatively high visibility of the corporate real estate function in its reporting relationships. In half of the firms, the real estate unit reports directly to the chief executive officer. This is true even if the real estate function has only departmental status. In another 30% of the firms, the unit reports to the vice president of finance. In slightly over half of the firms, there is a high-level real estate policy committee which usually includes the CEO, Executive Vice-Presidents, and relevant function vice-presidents. Especially in retail and food service operations, where property acquisition is a major ongoing concern, these oversight committees are extremely active.

In keeping with the already discussed attitudes of the organizations toward their real estate resources, 93% of the firms reported that the real estate unit is considered a cost center by corporate management. At the same time, 38% reported that it is considered a profit center. While at first this might seem contradictory, it follows from the recognition that real estate units can engage in a number of different activities and that, while many may be generally considered cost items, the unit may still be expected to provide some cash flows through sales of surplus property, leasing of owned space, and subleasing.

Finally, as would be expected, the vast majority (86%) of the firms reported that they sometimes utilize outside consultants. Among those services often contracted out are architecture, design engineering, construction and brokerage.

### ***Real Estate Activities in the Organization***

An effort was made to discern which functional areas of the organization were involved in various real estate resource management activities. These activities were broadly grouped as follows:

- Acquisition/development—Needs identification, site selection, acquisition, development, design and construction.
- Property management—Active property management and record keeping.
- Financial analysis—Project financial analysis, capital budgeting and property tax management and evaluation.
- Surplus property—Surplus property identification and disposition.
- Miscellaneous—Leasing, development packaging and brokerage.

A summary of the results appears in Exhibit 3.

**Exhibit 3**  
**Location of Corporate Real Estate Activities**

Activity	R.E. Function	Const./ Eng.	Mktg.	Fin./ Actg.	Prod./ Ops.
Needs Assessment	41%	11%	67%	19%	44%
Site Selection	56%	37%	26%	4%	37%
Asset Acquisition	76%	14%	28%	38%	14%
Development	67%	60%	40%	37%	10%
Property Management	48%	3%	17%	0%	41%
Record-keeping	45%	3%	7%	69%	34%
Financial Analysis	76%	0%	3%	62%	0%
Capital Budgeting	58%	0%	0%	58%	0%
Property Tax Management	77%	0%	0%	73%	0%
Surplus Real Estate Ident.	52%	0%	52%	32%	48%
Surplus Real Estate Disp.	85%	0%	0%	0%	19%
Leasing Activities	55%	0%	5%	64%	5%
Development Packaging	64%	9%	55%	68%	0%
Brokerage	88%	0%	31%	56%	94%

The results indicate that the real estate unit in these corporations is intimately involved with a number of other functional organizational units on a regular basis, depending upon the activity in question. Rarely does the full responsibility for any real estate activity rest exclusively within the real estate unit. This presents the corporation with some unique management issues since the mixed role of the real estate manager is both as a decisionmaker and as an information resource. In addition, the autonomy of the unit is limited by this pattern of integration. It also represents a structure which has evolved in most of these organizations from the cost-based philosophy and from a time when few real estate professionals were employed by the organizations.

*Resource Acquisition and Development.* In assessing the real estate resource needs of the organizations, the real estate unit, while assigned a role in the process for 41% of the organizations, rarely has the lead role. Rather, it is the production and operations unit, with some role in 44% of the firms, that dominates the process in manufacturing and warehousing concerns. The marketing unit, with some role in 67% of the firms, takes the primary role in setting criteria for consumer retail and food service outlet location. This is consistent with the view of real estate as primarily a factor of production where operational considerations are paramount. The real estate units often provide little more than data to be used by the lead operating department.

In site selection, the real estate unit is involved in 56% of the firms. Typically the unit generates lists of proposed sites that satisfy the criteria specified in the needs assessment. A construction and engineering unit, when it exists, is likely to be involved here as well. In many firms, this unit is part of the estate unit. Marketing (28%) and production (37%) functions have a role as well, often as the "client" in the process—dependent upon whether the need being filled is in production or retail outlet oriented.

In the acquisition of real estate, the corporate real estate unit is extremely active in 76% of the firms, generally as the main unit for negotiating and structuring the deal. However, there is substantial consultation with production, marketing and the finance unit, generally regarding financing alternatives and options. In most of the corporations, the real estate unit had final or near final authority in acquisitions only after submitting them to a senior management policy committee for approval.

In almost all of the firms, development design and construction activities, including remodelling, are centered in either the real estate unit or in a construction and engineering unit. Where the latter did not exist, the real estate unit was almost always responsible and generally had several experienced construction professionals on the staff. This activity, whether in the real estate unit or in construction/engineering, largely consists of monitoring outside contractors since few of these corporations had internal general contracting capabilities. Some marketing departments also participate by providing input on design issues and in some limited monitoring of construction when outlets are involved, especially in food service and retail operations.

In virtually all of the organizations studied, a new site is "handed off" to a responsible line functional unit, usually production/operations, after construction is completed. The real estate unit then serves in a support capacity.

*Property Management.* Property management activities were divided into record-keeping, management of property taxes, and direct management of building functioning and maintenance. The pattern that emerges reflects the growth of real estate units and the dominant cost-factor view of real estate.

Direct property management activities broke into two distinct patterns. In 48% of the firms, the real estate unit, containing the firm's professionals in the field, was responsible. In 41% of the firms, production/operations, responsible for all aspects of operations, handled the activities. In a few firms with multisite retail operations, the marketing unit may have the responsibility. But, in almost none of the firms examined do organizational units share the property management activity.

In over 70% of the organizations, real estate record-keeping activity resides in the finance/accounting unit. These were grouped together in the reporting because, in almost all of the firms, the accounting function is a part of and reports to finance. This is the traditional role for accounting and reflects both the historical pattern and the treatment of records for real estate similar to those of other major capital assets.

Property tax management issues are handled by the real estate unit (77%) and the finance/accounting unit (73%), generally in some combination. The reasons for this are the tax function's usual residence in the accounting group and the real estate unit's expertise in handling property valuation issues. Consequently, the usual pattern is for the tax management activity to reside in finance/accounting with the real estate unit providing input and taking an active role in any dispute arising over valuation, or in tax planning dependent upon future property values.

*Financial Analysis.* Financial analysis related to proposed property acquisitions, other

development, and rehabilitation is performed by the real estate unit (76%) and the finance unit (62%) with occasional joint work. However, when capital budgeting is done, it is generally performed by one of the two, not by both. There is no apparent reason for this overall pattern. Those firms in which the real estate unit was larger and more established were more likely to have the activity centered in that unit.

*Surplus Property.* The designation and disposition of surplus property is an activity that serves to generate cash and that has, in a number of the corporations, served to give the real estate function increased visibility and stature in recent years due to the "unexpected" returns from the sale of these properties. The pattern reflects the primacy placed upon real estate as production assets and the limited role that current values play in the process.

The choice of properties for sale, designated as surplus, is most likely to rest with the function that uses them. Consequently, while in 54% of the firms the real estate unit is involved in the decisions, in over three quarters of those cases it is in providing input to or reviewing the decisions of other functions. The finance/accounting unit is involved in these decisions in about a third of the companies, also generally as information source. The primary responsibility for designation of properties as surplus in these organizations is in marketing and/or production/operations, depending upon the uses to which the properties are being put. Thus, the designation is based primarily upon the operational needs of those departments and not upon the financial rationality of continued operation, considering the current value of the real estate.

In 85% of the firms, the disposition of the properties designated as surplus is the responsibility of the real estate unit, either exclusive to the unit or based on input from the real estate policy committee. This latter situation is not very common. Due to this disposition activity, some real estate units have grown significantly in recent years. One retailer, in response to an unexpected windfall from such a sale, doubled the size of the real estate unit and initiated more input and joint activity by the unit. In several of the firms, the responsibility for disposition of surplus real estate led to more active roles in development and ultimately to real estate subsidiaries with substantial development activities.

*Miscellaneous Activities.* A set of miscellaneous activities was also examined. They include leasing, development packaging and brokerage-related activities. As these are clearly real estate centered, it is not surprising to find a role for the real estate unit. But, once again, the activities are generally shared with other functions within the organization.

Leasing is a common corporate real estate activity. The real estate unit is responsible for leasing new space, releasing current space and subleasing currently unused space in 55% of the firms. The finance/accounting function is responsible in 64% of the firms, implying some overlap. The most common situation is for the two to share the responsibility, with real estate generally handling negotiations and finance providing input and evaluation.

Development packaging is the coordination of site acquisition, architectural planning, construction supervision, financing and completion of the entire project until it is ready for immediate use by the corporation. Twenty-seven percent of these corporations use the real estate unit for full packaging, 27% share the activity between marketing and finance and 23% use a combination of real estate, marketing and finance to bring the project on line. Few of the corporations in the study had the capacity to undertake the



complete development internally. Consequently, packaging often means the management of relationships with external contractors.

In 88% of the corporations, the brokerage function (liaison with external commercial real estate brokers for buying, listing and selling real estate) is assigned with detailed instructions to the real estate unit. In fact, discussions with some corporate executives indicated that they believe that the main function of a real estate unit should be to "deal with" local real estate brokers. Real estate units are often expected to work through local real estate brokers primarily to reduce brokerage commissions and related costs. This liaison activity in buying or selling properties reflects the previously discussed information and shared decision patterns between the real estate unit and other functions.

### *Funding of Real Estate Activities*

The manner in which the companies finance their real estate resources is again largely a reflection of real estate as a production factor, rather than a resource with inherent profit potentials for the organization. It is, in most of these organizations, funded as any other capital investment. This sometimes fails to utilize the unique leverage capabilities and financing alternatives available for real estate.

In 86% of the firms, financing is obtained through the credit of the corporation as a whole or through internal cash flow. In substantially all of these, the corporate-generated funds provide the bulk of the money invested in real estate projects. In only 21% of the firms is real estate-specific outside capital, primarily mortgage loans, sought and this is for a small part of the capital involved. Three of the firms in the sample are experimenting with limited issuance of mortgage-backed securities. But, the rule in these corporations is to fund real estate merely as part of the total corporation, rather than separately, and preferably through internal funds. This pattern is reflective of real estate as a capital asset rather than an investment and is consistent with the dominant philosophy.

Forty-one percent of the firms are involved in leasing or other non-equity ownership forms to obtain their real estate resources. One of them, a retailer, has a corporate policy not to acquire any equity ownership interests in property. Others, also retailers, have both equity ownership interests and leaseholds, but policies that give preference to the latter. In manufacturing, several companies doing substantial government contract business lease space because of the reimbursement rules which provide a better return.

There are joint venture participations by 31% of the firms. These are generally as a joint venturer with a developer. The ventures are usually on land that was designated as surplus by the organizations. Only in one case is the firm a majority joint venturer as the developer. Indications are that this is an activity that could significantly expand in the future in a number of the firms.

One other trend should be noted. Several of the firms are making efforts to cut back on real estate equity ownership in order to limit exposure to takeovers, to reduce the problems of property management, and to extract cash from the resources for other uses. One health care company is selling its facilities, in groups, to limited partnerships in which it is serving as the general partner. Another, a hotel chain, has determined that equity ownership interests were misdirecting attention and impairing resource allocations and has undertaken a program of property sales, with management contracts, to redefine its business to that of a hotel management firm.

### ***Corporate Real Estate and Planning***

Corporate real estate resource management, if fully integrated into the organization, requires some consideration in planning for the future. This includes both inclusion in corporate planning activity and explicit planning for real estate resource deployment. The firms studied display a range of consideration of real estate in their planning. It is an area of increasing corporate attention.

Inclusion of real estate in corporate planning activities takes place at various levels and intensities. There seems to be no clear pattern. Almost three-quarters of the corporations include real estate, in some manner, in their corporate planning. Often this takes place in a section related to the real estate unit. Fifty-nine percent of the firms include real estate in division or department planning. This is exclusive of the real estate unit itself. Only 56% of the organizations explicitly include real estate resources in their budgeting process. This usually reflects the intermittent changes in real estate being held and the varying levels of sophistication in real estate operations. Forty percent of those firms that have real estate subsidiaries report full planning for them. This includes the corporate real estate entities with active development interests.

Planning explicitly for real estate is also most common in those organizations in which real estate resource management is most established. It also is somewhat more likely when transactions are a major ongoing activity and expense. Both real estate master planning and development of corporate real estate expenditure budgets are undertaken by over half of the firms.

### ***Real Estate Information Systems***

Effective management of real estate as a resource requires gathering and maintenance of data about properties in a manner that will permit knowledgeable decisionmaking. The types of decisions being made often dictate the information that is gathered. Consistent with the view of real estate as a production factor, the information gathering and maintenance on properties by the firms reflects a concern primarily for operating decisions.

Ninety percent of the corporations maintain some sort of centralized information inventory of their real estate. Ten percent of the firms do not even maintain this basic level of information. Of the firms maintaining centralized information, 93% keep basic site data records including such items as locations, uses, zoning, general description, size, and acquisition costs. Eighty-nine percent maintain records on operating data for the individual properties. Especially in dispersed property operations, such as food service and retail, these records are used extensively in the evaluation of the outlet operations. Accounting departments often maintain these records. The systems in which these data are maintained are generally developed internally as part of the firms' accounting information systems.

To make fully informed decisions on the use of real estate resources, an understanding of the value of the real estate must be established. This is a difficult information problem since it cannot be based on static data, or on internally generated data-like operating data. Estimating the value requires frequent appraisal of properties to obtain market values. This is an expensive and complicated departure from ordinary corporate information systems procedures.

Nevertheless, adequate decisionmaking on the efficient use of properties and their

potentials requires it. Less than half (44%) of the firms in the study make any attempt to maintain current market value data on their real estate. Those that attempt to do so share some common characteristics. They are generally manufacturing firms with a limited number of properties held. They utilize estimates of value based upon market statistics. Most also use appraisals that are contracted out and usually done on each property every three to five years. Finally, all of these organizations have well-developed real estate units.

### ***Real Estate Resource Evaluation Issues***

Property performance may be evaluated in a number of ways. It may be examined alone or as part of a group of similar properties. It may be examined purely as a real estate investment or it may be examined on an operational basis, looking for returns from both the property and the use to which it is being put. In the firms studied, 63% attempt to evaluate performance of their properties. While 54% of the firms examine pooled property performance, all of these also examine the performance of individual properties. The properties are evaluated on the basis of their overall use by the firms, not on the basis of real estate returns.

Consequently, standards such as assigned budget numbers, hurdle rates, and internal rates of return, for the uses as a whole, are the basis for evaluation. None of the firms attempts to evaluate its holdings on a real estate investment basis.

Because of this approach to property evaluation, the real estate unit cannot be easily evaluated. Since the returns are calculated on an operating basis, the unit has little control or responsibility. Consequently, in 59% of the corporations, budget-based evaluation is used, while in 45% some form of management by objectives is used. Three-quarters of the firms use one or both of these methods. Profitability is a standard used in 31% of the firms, but this is usually a secondary measure applied primarily to disposition of surplus properties. In only 7% of the firms are profits utilized as the sole basis for judging performance. Interestingly, these are the firms with active development in their real estate subsidiaries. In one of the companies, this subsidiary provides about 40% of the corporate profits.

Finally, if the performance of other organizational units is to be accurately judged in terms of their use of corporate assets, there must be some reflection of the costs of real estate in their performance evaluation. Sixty-eight percent of the companies in this study cross-charge marketing or production internally for use of real estate resources. However, these charges are based upon real estate acquisition costs. Some reflection of current market costs, such as current rental values, is utilized in a limited manner by only a few firms.

### **Conclusion**

The results of this exploratory examination of real estate resource management by some major American companies cannot be generalized across all large U.S. corporations. These organizations were not chosen on a random sampling basis. The group is small—only thirty in all. Therefore, statistical analysis would be of limited use.

Nevertheless, considerable information about corporate real estate resource management was obtained. The dominant view of corporate real estate resources as a cost factor

of production is slowly shifting. The systems in place are based upon this dominant view despite this change in corporate attitudes. Most of the corporations in this study make little effort to exploit the financial opportunities available through real estate resource management. Information maintenance and real estate performance evaluation also reflect the emphasis on real estate as a production factor.

This project was conceived with the expectation that some broader patterns of corporate ownership and management of real estate resources would be found. The existing literature suggests that corporate real estate resource management is influenced by the nature of the industry and the size and characteristics of the particular firm (Sigafoos [6]) and that the stage of growth of the firm and the industry in which it is located influence the level of managerial interest in real estate resources. (Mills and Hamilton [3]) Unfortunately, these relationships could not be confirmed. For example, although these firms represented fifteen different industries, because of the limited size and nature of the samples, no authoritative statements can be made about how membership in a particular industry might be related to the corporation's real estate resources management program. The data and interviews suggest that fast food and retail operations generally seem to be better organized and pay more attention to real estate resource management than firms in other industries. However, further research which permits more complete statistical analysis is necessary to address this industry relationship.

According to all of the managers interviewed, the real estate units in their firms are growing in size. These managers also believe that the units are playing an increasingly important role in the organization. Real estate units have high visibility in their reporting relationships. The units are participants in an extremely complex set of shared responsibilities, as activity centers and as providers of real estate expertise to other parts of the firm. Finally, some of the firms are beginning to actively pursue the more complete use of their valuable, but often neglected, real estate resources.

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