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<u>Media Contact:</u> Sherry Quan 604.647.5098 or 604.726.0959 email: <u>sherry.quan@avisonyoung.com</u>

Editors/Reporters

• Please click on link to view and download Avison Young's white paper: "Shifting Gears: Corporate Occupants Re-evaluate Real Estate Outsourcing Models" https://avisonyoung.uberflip.com/i/1096306-aywhitepapershiftinggearscorporateoccupantsmar2019final

Dynamic decision-making process drives change in corporate real estate outsourcing sector

Avison Young releases white paper "Shifting Gears: Corporate Occupants Re-evaluate Real Estate Outsourcing Models"

Toronto, Canada – The decision-making process for corporate real estate outsourcing has become increasingly dynamic. The drivers that frequently tipped the scale in favour of the largest global service providers with their expensive proprietary technology are no longer as compelling given the rise in importance of behaviour-based qualities of service providers, including trust. Smart industry leaders should keep an open mind to both large and medium-sized service providers when evaluating outsourcing candidates.

These are some of the key trends noted in Avison Young's white paper: "Shifting Gears: Corporate Occupants Re-evaluate Real Estate Outsourcing Models", released today.

"Outsourcing drivers are changing among heads of corporate real estate for occupants, especially those with smaller or medium-sized portfolios," comments **Brian Bellew**, Avison Young Principal and Managing Director of the firm's enterprise solutions practice group. "Their companies often do not need fully integrated, global services. These leaders now have more choices and are more open to working with smaller- and medium-sized firms that do not necessarily position themselves as full-service global corporate real estate providers."

Bellew continues: "It all begins with trust. Trust in an outsourcing relationship is more important than what both parties negotiate into the service agreement. Trust is a key element to the long-term success of the relationship. Trust is causal – that is, a direct link exists between trust and longevity in outsourcing relationships."

Some industry watchers are even now wondering whether larger service providers have lost the ability to move quickly, think entrepreneurially or take reasonable risks. The conventional wisdom is that a broker-led model, which supposedly casts aside the breadth of non-brokerage ancillary services, is somehow lacking when compared with a corporate services-led brokerage approach. More recently, some corporate real estate leaders have reversed course from a traditional corporate-services model to a broker-led one. The new broker-led service providers are not burdened by the overhead of typical large full-service brokerage firms.

Bellew notes: "For years, the default corporate option was to favour the largest global service providers, most of which rely heavily on expensive proprietary technology as a way to smooth over any gaps in integrated service delivery. Increasingly, corporate real estate executives are realizing that the behaviour-based qualities of service providers like commitment, team chemistry and trust are just as important – or even more important – than sheer scale or technology to the overall success of the joint relationship."

"As a result, pragmatic corporate real estate leaders include both traditional large *and* mediumsized service-provider firms when contemplating outsourcing candidates," Bellew concludes. "The results achieved for satisfied clients by many of these nimble mid-sized firms are simply too compelling to ignore."

Avison Young is the world's fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its Principals. Founded in 1978, with legacies dating back more than 200 years, the company comprises approximately 5,000 real estate professionals in 120 offices in 20 countries. The firm's experts provide value-added, client-centric investment sales, leasing, advisory, management and financing services to clients across the office, retail, industrial, multi-family and hospitality sectors.

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For further information/comment/photos:

- Sherry Quan, Principal and Global Director of Communications & Media Relations, Avison Young: 604.647.5098; cell: 604.726.0959 <u>sherry.quan@avisonyoung.com</u>
- Brian Bellew, Principal and Managing Director, Enterprise Solutions, Avison Young: **312.837.0448** <u>brian.bellew@avisonyoung.com</u>
- Mark Rose, Chair and CEO, Avison Young: 416.673.4028

www.avisonyoung.com

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