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When evaluating potential real estate, intangible assets matter

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I have recently taken on the role of program manager for real estate at the Connecticut Economic Resource Center (CERC). In this position my primary responsibility is managing CERC SiteFinder (CTSiteFinder.com) - Connecticut's local source for free commercial real estate and demographic data to help businesses analyze a potential investment. I also handle site search leads and have the opportunity to travel to industry roundtables and trade shows.

Recently I attended the roundtable in the South; the second of three IndustryWeek's Expansion Management Roundtable events for the year. The roundtable's are always very informative and continue to offer a great atmosphere to foster relationships with site selection consultants, and learn about the latest industry trends and best economic development practices. I was particularly looking forward to speaking with Kimberly Williams, senior consultant of McCallum Sweeney Consulting and hearing about her experience working with Connecticut on the relocation of the Tronox headquarters from Oklahoma to Stamford, and learning more about the key drivers in the site selection process.

Aside from the traditional data collection when evaluating potential real estate, she highlighted important factors of the selection process (that can't be quantified).

She reiterated that having a capable and available workforce remains a necessity. And to highlight the importance of maintaining an open line of communication with the business community and creating a business-friendly environment, Kim stated that she conducts one-on-one meetings with existing companies to learn about their experience with finding, qualifying, and hiring employees, doing business in the selected location, and relationships with the local officials and utility companies. This is an often forgotten evaluation tactic that companies consider during the selection process.

She also communicated that she is experiencing an increased desire for flexible modes of transportation. Companies are requesting good highway access with an opportunity for rail. They also are looking for better air service. Just being close to an airport is no longer considered satisfactory. They're evaluating the number of direct flights available, and how often the flights are available; seasonal vs. year round, domestic as well as international.

The message being conveyed here is "intangible assets matter." As Paige Webster of Foote Consulting Group put it, "You can analyze data until you're blue in the face, but until you visit a location, you never really know what's going on." We are operating in an environment where the relationships we have may be able to get our communities past the quantitative data analysis phase of a selection process, but we're also learning that having non-stop (or not having non-stop) air service to a particular metro area in the world is becoming just as important as the property a company is deciding to invest in.

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