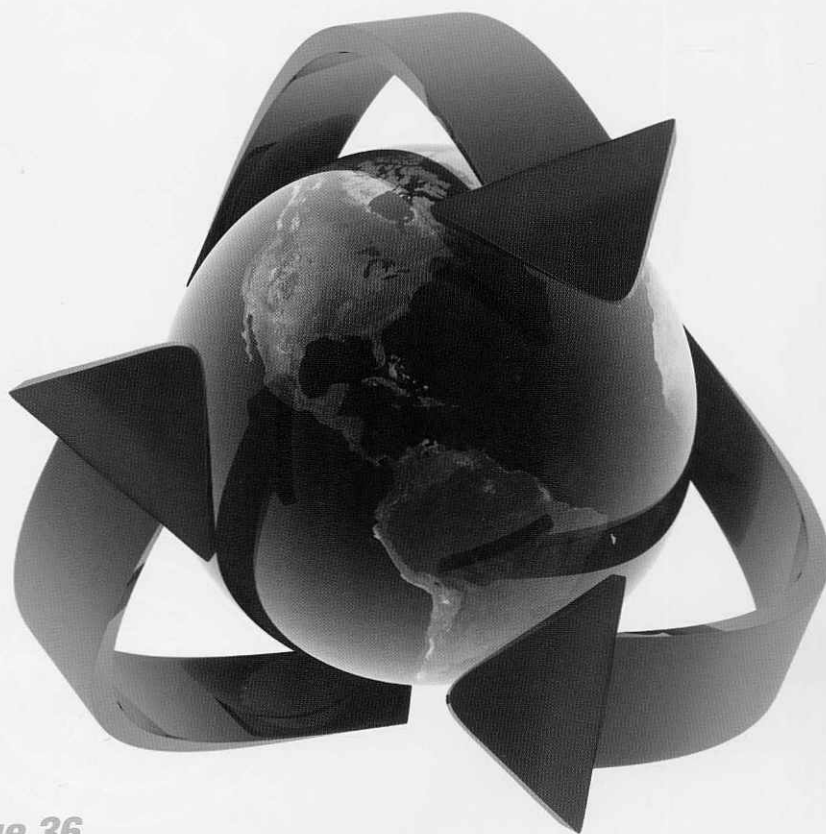


professional report

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Expanding Your Company Internationally—What Do You Need to Consider?

Daily, the real estate business is becoming increasingly international. Multi-national companies are looking for office and industrial space around the world and they expect that any building or property they acquire will meet their predetermined requirements and standards. But, cross-border relocations face many difficulties related to build-to-suit property.

Making the Decision to Go International

When a company has decided to increase their scope by going international, their first item of business must be to engage a trusted, local commercial real estate representative to act as an advisor in the planned expansion. The reason is simple. The company must have a local expert with the ability to help the firm choose an expert in the country into which it would like to expand. This

preliminary activity is fundamental in ensuring that the company will not only save time and money, but will achieve its desired goals. Once there are the two experts involved—one local and one international—the client can focus on his or her needs, budget, and space requirements. Without a preliminary investigation of obstacles, and with a lack of clear ideas on how to proceed, the prospective relocation will be difficult at best. When considering cross-border operations, it is best not to make any assumptions.

Clients know that choosing the right broker and real estate advisor will ensure that his or her best interests will be considered and that these professionals will be equipped to minimize the downside effects of local building issues. SIOR international members form an outstanding network of experts who are able to counsel fellow brokers—from the United States and Canada—and their

clients to ensure that their international build-to-suit experience and entrance into the international market go as smooth as possible, steering them away from some common errors.

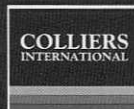
Issues to Consider

There are three major issues to be aware of when planning a build-to-suit in another country.



23 Years of Experience in Industrial Brokerage Serving Dallas / Ft. Worth

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These include:

- the local market,
- local laws and regulations, and
- local build customs.

None of those elements may be completely mitigated when an international relocation is the goal, and each element has the potential ability to undermine an international relocation.

One cannot fail to consider the diverse type of construction and building permits that exist in different countries. A local real estate professional is cognizant of and can counsel the client on what to expect in this area. Local experts can research their market and guide new entrants on budgets and doable timeframes for projects. If the client decides to renovate existing space, the local expert can advise on materials and local standards.

The project management team should be involved during the negotiation of the agreement to lease or buy the new property. At this time, it will be necessary to have a clear idea about how to renovate and divide the space.

The Italian Market

Focusing on the Italian market from a prospective of the foreign investor, it should be underlined that the Italian laws regarding the lease agreement require that all work on the property must be approved in advance. In addition, leases do not have strict provisions

The international SIOR network is an important tool in putting together the right team. . .

that require landlord responsibility in regard to the sound condition of office space. Once work is completed by the landlord, all objections or concerns regarding the condition of the property must be addressed prior to delivery of the property. A preliminary survey of the condition of the property before taking possession is most advisable.

SIOR Affiliation

The international SIOR network is an important tool in putting together the right team to be able to deliver an on-time and as-specified project. An international network consisting of local experts is increasingly important for global companies. The ability to serve a client locally as well as internationally is a strong value-added service for clients.

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