

Strategic capital allocation and portfolio planning

Redefine your portfolio and reduce costs by 10-30%



Shape the future with confidence

Traditional portfolio analysis only provide snapshots of the past and rarely consider the portfolio's current, intangible, and long-term value drivers. EY's approach allows leaders to evaluate their portfolio holistically, in real time stress test strategic options, and execute effectively on the strategy. Specifically, it:

- Designs and implements real estate solutions that are strategic, informed, and objective
- Accommodates business needs, environment, image, work style, and adjacency requirements
- Unlocks savings and/or better informed capital allocation

As business evolve and operations change, real estate portfolios have the tendency to grow to accommodate core business needs. The result can be an oversized and costly portfolio including non-core and redundant assets, one that is misaligned to either business strategy or market conditions.

Like any core business asset or function, a clear, industry-specific and evidence-based review of your portfolio can help you make decisions of where to differentially invest and engage in effective expenditure management.

As you continue to execute on your business goals, how your real estate portfolio is managed to meet your capital needs and is tailored to sustain under market pressure.

Real estate portfolio trends



1. Increased focus on risk management and controls
2. Multi-disciplinary 'business' approach
3. Shift from passive to active management
4. Looking within for incremental revenue sources and diversification
5. Leveraging partnership opportunities

Real estate portfolio management best practices



1. Fit for purpose, clearly articulated process and governance
2. Strategic vision, standardized tactical delivery, local execution
3. Stakeholder engagement through the asset life cycle
4. Transparent, high integrity and easily accessible data

Both public and private sector organizations face similar challenges with their real estate portfolios

Common challenges our clients face

- Legacy portfolio configuration
- Business (mis)alignment
- High cost structure
- Ageing and expensive portfolios / assets
- Vacant and underutilized space
- Incompatible location for labour market
- Obsolete facilities
- Low productivity
- Expiring leases
- Incomplete property level details, lease terms, and spend data
- Arising ESG priorities

Benefits that our solutions provide

- Optimize the use of the real estate facilities while benefiting from cost savings
- Align real estate with business objectives
- Balance the right space for the risk and cost
- Reduce vacancy, increase portfolio flexibility
- Enhance performance metrics
- Manage lease administration and renewals proactively
- Leverage technology that provides insight into portfolio performance, market conditions, approaching critical dates, etc.
- Release locked capital
- Inform capital allocation strategy

Key drivers to our success

Alignment of strategies

- Confirm that the real estate opportunities align to the greater enterprise and real estate strategies

Continuous proof of rationalization objectives

- Create financial models and business case analysis to confirm that the program will drive greater efficiencies and efficacies

Executive buy-in

- Provide clarity on the process, KPIs and roles to drive accountability
- Ensure that program has top-down support and is properly documented and communicated

Stakeholder alignment

- Routinely check in with the businesses to ensure understanding of end-goals, KPIs and share successes along the way

Contacts



Zach Pendley
Partner,
Transaction Real Estate Leader
zach.pendley@ca.ey.com
+1 416 943 5465



Julia Stefanishina
Partner,
Transaction Real Estate
julia.stefanishina@ca.ey.com
+1 416 932 4412

Our service is supported by a breadth of competencies in the firm including:







- 1 Tax
- 2 Economic modelling
- 3 Climate Change & Sustainability Services
- 4 Infrastructure Advisory
- 5 People Advisory Services
- 6 Sector specific specialists
- 7 Additional EY competencies

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Case Studies

As one of Canada's leading real estate professional services teams, we focus on maximizing value for our clients. Here are a few examples of how we've helped our clients manage their portfolio planning with ease and excellence:

	Public sector		Private sector	
<div></div> <div>Approach</div>	<div></div> <div>Commercial portfolio – national portfolio plan</div> <div><ul style="list-style-type: none">Owned inventory assessmentLeased inventory assessmentPortfolio tiering / segmentationCurrent and future state demand requirementsCapital and operating cost planning</div>	<div></div> <div>Real estate optimization project – power and utility</div> <div><ul style="list-style-type: none">Portfolio vision and guiding principles developmentSupply assessmentPortfolio tieringInvestment analysisMarket analysisRevenue opportunity identification</div>	<div></div> <div>Real estate strategy – financial institution</div> <div><ul style="list-style-type: none">Corporate real estate operating model diagnosticHead office strategyRetail distribution strategyExpenditure management advisory servicesLocational assessments</div>	<div></div> <div>Real estate investment entity – business transformation</div> <div><ul style="list-style-type: none">Operating model analysisPortfolio management toolkit developmentPortfolio management process definitionGoals and objectives supportWorking group facilitation and leadershipPortfolio management competency development</div>
	<div></div> <div>Results</div>	<div><ul style="list-style-type: none">Led the development of a National Portfolio Plan for an organization that owned, managed, and leased over 30 million sq. feet with a portfolio value of over \$7 billionDelivered solutions for supply and demand management across several asset categories, including office, special purpose space, and housing</div>	<div><ul style="list-style-type: none">Led the development of a real estate portfolio optimization plan across 160 individual sitesPresented means to unlock existing asset value</div>	<div><ul style="list-style-type: none">Led the development of a real estate portfolio strategy for over 100 sitesPresented means to align real estate to corporate objectives, business strategy and brand</div>