

Carrie S. Holstead Real Estate Consultants, Inc. | Pittsburgh

News from Pittsburgh, PA

Carrie Holstead negotiates leases for Columbia Gas, Glen Meakem, and Veolia

Carrie Holstead of Carrie S. Holstead Real Estate Consultants, Inc. / ITRA Global, recently negotiated an expansion lease for Columbia Gas of Pennsylvania, as well as the Pennsylvania headquarters lease for Glen Meakem's new company, and a relocation lease for Veolia Water Solutions & Technologies in New Jersey.



Carrie S. Holstead
President & CEO

All had enlisted her tenant representation firm previously, bringing the value of transactions Carrie has negotiated for them to some \$20 million.

Columbia Gas of Pennsylvania, a NiSource company whose aspiration it is to be America's premier regulated energy company, expanded its office space at Southpointe, one of the most sought after business parks in suburban Pittsburgh by oil and gas firms, large corporations, and high technology companies.

Glen Meakem's new company, Forever.com, leased space at One PPG Place, a widely recognized and prominent skyscraper in downtown Pittsburgh. Glen Meakem is the former Chairman and CEO of FreeMarkets, Inc. which he founded in 1995, took public in 1999, and sold to Ariba in 2004 for nearly \$500 million. At its height, FreeMarkets employed over 800 people in downtown Pittsburgh, and occupied over 200,000 square feet of office space.

Veolia Water Solutions and Technologies is a subsidiary of Veolia, a 100 year old company which is a world leader in environmental services. After they purchased a company, Carrie was enlisted to assess options in multiple states and negotiate the most attractive office lease at a prestigious building. The firm will soon relocate to the top of the Cooper River Office Plaza in New Jersey.

For more information, or tips on how to reduce your real estate costs, contact Carrie Holstead at +1 412-833-1030.

ITRA Global London Symposium 'Doing Business in the Americas'

The Winning Strategies

By Carrie S. Holstead, 2012 Chairman of the Board, ITRA Global;
President & CEO, ITRA Global/Carrie S. Holstead Real Estate Consultants, Inc.
Pittsburgh, Pennsylvania USA

Our recent international conference in London brought together top corporate professionals with global operations and economic development executives from government agencies throughout the Americas.

Two expert panels provided lively and insightful discussions which created a roadmap for any company seeking to expand or relocate in the Americas. Below we highlight the top winning strategies:

Strategy #1: Site Selection Criteria That Matter Most

The annual "Top 10 Pro-Business States" study is a valued resource to those choosing a site in the U.S. Every company uses it differently based on their own unique selection criteria and specific needs of their company. Common factors in the first phase of the site selection process often include a skilled labor force, proximity to suppliers and customers, infrastructure to support the business, taxes, quality of life, and cost of living.

The economic development panelists attending our conference indicated that foreign companies tend to gravitate to where other companies from the same country are located. Also some companies may have an aversion to unionization and therefore filter out non-right-to-work states, oftentimes not realizing that a right-to-work state does not prevent a company from starting a union. As such, companies are cautioned that too much is riding on a

location decision to make it based solely on a single factor.

As the expression goes, "Incentives make a good site better, but they don't make a bad site good." It is with this in mind that a good site selection process identifies the top two or three sites before starting discussions about government incentives. Interestingly, companies including incentives as a discussion point at the beginning of the site selection process are commonly

red-flagged as having little commitment to relocating, may be viewed as using the process only as leverage with their current location, and are thus not regarded as seriously as companies that do not focus first and foremost on incentives.

Strategy #2: Take Advantage of the Rebounding U.S. Market in 2013

While the U.S. has the largest economy in the world, it has, like many countries, dealt with economic challenges over the past few years. More recently, it has gone through a reemergence, and our panelists talked about how the U.S. is now being perceived as the new safe haven for European investment. One panelist

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What the Class ‘New Boy’ Learned at the ITRA Global Symposium

By Christian Major, Partner
K&L Gates LLP | London, England

I am in the happy position to have had only one job interview in my 15-year career but to have worked for two radically different law firms. Let me explain. In 1997, I turned up as a green trainee lawyer at the City of London corporate firm, Nicholson Graham & Jones (NGJ).

NGJ had been a successful and well-regarded practice since Victorian times with a highly respectable base of what were known, when I arrived, as “property” clients: those were the days not long after “conveyancing” in the U.K. had grown up into “property law” and not long before, by a rather mysterious process, “property” transmogrified into “real estate.”

I learned my craft: buying, selling, letting, financing, developing, and managing real estate in England and, less often, Wales (Scotland and Ireland of course have their own legal systems and no need for my services). In the economic boom years of the new millennium, medium-sized London firms found themselves under fire: on one side from rapid consolidation and growth of the magic and silver circle firms; and on the other from sprawling provincial firms with their significantly lower cost bases.

The answer, for us, was a bold and imaginative leap: to combine in 2005 with the U.S. firm of Kirkpatrick & Lockhart and to form an international law firm. To say we’ve never looked back would be a serious understatement! I find myself as a partner in one of the largest global law firms, K&L Gates, with over 2,000 lawyers operating on five continents in 46 offices.

The real excitement in this, for me, has been the opportunity to expand my horizons internationally, to see real estate not as a parochial issue, but as a key component of the global business world in which we all now live, and to work with my colleagues to maximise, for our clients, the great knowledge, connections, and resources contained across our global platform.

One of the early transactions, by way of example, upon which I was able to take a lead in London was the establishment

of the European headquarters of a major U.S. charity in London. Originating from my firm’s Seattle office, this job was a fantastic and busy time, building bonds with my colleagues and the clients in Seattle, learning about the clients’ operation, and

presentations from an impressive array of panellists. The morning session was the “Corporate Executive Panel,” with senior people from Mars, Mozilla, Skanska, and Whirlpool giving us their perspectives on the issues facing corporates in the efficient development and management of their real estate.

I was interested to learn of the significance in the U.S. of government incentives in the process of deciding where to locate a new business; and it was good to



The ITRA Global “Doing Business in the Americas” Corporate Guest Panelists (left to right): Dr. Ronald R. Pollina, President and CEO, ITRA Global / Chicago, and Author of “Top Ten Pro-Business States;” Mr. Lee Utke, Senior Director, Global Corporate Real Estate, Whirlpool; Mr. Mats Johansson, President, Skanska Commercial Development USA; Mr. James Cook, Chief Financial Officer, Mozilla Corporation; Mr. Mark Broadhurst, Director, Public Affairs and Government Relations, Mars, Incorporated; Debra Stracke Anderson, President and CEO, Panel Moderator, ITRA Global / Washington, D.C.

know that sustainability and green issues are on the corporate radar as much as they are in the UK. Dr. Pollina’s presentation on his organisation’s research and yearly poll of the top 10 pro-business states was a real eye opener: I had no idea of the rapid growth

of western states such as Utah, Wyoming, the Dakotas, Nebraska, and Kansas, or of the extent of California’s malaise. There are obviously many factors at play: the

learning how to explain some of the more obscure corners of English real estate law to overseas clients.

Another exciting strand in this international perspective to my work has been the creation by a number of real estate partners across our offices of our Corporate Real Estate Task Force. Its mission is to grow our practice in acting for corporate occupiers preferably, but not exclusively, for those that operate globally in those jurisdictions where we also have a presence. The chair of the Task Force is Pierce Richardson.

I was delighted therefore when Pierce contacted me to say that he is an active supporter of and occasional speaker for ITRA and that I would be most welcome to attend your seminar in London on the 12th September. When he said that ITRA is a great bunch of people and that he was sure I would have a fun time, I confess that the thought crossed my mind that he might have oversold it to me a little—but he was being completely sincere and he was completely right.

On to the business of the day, we sat down to listen to a fascinating series of

extent to which unions are powerful from state-to-state seemed to be especially significant in the poll, in terms of foreign investment location choices.

After a very jolly lunch, we reconvened for the afternoon session, being the “Economic Development Panel,” and here executives from government agencies across both North and South America spoke very well on the challenges and opportunities which their regions face and meet. From the USA, Missouri, Pennsylvania, and Utah were represented; from Latin America, Brazil, Colombia, and Mexico; and from Canada, Ontario.

As head of our “London Brazilian Business Development Group,” I was particularly interested to learn about the similarities and differences in Brazil, Colombia, and Mexico in terms of the importance of political stability, rationalising out-dated legal systems, and rising to the challenge of operating globally.

I left the day feeling that it had been extremely worthwhile, both in terms of the new friends I had met and in terms of what I had learned. I look forward to attending future ITRA Global events.

Select ITRA Global Transactions

- **ITRA Global / Selinger Enterprises, Inc.** represented RRT Design & Construction Services on an 8,100 square foot office lease in Long Island, New York.
- **ITRA Global / MacLaurin Williams** represented Pearl Izumi USA, Inc. on its purchase of an 8.02 acre site in Louisville, Colorado, on which the company is now constructing a 56,400 square foot office building.
- **ITRA Global / Cherry & Associates, LLC** represented Country Music Television, Inc. in the renewal of their office lease for 86,000 square feet in Nashville, Tennessee.
- **ITRA Global / The Melby Group Corporate Real Estate** represented Steak 'n Shake franchisee in the purchase of a two-acre outparcel in Asheville, North Carolina.
- **ITRA Global London / Martin Levy Commercial** represented London Taxi Drivers Association on an 18,775 square foot office lease in Westbourne Park, London, W9.
- **ITRA Global / Sloan Street Advisors, Inc.** represented Publishers Circulation Fulfillment, Inc. on a 12,288 square foot lease in Tysons Corner, Virginia.
- **ITRA Global / Carrie S. Holstead Real Estate Consultants, Inc.** represented Columbia Gas of Pennsylvania on its headquarters lease of 34,900 square feet in Pittsburgh, Pennsylvania.
- **ITRA Global / Customized Real Estate Services, Inc.** represented Neighborhood Centers, Inc. on a 15,000 square foot retail lease in Houston, Texas.
- **ITRA Global / Compass Commercial, LLC** and **ITRA Global / Vicus Partners, LLC** represented Leukemia & Lymphoma Society on a 22,000 square foot office lease in New York City, New York.

Office, Industrial and Retail Facilities

- Regional, National, International Headquarters
- Research & Development
- Life Sciences
- Warehouse / Distribution
- Manufacturing

Real Estate Market Analysis

- Acquisitions
- Dispositions
- Lease Renewals

Negotiations

- Proposals
- Leases
- Dispositions
- Acquisition Contracts
- State & Local Incentives
- Sale / Leasebacks
- Work Letters
- Operating Expense & Tax Audits
- Architectural / Engineering Contracts
- Developer Agreements

State & Local Incentive Negotiations

- Statutory and Negotiated Incentives
- Cash Grants
- Infrastructure
- Tax Credits and Abatements
- Workforce Grants and Training
- Subsidized Land and Building Costs

Lease Management

- Lease Abstracting
- Financial Reports
- Tax & Operating Expenses

Strategic Planning

- Model Development
- Acquisition/Consolidation Analysis
- Policies & Procedures Manuals
- Space Planning

Location Analysis

- Labor Market Analysis
- Transportation Costs
- Utility Costs & Availability
- Quality of Life
- Taxation
- Market Accessibility

Financial Analysis

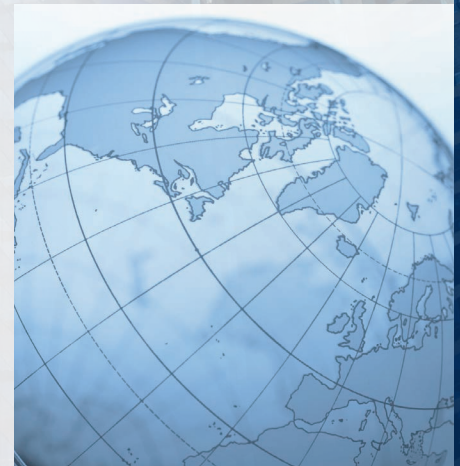
- Buy vs. Lease
- Build-to-Suit
- Equity Participation
- Sale / Leasebacks

Surplus Property Analysis

- Marketability
- Highest & Best Use
- Disposition Strategies

Project Management

- Needs Assessment
- Project Budget Management
- Selection and Oversight of Design Team Contractors and Vendors
- Move Coordination



North America

Fourth Quarter 2012

	CITY	Total Square Feet	Vacancy	Available Space	Average Rent
1	Asheville	10.8M	8.4%	0.9M	\$17.09
2	Atlanta	299.1M	15.9%	47.5M	\$18.77
3	Austin	82.1 M	10.1%	8.3 M	\$25.72
4	Baltimore	134.2M	11.9%	15.9M	\$21.45
5	Boston	70.9M	9.4%	6.7M	\$33.77
6	Charlotte	98.6M	12.1%	12.0M	\$19.39
7	Chicago	460.3M	14.2%	65.3M	\$23.04
8	Colorado Springs	28.0 M	13.1%	3.7M	\$17.23
9	Dallas/Ft. Worth	340.0M	15.5%	52.7M	\$19.70
10	Denver/Boulder	185.4M	12.0%	22.3M	\$20.61
11	Detroit	192.2M	18.1%	34.8M	\$17.82
12	Fairfield County, CT	54.2M	14.2%	11.9M	\$32.11
13	Ft. Lauderdale	46.9M	15.0%	6.8M	\$24.70
14	Grand Rapids	76.3M	11.6%	8.9M	\$12.44
15	Houston	269.1M	11.5%	30.9M	\$24.24
16	Indianapolis	97.7M	9.3%	9.1M	\$16.27
17	Las Vegas	60.6M	18.3%	11.1M	\$19.48
18	Long Island	162.8M	8.0%	13.0M	\$26.42
19	Los Angeles	423.6M	12.4%	52.4M	\$28.26
20	Miami - Dade County	100.3M	13.2%	13.3M	\$28.70
21	Minneapolis	183.7M	9.3%	17.0M	\$17.53
22	Nashville	31.7M	9.6%	4.57M	\$18.89
23	Northern New Jersey	339.5M	15.6%	52.9M	\$22.83
24	New York City - Downtown	120.0M	8.5%	10.2M	\$38.28
25	New York City - Midtown	382.0M	11.0%	42.5M	\$53.65
26	Norfolk	165.7M	14.0%	5.5M	\$17.23
27	Orange County (CA)	148.7M	13.0%	19.3M	\$22.26
28	Orlando	100.8M	12.5%	12.9M	\$18.05
29	Philadelphia	94.9M	11.0%	10.9M	\$25.43
30	Phoenix	137.3M	20.5%	30.5M	\$20.39
31	Pittsburgh	121.4M	7.9%	9.5M	\$18.76
32	Portland	94.0M	10.3%	9.7M	\$19.82
33	Richmond	60.8M	11.3%	6.9M	\$16.66
34	Salt Lake City	85.3M	6.9%	5.9M	\$18.27
35	San Diego	112.7M	12.8%	14.4M	\$25.52
36	San Francisco	93.3M	13.0%	12.4M	\$41.63
37	Seattle/Puget Sound	182.1M	10.4%	18.9M	\$26.08
38	Silicon Valley	90.7M	14.0%	12.4M	\$30.36
39	Spokane	21.3M	9.7%	2.1M	\$15.41
40	St. Louis	132.3M	12.3%	16.3M	\$17.65
41	Tampa	143.6M	13.6%	19.7M	\$18.09
42	Toronto	170.0M	5.6%	15.7M	\$19.52
43	Tucson	23.8M	12.2%	2.9M	\$18.57
44	Washington, D.C. Metro	461.8M	13.5%	62.6M	\$49.33 CBD \$34.37 Metro
45	Westchester County, NY	165.5M	13.4%	22.2M	\$27.55
46	West Palm Beach	42.7M	18.0%	7.6M	\$25.95

London

Fourth Quarter 2012

	DISTRICTS	Take Up*	Vacancy	Prime Yield	Prime Rent*
47	London City	1.20M	5.7%	5.00%	£55.00
48	London Docklands	0.40M	6.7%	5.86%	£38.50
49	London West End	0.62M	2.6%	4.00%	£95.00
50	London Midtown	0.24M	2.9%	5.45%	£52.50

Definitions for London

*"Take Up" – Space absorbed in the previous quarter / "Grade A Vacancy" – Available Space / "GBP" – British Pounds / per sq ft.

Paris

Fourth Quarter 2012

	DISTRICTS	Take Up**	Vacancy	Prime Yield	Prime Rent**
51	Paris Central Business District (CBD)	0.115M	5.0%	4.50% - 5.15%	€725
52	Paris Central Districts excluding CBD	0.012M	6.1%	5.00% - 5.50%	€457
53	La Défense	0.102M	6.3%	5.50% - 6.50%	€581
54	Western Suburbs	0.105M	12.8%	5.50% - 6.75%	€485

Definitions for Paris

**"Take Up" – Space absorbed in the previous quarter in m² / "Grade A Vacancy" – Available Space / Euros / m²

ITRA Global Adds to its Group of Affiliates

Two new companies have been selected as affiliates of ITRA Global, an organization comprised of leading real estate professionals devoted to representing corporate tenants and occupiers of commercial real estate worldwide. The new affiliates are:

- **ITRA Global / Koll (Thailand) Ltd.**, headquartered in Bangkok, Thailand, was established in 1987 as a real estate company operating exclusively in the Thai commercial, residential sales, and letting sectors. The company soon became involved with project and construction management, most notably at Nichada Park, with multinational clients such as Citibank.

In 1997, Koll formed a joint venture with Amata, one of the biggest third-party real estate companies in America and became Koll Amata. Consequently, by adapting international best practices for the management of industrial, commercial, and residential property, Koll was in a position to offer a comprehensive range of real estate services to local and international clients. The company subsequently became involved in property management, winning prestigious contracts with

Polo Park and Chidlom Place. The name Amata was dropped and replaced by Thailand in order to reinforce the company's national identity.

Koll established an important strategic partnership in 2003 with Alpha Management Services, located in Ho Chi Minh City, Vietnam. Alpha has a similar range of services but specializes in tenant representation, relocating corporate clients with a unique savings based fee structure. Alpha clients include Nike, Colgate, Ericsson, and Diageo.

Koll is now able to provide outsourced real estate solutions throughout Southeast Asia and has developed expertise in providing corporate office solutions using the firm's tenant representation service, which involves a complex matrix that identifies and prioritizes specific office space requirements. Koll can then provide a comprehensive comparative analysis to identify the most suitable building. Clients include Colgate, DHL, Diageo, Ericsson, Lufthansa, Nike, Tetra Pak, and most recently DST International. Visit Koll (Thailand) Ltd. at www.koll.co.th or contact Simon Millard, Principal at +662.260.4772

or smillard@itraglobal.com.

- **ITRA Global / Michigan Commercial Space Advisors (MCSA)** was founded by commercial real estate veteran Chris Atwater, CCIM, MAI in 2008. The firm provides transactional representation and consulting services for investors and corporate users of commercial properties primarily in western Michigan but has completed assignments on a regional and national basis.

An established figure in Grand Rapids real estate circles, Atwater has nearly 30 years of experience in a variety of commercial real estate fields. Prior to establishing Michigan Commercial Space Advisors with former partners Dave and Rick Cassard, he was President of Waters Corporation, a Grand Rapids-based owner of commercial properties including the historic Waters Building and the Waters Circle office complex. Atwater also served as Asset Manager for OXFORD Partners, a local investment and asset management firm. Visit Michigan Commercial Space Advisors at www.michigancommercialspacespaceadvisors.com or contact Chris Atwater at +616.233.8019 or catwater@itraglobal.com.

The Winning Strategies *Continued from page 1*

referred to a recent meeting between the Council of American States in Europe and the U.S. Embassy that discussed the reawakening of the U.S. market in 2012.

To demonstrate the point in the meeting, a respected Embassy member actually pointed to an *Economist* Magazine cover with a picture of Uncle Sam on the front and a caption below that read "The Comeback Kid." As further evidence of the reemergence, the panel reported that companies which had previously put U.S. projects on hold to focus their expansion efforts in the emerging markets of Asia, India, and China are now proceeding with U.S. projects, as are a larger number of other European companies with new expansion projects planned for the U.S.

Strategy #3: What's Hot in Latin America

Our panelists shared insights on countries throughout Latin America, including Brazil, which has reported the sixth largest economy in the world with the highest GDP per capita and the largest population below 30 years of age. Additionally, a recent study by McKinsey projects that Sao Paulo, Brazil's con-

sumer sales will increase more than any other city in the world between 2010 and 2020.

By comparison, Colombia, which has the fourth largest economy in Latin America, was considered a failed state in 2000. It is now reportedly the land of business opportunity as evidenced by its GDP growing five-fold in the last 20 years and becoming number two in foreign direct investment, as well as producing nearly one million barrels of oil a day. Colombia has also entered into free trade agreements with the U.S. and more recently with the EU. Moreover, Mexico reports the largest network of free trade agreements in the world. Half of their 100 million people have a good income while effectively working to close the income gap between rich and poor.

Strategy #4: A Game Plan for Canada

Canada is consistently ranked among the top four countries worldwide as a superior business location for companies. It also has healthcare costs that are about half that of the U.S., and 61 percent of its population has completed post-secondary education, far exceed-

ing that of most developed countries and nearly double that of France and Germany. Its two largest cities, Toronto and Ontario, rank in the top 15 for quality of life in North America. Ontario, which represents 39 percent of Canada's population, has a GDP larger than most European countries and is forecasted by *The Economist* to grow between two and two and one half percent for the next three years. Equally impressive, Ontario reduced its corporate tax rate seven percent over the last two years.

Strategy #5: The Key Ingredient for Success

Our corporate and economic development panelists concurred on the single most important piece of advice they had for companies seeking a new location. In economic development terms, "We see a noticeable difference between companies that go through the site selection process themselves and ones that enlist an advisor to go through the process." In corporate terms, "Connect with the best local talent you can find because there is no way you can parachute in and go through the site selection process alone."

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Corporate Real Estate Strategies

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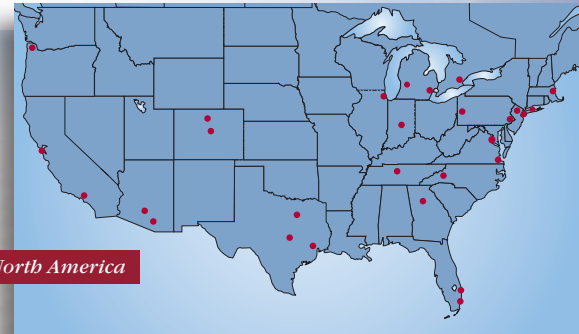
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AUSTRALIA

- Brisbane
- Melbourne
- Sydney



North America



Europe



Latin America



Australia

Asia