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Investigation into Corporate Real Estate Management (CREM) practices within South African non-real estate organisations

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Abstract:

The purpose of this research report was to introduce evidence on executive attitudes towards Corporate Real Estate Management (CREM) practices and value adds in South African non-real estate companies. This research report sought evidence on how South African non-real estate companies manage their Corporate Real Estate assets in line with their quest to achieve their organisations' overall corporate strategies.

Online questionnaires and surveys with both CRE experts and other CRE executives have been conducted to get the most representative view in terms of current practices related to Corporate Real Estate Management.

Several organisations that are part of the survey have property portfolio of over buildings either owned or leased by them. However, it appears respondent organisations do not seem to put adequate emphasis of employing people with requisite real estate academic qualifications to manage their real estate portfolio. Even though over 70% of organisations indicated that they have a formally organised real estate unit or person responsible for managing real estate portfolio, the functions of these units do not match the standard functions identified in the literature i.e. Facilities Management, Property Management, Acquisitions & Disposals as well as Development. For 70% of organisations the CRE accounting officer is sitting at the level of Chief Financial Officer as well as National Manager.

This research paper provides in-depth and evidence-based assessment of how senior executives monitor CREM practices and how they treat CRE within their non-real estate organisations in South Africa. The report also brings to light the executive attitude and understanding of variables that determines the value adds of CREM to their organisations' overall corporate strategy.

Executives should review whether their attitudes towards the management of CRE assets contribute in maximising the value these assets towards achieving the overall corporation's strategic objectives.