

## Making Secure Tenant Location Decisions

The Gartner Group estimates that two out of five companies that experience a disaster go out of business within five years. Increasingly, real estate decision-makers are factoring disaster avoidance and recovery into a planning process that puts their firms on the right side of those odds. Often, securing the flexibility to change or adapt is the best strategy. At the same time, Equis sees that tangible priorities related to disaster planning are joining the more traditional criteria – proximity to labor pool and cost, for example – driving our clients' site selection decisions:

- Security issues are a significant factor in site selection decisions, particularly for firms with sensitive data or manufacturing functions.
- Naming rights on buildings have become less of a bargaining chip than they once were, largely due to security concerns
- Tenants want security – but the tradeoff of making a building difficult to access is sometimes not worth the cost. The May 17 issue of the *Wall Street Journal* noted that Sears Tower has gone through several iterations of security processes before finding a blend of safety and access that is now helping push its occupancy back up from a post 9/11 low.
- For new construction, consideration is now given to elevated sites with steep grade changes at property lines and /or the ability to construct berms that prevent driving a vehicle through the building
- Trophy buildings aren't the asset they once used to be: Tenants still want prestige and location, but buildings whose high profile or proximity to transportation hubs might make them targets are at a disadvantage in attracting some businesses.
- Planning for natural disasters – earthquakes, flooding, fires and storms – is influenced by location of corporate offices, employee homes, and clients. The challenge can be balancing remote and secure location with availability of labor to satisfy the business requirement
- Building owners are now marketing their telecommunications and electric power redundancy, as well as physical building security - - knowing that tenants are seeking these elements as business requirements are forcing their systems to remain "live" 24x7, 365 days a year, disasters notwithstanding.