



NEWS RELEASE

Contact:

Richard Kadzis
VP, Strategic Communications
+1.404.589.3240
rkadzis@corenetglobal.org

CoreNet Global Research: **Facilities Management and Corporate Real Estate Poised to Lead China's Business Management Transformation**

ATLANTA (December 12, 2012)-- Facility management (FM) and corporate real estate (CRE) professionals are in increasing demand in China as they will play a central role in the design and planning of the growth of the country's mostly state-owned, national corporations, according to new research published by CoreNet Global.

While China's embrace of capitalism has made it the world's second-largest economy, it is still catching up to the developed world's more mature markets in terms of modern office planning and design.

"The government's attention to its strategic emerging industries will result in a larger office worker demographic," thus continuing to fuel the dramatic growth of the Chinese middle class, CoreNet Global's professional journal, *LEADER* Magazine, reports in its January 2013 edition.

A new approach to FM is emerging in China; one in which strategic building management contributes to a more valuable organization. The role of the facilities manager and the plans in place will become more and more strategic in nature as FM influences all aspects of the workplace. These goals include sustainability, energy efficiency and increased worker productivity.

Facilities management is a burgeoning industry making inroads across the country," the report states.

One reason is that by the year 2050 China is expected to build as many as 50 new cities that don't exist today. CoreNet Global cites China's current Five Year Plan, which is based on inclusive growth and economic prosperity across a broader segment of the country's 1.3-billion people. This includes China's historically prosperous coastal cities, as well as its more economically challenged interior cities.

According to report author Melissa Securda, Director of Knowledge & Research at CoreNet Global, "A new approach to FM is emerging in China; one in which strategic building management contributes to a more valuable (corporate) organization. The role of facilities

managers ... will become more and more strategic in nature as FM influences all aspects of the (Chinese) workplace.”

China’s business evolution “is making larger strides” because CRE, a more strategic version of FM, is driven in large part by multinational corporations that are beginning to instill their best-in-class global management practices across China’s vast economic landscape. “Many companies rely on outsourced partners because of the lack of internal expertise,” the research shows.

FM is in a catch-up mode in most national and state-owned enterprises, adds Securda, who recently concluded the CoreNet Global study on the ground in China. “Many Chinese companies rely on outsourced partners because of the lack of internal expertise,” she reports. “Developing more mature, locally sourced FM leadership in China is essential” for the country’s business evolution to progress.

A panel of Chinese facilities managers told Securda that the lack of available, skilled FM talent is the most pressing issue they face. “There are not enough people in the industry,” said Allan Fan, Senior Facility Manager, Greater China, for Life Technologies. “But we are eager and want to catch up.” He emphasizes the linking of facilities management to company performance, adding that “proper FM management brings enormous value to the organization.” One indicator of this change is how “building operations are becoming more significant than the building’s initial construction,” the research states.

CoreNet Global’s findings also show that branding and marketing are two specific ways how facilities managers can help make their companies more globally competitive, because CRE is often an expression of the brand and product lines of the corporate enterprise. Reputation is another way, as China’s 80-million-square feet of LEED certified space help to show.

“Premier office space in growing cities will continue to be in high demand as companies expand and emphasize brand and image creation,” the research indicates.

A focus on health care, technology and energy will help sustain the country’s economic expansion, which could be tempered by a slowing growth in population over the long term.

While “controlled evolution has been a key ingredient to China’s transformation,” as Securda observes in *LEADER* Magazine, “access to advanced FM training and exposure to a more collaborative business environment, such as groups like CoreNet Global can deliver, will eventually decrease the impact of traditional cultural influences in the corporate organization.”

With more than 7,500 members internationally, CoreNet Global is the world’s leading professional association for corporate real estate and workplace executives, service providers, and economic developers.

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