



**RCLCO**  
REAL ESTATE CONSULTING

# Strategic Planning Services

[WWW.RCLCO.COM](http://WWW.RCLCO.COM)

# RCLCO

REAL ESTATE CONSULTING

**54 Years in Business | \$5B Real Estate Touched Annually | 80+ Employees**

In 1967, Bob Lesser, then an architect and developer, was asked to evaluate the potential uses for the center of the new town of Thousand Oaks, California. In carrying out this assignment, he found that the creativity and financial imagination required for the study were extremely stimulating—so much so that he started RCLCO.

Today, our team of experienced professionals still share that original enthusiasm and eagerness to solve challenging real estate questions while adding value to our clients’ real estate endeavors. We are proud to be the “first call” for real estate developers, investors, the public sector, and non-real estate organizations seeking strategic and tactical advice regarding property investment, planning, and development.

*RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over 50 years and thousands of projects – touching over \$5B of real estate activity each year – RCLCO brings success to all product types across the United States and around the world. RCLCO has offices in Austin, Denver, Los Angeles, New York, Orlando, and Washington, DC.*



## Research & Insights

*We Partner with Clients to Look Around the Corner*

Our clients turn to us, and we dedicate our own resources, to help them answer the most burning questions facing real estate investors. How is COVID-19 impacting real estate? What trends in housing demand are lasting and which are cyclical? How do we risk-adjust real estate returns in a low-yield environment? Browse our extensive resources and research online at [www.rclco.com/publications](http://www.rclco.com/publications).

### RCLCO is Organized into Three Overlapping & Reinforcing Service Areas



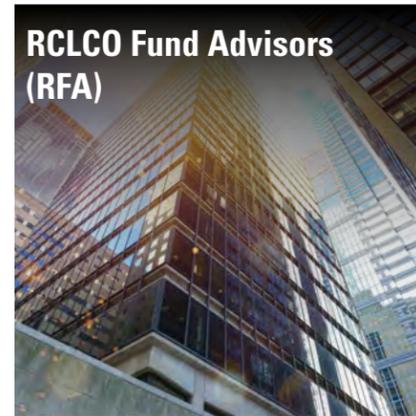
**RCLCO Management Consulting**

Collaborative and actionable strategy planning, and operational, portfolio, and capital consulting to real estate enterprises.



**RCLCO Real Estate Economics**

Economics and market research services backed by 50+ years analyzing trends and consulting to the best minds in real estate.



**RCLCO Fund Advisors (RFA)**

Customized advisory to institutional investors through RFA, an SEC Registered Investment Advisor, built on a legacy of thought leadership and analytical rigor.

### Contact Us Today!

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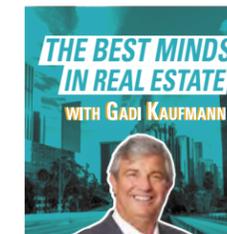
Issues of *The Advisory*—articles and interactive tools analyzing the latest real estate trends.



RCLCO leadership shares the latest insights into real estate market trends through our monthly webinars, RCLCO CEO Summits, and at industry events.



Our podcast series, *Conversations with the Best Minds in Real Estate* brings listeners insights into today’s most important real estate leaders.



Video interviews with industry CEOs on how they’re handling COVID-19 and leveraging new opportunities.



# Strategic Planning

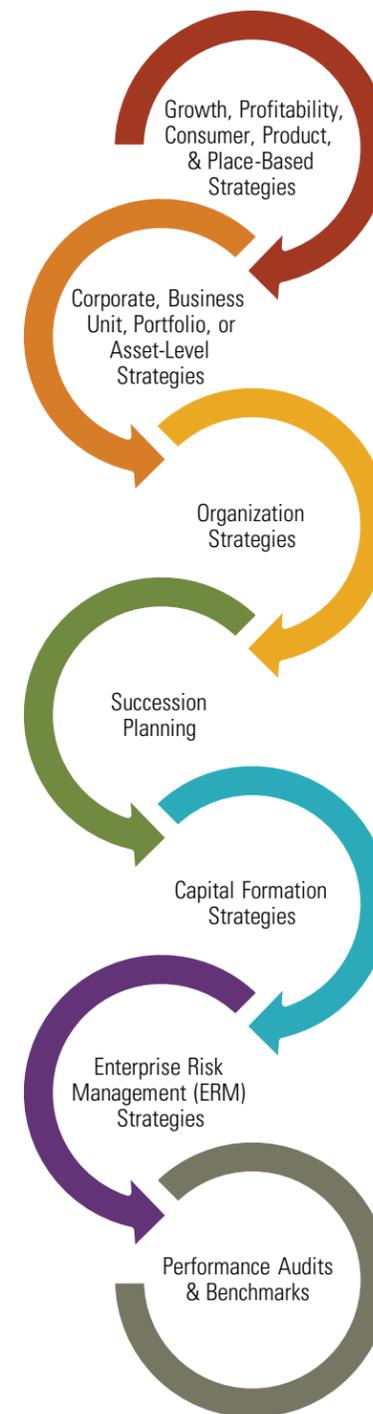
*Real estate organizations trust our 50+ years of market knowledge, extensive experience, and client-focused service.*

## What is it and Why is it Important?

Every company has a strategy. The question is whether the strategy is explicit—the result of careful planning, born out of a conscious consensus among the company’s top leadership—or implicit—an unconscious decision to keep on doing what the company has been doing and simply muddle through. Many real estate organizations follow the latter course.

Strategic planning is an intellectual-sounding name for a deceptively simple process: determining where a business is going and how it plans to get there. Revisiting and challenging the organization’s strategy every few years is a healthy exercise, one that is important when times are good, and critical as the cycle matures and begins to move towards the next peak. **The most successful companies regularly monitor economic and real estate market cycles, and revisit and adjust their strategies accordingly.**

## Strategic Planning Services



Companies with well-defined strategic plans and business strategy have the distinct advantage of clarity around a common vision and direction. For publicly traded companies, the market has spoken; those with a clear focus and a well-articulated strategy tend to garner a premium from analysts and shareholders. **For all real estate companies, a strategic plan and the planning process itself offer a competitive edge, enabling the company to focus its talents and energies and to measure achievements against internal and external benchmarks.**

Strategic planning should aim to define the company’s future direction: focusing on opportunities; considering internal and external realities; history; people; capital; the marketplace; and other important factors.

Even if top managers already have a fairly good idea of the direction in which the company should be headed, they can benefit from a strategic planning process that:

- » Challenges and tests hypotheses
- » Considers the universe of potentialities
- » Seeks input (and creates buy-in) from the key players in the organization who will be charged with implementing the overall strategy
- » Takes a fresh look at the company, its products or services, and the market to define a new vision for the firm or potentially chart a new course
- » Produces the all important consensus among the leaders of the organization



In collaboration with the Urban Land Institute, RCLCO leadership literally wrote the book on strategic planning for real estate companies. Originally published in 1993 by Chris Leinberger (of RCLCO at the time); Gadi Kaufmann, our current Chairman, and Charlie Hewlett, Managing Director, published revised editions in 2008 and 2012.



RCLCO knows how to help real estate companies assess their strengths and weaknesses, forge consensus on strategic decisions, and get everyone on the same road map and pulling in the same direction. It’s a very, very powerful process.”

-Robert Duncan, Chairman, Transwestern

## Why Companies Plan?

Every real estate concern should undertake some level of strategic planning, regardless of its size or situation. For many, some type of catalytic event makes planning an urgent issue, including, but not limited to:

**Changing Economic & Real Estate Environments:** A shift from one phase of the real estate cycle to the next—or the realization that one already has occurred—typically can trigger management to revisit and potentially alter the company’s strategy. Today, real estate companies should be thinking about preparing for the next peak and inevitable downturn, while the markets are still healthy.

**Changes in Ownership or Leadership:** Either an orderly or a traumatic shift in key leadership positions, whether in a family-owned and -operated business, or a public company planning the succession from one owner/leader to the next, can trigger the need for a shift.

**Mergers & Acquisitions:** These events often trigger the desire to question every aspect of a company’s strategy and to identify synergies, best practices, and efficiencies that often were the genesis of transactions in the first place.

**Tremendous Growth:** In the expansionary phase of the cycle, organizational structure and development have not kept pace with changes in the market or increases in activity. Such companies need to consider that the way they have conducted business in the past, indeed the very structure of the organization, may no longer make sense.

**Challenges to Growth:** On the other side of the coin, decreasing levels of activity, changes in the competitive environment, or impediments to growth can trigger the need to reinvigorate or reposition, expand, diversify, or possibly rationalize activities, markets, products, or services.

**Legacy Vision:** The desire to develop a well-thought-out strategic plan very often stems from the desire to create a long-term vision and lasting legacy, whereby the company can continue to perform in good times and bad and to prosper beyond the current ownership, leadership, or administration.

# Representative Clients

*Hundreds Turn to RCLCO Each Year for Objective, Independent Advice*



The Artery Group  
Associated Estates  
ATAPCO Properties  
Avalon Bay Communities  
Avatar Properties  
Balboa Land Investments  
Berkshire Property Advisors  
The Brick Companies  
Bonita Bay Properties  
The Bozzuto Group  
The Carlyle Group  
Clark Realty Capital  
Combined Properties  
Cohen Financial  
Continental Realty Corp.

Crescent Resources, LLC  
Crosland  
Dell Webb Corporation  
Dominion Resources  
East West Partners  
Etkin Equities  
Fairfield Residential  
Company  
Federal Capital Partners  
Forest City  
Haus Panama  
H.G. Fenton Company  
Hershey Trust  
Howard Hughes Co.  
IRET

John M Corcoran Companies  
Johnson Development  
Kettler  
Koger Equity, Inc.  
Mill Creek Residential Trust  
Mischer Investments  
National Apartment  
Association  
National Council of  
Real Estate Investment  
Fiduciaries (NCREIF)  
National Multi Housing  
Council (NMHC)  
Newland Communities  
Paradigm Properties

Penzance Company  
Regency Centers  
Revolution/Miraval Resorts  
Snell Companies  
Stanley Martin Company  
Stuart Properties  
Summit Properties  
Trammell Crow Residential  
Transwestern  
Teachers of Texas  
Tejon Ranch Company  
Urban Land Institute  
Washington Properties  
Watson Land Company



# Representative Work

*RCLCO has guided strategy for developers, cities, debtors, homebuilders, institutional investors, and land owners.*

## Mill Creek Residential Trust, LLC (MCRT)

*Client: Top five national multifamily development; NEWCO consisting of former Trammel Crow Residential executives and team.*

RCLCO conducted a full-blown discovery/situation analysis deep into the organization; directed independent research, analysis, and case studies; led a series of internal and external interviews; facilitated and participated in multiply strategy planning sessions; documented a strategy plan; and managed the implementation process.

- » The key objective of this planning effort was to engage the leadership of the organization in defining the company's future direction, focusing on long term goals and objectives, organization and governance structure, capital formation and structure, culture and brand, and competitive strategies that will ensure the firm's success, prosperity, and sustainability.
- » Two key areas of focus included:
  1. Brand - what are the company's brand tenets (the promise it is going to make its constituents and customers), the actions it will pursue to deliver on these promises, and how should the return on investment be defined and measured.
  2. Culture - what are the attitudes, experiences, beliefs, and core values that define Mill Creek, and how should the company define actions and behavior to achieve its strategic goals and objectives.

## Investors Real Estate Trust (NYSE: IRET)

*Client: Publicly traded REIT on the NYSE.*

In 2016, IRET made the decision to pivot from a multifaceted real estate company with a mix of rental apartments, senior housing, medical office and other commercial assets, to a single-purpose multifamily REIT focused on the upper Midwestern markets. However, in Q1 2017, it was evident that the transformation to a pure-play rental apartment REIT was progressing slowly, and the Board retained RCLCO to facilitate a long-range strategic plan intended to assess the company's plans, its capabilities, progress to date, and fine tune the go forward plan. Key questions that RCLCO's involvement was intended to address included:

- » Is there sufficient investor appetite for a publically traded multifamily REIT focused on the Midwest?
- » What geographic footprint and capital allocation model represents the best opportunity for growth and would enable the company to improve its performance in line with its peer group? Where should the company maintain a presence, and where should it expand over the next 10 years?
- » How will IRET evaluate dispositions through the transitory period?
- » What is the company's desired balance sheet to support the transition?
- » How must the organization change to accomplish these goals?

To address these and other important strategic issues, RCLCO conducted an extensive discovery analysis, including a strengths, weaknesses, opportunities, and threats (SWOT) assessment looking at internal company competencies and potential deficiencies, and external market opportunities and challenges facing the company. As a result of the strategic planning effort, IRET has set its sights on growing in a narrow set of high-growth non-coastal/Midwestern markets and has put in place a new executive leadership team that is focused on delivering outsized results for its investors.

## Teachers Retirement System of Texas (TRS)

*Client: External Private Markets (EPM) Division that handles TRS's investments in private equity, energy, and real assets, including real estate and other real asset classes. The Division had a net asset value of \$9.4 billion, of which 88% was allocated to real estate according to a range of investment strategies, including core, value-add, opportunistic, and REITs.*

RCLCO led the team through an exercise to evaluate core competencies and competitive advantages, the investment strategy, the organization structure, the human capital strategy, and the efficiency and risk management strategies that would guide the group's efforts for the 2012-2020 time horizon, while documenting the strategic plans. EPM team members were responsible for conducting the majority of the primary research. The process consisted of three main elements:

- » Critically reviewed the 2012 Division/Department Goals and the Investment Tactical Plan as they stood, confirming the validity/attainability of the goals for and during 2012, addressing concerns and potential obstacles.
- » Produced an implementation plan to guide the team's actions in the year to come.
- » Developed a management-driven long-term strategic plan for the Division that defines what the group will do to accomplish the CIO-driven objectives, and outlined what it takes to succeed and how the group plans to do so.



## Kettler, Inc.

*Client: Closely-held private real estate investment, development and property management company operating in the Mid-Atlantic.*

RCLCO was retained to conduct corporate strategic planning at the holding company level, and then proceeded to conduct strategy plans for the two main operating divisions of the company, including the multifamily development company and the residential property management company. As part of this exercise, RCLCO conducted the following key analytical steps:

- » Compensation Strategy – prepared background research and benchmarking of similar companies to determine the key elements of successful compensation plans, including base salary, a short-term incentive plan (STIP), and long-term incentive plan (LTIP).
- » Economic and Organizational Benchmarking – conducted extensive case study research to benchmark and analyze the company performance against its peer group to determine appropriate market-based: profitability (targets vs. actual); overhead and staffing levels; fees and chargebacks; deal structure(s) and terms; etc., for both the development and management companies.
- » Expansion Strategy – evaluated potential geographic expansion strategy targets for the company's divisions.

## National Apartment Association (NAA)

*Client: Multifamily Housing Industry Membership Organization.*

RCLCO was retained by NAA's Board to facilitate the organization's long-term strategic plan in light of recent professional leadership changes. RCLCO served as facilitator and resource to NAA's Strategy Planning Task Force as it formulated the organization's three-year strategic plan. We conducted extensive internal and external "discovery" listening tours and interviews with members, staff, and analogous federation trade/membership organizations. Key questions/issues included:

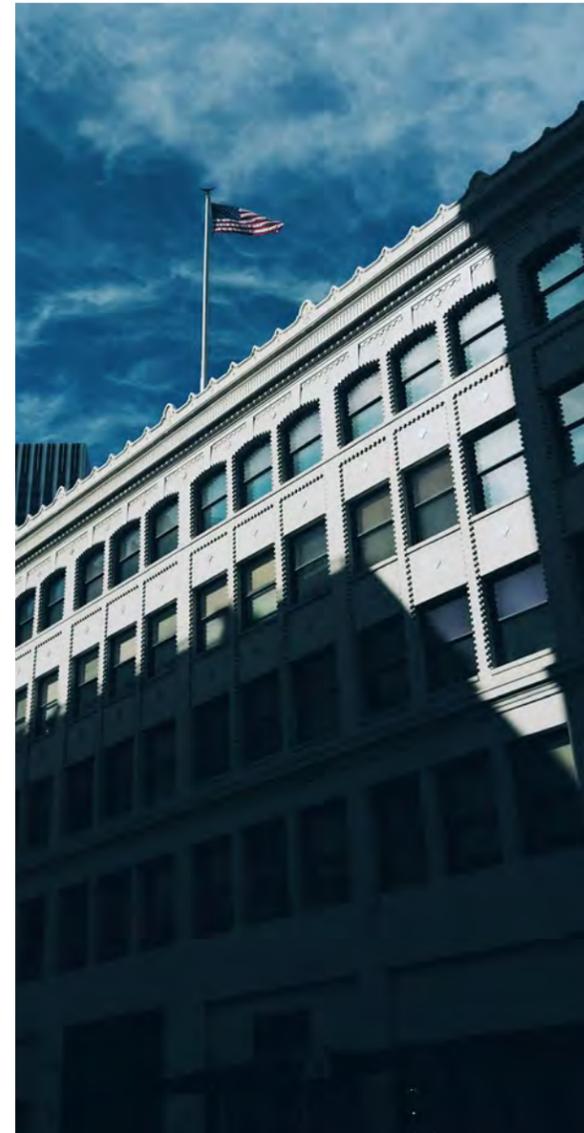
- » Is the organization's mission/vision still relevant in light of current and likely future market trends?
- » What is the competitive landscape that the organization will face in the future, and how will this impact what the organization does, for whom, and where?
- » What are some of the existential threats facing the organization over the next three years, and what can/should the organization be doing about them?
- » Should the organization expand its global footprint? What are the attendant risks and rewards of possible international expansion?
- » What products/services and program of work do its members and constituents value, and what should the organization prioritize to meet the needs of the apartment industry?
- » How should the organization's structure and governance be optimized to achieve its mission/vision, and strategic goals and objectives?

## Regency Centers (REG)

*Client: One of the leading publicly traded shopping center retail REITs. In 2017, Regency acquired Equity One, creating a company with a \$16 billion market capitalization.*

Regency Centers conducts an annual review of its strategic plan, including an enterprise risk management process, but the Board of Directors wanted to make sure that management was "looking around the corner" to identify long-term strategic issues worthy of exploration, through this strategic plan review process and incorporation into the firm's strategy and business planning. RCLCO served as facilitator and resource to the company's Executive Committee as it identified, addressed key strategy issues, and formulated the organization's long-range plan. Key objectives of the strategy planning process were to address the following questions:

- » Is the company strategy still relevant in light of current and likely future market trends?
- » Has anything in the internal company or external environment changed that would argue for a change?
- » What are some of the existential threats facing the company (e.g., Internet, competitors, market cycles, capital markets, etc.), and what can/should be done about them?
- » Is growing development the right strategy, and, if so, what is the most effective way to do so?
- » Does size matter, and if so, what is the optimal scale and what is the best way to achieve that optimal scale (e.g., M&A, organic growth, new segments, services, markets, etc.)?



“

RCLCO offers a process and mechanism for managing and introducing change in real estate organizations, and introduces new ways of strategic thinking about the real estate business.”

*-Todd Mansfield  
President/CEO  
Crescent Communities*



# Key Personnel

*Strategic Solutions You Can Count On With 10+ Managing Directors and 80+ Staff At Your Service*



**Ellen Klasson, Managing Director**

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Ellen Klasson is a Managing Director in RCLCO's Management Consulting practice, working out of the Washington, DC office. Ellen leads executive search engagements for leadership roles at development, investment, and land use companies across all asset classes. Ellen's consultative nature has enabled her to identify and attract talent for both traditional and nuanced roles, and her deep understanding of the business lends itself to a more analytical approach of a candidates' viability. Working for nearly twenty years in the real estate industry has allowed Ellen to forge long-lasting relationships with and earn the trust of both clients and candidates.



**Adam Ducker, Chief Executive Officer**

P: (240) 644-0980 | E: ADUCKER@RCLCO.COM

Adam Ducker is Chief Executive Officer of RCLCO and oversees the firm's Real Estate Economics and Management Consulting Practices. Adam joined RCLCO in the mid-1990s as an associate directly after graduate school and learned the trade with the firm. He is a recognized expert in strategic planning for real estate companies, investment analysis, market and financial analysis, and marketing of real estate assets. He has particular depth of expertise in high-density housing, retail/entertainment, and hotel development.



**Charlie Hewlett, Managing Director**

P: (240) 644-1006 | E: CHEWLETT@RCLCO.COM

Charlie Hewlett has over 30 years of experience in real estate and has consulted on a broad spectrum of commercial and residential properties in most major metropolitan regions. His areas of specialization include: corporate, portfolio, and asset-level strategic planning; metropolitan development trend analysis; economic, market, and financial feasibility analysis for single-, multiple-, and mixed-use residential and commercial real estate developments; fiscal impact modeling; product program positioning; market feasibility analysis; litigation consulting; and expert testimony and forensic real estate analysis.



**Eric Willett, Managing Director**

P: (310) 341-3155 | E: EWILLET@RCLCO.COM

Eric Willett is a Managing Director in RCLCO's management consulting practice. Eric works with a wide variety of market-leading firms throughout the real estate industry to craft and execute organizational strategy, portfolio transformation, and corporate growth initiatives. Eric brings extensive experience in strategic planning and organizational improvement to projects that interface with client teams at all points in the development lifecycle. His collaboration with executive teams has resulted in transformational strategies for real estate companies across all industry sectors and a range of global markets.



**Adam Ostler, Vice President**

P: (310) 341-3155 | E: AOSTSLER@RCLCO.COM

Adam Ostler is a Vice President based out of the RCLCO Los Angeles office. With over half a decade of experience, Adam focuses on strategy and operations, management consulting, and strategic planning for real estate companies. Adam advises a wide variety of market-leading firms throughout the real estate industry as they undertake strategic transitions. He brings extensive experience in organizational design, succession planning, process & performance improvement, due diligence, and risk assessment to projects that interface with client teams at all points in the development lifecycle. His collaboration with executive teams supports corporate realignment and new growth initiatives.



**Austin, Texas**

**Denver, Colorado**

**Los Angeles, California**

**New York City, New York**

**Orlando, Florida**

**Washington, DC**

**Contact Us Today!**

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