

DEVELOPMENT LEASING PROPERTY MANAGEMENT TENANT REPRESENTATION CONSULTING INTERNATIONAL



CONCORDE REALTY
DEVELOPMENT®





Concorde Realty Development has provided value-conscious clients the full range of real estate services with uncompromising attention to detail since 1989.

Founded by former KPMG Peat Marwick CPAs, Concorde's unique strength lies in disciplined examination of all aspects of every project. Our attention to detail gives our clients important advantages:

- Value creation.
- Risk minimization.
- Focus on the "big picture."

Knowing how details fit in the big picture tells us why factors such as growth patterns, market pricing trends, occupancy levels, and capital markets may make one detail insignificant and another critical to project success.

We know the working parts of real estate projects and how they should come together to create value—both for owners and for tenants—because value and quality are our bottom line.

And because Concorde is affiliated with the Edificio Group of Companies, based in France, we can also offer our clients and investors access to the highest-quality real estate services and opportunities on an international scale.

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FROM A DEVELOPER'S PERSPECTIVE

Concorde's impressive track record in development is testimony to the value of attention to detail. Our performance is driven by two objectives:

- **Project Quality**—As developers for our own account, we build for the long term. Unlike "merchant developers" who sell projects before the ink is dry on their contracts and have no stake in the improvements or property, Concorde holds properties for long-term returns to our investors. We build in quality to reduce operating costs, enhance marketability, and ensure tenant satisfaction.
- **Value Maximization**—We aggressively pursue a variety of options to realize the full value of each development site. For example, we have increased usable area by having pipelines moved, improved access, added traffic controls, improved site utilization by successfully challenging a frivolous claim to a view corridor, required responsible parties to pay for environmental remediation, and created new approaches to securing development incentives from local government agencies.

Because investors and lenders respect Concorde's conservative approach and commitment to quality, we have excellent banking relationships to facilitate project financing for our own projects and for our clients' build-to-suit office, retail, and medical projects.

A Case in Point

Concorde acquired a nine-acre shopping center site in Clear Lake City in two parcels, timing each transaction to negotiate a discount for a year-end closing. At no cost, we gained two additional acres by working with a pipeline company to remove a pipeline from the site. We persuaded the seller to conduct a traffic engineering study, which convinced government officials to provide new traffic signals, which improved access. After developing 46,000 SF of Retail and Professional facilities on the site, Concorde sold the former pipeline easement to a hotel chain, further reducing our net investment in the project. Concorde now owns, manages, and leases the center with a significantly lower basis than most competing centers in the area.



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LEASING LIKE AN ENTREPRENEUR

Concorde brings a developer's entrepreneurial perspective to leasing assignments. It's far different from the passive approach taken by so many leasing brokers who are content to wait for prospects to come to them.

We evaluate each property and its market as if it were our own development project. We measure the property's qualities against what the local market needs and wants. Then we do what it takes to bring supply and demand together.

Some properties need an infusion of marketing energy and creativity. Some need strong new management controls to reduce costs and retain existing tenants. Others may need extensive renovation and repositioning. A few need the whole package.

Whatever the scope of the leasing challenge, Concorde delivers the critical elements for success: a developer's critical assessment of market position, the accountant's sharp pencil on costs, and the entrepreneur's enthusiasm for bringing the right tenants to the right product.

A Case in Point

A foreign bank with a sizeable loan on a 103,000 SF office building in Clear Lake City required the owner to hire Concorde to help lease the building, which had a negative cash flow. We analyzed the tenancy, cost structure, market demand and competition, then recommended a strategic rehabilitation focusing on the lobby and common areas to enhance its appeal and support an aggressive leasing program. The bank and owner concurred and hired Concorde to manage the rehabilitation work. Concorde immediately reversed the negative cash flow to a positive flow, and within a short time after renovation, the building was sold for a significant profit.





BLOCKBUSTER

BLOCKBUSTER



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MANAGING TO MAXIMIZE PROPERTY VALUE

Concorde's attention to detail comes fully into play in property management. Like football, it's a game of inches, where inches become first downs, and first downs get you to the goal of high occupancy and consistent tenant retention.

The problem most landlords have with property management companies is that their focus changes as soon as they win the contract. The energy they brought to getting the job gives way to finding ways to increase their fees by providing extra staffing and uneconomical services. Instead of working to maximize the owner's value, they try to maximize the value of their contract—at the owner's expense.

In contrast, Concorde brings an owner's perspective to property management. Our constant objective is to maximize the property's value. We begin each assignment with a detailed review of staffing, services, costs, and performance. We know the difference between costs and value, and we manage for tenant satisfaction, competitive advantage in the market, and value for both the landlord and tenants.

A Case in Point

A client who owned a 118,000 SF office building in Grand Prairie, Texas asked Concorde to take over management of the half-empty property from a well-known national management company. The previous manager had twice the staff needed for the property—at twice the cost—and 24/7 on-site security. We cut the staff, increased the efficiency of the remaining personnel, optimized security by installing video surveillance, and launched a leasing campaign that focused on expansion within the existing tenant base and succeeded in filling the building within a year.





NEGOTIATING THE DETAILS

Concorde's corporate clients quickly learn to appreciate the value of our development expertise. First, it means we know the market in detail. We know where to find the kind of space our clients need—often before it even comes to the market—and we know what it should cost.

Second, Concorde knows just how good a deal can be negotiated. We can analyze the economics of a property—in the kind of detail only a developer can appreciate—which gives us an important negotiating advantage. Most brokers don't care about location, costs, or options. They just want to do an easy deal.

In tenant representation as in our other services, Concorde focuses on value. We negotiate the lowest rental rate based on what the landlord needs to cover debt service, costs, and return requirements. We make certain that our client has all the expansion, contraction, renewal, and other options—again, the details—that enhance value for our client.

A Case in Point

A title company in Fort Bend County, Texas, had only a short time to relocate an existing office and open a new office. Concorde found the right space, but the landlord had been insisting on including unusable second-level space in the total rentable area. We negotiated a lease based on the square footage our client could actually use, arranged for tenant improvements, and had the moves completed well within their expedited time frame.





The image shows the exterior of a Randall's Food & Pharmacy store. The building is constructed of light-colored brick with a dark metal roof. The main entrance is framed by a portico with four square columns. A large, stylized sign for 'Randall's' is mounted on the upper part of the building, with 'FOOD & PHARMACY' written in a smaller font below it. A sign above the entrance reads 'OPEN 24 HOURS'. The foreground shows a paved parking lot with a red curb and a small tree on the right.

Randall's

FOOD & PHARMACY

OPEN 24 HOURS

AT PARKING



COMPREHENSIVE EXPERIENCE

Real estate is more an art than a science. Development is the highest form of the art because success depends on mastering all dimensions of value, from site selection to negotiating a construction contract.

Real estate also is a highly fragmented business, with many investors, service providers, and others having expertise in relatively narrow areas but lacking understanding of the process as a whole.

Concorde's experience in the full range of real estate activities is exceptionally valuable to clients who need specific expertise in all areas of real estate.

A Case in Point

A REIT that had great success buying distressed properties during the savings and loan collapse found itself with no bargain properties to acquire at a discount. With recovery of the real estate markets, all available opportunities were selling at a premium. With Concorde's guidance, the REIT changed its focus and began developing its own properties to provide investors with a continuing flow of income without paying a premium.



INTERNATIONAL AFFILIATES

EDIFICO

Concorde Realty Development's international affiliate, Edificio SA, offers a full range of real estate services, including land acquisition, commercial development, property management, multifamily, student dormitory and single family housing. Edificio's subsidiaries employ approximately 100 real estate professionals serving over 4,000 clients world-wide. Established in 1988, Edificio is based in Toulouse, France, the cultural and commercial center of southwestern France and home to the French aerospace industry.

ATLAS

Atlas, Edificio's wholly owned property management company, leases and manages third-party residential and commercial properties. Currently, the company employs approximately 65 professionals managing 300 properties comprising over 9,000 apartments throughout southern France. Atlas is one of the largest property management companies in Toulouse and is the leading manager of rental apartments at various ski resorts in the French Pyrenees.

ESTUDIO

Estudio, also wholly owned by Edificio, develops, leases and manages student dormitory units in various cities throughout France.



Pepperoni's

TCBY Treats

Pilgrim Cleaners

Back Stage Hair Salon & Spa

Classy Liquor & Fine Wines





ROBERT M. (BOB) ELBERGER, CPA
Founding Principal of Concorde Realty Development

As chief operating executive of Concorde Realty Development, Bob Elberger directs Edificio Group's U.S. operations. A graduate of Long Island University, Long Island, New York, with a BS in Finance and an MS in Accounting, he received his Certified Public Accountant (CPA) designation, in 1983, from the State of Texas and in 1984 joined the Houston office of KPMG Peat Marwick LLP. Bob entered real estate in 1986 as Vice President of Finance/Treasurer for the Houston operations of a real estate development company based in France. He co-founded Concorde Realty Development in 1989 and is the company's licensed Real Estate Broker. Bob's focus on value, creative problem-solving, and his unique ability to recognize hidden opportunities have given Concorde Realty Development a consistent track record of delivering projects notable for their prime locations, quality construction, efficient management, profitability, innovative financing, and attention to detail.

Bob has been a leader in the Houston business community for more than 15 years. In addition to managing Concorde's success, Bob has been a member of the Texas Chamber of Commerce and a director of the Clear Lake Area Economic Development Foundation (CLAEDF). Bob's civic contributions include past service as treasurer, vice president, and director-at-large of the Sugarland Rotary Club; generous support of community programs such as the YMCA Partner of Youth Program, the ARC of Fort Bend County, the Star of Hope, and the Special Olympics; and active roles in local, state, and national political processes. Bob lives with his wife and three daughters in Houston, Texas.



GEOFFREY PUN, ACA
Founding Principal of Edificio SA and Concorde Realty Development

Geoffrey Pun brings to Edificio SA and Concorde Realty Development a background in real estate development, accounting, finance, and banking. Born in Hong Kong, Geoffrey was educated in London, England, where he became an Associate of the Institute of Chartered Accountants in England and Wales (ICAEW), the equivalent of a CPA. After working with several international firms, including KPMG Peat Marwick, and Morgan Guaranty Trust House of New York (JP Morgan Group), he became Chief Financial Officer of a French group engaged in construction and real estate development in Europe, North Africa, later becoming President of several of its subsidiaries in Germany and the United States. As one of the founders of the Edificio Group, Geoffrey is the Chief Executive Officer of Edificio SA and has the overall responsibility for the coordination of the Group's worldwide development. Geoffrey lives with his wife and two children in Toulouse, France.



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