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PORTFOLIOS

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Isaac M. O'Bannon • Feb. 24, 2023



A new survey from lease optimization software provider Visual Lease has found that, while 70% of senior real estate executives reported that their businesses are looking

to add space as a part of their 2023 real estate strategy, 88% are planning for physical

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The [2023 Commercial Real Estate & Leasing Trend report](#) also found more than half (52%) of senior real estate executives report that their companies are planning to add new satellite locations and 28% are looking to downsize existing spaces. The growing interest in satellite locations and alternate spaces is indicative of how businesses are working to meet the needs of a reimagined workplace – one with flexibility as a core component, embracing hybrid work arrangements, fully remote hires and shared workspaces. In fact, this year 46% of senior real estate executives report that shared desks or offices (booked as needed by workers) provide the best office working environment for their companies.

“In today’s macro-economic environment, business leaders have to be even more strategic with resource allocation,” said Robert Michlewicz, Visual Lease’s CEO. “As a result, companies are changing how they view their real estate and equipment leases. Once a widely overlooked area of the business, lease portfolios are now helping companies remain agile by providing opportunities for significant hard- and soft-dollar savings. The key, however, to accessing these many benefits is first implementing a strong lease controls framework.”

Further highlighting the power of proper lease management, 45% of surveyed senior real estate executives report their companies have overpaid rent or expenses due to inadequate lease controls. These costly errors can be attributed to the fact that 83% of real estate executives also share that their companies are not prioritizing an investment in the dedicated technology, people and processes required to successfully manage their lease-related expenses, which is typically the second largest line item for businesses.

“Without the right technology and processes in place, leases can very quickly turn into substantial liabilities, exposing businesses to compliance risks, failed audits, fees, damaged credibility and wasted resources,” continues Mr. Michlewicz. “There is a major opportunity available to companies across all industries to safeguard

themselves against these risks, and also, use their lease data to make better-informed

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environmental sustainability efforts – 99% of those surveyed believe it is important for their company's future leases to reduce its carbon footprint.

- **Real estate teams need a seat at the table** – Despite having access to all the details within a company's lease portfolio, 55% of senior real estate executives have little to no involvement currently in ESG reporting at their organization.

Visual Lease surveyed 200 U.S. senior real estate executives at companies with more than 1,000 employees. For full study results, download [here](#).

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