



NATIONAL TECHNICAL UNIVERSITY OF ATHENS
PROFESSIONAL INTERDISCIPLINARY POSTGRADUATE PROGRAMME OF SPECIALIZED STUDIES
«Infrastructure and Construction Project Management»

Postgraduate Diploma Thesis

***Exploring the Path Towards Aligning Corporate Real Estate Management
with Corporate Strategy in the Dynamic Business Environment:
Conceptual analysis and proposed framework for the alignment decision
making process***

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Abstract

Corporate Real Estate Management (CREM) plays a pivotal role in a company's overall success, given that real estate assets constitute one of the most significant resources influencing operational efficiency and competitiveness. Nevertheless, the strategic value of Corporate Real Estate (CRE) is often underestimated and treated as a secondary support service focused primarily on cost minimization. In today's volatile business environment, where factors such as the COVID-19 pandemic, the energy crisis, the rise of artificial intelligence, and compliance with ESG criteria are reshaping corporate priorities, the alignment of CREM with Corporate Strategy (CS) has become more critical than ever.

Corporate strategy is predominantly determined by top management (the C-suite) and aims to generate competitive advantage, optimize operational efficiency, and ensure long-term sustainability. It is formed and executed by taking into account both the external and internal business environment, frequently employing analytical tools such as PESTEL and SWOT. Concurrently, alternative approaches like Blue Ocean Strategy or Transient Competitive Advantage highlight the importance of innovation and the progressive transformation of business models. The corporate strategy framework comprises three levels, corporate, business and functional, while the Balanced Scorecard (BSC) and McKinsey's 7-S Model provide mechanisms for monitoring and aligning strategic objectives.

Within this context, CREM is responsible for supporting the strategic direction of the organization by providing spaces and solutions that are aligned with its broader corporate objectives. CRE encompasses the entire range of properties utilized by a company for its operations, including offices, industrial facilities, data centers, and retail premises. It also covers facility management services and workplace policies. However, technological developments and emerging trends (such as Property Technology), the widespread adoption of hybrid or remote work models, and the



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heightened emphasis on sustainability, underscore the imperative for flexibility and effectiveness in corporate real estate decision-making.

Since 2019, enterprises have encountered successive crises, which have further underscored the urgency of reevaluating real estate portfolios. The COVID-19 pandemic, geopolitical tensions, energy volatility, and advances in artificial intelligence have notably influenced business models. Simultaneously, ESG criteria have taken center stage, as an increasing number of companies commit to more environmentally responsible and socially accountable practices. Despite these significant changes, academic research on CRE has not fully integrated these new developments, primarily due to the rapid pace at which these trends evolve. This gap creates deficiencies in both scholarly understanding and practical guidance.

In response to this shortfall, the present study synthesizes international academic research and up-to-date global professional reports to propose a comprehensive framework for aligning CREM with corporate strategy. Its objective is to highlight CRE as a strategic resource that can add value to the firm, rather than viewing it merely as a cost center. Previous alignment models (such as those developed by Nourse & Roulac, the DAS Frame, the Accommodation Choice Model, and the Value-Adding Management Model) offer a robust foundation. Nonetheless, existing research frequently focuses on office environments and overlooks other property types, while also lacking an integrated, adaptable and comprehensive methodology.

A major challenge stems from the insufficient awareness among senior executives (the C-suite) regarding the strategic importance of CREM, which often leads them to perceive it simply as a fixed cost. Concurrently, CRE researchers have frequently underutilized the theories and tools of business management, hindering the creation of a commonly accepted alignment model. To bridge this divide, it is advisable to adopt business tools such as the Balanced Scorecard (BSC) and to integrate specialized Key Performance Indicators (KPIs) for CRE. By these means, leadership can quantitatively assess real estate performance, thereby bolstering strategic decision-making.

The principal contribution of this study is the formulation of a proposed framework that refines and extends the alignment framework proposed by Cooke (2021). The suggested structure is organized into four building blocks: (1) Understanding Corporate Strategy, (2) Understanding Corporate Real Estate, (3) Formulating CRE Strategy, and (4) Implementing CRE Strategy. Each stage is subdivided into specific sub-blocks that outline critical variables, and indicative KPIs to support decision-making. It also incorporates updated parameters in light of contemporary developments, particularly in sustainability, workplace flexibility, and technological adoption.

Finally, a significant innovation of this enhanced framework is the inclusion of the Balanced Scorecard as a mechanism for ongoing feedback. Through the BSC, an organization can systematically observe its CRE performance across four dimensions: Financial Performance, Customers/Stakeholders, Internal Processes, and Learning & Growth. This enables strategic adjustments based on quantifiable indicators and emerging trends. Consequently, the proposed



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framework transcends a static approach to CRE strategy formulation and implementation, facilitating continuous improvement as market conditions, technological advancements, and corporate priorities evolve.