

# TRIZEC PROPERTIES INC.

## Strategies for Success: How a Major REIT Uses ARGUS and DYNA

There is no question that the success of a major REIT, such as Chicago-based Trizec Properties Inc., which has a portfolio of about 38 million-sf of office space in prime markets including New York, Washington DC, Chicago, Atlanta, Los Angeles, Houston and Dallas, depends on the strength, transparency and integrity of its data.

These days, says Trizec Vice President Jean Dorans, “it is all about strategy.” Dorans runs Trizec’s due diligence and financial analysis group, a centralized pool of analysts devoted to capital transactions, asset management and portfolio analysis.

### Doing Due Diligence

“ARGUS is without question the tool to use for capital transactions,” notes Dorans. Trizec’s capital transaction group uses ARGUS to evaluate potential acquisitions as well as create models for dispositions. On the acquisition side, Dorans says we generally receive the ARGUS file on a property from the seller’s broker.

“Once we get the ARGUS model,” she explains, “our capital transaction group inputs our own assumptions into the file, checks out the market and creates scenarios in an effort to develop a pricing model.”

As the due diligence process continues, says Dorans, her analysts will continue to justify and perfect the ARGUS file on the property along with a myriad of other duties associated with an acquisition.

Dorans says the process involves validating the ARGUS model against numerous data points such as utility bills, tenant roll and rent changes. “We run these issues through our existing model to find the effective change,” she explains.

### Running the Business

Once a property has been acquired, the financial analysis group then converts the ARGUS file into DYNA. Dorans says that at any given timeframe, Trizec’s analysts will be monitoring and updating well over 100 DYNA property models. The models are used to create quarterly forecasts, annual budgets, lease analysis scenarios, book cash flows, portfolio roll ups and other reports the REIT uses to run its business effectively.

“Changes to our portfolio, such as the execution of a lease,” says Dorans, “are updated on a daily basis by our analysts.” Trizec does a lot of Crystal reporting through DYNA, she adds, and the REIT’s analysts are poised at any moment to grab information from DYNA. With the click of a button, she explains, her team can see where the company stands on various issues such as lease summaries and apply appropriate risk situations to the DYNA files.



### The Company:

Trizec Properties, Inc., a real estate investment trust (REIT) headquartered in Chicago, is one of the largest owners and operators of commercial office properties in the United States. The Company has ownership interests in and manages a high-quality portfolio of 52 office properties totaling approximately 37 million square feet concentrated in the metropolitan areas of seven major U.S. cities. The Company trades on the New York Stock Exchange under the symbol TRZ.



### Industry:

Financial, Investment, All asset types

### Realm Solutions:

- ARGUS
- DYNA

## Going to Market

One of Trizec's recent strategic decisions was to sell some of its non-core assets. "When we go into disposition mode," says Dorans, "we then take the DYNA property model and convert it into ARGUS."

Dorans explains that this is done because many brokers and lenders rely on ARGUS for their acquisition and disposition work. "We want things to move quickly," she notes.

## "Mixed Use" Intelligence

Dorans insists that the analysts in the due diligence and financial analysis departments be trained on both ARGUS and DYNA. "Co-mingling," she says, "helps in busy times when people can cross over and help with important deals or reporting requirements."

This is a practice that "makes sense" she says, because the software contains enough common elements that it is fairly simple for real estate professionals to become cross-trained.

## Crafting Strategy

According to Dorans, it takes strong guidance based on timely data to navigate the multitudinous opportunities and decisions necessary when running a successful real estate investment trust. Across the industry, she says, executives are pushing down strategy, and ARGUS and DYNA allow REITs and other companies to create daily snapshots as well as the common 14-year and 36-year projections needed to create those strategies.

**"ARGUS is without question the tool to use for capital transactions"**

### Jean Dorans

*Vice President, Due Diligence and Financial Analysis Group*

Trizec Properties Inc.

## About Realm

Realm provides software and services that enable our customers to better manage the financial and operational performance of their real estate portfolio. More than 6,000 of the industry's leading owners, managers, financial institutions and REITs trust Realm solutions to improve the visibility and flow of information throughout their critical business processes.

Leveraging more than 30 years as a strategic partner to the industry's most respected companies, the Realm team has developed unmatched expertise in the processes and best practices that are unique to real estate. This rich heritage is the foundation of our industry leading products, services and support.

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