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## What are the key elements of successful CRE strategy?

**A**lta Colleges Inc. is a true success story in this time of economic turmoil. With just over 18,000 students, Alta is a leader in career-focused education, meeting work-force needs in high-demand employment fields with a clear objective to help students achieve their goals. In the last year, the company has experienced 15 percent growth in its student population accompanied by a 22 percent increase in revenue.

Alta's approach to real estate ensures the company will be able to manage costs, drive efficiency in its space and meet growth requirements without adding a significant burden to operating expenses. Some of the key concepts are:

■ **Plug-and-Play.** The site selection process at Alta is the first element used to manage portfolio costs. There are two distinct types of facilities for Alta – campus sites and administrative offices. New office locations must be a close match to requirements and those with furniture in place are a plus. The objective is to minimize capital contributions and lease facilities that are as close to plug-and-play as possible. Alta has facility standards but the economics of the transaction drives flexibility in the standards as long as the design intent is maintained. In addition to making financial sense, leasing previously configured space with existing furniture also makes a strong environmental statement by avoid-



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ing sending product and material to landfills. The first choice for excess product is to donate it to charities if possible.

■ **Term and Placement.** Alta monitors the market closely when determining the term for a lease, taking into account the economy, trends in cap rates, and commercial real estate market fluctuations. In the current environment, leases are generally negotiated with longer terms to take advantage of market conditions and to protect from future uncertainties. Alta's practice is to place locations close to the students, employees, and staff. This approach creates convenience and cost savings for the people, produces a lower carbon footprint, and provides a more diversified real estate portfolio for Alta.

■ **Collaboration.** A critical element in Alta's corporate real estate success is leveraging outsourced relationships to provide a just in time approach to delivering services. Collaboration is about putting together specialized teams that can be quickly assembled to address specific requirements on an as-needed basis. Collaboration is critical in main-



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taining a lean, yet responsive, real estate organization. One of Alta's partners is Hurtado Consulting Group. Hurtado, a full-service project management firm, provides Alta

with the flexibility to select from a wide range of services to fill specific requirements as project staffing resources are needed.

Hurtado has delivered items such as models developed to aid in the forecasting of campus sizes and recently completed the implementation of security systems at 18 campus and three corporate locations. The security project included the development of the baseline standards; selection of preferred vendors; and the subsequent execution of the strategy. Typical services provided to Alta include space planning and move management for moves, adds, and changes and project management for tenant improvement projects.

■ **Office Space Density.** Hurtado works with Alta to increase the density of its existing spaces by developing plans to migrate to a more open office concept. In the current economic environment, people are open to cultural changes;

especially when they feel it's a good financial decision for the company. Implementation success is driven by a thorough understanding of the work process, which leads to an innovative design followed by positive communication of the benefits to the work groups. Focusing on office space density enables Alta to manage growth while not having to expand its portfolio at the same rate, thus managing overall portfolio costs.

Alta's best-in-class real estate group is focused on being a significant, positive contributor to the company's bottom line while providing proactive, thoughtful services to its internal client base. This gives Alta Colleges Inc. a considerable competitive advantage in the market.

Alta Colleges Inc., headquartered in Denver, is the parent company of Westwood College, Redstone College of Aviation and Westwood College Online – a national system of privately operated colleges that focus on high-quality, hands-on, career-focused education. Founded in 1953, the system includes 17 Westwood College campuses in California, Colorado, Georgia, Illinois, Texas and Virginia; along with Redstone College of Aviation in Colorado; and online programs offered through Westwood College Online.▲