



Trascent Perspectives

Corporate Real Estate Integration: A Strategic Lever for M&A Success

Why corporate real estate belongs at
the center of M&A integration planning

Authors



Rakesh Kishan

Managing Principal,
Trascent



Matt Wright

Senior Executive Advisor,
Trascent



Jeff Weidenborner

Managing Director,
Americas, Trascent

The overlooked value lever in M&A

Companies spend more than \$2 trillion annually on mergers and acquisitions (M&A), yet Harvard Business Review research places the M&A failure rate between 70 and 90 percent.¹

PwC's Integration Survey sharpens the point: fewer than one in five executives report significant strategic, operational and financial success from their largest recent deal².

The most cited causes are familiar to leaders worldwide: culture, systems, and talent. While all of these factors are critical, corporate real estate is often an overlooked source of value. Key decisions around which CRE assets to retain or divest, workplace reconfiguration for productivity gains, optimization of CRE supply chain, and risk mitigation are all factors accretive to any M&A transaction and therefore need to be addressed early on vs. the tail end when opportunities to unlock value become constrained.

While CRE is typically the second-largest operational cost base in the enterprise after payroll, it remains underrepresented in integration planning at precisely the stages where it could shape the most deal value. While deal teams concentrate on financial and legal matters, the operational realities buried in workplace portfolios, facilities operations, supplier ecosystems, organizational integration, and property liabilities often surface too late to influence the outcome.

Decisions about which assets to retain or divest, how workplaces are configured, and which supplier relationships continue all shape employee retention, productivity, culture, and the speed at which synergies are realized. Managed early and with discipline, CRE integration can unlock cost savings and operational synergies in areas beyond CRE itself. Managed late, it can result in redundant space, cultural friction, and contribute to missed synergy targets. In our experience supporting CRE leaders for more than 20 years, early, structured, data-driven planning can turn CRE from a passive asset function into an active driver of deal value.

Timing also matters. McKinsey research shows that deals are 2.6 times more likely to succeed, and deliver roughly 40 percent higher shareholder returns, when synergy targets are achieved within two years of close rather than four³. For CRE, those synergies take time to realize. Site consolidation, supplier rationalization, and lease restructuring all require early analysis, governance, and execution planning. Waiting until Day 1 compresses the timeline and limits the value that can be captured.

2.6x Times more likely to succeed when synergy targets are met within 2 years

40% Higher shareholder returns

1 Christensen, C. M., Alton, R., Rising, C. and Waldeck, A., "The Big Idea: The New M&A Playbook"

2 PwC, "M&A integration strategy is crucial for deal success but remains difficult," findings from PwC's 2020 M&A Integration Survey"

3 McKinsey & Company, "Eight basics for capturing deal value in mergers"

Where deals lose value

Every merger combines two CRE organizations, each with its own portfolio, leases, processes, workplace, technologies, suppliers and habits. In an M&A setting, ineffective planning around the integration of these can result in increased cost as well as lost synergies.

Diligence gaps often come first. For CRE, those gaps can have material consequences: residual lease liabilities, environmental exposure, regulatory noncompliance, and underused assets may all move into the purchase agreement without being properly priced, mitigated, or used as negotiating leverage.

Resourcing comes second. In-house CRE teams rarely have the bandwidth to run business as usual and a full integration program at once, and generalist transaction advisers rarely carry the specialist real estate and facilities depth the workstream demands. The result is delay, missed opportunity and inherited risk. Transition Services Agreements (TSAs) require particular attention. Post-close separation is often governed by TSAs and reverse TSAs. Without active oversight, separation can drift beyond the intended timeline, creating avoidable cost, distraction, and operational dependency.

The portfolio itself is often one of the largest sources of complexity. Merged organizations frequently inherit overlapping footprints in the same markets, and rationalization can be difficult to execute. Retain too much space and cost remains embedded. Cut too aggressively and operations can be disrupted.

The economics of delay are significant: JLL's 2026 research places average global office utilization at just 54 percent against a target of 79 percent⁴. In many transactions, acquirers are not inheriting one underutilized portfolio, but two. It is no surprise that 72 percent of CRE leaders now rank cost management as their top concern⁵.

Technology and suppliers compound the problem. Lease administration, space management and maintenance platforms must be merged or standardized, yet enterprise IT integration routinely overlooks CRE systems. This matters more than it appears. Duplicate supplier rosters, from brokers to FM vendors, carry cost and inconsistency until rationalized. And running through all of it are people. Workplaces are where culture is experienced day to day. A poorly handled consolidation, or a mismatch between one company's open collaborative environment and another's more traditional layout, can quietly erode the cohesion the deal was meant to create.

⁴ JLL, "Corporate Real Estate Trends to Watch: Five trends that will define success in 2026"

⁵ JLL, "Global Real Estate Outlook 2026"

Assess, Align, Execute

Our approach organizes CRE integration into three stages across the deal lifecycle. Each stage is designed to move value forward: shaping the purchase agreement, enabling Day 1 readiness, and turning planned synergies into delivered outcomes.

Assess: pre-contract value creation

The market has already learned that integration starts before diligence. PwC found that 60 percent of companies now begin planning their long-term operating model before due diligence, up from 25 percent in 2019⁶. CRE should be no exception. Fact-based diligence across the CRE value stream serves the M&A PMO in two ways. It informs the deal itself: property and lease analysis, asset valuation, and liability mapping create leverage in the Master Purchase Agreement, helping reduce inherited risk and support a more accurate purchase price. And it lays the foundation for integration through a CRE cost baseline for the combined cost model, portfolio compression opportunities driven by the future operating model, supplier and technology mapping, and, in carve-outs, early definition of transitional agreement requirements.

The outcome:

- A clear baseline across all CRE matters
- Every value driver identified for negotiation
- A fact-based integration roadmap focused on value creation, savings potential and risk

CASE IN POINT

Post-divestiture transformation

A \$10 billion global pharmaceutical company emerged from divestiture with no in-house CRE capability and a complex portfolio of inherited leases, build-outs, and in-flight projects.

Trascent led stakeholder workshops to define business requirements, designed a new global CRE operating model with centralized governance, consolidated fragmented service silos under a single outsourced partner, and delivered the full go-to-market strategy within four months.

The result:

20 percent savings on former CRE fee costs, real-time visibility across more than 100 sites in 40 countries, and a scalable, self-sufficient CRE organization aligned to the new company's culture.

20%

savings on former CRE fee costs

100+

sites in 40 countries

6 PwC, "2023 M&A Integration Survey"

Align: pre-completion readiness

Once legal commitment is in place, the window before Day 1 determines how fast value flows afterwards. The work concentrates on a small number of value streams. Quick wins are identified and planned early enough to demonstrate financial momentum.

Transitional and reverse-transitional agreements are managed precisely so separation completes on schedule. Technology and data are program-managed so business as usual survives Day 1 uninterrupted and in-flight projects continue without disruption. Licenses, permits, and CRE contracts are incorporated into the legal integration roadmap and aligned with the future operating model.

Two pieces of design work anchor this phase. The Target Operating Model defines how the combined CRE function will be structured and run; the go-to-market strategy defines how external service partners will deliver under it.

A cultural assessment of both CRE functions belongs alongside them, because team structures, decision rights and service priorities differ more than organizational charts suggest, and integration succeeds or fails on whether both teams make the journey without performance disruption. Throughout, internal buy-in matters as much as the blueprint. The rationale must be clearly communicated to executives and the CRE team, supported by the data behind the recommended path. By the end of this phase, the organization has a clear roadmap to the future CRE state and a cohesive sourcing strategy, ready to activate at close.

CASE IN POINT

Rationalizing a CRE technology estate

A global financial services company carried more than 50 disconnected CRE technology platforms accumulated through years of growth and acquisition. A structured discovery across every application and data repository, evaluated against future-state requirements for cloud, data and sustainability, produced a phased consolidation roadmap and a single future-state blueprint tied to business strategy.

The result:

Decision speed, data visibility and cost efficiency all improved, and subsequent post-transaction system integration and reporting accelerated.

50+ disconnected CRE technology platforms accumulated



Execute: post-completion delivery

At Day 1, the CRE value stream shifts from planning to delivery, and program management becomes the core discipline: keeping every element of the integration on schedule, quantifying quick wins so value is visible, and protecting business as usual. That last point is often underestimated. Critical dates and events across the inherited portfolio do not pause for integration, and a program that lets them slip pays for it in cost and credibility.

Physical delivery follows: site closures, acquisitions, consolidations, and separation activities, managed across a mix of incumbent and new suppliers. Organizational integration establishes the combined CRE team and supports it through the change. Facilities management integration aligns service scope, quality, KPIs, and ultimately contracts, often through delivery of the go-to-market strategy across the combined portfolio. The systems mapped during Assess and planned during Align are then integrated or standardized, ensuring that the data foundation keeps pace with the operation.

The outcome:

- A right-sized, efficient CRE operation
- A lean portfolio
- Best-fit service partners under sound contracts
- Positioned to meet synergy commitments and sustain delivery long after the deal closes

CASE IN POINT

Supplier consolidation at global scale

A global pharmaceutical company, expanding through acquisition while undergoing structural change, managed more than 30 million square feet across 75-plus countries through over 1,500 suppliers, with all the duplication and inconsistent FM performance that implies. Using prior benchmarking data, Trascent built a data-driven sourcing strategy and ran a global RFP that consolidated the supplier base to three regional strategic partners under standardized KPIs, SLAs and governance.

The result:

Savings of 15 to 20 percent followed, along with stronger global transparency. The model held its cost efficiency through subsequent acquisitions, proof of post-M&A resilience.

30M+

Managed square feet across 75+ countries

15–20%

Savings along with stronger global transparency

The strategic case for CRE integration

In every merger or divestiture, CRE teams face competing pressures: sustain business as usual, enable integration, and do both against compressed timelines and incomplete data.

Even strong internal teams struggle with these competing pressures. We have also watched organizations assume that generalist advisers or incumbent suppliers will absorb CRE within the wider M&A program. Nothing could be further from the truth. Specialist CRE experts can better address operational, risk, legal and cultural CRE factors early on and embed them in the overall process.

The market context makes this more urgent. Deloitte's 2026 M&A Trends Survey found that 90 percent of private equity dealmakers and 80 percent of corporate dealmakers expect to close more deals this year than last.⁷ More deals mean more integrations, and the same 70-to-90-percent failure risk remains for organizations that treat CRE as an afterthought.

Corporate real estate rarely makes the headline in a deal announcement, but it is often central to successful integration. Leaders who treat CRE as a strategic priority, and properly resource assessment, planning, and execution, are rewarded with measurable outcomes: lower operating costs, greater portfolio efficiency, reduced liabilities and risk, and productive workplaces that support the merged company's strategy and culture. If CRE integration is inadequately planned for comprehensively, the impact is missed savings, employee disruption, and integration outcomes that fall short of the deal's ambition.

For leaders planning an acquisition, divestiture or post-close integration, the opportunity is to bring CRE into the process early enough to protect value, shape decisions and become a strategic lever for M&A success.

⁷ Deloitte, "2026 M&A Trends Survey: A tale of two markets"

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Americas, Trascent

Contact Us

To learn more about Trascent and its breakthrough performance solutions in CRE/FM, contact us at info@trascent.com

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Numbered citations in the text correspond to the sources below.

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About Trascent

Thought Leadership Driving Results

Trascent, a global management consulting firm, drives measurable performance improvements and generates quantifiable results in all facets of corporate real estate (CRE), including facilities management, real estate, project services and corporate services. The firm's areas of focus include a broad range of services on how corporations can better structure and deliver CRE services through novel technology and high-performance outsourcing relationships.

With a global presence, Trascent's solutions are built upon helping clients pinpoint strategic opportunities and implement transformational initiatives, leveraging its global and in-region market intelligence, best practices and proven methodologies. The firm's clients span over 20 diverse industries, including life sciences, fast-moving consumer goods, diversified industrials, financial services and technology.

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