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It begins with exceptional reflectivity. But for a roofing system to be considered sustainable, it also must deliver the Five E’s of high-performance roofing: Energy, Environment, Endurance, Economics, and Engineering. In each of these areas, the Duro-Last® Cool Zone® system leads the commercial roofing industry.

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The Global effect
IREM must maintain focus on international program to remain relevant to profession

As president of IREM, I’ve had the fortunate experience of traveling around the world to increase awareness of the Institute and the real estate management profession at large. Traveling to Russia, China, Chile, France, Korea and most recently Japan, I have had numerous experiences confirming the rising significance of the real estate management profession and leadership role IREM occupies in the international arena.

This was especially validated when we were approached by a couple of gentlemen from Romania while on business in France. They said they had Googled the term “real estate management,” several times, and no matter how they altered their search terms, IREM always popped up near the top of their search results. They took this as a clue to the leadership position IREM holds in the industry. As a result, they wanted to obtain IREM education.

Currently on the international front, IREM—from most perspectives—is the acknowledged leader in real estate management education, credentialing and knowledge. IREM has increased global membership by 13 percent since 2003. In the last year, 22 percent of new CPM Members have come from outside the United States. The fastest growing chapter in all of IREM is Korea.

This growth relates to our global education offerings. In 2006, more than 20 percent of all enrollments came from abroad. IREM courses debuted in Kiev, Ukraine and Cairo, Egypt. The Institute has already held courses in Moscow, Seoul, Tokyo and Canada in 2007.

As a recognized leadership organization, IREM simply cannot ignore the international market. This is a global economy, and as real estate management increases its stature as a true profession in the United States, our profession and IREM will become more viable around the world. To continue elevating the profession, the Institute must maintain its leadership position on a global scale.

It is a sign of the times when people from emerging markets around the world are Googling real estate management and the Institute. Many IREM Members from different countries are conducting international business and doing international transactions. We must maintain our leadership position and advance our international efforts to remain relevant. We live and work in an international environment. If we take an isolated approach, the Institute may become a footnote in history.
What's Old is New Again: Real estate investors and managers green existing buildings rather than build new. Diana Mire

Rules of Engagement: Privatization of military housing creates new opportunities for property managers. Allan Richter

Soft Targets: Recent violence at shopping centers prompts property managers to carefully evaluate security. Janice Rosenberg

On Track to Success: Transit-oriented development attracts real estate investors, along with retail tenants and customers. Kristin Gunderson
Security shopping: Today's shopping centers require integrated security solutions.

Abstract thinking: Outsourcing lease abstracting allows managers to focus on core competencies.

Corporate culture: Integrating ethics into corporate culture takes work, but makes job easier.

Performance enhancement: Treat the cause of poor work, not just the symptoms.

IREM supports incentives for energy conservation; U.S. Senate considers immigration reform; and the Michigan service tax proposal is defeated.

Senior citizen population expected to double; ICSC gives out retailer awards; and the worst city commutes are revealed.

Going for the gold: Host of 2010 Winter Games plans on healthy investment.

Ethics & Discipline Committee provides update; Watts Realty spotlighted; and IREM Foundation honors members for accomplishments and contributions.

Talking trash: Greening waste removal saves money and environment.
IREM approves position on climate change and energy

In response to Congress' increased focus on climate change and energy conservation, IREM approved and lobbied a position on the issue. The position states IREM's support of incentives for energy conservation activities. Further, IREM expressed its support of energy tax credits and voluntary programs like Energy Star and the EPA's Green Lights.

IREM specifically supports the development of voluntary standards for reducing greenhouse gas emissions, including the use of sustainable materials in the construction of buildings, and programs that reduce the "carbon footprint" of real estate assets. However, requirements to retrofit existing buildings must take into consideration the needs of the buildings and costs associated with such changes. Additional research is necessary to determine to what level greenhouse gases are affecting the environment versus natural climatic changes humans cannot control.

During the Capitol Hill Day visits in April, IREM Members urged their U.S. senators and representatives to focus on voluntary standards for new construction and existing properties.

U.S. Senate considers immigration reform

Senators, representatives, and President Bush are anxious to enact immigration reform legislation. The sense of urgency is a result of the 2008 presidential race that is heating up. Once election season is in high gear, legislators will be hesitant to address such controversial legislation.

U.S. Senate Majority Leader Harry Reid (D-Nev.) introduced immigration reform legislation in the form of The Comprehensive Immigration Reform Act of 2007, S. 1348, in May. Commercial real estate professionals should be aware of the enforcement provisions of the bill. For instance, it would be unlawful to knowingly hire, recruit, or refer for a fee an unauthorized alien. The bill would also establish a temporary guest worker program. In addition, the bill states English is the national language of the United States. At press time, S. 1348 was being considered by the Senate.

U.S. Rep. Richard Baker poses with Louisiana real estate professionals. Pictured from left to right is Malcolm Young, chief executive officer of the Louisiana Realtors Association; Hoyt Greer, CPM; Jeanne Booth, CPM; Ralph Pace, CCIM Secretary; Congressman Baker; Michael Hillerty, CPM; and Cres Gardner, CCIM treasurer.
State budget outlooks, bright for now

Forty-one states expect to end their fiscal years with a surplus, according to a survey recently released by the National Conference of State Legislatures. Of those states, the following 10 are projecting surpluses over $1 billion: Minnesota, $1.01 billion; Louisiana, $1.22 billion; Washington, $1.23 billion; New York, $1.30 billion; Oregon, $1.39 billion; Alaska, $1.40 billion; New Jersey, $1.90 billion; California, $1.91 billion; Florida, $2.74 billion; and Texas, $6.99 billion.

Because of surpluses, it is less likely anti-real estate or increased income-based legislation will be proposed. Conversely, many states also reported their sales tax collections were below target, unlike last year. As a result, state officials are concerned this may indicate fiscal problems that could lead to an economic downturn.

Cities battle over immigration ordinances

As of March, at least 30 municipalities had passed ordinances in an attempt to enforce immigration laws and deter illegal immigrants from settling in their communities. Another 70 municipalities are considering similar ordinances. These ordinances are similar to the Hazelton, Penn., ordinance that fines landlords $1,000 a day when they rent to illegal immigrants and revokes the licenses of businesses for five years if they hire illegal workers.

Pro-immigrant groups brought suit against the City of Hazelton in opposition to its ordinance. The Hazelton immigration ordinance trial ended in March. Both parties were required to submit post-trial briefs in April.

Other localities that have passed immigration ordinances are also facing legal battles. Landlords in Valley Park, Mo., have had success fighting an immigration ordinance. Valley Park passed the “Illegal Immigration Relief Act Ordinance” in July, 2006, which punished landlords renting to undocumented workers and punished businesses employing undocumented workers. The law also made English the official language of the city. Soon after the ordinance was passed, a coalition of landlords challenged the ordinance. A St. Louis circuit court judge issued a temporary restraining order to block enforcement of the law. The Valley Park City Council then removed the English-only provision and passed a second, revised version of the law. A second injunction blocked enforcement of the new version. The case was remanded to Missouri state court. In March, a Missouri judge granted a permanent injunction against the ordinances.

Michigan service tax proposal defeated

IREM and the Michigan Association of REALTORS are pleased by the defeat of a service tax proposal in both the Senate and the House. Michigan Governor Granholm proposed a 2 percent tax on services, including real estate management. Under the Senate version, SB 307, the following services would be subject to the 2 percent service tax: persons acting as real estate agents and brokers; real estate-related services; managing real estate for others; facilities support services; business support services; and construction services.

IREM, in cooperation with the Michigan Association of REALTORS, distributed a Call-to-Action to all Michigan IREM Members in March, urging them to contact their Michigan senators and representatives and voice their opposition to the proposals. Several Michigan IREM Members sent letters to their legislators. As a result, SB 307 was defeated on March 22, 2007 by a vote of 35 to 16 with 22 not voting.

State legislatures consider record number of immigration reform bills

State legislators in all of the 50 states had introduced at least 1,169 bills and resolutions related to immigration or immigrants as of April, 2007, according to the National Conference of State Legislatures. That number is more than double the total number of bills introduced last year.

A total of 57 related bills have been enacted this spring by the following states: Arkansas, Colorado, Hawaii, Idaho, Indiana, Kansas, Kentucky, Maryland, Montana, North Dakota, Nebraska, New Mexico, New York, South Dakota, Utah, Virginia, West Virginia and Wyoming.

In addition, a number of state legislatures adopted resolutions. Most proposals relate to employment, benefits, education and law enforcement. More than 40 states have considered proposals related to employment, including legislation prohibiting employment of unauthorized workers, adding penalties and requiring verification of work authorization.
Aging trends

The U.S. population aged 65 and older is expected to double in the next 25 years. Experts at the U.S. Census Bureau have said the social and economic impacts will be significant for both individuals and society as a whole. In the report, “65+ in the United States: 2005,” commissioned by the National Institute on Aging, the following trends were noted:

- By 2030, almost one out of five Americans will be 65 years or older.
- While the health of older Americans is improving, chronic conditions like heart disease and arthritis will be leading causes of disabilities.
- The financial circumstances of older people have dramatically improved. Poverty levels for those 65 and older decreased from 35 percent in 1959 to 10 percent in 2003, largely due to Social Security.
- Florida, Pennsylvania and West Virginia have the highest percentage of people ages 65 and older.
- Higher levels of education, linked to better health and a higher standard of living in retirement will continue to increase among those 65 and older.
- The aging population is growing more diverse, along with the United States as a whole.
- With the number of divorced couples on the rise, aging individuals may have varying levels of family support.

That’s hot

The International Council of Shopping Centers named its Hot Retailer award winners at its annual conference in Las Vegas in May. The tenants were named promising and innovative retailers as a result of a survey sent to ICSC’s 70,000 members in 80 countries.

1. J. Crew
2. The Little Gym
3. Lucy
4. ULTA
5. Uniqlo
6. WineStyles

Road to perdition

In 2005, some of the country’s largest cities were listed as having the worst commutes by the U.S. Census Bureau.

*Mean travel time to work in minutes*

- **San Francisco**: 28.7
- **Los Angeles**: 29.6
- **Riverside**: 29.3
- **Long Beach**: 28.8
- **Chicago**: 34.3
- **Boston**: 30.4
- **New York**: 39.1
- **Newark**: 31.7
- **Philadelphia**: 31.9
- **Washington**: 29.3

*Source: U.S. Census Bureau 2005 data*
The American Lung Association came out with its list of most polluted U.S. cities in 2007. The cities below were ranked based on their ozone pollution and long-term particle pollution.

**Smog: Most polluted cities**

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<td>Baton Rouge (La.)</td>
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**Particles: Most polluted cities**

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*Source: American Lung Association*
Famous Properties

First born

Country Club Plaza in Kansas City, Mo., is an ever-changing historical beacon

by Diana Mire

Lifestyle shopping centers are staples in today’s fast-paced, consumer-driven world. But one in particular is a staple in the history of lifestyle shopping center development.

In 1922, real estate developer J.C. Nichols envisioned building a major shopping center that would not only offer Kansas City, Mo., residents a place to work and shop, but would also act as a cultural landmark for the city. Thus, Country Club Plaza, the first master-planned suburban shopping center in the country, was born.

During Nichols’ last summer of college, he and a friend worked their way to Europe aboard a cattle boat and traveled the continent, earning money as they went. The trip was a source of inspiration for Nichols when he began planning Country Club Plaza in the early 1920s.

TASTE OF SPAIN

Inspired by the colorful markets of Spain, Nichols designed the shopping center with a Spanish theme, including landscaped courtyards and stucco buildings with red tile roofs and ornate towers. He brought in hand-picked art, antique sculptures, tile-adorned murals, wrought-iron accents and fountains to decorate the space. He wanted the plaza to be more than just a shopping center; he wanted it to exude a cultural and artistic influence, as well.

“He was truly a visionary ahead of his time,” said Darin Botelho, director of asset management at Highwoods Properties Inc., which owns and manages the property today. “The architecture is phenomenal. The Spanish-inspired buildings and towers, and the sculptures, statues and landscaping make it a destination in itself, even without the tenant mix.”

Of course the tenant mix has helped Country Club Plaza maintain its prominence in its more than 80-year history. The plaza started out as one city block in 1922. Its early years were such a success, more and more local and national retailers wanted to set up shop in the development. It became known for setting styles and trends, and drew people and retailers to the south side of the city. The plaza’s reach eventually extended beyond city limits, and it quickly became a tourist destination.

Today, the lifestyle shopping center encompasses 15 city blocks, with about 1 million square feet of retail space including 150 retail shops, 30 restaurants and a movie theater; 400,000 square feet of office space; and 100 apartments. The plaza is surrounded by 40 apartment buildings, luxury condominiums, hotels and the University of Missouri-Kansas City campus. Tourists still play a major role in the plaza’s success, making up about 40 percent of its business.

Along with its physical evolution, the plaza’s tenant mix has continued to change in order to meet consumer demands and needs through the years. Years ago, local stores made up between 80 and 90 percent of the plaza’s tenant mix, while national retailers made up the remaining 10 to 20 percent of the mix. Currently, the tenant mix consists of about 80 percent national retailers and 20 percent local tenants to maintain a local flair.

“It is ever-changing in its tenant mix,” Botelho said. “Shopping centers are all about the merchandising mix to bring in the demographics that you need. We have to constantly evaluate our shoppers.”

Highwoods has been working to attract more upscale, luxury tenants, like St. John, Burberry and other fine retailers found in the New York, Los Angeles and Chicago markets. Botelho said the shopping center has the demographics to support such retailers.

**MIX & MATCH**

Fountain sculptures made of brass, bronze and nickel can be found on nearly every block of the Country Club Plaza.
Filling vacancies is rarely a problem at the plaza. Occupancy is typically in the upper 90th percentile, and it is currently 98 percent occupied. Being such a high-demand property also allows Highwoods to generate higher rents in this location.

“There are a lot of people wanting to get in here,” said Botelho. “We have to pick and choose very carefully.”

Along with the carefully crafted tenant mix, Highwoods is dedicated to maintaining the Plaza’s overall ambiance and aesthetics. The company spends about a half million dollars a year on flowers and landscaping, Botelho said. Hanging baskets line the plaza’s streets. Brass, bronze and nickel sculptures and marble statues are placed throughout the property. Fountains are located on almost every plaza block.

**PEOPLE’S PLAZA**

Further extending the Country Club Plaza’s role beyond a shopping center, Highwoods holds numerous events and activities at the shopping center year-round. On Thanksgiving Day, it hosts a lighting ceremony for the entire shopping center, complete with local entertainment to kick off the holiday season. During the summer months, local jazz artists and performers hold live concerts on weekend nights and sometimes during the day. In September 2007, the nationally recognized Plaza Art Fair will celebrate its 75th anniversary. The event typically brings in crowds of more than 200,000 people.

Of course, with all the activity and excitement at the plaza, plenty of challenges exist for its five-person on-site management team.

“We have the shopping public, the visiting public and, of course, we have all of our tenants that we have to keep happy,” Botelho said. “We deal with everything from rent collection to making sure the plaza is clean to making sure our customer-service levels exceed all of our customers’ and visitors’ expectations.”

To maintain strong communications and relations with shoppers, visitors and tenants, the Highwoods management team tries to meet with tenants on a monthly basis and communicates regularly with all its vendors, including landscapers and security personnel, via e-mail, phone and in person.

To streamline operations and offer tenants top-notch customer service, Highwoods has gone digital. Tenants use software allowing them to access a Web site where they can submit work requests and generate work orders when necessary.

Because the plaza is housed on city streets and sidewalks, Botelho and his staff must work hand-in-hand with city departments—from public works to police and fire departments.

If the city needs to replace a sewer line or repair a water line, the plaza’s management team must coordinate with the city to ensure the workers don’t jackhammer the street during a heavy shopping day, which could affect the merchants' businesses. To ensure smooth day-to-day operations, Botelho regularly meets with his city contacts and maintains open lines of communications.

Despite juggling a number of responsibilities and operations, managing such a high-profile, historic property is rewarding in its own ways. Botelho said he is passionate about Country Club Plaza and its prominence in the city.

“I get to manage the oldest lifestyle center in the country and that is nice to put on a resume,” he said. “Being associated with this property makes me proud.”

Diana Miriel is a contributing writer for JPM. Questions regarding this article can be sent to kgunderson@irem.org.
Fast Facts
- The opposite sides of a dice cube always add up to seven.
- The tallest waterfalls in the world are Angel Falls in Venezuela, measuring three times taller than the Empire State Building.
- A giraffe can clean its ears with its 20-inch tongue.
- The Statue of Liberty is the largest hammered copper statue in the world.
- The LP or long-playing record was invented by Paul Goldmark in 1948. More than 10 million LPs are still sold every year.
- The first motorcycle speedway race was held in Maitland, Australia, in 1925.
- Money notes are not made from paper. They are made mostly from a special blend of cotton and linen.
- The average life span of a mosquito is two weeks.
- Tomatoes come in more than 10,000 varieties.

Search Me

www.business.gov
Designed to help businesses and business managers stay in compliance with federal regulations, this site compiles compliance information and news, federal forms and contact information from nearly 100 government sites like the Department of Energy and the Environmental Protection Agency.

www.parkingsearch.com
This site offers property owners a place to list available parking spots for lease or sale in their buildings without incurring the costs of manually marketing and distributing the information to tenants. The site's national database of parking spots enables buyers or renters to locate spots with an easy-to-use Web interface.

www.daylighting.org
Daylighting.org is a Web site created by the Daylighting Collaborative program, which was started by utility companies and the State of Wisconsin to incorporate daylighting into mainstream design and construction. The Web site offers information on daylighting, design workbooks, studies, one-page overviews of daylighted buildings, articles, and a section on myths and facts about daylighting.

Pulse Points
Log on to www.irem.org/jpm to answer this issue's online survey. Real-time results will appear on the site, and a final tally will be published in the next issue.

Question
Have any of your buildings been retrofitted for energy efficiency in the last few years?
A. Yes
B. No

The results are in from last issue's poll
Do you have plans to incorporate new technology in the coming year?

Yes 83.76 percent (129 responses)

No 16.23 percent (25 responses)

Vote Total 154
It's not a conspiracy. It's just time to retrofit your T8 lighting.

Believe it or not, if you installed your T8 system between 1988 and 1998, you're missing out on some energy saving dollars! With energy costs—from heating oil to gasoline—rising every day, now is a good time to look at your existing lighting system. Our new state-of-the-art T8 retrofit system is so energy efficient, we can provide you with an attractive positive cash flow from month one, including preventive maintenance visits and all lamp and ballast materials over the next 68 or 88 months. Contact your Sylvania Lighting Services representative today to find out how you can save with our new "Retro on the 8's Program." Call 1-800-323-0572 or visit us at www.sylvania.com/sls.

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SYLVANIA
LIGHTING SERVICES
Going for the gold
Host of 2010 Winter Games plans on healthy investment
by Darnell Little

All cities that host Olympic Games hope for a resulting economic shot in the arm—and in their real estate markets—that will last long after the games are over. Vancouver, British Columbia, a Canadian municipality and host of the XXI Olympic Winter Games in 2010, is no different.

“The Olympics creates an awareness on a world stage, which will make people realize the value in investing in Vancouver,” said Lliam Jones, an executive vice president for GVA Devenere, a real estate adviser and broker. “Corporate heads will travel here, tourists will travel here, and that will make them want to invest here.”

ICING ON THE CAKE

Vancouver is certainly not desperate for an economic boost. It is already one of the most expensive cities in North America in which to live, with average home prices clearing $500,000. Residential prices have been growing at 10 percent or greater for the last few years. Additionally, the office space vacancy rate has dropped more than 10 percentage points in the last five years to 3.8 percent, according to information from GVA Devenere.

Supporting Vancouver’s real estate market is an overall economy that is proving to be stable and diversified. As recently as the 1980s, Vancouver was heavily dependent on the forestry and mining industries. However, the natural beauty of the region’s mountain areas, forests, parks and beaches has helped maintain a healthy tourism industry.

Vancouver’s prominence in the movie-making industry is also an asset to its economy. It is the third largest motion picture production center in North America, following Los Angeles and New York. Within the past decade, the city has also developed a high-tech corridor specializing in software development and video game production.

While all these factors have positively influenced Vancouver’s real estate market, simple geography is the biggest driver of soaring real estate prices. With mountains to the north, the Pacific Ocean to the west, and the United States border to the south, Vancouver is limited in the amount of physical growth it can sustain. This constraint on the supply of residential and commercial real estate keeps prices healthy.

“You can grow to the east, and that’s about it,” said Karen Knowles, a real estate broker in British Columbia. “You can’t get much sprawl here, and that’s driving up prices like crazy.”

Because of the limited space, Vancouver is shifting into higher-density living. Mixed-use buildings, consisting of residential, retail and office space have become more standard. Condominiums now total 44 percent of residential sales. This urban revitalization is also keeping real estate prices high.

“We’re the most expensive place to live in Canada,” Knowles said. “Affordability is already an issue in Vancouver. The economy is firing on all cylinders. The Olympics will just provide icing on a pretty hefty cake.”

BASED ON EXPERIENCE

Vancouver is anticipating its economy will experience both short- and long-term effects from hosting the Olympics as former host cities like Sydney, Australia and Atlanta experienced.

The short-term effects are typically related directly to the hotel and tourism sector, according to information from the Jones Lang LaSalle report “Reaching Beyond the Gold: The Impact of the Olympic Games on Real Estate Markets.” Property market indicators like construction activity, occupancy rates and rental levels are also often impacted in the short term, according to the report.

The long-term, more indirect effects, however, are often the most prevalent and consistent among Olympic host cities. Improvements to infrastructures, growing business sectors and urban development are some of the more common gains referenced in the report.

Vancouver has already begun making infrastructure improvements to cope with its growing size. Improvements to mass transit rail, bridges and local roads and highways are planned for completion before the Olympics. Plans to expand the airport and its convention space are also in the works.

Another lasting impact the Olympics might have on Vancouver is an increase in jobs. In the short term, Vancouver’s organizing committee will hire about 2,000 people to
Vancouver anticipates an economic boost when the XXI Olympic Winter Games come to the city in 2010.

pull off the Games, according to the 2006 report “Olympics and Beyond: Implications for Greater Vancouver's Office Market,” developed by Avison Young and Grubb and Ellis Global. Other Olympic-related organizations will also likely establish operations in Vancouver.

Together, these groups could very well absorb 250,000 square feet of office space by the end of 2009, according to the report. It is also projected another 420,000 square feet will be absorbed by other private and public employers related to hosting the Olympics.

In the long term, the Olympic Games could potentially attract more than 100 new international companies to Vancouver, as well as encourage local companies to grow as they become internationally known, according to the “Olympics and Beyond” information. Per the report, the Games could result in approximately 22,000 permanent office-based jobs by 2013, filling approximately 4 million square feet of office space.

WINTER HEAT
With so much natural growth occurring in real estate development and prices, on both residential and office fronts, some investors think any Olympic boost that may occur cannot be maintained in the long term. Indeed, some people fear the 2010 Winter Games will make the Vancouver economy overheat.

“We’re concerned that by 2010, after the events are over, the market will drop and people will lose equity,” said Christine Stanley, a CPM for Professional Realty Corp., in Vancouver.

Some civic planners are worried the 2010 Olympics will mean the end of affordable housing in Vancouver, especially as hotels—some of which house low-income residents—are converted to condominiums. Jones of GVA Devencore said he hopes a commitment to maintaining some degree of economic diversity will remain after the games have left.

“The legacy we talk of is market or affordable housing,” Jones said. “Redevelopment due to the Olympics can happen in a way to maintain that.”

Kraig Kast, CEO of wealth management firm Atherton Trust said while an upturn in residential and commercial real estate values and rents in advance of the Olympics is expected, they are also anticipated to level off.

Also concerning investors as the city prepares for the Games is the construction boom caused by the infrastructure improvements. Vancouver is already facing increased demand for architects and engineers, and Stanley said property managers are having a tough time getting construction projects done with so much work being done for the Olympics.

“We’re already having problems finding contractors to do anything,” Stanley said. “I’ve had a contractor walk away from a $50,000 contract. It’s a nightmare, and it may stay that way until after 2010.”

Still, the 2010 Winter Games will give the world a long look at one of the most livable places in the world, and that can only be a benefit for the area. Jones said, “Everything will be boosted by having these games.”

Darnell Little is a contributing writer for JPM. Send questions regarding this article to kgunderson@irem.org.
Security shopping
Today’s shopping centers require integrated security solutions

by Scott Morey

I am unique in that I have twice as many clothes as my wife. I am not unusual, however, in that I love shopping centers and malls.

In the last decade, malls have become historical town centers where an ever-increasing amount of people meet and hang out. That change, combined with the increase in number of malls, creates some interesting challenges for property managers—especially on the security front.

Establishing a comprehensive security strategy for a shopping center requires understanding the multiple layers of security involved with such a venue like the mall’s customers and patrons, and the mall’s tenants and business partners as they operate and travel to and from the property. Another level of security involves the property itself—from the parking lot to the building and the various systems needed to operate a mall.

Technology is integral to addressing the many layers of security at shopping centers. Specifically, technologies relating to intrusion, fire and life safety, closed circuit television (CCTV) and access control are important to any security plan. As technology advances, these areas are becoming more and more integrated.

In recent years, companies like Lenel (www.lenel.com), Amag Technology (www.amag.com), GE Security (www.gesecurity.com) and Hirsch Electronics (www.hirshelectronics.com), which started out providing single solutions like access control panels or cameras, have evolved into providing broader and more comprehensive security solutions.

Most companies strive to provide an easier and more effective means to monitor, manage, track, report and react to potential or actual security incidents. If intrusion, fire and life safety, CCTV and access control are all integrated, a number of interesting things can occur.

If an intrusion alarm goes off, security personnel are automatically notified. Cameras tied to that specific alarm can be viewed instantly and remotely. When a fire alarm goes off, security personnel can use the integrated CCTV system to instantly view the exact location in the property where the alarm was set. If a vendor or supplier tries to use an expired card key to enter a loading dock, security can automatically be notified.

An integrated and single platform makes it easier for a security group to centrally monitor and manage all security activities for a property or group of properties. An integrated system also allows security and property management personnel to establish rules and triggers that in effect provide a much higher quality security capability within an asset.

In most cases you cannot prevent an incident from happening but you can increase the ability to respond effectively and in a fashion providing greater security and safety for all. In the “old world,” security personnel watched a wall full of televisions and carried remote radios. In the “new world,” security personnel are notified of an incident and can spend their time more effectively at the property.

Scott Morey (scottmorey@realfoundations.net) is managing director of RealFoundations’ London office.
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recently reviewed a Fortune 500 company's lease. It was altered by nine amendments, resulting in a document totaling more than 800 pages. As a result of the amendments, the allowance for tenant improvements, CAM charges, go dark, exclusivity, co-tenancy, percentage rent and other salient terms were repeatedly altered. Had it not been for the user-friendly lease abstract, I and everyone else involved would have run for the hills. But the carefully reviewed and accurate abstract proved to be an invaluable tool, allowing prospective lenders to quickly grasp the key elements governing the landlord and tenant relationship.

A lease abstract provides users with a summary of the underlying lease. A three-to-five page abstract can summarize the important provisions of even the largest lease. The same document can then be relied upon by all involved parties, including real estate managers, lenders, appraisers, property tax assessors and others.

While lease abstracts certainly make things simple, abstracting a lease is not simple at all. Leasing has become an increasingly sophisticated area. Lease negotiation, abstraction, administration and auditing continue to evolve, and the legal review and audit of these items must be done well and at a rational cost. As a result, outsourcing the lease abstract function can be helpful. The institutionalization of real estate ownership has been accompanied by the pursuit of more efficient and cost effective means of doing business. Today, many investment and commercial banks outsource critical property management and due diligence functions. Many REITs and financial institutions outsource lease abstraction, choosing to focus on their respective core competencies.

Abstract thinking

Outsourcing lease abstracting allows managers to focus on core competencies

by Randall Airst, Esq.

Similarly, property managers can offer a full menu of services by outsourcing and partnering with firms where lease negotiation, abstracting, administration and auditing are core competencies. Property managers can mix and match outsourced functions with in-house services to provide clients with an array of services, without having to expand their payroll to include permanent staff.

It is safe to say not all lease abstracts are uniformly prepared and used by sophisticated real estate managers and tenants, but careful review of an abstract will likely prevent costly and untimely arbitration or litigation. Outsourcing to the right party can mean millions of dollars to your client, the owner. Careful decision making is critical when outsourcing in order to distinguish between clerical functions and those requiring careful scrutiny by an experienced professional.

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Corporate culture
Integrating ethics into corporate culture takes work, but makes job easier
by Marv Perlin, CPM

In order to become a CPM, ARM or Accredited Commercial Manager, we all must take a pledge that we will continue to subscribe to the Institute’s Code of Professional Ethics before we can become certified in our career of choice.

Now let me ask you three questions. 1) Have you looked at the revised code of ethics that became effective January 1, 2007? 2) Can you recall any two of the 14 different articles that comprise the code and that you pledged to support? 3) Can you state any part of the pledge that you raised your hand to and pledge yourself to?

If you can answer “yes” to these three questions, then you have made your daily work life a lot easier. By practicing and applying ethics to your business you can make the right decisions as you deal with your clients, tenants and fellow employees. If you cannot answer at least two of the three questions, maybe it is time to integrate ethics into your corporate culture.

Integrating ethics into the corporate culture requires starting at the top. For example, employees at Grubb & Ellis in New York City devote a discussion to ethical issues each week.

At my company, Signature Associates Inc., with headquarters in Southfield, Mich., the president sets aside a number of our bi-weekly, early morning meetings as a platform for discussing ethics. Various scenarios are presented that require ethical decisions. Everyone is given the opportunity to read the scenarios and then respond as to how they would react. The responses to the examples are discussed in an open forum and a general consensus is reached as to what would be the correct ethical answer.

At these meetings we have discussed issues like conflict of interest, full disclosure, conflict between fellow employees and workplace stress, putting one’s reputation and that of the company at risk for short term gains, and the impact of unethical improprieties on the company and one’s self.

So what can you do? Develop a plan with top management, making ethics a part of your corporate culture. Begin by mentoring and continuous training. Our department plan at Signature Associates is to discuss two sections of the Code of Professional Ethics at each monthly property management meeting. It is our goal to make sure our employees know we are serious about ethics.

Having an ethical culture only reflects well on the company. If employees know the company is serious about ethics, clients will know the company is serious about ethics. Our commitment to ethics is a commitment to our clients. Sometimes the hardest choices help companies to make the easiest gains. Integrate ethics into your company’s culture and realize the rewards.

By practicing and applying ethics to your business you can make the right decisions as you deal with your clients, tenants and fellow employees.

Marv Perlin (mperlin@signatureassociates.com), CPM, is a regional director in the property and asset management division of Signature Associates Inc.
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Performance enhancement
Treat the cause of poor work, not just the symptoms
by Natalie Brecher, CPM

A person is found unconscious on the floor of his apartment. When the paramedics arrive, should they:

A) Rush him into the ambulance and drive to the hospital?
B) Set up an IV of lactated ringers for hydration, and administer an antibiotic?
C) Take his vital signs to determine the problem?

If you selected "C," you realize the benefits of diagnosing problems and therefore pass the emergency treatment test. You are now prepared to solve your employees' performance problems.

Early prognosis
No tried and true solutions exist when it comes to helping employees turn around their poor work or poor performance. Just because you found a solution once before, doesn't mean that solution will work again in a different situation with a different employee. It's easy to administer "first aid" to employees who are not performing. However, don’t simply treat the symptoms. For treating performance issues, diagnose the "illness" before attempting any cures.

Analyze this
To pinpoint causes of poor performance, use the equation:

\[ \text{Ability} \times \text{Motivation} \times \text{Environment} = \text{Performance} \]

\( \text{Ability} \): Do your employees have the knowledge, skills and ability to complete their work? If they have done the work correctly before, chances are they do. If they have not correctly completed the work before or completed it to your liking, evaluate your standards and determine if you have set them too high. If only one person has achieved meeting your standards before, determine what knowledge, skills and ability that person had that other employees lack.

\( \text{Motivation} \): If an individual has the knowledge, skills and ability, and has performed the work satisfactorily before, a motivation issue may exist. Evaluate the motivators you set forth at work. Ensure you offer positive rewards for good behavior and negative consequences for poor behavior. Be careful to not dole out negative consequences for good behavior like giving more and more work to top performers. Sound familiar?

\( \text{Environment} \): As hard as this pill may be to swallow, realize every employee is only partly responsible for his or her performance. The environment can make or break someone's success. If an employee’s knowledge, skills, ability and motivation are acceptable, the environment might be helping foster his or her poor performance.

Environment is a broad category, comprised of external factors like procedures, processes, organizational structure, incentives, technology and forces outside the organization. Strong knowledge, skills and ability, and motivation cannot overcome ineffective policies, inefficient procedures, inadequate authority or incorrect tools.

Use your experience and abilities to diagnose performance issues before you determine a cure.

Motivation equals health
For performance issues, consider all contributing factors and determine where negative issues can be solved and where positive forces can be improved. Use your experience and abilities to diagnose performance issues before you determine a cure; don't just treat the symptoms. Your employees will be healthier performers in the long run.

Natalie D. Brecher, CPM (nbrecher@BrecherAssociates.com), is a performance improvement specialist, providing consulting, speaking, and educational resources relating to workplace performance and individuals' professional skills.
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ON TRACK TO SUCCESS

Transit-oriented development attracts real estate investors, along with retail tenants and customers
by Kristin Gunderson
The town of Westwood, Mass., is about to undergo a transformation. Dominated by a 135-acre industrial park, businesses have come and gone—mostly gone—in recent years, and the town has had to rely more heavily on residential property taxes instead of commercial property taxes for its tax base. The park's visual "appeal" consists of abandoned industrial buildings and a lack of green, open and walkable space.

But all that is soon to change thanks to a developer with a vision and the industrial site's close proximity to a Massachusetts Bay Transportation Authority and Amtrak terminal. Cabot, Cabot & Forbes, a Boston real estate developer, is on the verge of transforming the industrial site into Westwood Station, a mixed-use transit-oriented development.

Currently in the final approval stage, Westwood Station plans entail 4.5 million square feet of one-story and two-story open-air retail space comprised of restaurants, cafes and specialty retailers; residential units like flats, lofts and conventional condominiums housed above retail; and open space and local streets with landscaping, public art, waterfalls and new landmarks.

Westwood Station might sound almost like a philosophical vision, but it has a practical purpose—money. The industrial site currently generates $1.6 million in property taxes according to information from Cabot, Cabot and Forbes. As a mixed-use development, it's projected to generate at least triple that amount in property taxes.

More developers and real estate investors nationwide are noticing the value of building projects along transit lines as Americans’ interest in taking public transportation increases. This is spurring transit-oriented development—also called “new urbanism on a train track” because of its compact, dense nature and close proximity to public transportation options.

SHIFTING GEARS
Areas with transit systems have long propelled growth and development, but today’s transit-oriented developments are more commonly created with a mix of uses and "place making" in mind, said Jay Doherty, president of Cabot, Cabot & Forbes, the Boston real estate firm developing Westwood Station.

“The attempt is to be even denser, even more pedestrian-friendly, and to mix in a complement of uses that have synergy and create a more vibrant place,” Doherty said.

Transit-oriented developments are typically composed of a mix of properties, uses, and transportation options like light-rails and heavy rails, street cars and bus lines. They promote an urban environment geared toward pedestrians rather than traffic, said Gloria Ohland, vice president of communications for Reconnecting America, a national non-profit organization devoted to promoting transit-oriented development.

“The key point of transit-oriented development is it increases a location's efficiency so people can walk, bike and take transit,” Ohland said. “It's a way to bring new investment in a community and create a sense of place.”

The concept is certainly catching on, in both central business districts and the suburbs, as public transportation becomes more popular. Public-transit use has increased by 30 percent since 1995, according to information from the American Public Transportation Association. Additionally, public transportation’s growth rate during the last decade has outpaced the growth rate of vehicle miles traveled on the nation’s highways.
“A little bit of bloom is off the rose when it comes to the American romance with the car,” Doherty said. “Some reconsideration is going on at the individual level, causing people to look at transit-oriented development.”

The rising cost of transportation is one reason people are less enchanted with the car, Doherty said. The average household spends 18 cents of every dollar earned on transportation—94 percent of which is for buying, maintaining and operating cars, according to the transportation association’s information.

The country’s changing demographics are also influencing demand for transit-oriented development, Ohland said. Families are shrinking; the population is aging; and single Americans make up 44 percent of the population, according to U.S. Census Bureau information. As a result, the “American dream” doesn’t necessarily require owning a single-family home with a white picket fence anymore. Instead, it might involve buying a condo in an urban center with viable transit options.

“There is much more diversity in this country and in today’s households,” Ohland said. “Demographics are redefining the way we want to live. Transit-oriented development is about providing more choices for different types of people. It’s the American dream being reconfigured.”

**BEST BET**

This reconfiguration of the American dream and subsequent interest in transit-oriented development is proving lucrative for real estate investors. The Urban Land Institute and PricewaterhouseCoopers ranked transit-oriented development as one of the best bets for investors in their Emerging Trends real estate reports in 2005, 2006 and 2007.

“Developers are drawn to where value is created, and more value can be created per square foot in a transit-served location,” Doherty said.

The Dallas Area Rapid Transit system is proof of that. It integrated light-rail into its public-transit system in 1996 with plans to develop mixed-use projects around the rail stations. Initially, developers wouldn’t sign on for such projects. But once some of the light-rail stations went up, and

Mockingbird Station is a 170,000 square foot transit-oriented development off the Dallas Area Rapid Transit light-rail line. It features boutiques, retail shops and an eight-screen independent movie theater.
a ridership base developed, developers were more than willing to jump in, said Jack Wierzenski, director of economic development and planning for Dallas Area Rapid Transit.

More than $922 million in private funds has been spent developing mixed-use projects along the Dallas Area Rapid Transit light-rail line, bringing the total transit-related development to more than $1 billion, according to the American Public Transportation Association's report The Benefits of Public Transportation: Building Investment Value in Our Economy and Marketplace.

Further, according to the same report, the value of residential properties near Dallas Area Rapid Transit light-rail stations increased by 39 percent more than comparable properties not served by rail, and values of office buildings near light-rail increased by 53 percent more than comparable properties not near rail.

Dallas is not alone. Transit-oriented development is bringing money to local economies across the country. Nationwide, for every $10 million invested in public transportation, $30 million is gained by local businesses, said Virginia Miller, a spokeswoman for the American Public Transportation Association.

In Portland, Ore., the assessed value of the city’s 63 developed light-rail stations is $6 million, said Jillian Detweiler, a senior land development planner for TriMet, Portland’s transit system. She said such projects are great for attracting and maintaining local businesses and residents because they create a more livable environment.

“Our livability is what we use to attract businesses here and keep people here,” she said. “We’re using land wisely. Were giving people transit choices. Were able to create walkable communities and reduce traffic congestion and have cleaner air. Were containing the sprawl so people can reach the beach or reach the mountains without having to navigate unplanned sprawl development.”

**SPILL-OVER EFFECT**

The financial rewards experienced by developers and local economies supporting transit-oriented development have naturally spilled over into the real estate management realm. Real estate managers involved with transit-oriented development are being rewarded with high lease rates and above-average market rents.

At Museum Place, a $40 million mixed-use development completed in 2003 along Portland’s TriMet system, the residential component is 98 percent full almost 100 percent of the time, said Ben Merrill, the development’s property manager from Guardian Management, an Oregon-based real estate management firm. The residential lofts—made up of mixed-income housing—sit atop a grocery store and barber shop.

The development is in the heart of the historic cultural district, surrounded by an art museum, a $65 million condo building, and a church, bank, coffee shop and convenience store. Guardian Management is able to charge 5 to 10 percent more in rent than other buildings in the core downtown area because of the property’s location and accessibility to amenities and transit options, including streetcars, light-rail and buses, Merrill said.

“With the rising cost to commute into the city and park, people are beginning to think in terms of how can they save money, and they can save money by living in a city center,” Merrill said. “Transportation is right at the door, and people can walk anywhere.”

Merrill also said the marketing advantages of operating on a transit-oriented development have been tremendous. He said most of his business is generated from foot traffic—people walk by and inquire about the property. When the company does advertise, the ads promote the
development's convenience and how the development is helping the community.

So far, Merrill said the company has had success sparking interest. He said commercial tenants are drawn to the stability of transit-oriented developments. They view transit riders and the residents who live above or adjacent to the commercial spaces, as a built-in customer base with easy access to their services, Merrill said.

Doherty of Cabot, Cabot and Forbes said more company executives are becoming interested in leasing office space at transit-oriented developments because of the employees they can attract—visionaries, international employees and the younger generation to their companies.

"As I talk to different end users in the market place—the employers, the people on the street who might be residents of a complex like this, and retailers—the things I see and hear tend to support [the idea that] there is a great interest in doing this," Doherty said.

**MIXED FEELINGS**

While interest might be high, developing and managing a successful transit-oriented development is no easy feat. The mix of uses, the integration of transit and the complexity of the market are just a few of the challenges.

"For so long in this country, development excelled at single-use development," Ohland of Reconnecting America said. "Mixed use is fairly new, and I don't think people understand it quite yet. It's hard in one fell swoop to develop an entire community."

Mockingbird Station, a transit-oriented development less than four miles north of downtown Dallas, is one such complex project. The $105 million project includes 575,000 square feet of leasable space for loft apartments, professional offices, restaurants and retailers like Gap, Urban Outfitters, Victoria's Secret, Virgin Megastore, Margarita Ranch and Rockfish Seafood Grill.

Sarah Jimenez, general manager for Mockingbird Station and CAPSTAR Commercial Real Estate Services, said managing mixed-use properties is challenging enough without the consideration of public transit.

Keeping the traffic flowing among pedestrians, cars, delivery trucks servicing the commercial uses and public transit is a task. Keeping the uses separate but unified isn't easy.

"Managing Mockingbird Station is definitely bitter-sweet," Jimenez said. "Balancing the demands of three competing but extremely intertwined and interdependent entities such as the offices, shops and lofts is often a challenge—not to mention throwing in the added twist of the light-rail component to the property, which adds to the managed chaos of the station."

Developing these projects is no cakewalk either, Doherty said. Just like with any other real estate, he said the first thing developers must understand is the market. They have to understand the complexities and challenges each use will present, as well as be clear on what the market can support. They have to then compare the market forces to the host community's objectives, communicate those differences and come to an agreement.

The process doesn't get any easier in the planning stages, Doherty said. Dealing with zoning issues is difficult because zoning laws were created with single-use developments and cars in mind—not mixed-use developments and pedestrians.

Working with planning boards and other government entities, particularly in suburban areas not accustomed to mixed-use development, can be a struggle because traditionally they have operated in silos and can't necessarily make cohesive or integrated decisions. The developer ends up working with numerous boards and recreating the project time and again to meet each board's needs.

The physical construction design is also difficult, considering the variety of uses in a single structure or several structures within a close proximity of one another, Doherty said. Projects must be clearly thought-out with a focus on how the different spaces and systems, like parking garages and HVAC, will relate.

"They are intrinsically challenging," Doherty said. "The complexity here comes at so many different levels."
ON THE FRONT BURNER

Challenges aside, Doherty said transit-oriented development provides excellent real estate opportunities, and for now his company plans to forge ahead with Westwood Station and possibly other developments in the market. He said he hopes the trend toward transit-oriented development continues and proves to be as lucrative in the future as it's been in the past.

"It seems—to the extent it’s been tried out throughout the country—to have a lot of promise, but it’s still an evolving model," Doherty said. "We have to test that out. That’s not doctrine yet. We are hopeful this approach works."

Jimenez said CAPSTAR Commercial Real Estate Services has enjoyed its success in pioneering a transit-oriented mixed-use project. She said transit is likely the future of real estate development.

"Managing a transit-oriented mixed-use facility allows us the opportunity to not only use our property management talents but also affords us the opportunity to help shape and create what we see as the future of development in real estate," Jimenez said. "It’s a chance to be part of the changing face of our industry and to bring new life to the community by maintaining an environment where people are able to live, work and play."

Merrill said he doesn’t think transit-oriented development is going anywhere, either. He said the vitality it brings to a city and the economic development it encourages make it a viable development option.

"Public transportation is the heartbeat of a city," Merrill said. "It’s not just a blip on the scale. Transit-oriented development will continue to grow. Public awareness has grown and people are not backing away from it. We can’t help but keep public transportation on the front burner."

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Soft Targets

Recent violence at shopping centers prompts property managers to carefully evaluate security  by Janice Rosenberg
Historic Trolley Square is a trendy mall in Salt Lake City known for its unique shops and restaurants enclosed in old trolley barns dating back to the 19th century. It's also known for a deadly shooting rampage that happened earlier this year.

In February, a lone shooter armed with low-tech firearms—a pump-action shotgun and a .38-caliber revolver—shot nine people, killing five and wounding four. The terrifying incident ended when police killed the shooter.

While this was an isolated act of violence, the Trolley Square shootings underscore for shopping center owners and managers the absolute necessity of providing the best, state-of-the-art security for their patrons and store owners.

"Any good owner or manager is always looking for ways to improve security," said Charles Waldron, senior vice president of property management at Macerich, a real estate investment trust in Santa Monica, Calif.

Limiting factors
Neither the International Council of Shopping Centers (ICSC) nor government agencies like the Bureau of Justice, the FBI or the Federal Trade Commission keep statistics on shopping center security breaches.

Patrick Kiernan, supervisory special agent for the Salt Lake City FBI, who worked with Salt Lake police on the Trolley Square shootings, said such instances haven't been commonplace in his 20 years with the FBI.

Still, recent events similar to the Trolley Square shootings have raised concerns. In April, a shooting spree broke out at the Ward Parkway Center in Kansas City, Mo., leaving three people dead. On Christmas Eve in 2006, a gunman killed a person at a mall in Boynton Beach, Fla., sending crowds of shoppers into a panic.

Additionally, anxiety about terrorism at shopping centers is growing. More than 60 terrorist attacks occurred against shopping centers in 21 countries between 1998 and 2005, according to information in a 2006 report titled Reducing Terrorism at Shopping Centers, by the RAND Corporation in Santa Monica, Calif.

None of those attacks occurred in the United States. But the September 11 terrorist attacks are a clear indicator the nation is not immune from terrorism, and neither are its shopping centers. In fact, the Justice Department's Joint Terrorism Task Force prevented a perpetrator from carrying out a plan to set off several grenades in garbage cans at CherryVale Shopping Mall in Rockford, Ill., in December 2006.

"Everyone needs to be concerned about terrorism," said Joe Marcello, executive vice president of national operations at IPC Corporation in Bannockburn, Ill. "We do our best not to remain stagnant. We're constantly changing our security efforts so people don't see patterns."

The United States is home to approximately 45,000 shopping centers, including about 1,200 enclosed centers, according to ICSC information. Because these centers lack barrier fencing, don't screen people as they arrive, and don't use bomb-sniffing dogs or X-ray machines, the Department of Homeland Security considers them soft targets.

And because shopping centers are perceived by the public as fun places to congregate, heavy-handed security measures are hardly the way to attract customers, said Scott Born, vice president of corporate relations for Valor Security Services in Marietta, Ga. Valor focuses exclusively on 160 shopping center clients.

"Absent the introduction of walls around malls and screening—and I don't think the public would tolerate that—the limitations of our security are defined by the environment we operate in," Born said. "The doors open in the morning and people can walk in. We don't go through their purses or backpacks."

Get Ready
Refer to the following Web sites for information regarding terrorist threats, plus guidance on preparing for national emergencies:

- U.S. Department of Justice www.usdoj.gov
- U.S. White House www.whitehouse.gov
- American Red Cross www.redcross.org

Sizing up safety
To address the possibility of terrorist attacks on shopping centers, representatives from ICSC and the Department of Homeland Security met to discuss shopping center security soon after September 11. Since then, shopping mall managers and independent security companies have implemented a variety of strategies to improve security.

"9/11 was a wake-up call for the nation, and shopping centers are a part of that. It brought in a whole genre of issues we should be cognizant of," Waldron of Macerich said. "Managers looked at their own security to be sure they had adequate controls."
Officials from the organizations suggested shopping center managers take simple measures like securing HVAC systems, locking down roofs, being more cognizant of delivery schedules and using concrete barricades. Other features increasing safety include good lighting, limited escape routes, and security support from police in the surrounding community.

Further, information from RAND Corporation research indicated traditional security approaches like installing bollards at pedestrian entrances, searching bags, encouraging suspicious package reporting and searching vehicles are in fact effective and should be implemented.

Valor is adding bicycle patrols at malls where it provides security. It is also using armed security forces to supplement unarmed security forces at strategic times. Valor’s Born said he couldn’t elaborate further on the company’s security services in order to protect its clients.

To ensure a more subtle approach to protecting mall patrons, security guards at the Mall of America in Bloomington, Minn., are trained to use less confrontational body language and speech to ease tensions when conversing with mall visitors. Dan Jasper, the mall’s director of public relations said the training is extremely effective.

**Technology fights back**

Technology is another way to enhance security, said Marcello of IPC. Currently, the use of cameras is a hot topic among managers and security firms. IPC offers closed circuit television to shopping centers where it provides security.

“Many centers look toward technology as a terrific supplement to manned security forces,” Marcello said.

General Growth Properties Inc., in Chicago, which has ownership interests and/or management responsibilities at more than 200 regional shopping malls, is looking into the latest developments in video analytics.

With video analytics, a camera can be set to react to particular scenarios. If it sees an individual walking across a parking lot, and it also sees one or more other individuals are on a path to intercept that person, an alarm will come up for the person monitoring the camera.

“Video analytics make the security camera system smart, so an image the camera sees—if it meets certain criteria—will come up as an alarm for the camera operator,” said David Levenberg, vice president of security at General Growth.

With between 60 and 125 cameras at a typical shopping center, and only one or two people monitoring the cameras, this kind of alarm system is a big help.

General Growth also has provided video feed from certain cameras in their centers directly to police dispatchers, and the company is experimenting with wireless video, which would allow police in cruisers to look at mall security video on their in-car laptop computers.

**Assembling security**

All the technology, lighting and concrete barriers in the world won’t enhance security without topflight
security personnel. Hiring and training procedures for security officers are of the utmost importance.

Levenberg said outsourcing security can be beneficial because a security company can focus all its attention on protecting a property, while property managers have to spread their attention among the many different aspects of real estate management.

"Security is an employee intensive business and those who focus on it [exclusively] are better at recruiting, training and retaining security employees than we are," Levenberg said.

Many shopping center owners and managers have turned to professional firms for their security personnel. Taubman Center Inc., in Bloomfield Hills, Mich., which owns and/or manages 23 centers nationwide, has contracted with IPC since 2003 because it offers the latest security training, equipment and support, said Ken Ruona, Taubman’s director of operations.

Hiring outside security companies can also save money because of the economies of scale: A mall with five officers will receive security pricing similar to a mall with 15 officers when one corporation owns both malls. In addition, the outsourced security staff doesn’t go on the payroll or require benefits or insurance on the management firm’s behalf, said Jon Lusher, executive vice president of IPC.

Outsourced or not, security personnel need training. Macerich shopping centers offer extensive training programs covering all facets of shopping center and private security techniques, plus training in how to handle medical emergencies, Waldron said. A security and guest services manager trains the security

Taking on terror

On April 1, 2007, the International Council of Shopping Centers (ICSC) rolled out its Terrorist Awareness Training Program. Created in a high-end collaborative effort with George Washington University in Washington, D.C., the course is self-taught via DVD and workbook. Security personnel taking the course are logged into the university’s computer system.

The first standardized anti-terrorism curriculum written strictly for shopping center security personnel, the course takes about 14 hours to complete. Those who finish it receive a certificate from the university.

"I think it’s a unique program," said Paul M. Maniscalco, a senior research scientist at George Washington who helped create the course. "While the tenets of awareness training remain consistent across different disciplines such as the fire department and police department, their application in the operating environment of a shopping center is unique."

The high impact awareness training program complies with Department of Homeland Security standards for first responders.

"It’s a terrific program and we’re excited about it," said Joe Marcello, executive vice president of national operations at IPC International Corp., a security company in Bannockburn, Ill. "George Washington University did it with a lot of thought. They brought me in along with others in security and we helped them create applicable training. Working with GW experts was a learning experience for everyone and we’re better today for it."

IREM Members can view terror alerts and informational bulletins issued by the Department of Homeland Security by visiting www.irem.org; signing in with account information; and visiting the public policy page of the Web site. Click on the "Access the Real Estate Responds to Terrorism Threat memo" link. All members who have opted in for e-mail news already receive the national security alerts as soon as they are released by the Department of Homeland Security.
staff at each Macerich shopping center with help from external trainers and in some cases local police departments.

Valor begins the hiring process for its security force by prescreening applicants' drug, driving and criminal records, and giving each a psychological evaluation. The company also recruits people with military or law enforcement experience.

"They are given awareness training that helps them recognize suspicious activities such as individuals who are hanging out, photographing or videotaping, trying to enter restricted areas, asking a lot of questions, or asking questions that should raise an eyebrow such as what security is on the property at a specific time," Born said.

Finally, shopping center managers and security personnel must be aware of efforts to control crime in the surrounding community. Levenberg said it's imperative the security director on site have a great relationship with the local police department.

Integrating traditional security techniques, technology and a top-notch security force into a shopping center's security plan without infringing on the public's enjoyment of the space is a challenge requiring thought and planning. It also requires some prioritizing, but in the end shopping centers will be safer places, said RAND physical scientist, Tom LaTourrette.

"The question isn't 'Can you increase security?'" LaTourrette said. "Obviously you can. The real challenge is how to prioritize the options and come up with a rational plan for doing it. You're never going to make shopping centers into fortresses, but we found that you can increase security and reduce risk." □

Janice Rosenberg is a contributing writer for JPM. Send questions regarding this article to kgunderson@irem.org.

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**IREM Resources**

Refer to the following IREM materials for information on security procedures specific to shopping centers:

- Shopping Center Management and Leasing
- Managing and Leasing Commercial Properties
- Preparing for Terrorism: A Property Manager's Guide
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PLATINUM SPONSORS
Privatization of military housing creates new opportunities for property managers
by Allan Richter

The Village at NTC (Naval Training Center) in San Diego is a 10,000-square-foot community featuring 500 units of housing.
little more than a decade ago, residents and property managers of housing units on military bases were beholden to U.S. Defense Department budgets for basic property repairs. It was money that often would not materialize. As a result, routine maintenance was backlogged and military housing fell into horrible disrepair.

But the once-considered substandard military housing has drastically improved since Congress authorized the privatization of the highly specialized market about 11 years ago. The privatization initiative has not only resulted in better living conditions for service people, but has created opportunities for real estate managers to break into this niche.

"We have revitalized our housing [by] relying heavily on the expertise of privatized [housing] authorities," said Lisa Tychsen, senior analyst in the Defense Department's Housing and Competitive Sourcing office. "Our core strength is being the defense department, defending the country—not housing."

CONGRESSIONAL WARFARE

In 1996, Congress implemented the Military Housing Privatization Initiative with the goal of changing the face of dilapidated military housing and making it more appealing to service men and women. More than three fourths of military personnel live away from their posts.

The deteriorating state of base housing hasn't been the only reason military personnel have chosen to live off site. Military housing stipends, which are distributed to all service people, have further encouraged the trend. Stipend amounts factor in median current-market rent, utility costs and renters insurance, and may be applied to on- or off-base housing. As housing allowances increase, service members have more opportunities to pursue off-base housing.

Service members received an average 3.5 percent hike in their basic housing allowance in 2007. Also, the higher the military rank, the bigger the housing allowance becomes. Most enlisted personnel choose on-base housing, while officers tend to live off site, Tychsen said.

By bringing in private developers and property managers to build, renovate and manage on-base housing, members of Congress hoped to make military base housing more competitive without having to delve deep into the government's pockets. The financial goals of the privatization initiative appear to have worked, Tychsen said.

Of the roughly 300,000 military housing units in existence in 1996, 180,000 were deemed below market standards. About 147,000 of those inadequate units have since been privatized. While private developers have infused more than $20 billion into privatization projects, Tychsen said the government contributed $1.5 billion.

"In some cases, we've put no money in," she said, citing military bases and posts where land values are high and particularly attractive to developers.

Additionally, military base housing occupancy rates are currently at 90 percent—the same rate as before privatization despite the dramatic increase in stipend amounts, which has historically led service members to live off site. Tychsen said this indicates demand for military housing has grown even if occupancy rates are the same.

LONG-TERM COMMITMENT

The privatization of so many military-housing units has created opportunities for more real estate managers to try their hand at managing within this niche market and discover what makes managing military housing unique.

Unlike traditional real estate developments, in which the return on investment often comes from property sales as well as management fees, revenue from military-housing units comes mainly from management fees.

Long-term leases are another unique element to military housing and also the biggest payoff for investing in the market: A partnership with the military comes with an unprecedented 50-year lease. That long-term security is a valuable asset in a highly fluid industry, said Drew Schunk, CPM, and regional vice president at Lincoln Military Housing in San Diego.
The long-term leases allow developers and managers more time to pay off the loans used to demolish, build and renovate the properties. They can do this with rental income collected from residents over the 40- to 50-year lease period, said Bill Mulvey, a vice president at Picerne Military Housing, a North Kingston, R.I., development and property management company.

The 50-year lease is so valuable, developers and real estate managers are willing to learn an entirely different management style. For starters, they should count on doing some long-range planning for additional upgrades and renovations. They also need to be prepared for geopolitical events and economies to change those plans at any time.

"[The market] is constantly shifting, and the number of homes can shift, too," Mulvey said. "If the economy changes off the post, they may say we don't need 2,600 homes anymore, we only need 2,000. Or maybe some new units get assigned to your post. It's a very flexible partnership we have with the military."

The military's unprecedented scrutiny of customer service is another challenge. To maintain those long-term leases, developers and real estate managers must undergo annual reviews by residents. The military can terminate lease agreements if real estate managers allow properties to fall below set standards. That's why Picerne doesn't just rely on the annual mandated resident surveys—it takes the pulse of its military residents with town hall-style meetings and its own surveys.

The focus on how properties should be maintained also sets managing military housing apart from managing more traditional housing, in part because of those long-term leases, Schunk said.

"Typically, if you're looking at holding on to a property for three to five years before it is sold, you're going to look at your return on investment much differently in terms of capital dollars expenditures," he said. "In contrast, for a long-term asset, you look at maintaining the integrity of the asset. You're not going to defer maintenance with a long-term hold, or at least you shouldn't."

The labor needs at military-housing complexes are also unique in that they are more cyclical than those of off-base traditional housing, said Doug Jones, senior vice president of property management at Picerne Military Housing. Military families typically relocate from one duty station to another between May and August so their children can start the new school year uninterrupted, Jones said.

"You have a spike of move-ins and move-outs and turnover in a four-month period, whereas it's more evenly distributed outside of the military," Jones said. "So you supplement with some summer helpers, seasonal staff, and you supplement with preferred vendors who can come in and help with the work."

**ALLIED FRONT**

To handle all the challenges and unique aspects that come with managing military housing, real estate managers need experience and know-how. They also need connections and clout, said Mulvey.

He said property management companies looking to get into the market must align with a well-established developer. Picerne Military Housing, for instance, was launched in 1999, but was no fly-by-night start-up: It was an arm of Picerne Real Estate Group, established in 1925. Mulvey said a property management start-up wouldn't get past the first stage in trying to win a military-housing contract on its own.

"You've got to have the clout," he said. "First the military asks for your statement of qualifications; they're not asking for a bid. They ask you to list the developments you have constructed and renovated and managed. You have to prove yourself first."

Schunk said Lincoln Military Housing got into the military-housing business by partnering with Clark Realty in Bethesda, Md., to show the U.S. Navy it was equipped on both the development and management sides. The company...
Military School

Education is first line of defense for real estate managers looking to break into market

As always, education is one way to further real estate managers’ knowledge of the industry as a whole, as well as niche markets like military housing.

The Certified Defense Privatization Manager course—put together by the Institute of Real Estate Management, the National Apartment Association, and the Military Housing and Lodging Institute, an arm of the Professional Housing Management Association—helps bridge gaps between the military and property developers and managers.

“IT brings the best of the military and the private sector together,” said Jon Moore, the Military Housing and Lodging Institute’s chief operating officer. “Originally, the thought was to have the private sector come in and develop the course, but they hadn’t counted on the military traditions and culture.”

Doug Jones, senior vice president of property management at Picerne Military Housing, said the partnership that created the course, launched in January 2005, was needed because of the vast differences between civilian and military expectations and cultures.

“It is designed to provide an understanding, to help the privatization partners understand the government side and how it views housing, and at the same time provide a perspective of how the private sector handles property management,” Jones said.

He said the biggest insight he gleaned from the course was in the military’s annual budgeting schedule, which is far more shortsighted than the long-term financial outlook to which he was accustomed. In Jones’ experience, he’s been able to look ahead 15 to 20 years and feel confident the money needed to carry out those plans will be available.

“We understand that’s not something [the military] had the luxury to do, so we know we have to let them see how that works and falls into place, and what is done one year is the foundation for the next year and the third year,” Jones said.

“That wasn’t the world they lived in, and understanding that helps us keep them in the loop and integrate as true partners in this program.”

The Certified Defense Privatization Manager course includes IREM’s ethics and fair housing content, the National Apartment Association’s property operations content, and the Military Housing and Lodging Institute’s military-specific content. In January 2006, the organizations launched a level-two course, focusing on higher-level financial analysis. Both level-one and level-two courses are five-day classes.

Go to www.mlili.org to get the most up-to-date schedule of offerings for the level-one and two courses and other courses related to military housing.

Schunk said he’s glad he broke into the market, despite the nuances making overseeing military-housing units different from traditional real estate. He said he sees his role not just in business terms, but also through a patriotic lens, and that gives him personal satisfaction.

“Good resident satisfaction equates to military readiness, meaning that if a deployed service member is on a mission, and he or she is not having to worry about his or her family, we’re doing our job,” Schunk said. “If I’m going to do property management, I might as well do something that’s going to give back to our country. It’s very rewarding for me personally.”

Allan Richter is a contributing writer for JPM. Send questions regarding this article to kgunderson@irem.org.
What’s OLD is NEW again

Real estate investors and managers green existing buildings rather than build new by Diana Mirel
Energy conservation was the National Geographic Society's goal when the organization opted to renovate its headquarters in Washington, D.C., to make it green. Energy cost savings and increased property values—along with minimum impact on the environment—were the organization's rewards.

Retrofitting or renovating buildings to include sustainable features can drastically reduce utility bills, improve tenants' health and happiness, and cause property values to soar. All these potential benefits come without the negative environmental impact new construction often creates.

"[Retrofitting] makes better use of a resource," said Robert Cline, director of general services at the National Geographic Society. "Even if you totally gut an old building to its shell and go back in with a new mechanical structure, there is a value in making these existing buildings more sustainable."

That value—typically in the form of energy savings—is driving interest in green retrofits and sustainable design among real estate owners and managers.

**MOTIVATED BY MONEY**

Retrofitting buildings to make them green can lead to 30 percent energy cost savings. Gut-rehab retrofits to green a building can result in close to 50 percent energy cost savings, said Dru Crawley, program manager for the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy.

"For most building owners and managers, the biggest reason to [go green] is financial," he said. "A lot of [owners and managers] are watching their energy bills go through the roof. In a couple of cases, their energy bills are higher than their margins...For them, doing anything that affects energy just makes sense."

Basic retrofits to green a building can involve anything from investing in an energy efficient chiller system to installing low-flow plumbing fixtures like toilets and sinks that use less water. Sustainable gut rehabs are more invasive and involve reusing the shell of a building while extensive work is done on the interior to make it greener. Everything from the mechanical systems to the windows, walls, roofing, fixtures and finishes is revamped.

To give owners and managers direction on how to go green and how green to go, the U.S. Green Building Council, a nonprofit organization dedicated to sustainable building design and construction, developed the Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) certification.

"LEED for Existing Buildings is based on the recognition that the environmental goals and financial opportunities that are achievable through green building should not be limited to just the new construction market," said Doug Gatlin, director of LEED-EB at the U.S. Green Building Council.

The certification is an offshoot of the original LEED rating system, which...
The Chicago-based Center for Neighborhood Technology reduced its energy use by more than 50 percent and water consumption by 30 percent after implementing green technology such as low-flow showerheads and solar panels.

sets uniform standards for building sustainable buildings. Both certification programs are entirely voluntary but require those enlisted to demonstrate their buildings are environmentally friendly through a point system.

By greening certain aspects of a building or its management within the categories of site management, water efficiency, energy and atmosphere, materials and resources, and indoor air quality, development and management teams earn points toward the LEED-EB certification.

Currently, more than 200 projects are registered to obtain LEED-EB status, and 50 buildings are already certified under the guidelines. The National Geographic Society complex was the first to achieve LEED-EB Silver certification in November 2003.

"The LEED-EB certification provided a measurable means by which the society's facility operations and services could reflect the underlying principles and values of the organization," Cline said.

BANG FOR YOUR BUCK

A wide range of engineering strategies can be used to green an existing building and qualify for LEED-EB status.

The National Geographic Society facilities team worked with Johnson Controls, a Milwaukee company specializing in building efficiency solutions, to upgrade chillers, boilers and air-handing systems; install window film and energy-efficient lighting; and upgrade motors and direct digital controls.

Richard Neal, chief engineer for the National Geographic Society, said replacing the building's 40-year-old chillers had the biggest impact on energy savings. The society met its 11 percent energy-use reduction goal and is now using approximately 2.5 million less kilowatt hours of energy per year when compared to the year 2000. Furthermore, the new chillers use 134A refrigerant, which does not have ozone depletion potential.

The society's 18 percent reduction in water consumption—or 4.5 million gallon reduction per year—was a result of water conservation efforts including installing hands-free faucets, low-flush toilets and irrigation system gauge controls that can sense recent rainfall so the irrigation system won't activate unless necessary.

Several lighting initiatives have also played a major role in the property's operational energy efficiency. The National Geographic Society now exclusively uses energy-efficient tubular lamps known as T-8 and T-5 fluorescent lamps. The society also installed occupancy sensors in most of its offices and corridors, which are controlled via an automated building system.

The Center for Neighborhood Technology, a Chicago organization devoted to building more livable and sustainable communities, took its
existing offices green by overhauling everything from the building’s appliances to its energy sources. The organization reduced its annual energy usage by more than 50 percent and its water consumption by 30 percent.

Some of the center’s energy-saving solutions were simple, like integrating Energy Star appliances exclusively throughout the property. Energy Star-qualified appliances, like refrigerators and ceiling fans, use 10 to 50 percent less energy and water than standard models and must meet strict energy-efficiency criteria set by the Environmental Protection Agency (EPA) and the Department of Energy.

The center also integrated low-flow equipment into the property. Its low-flow toilets use an estimated 30 to 40 percent less water during flushing than standard toilets, and the low-flow showerheads reduce the amount of water flow from 5 to 6 gallons of water per minute to 3 gallons of water per minute.

The building’s new landscaping includes plants that survive on rainwater alone and do not need any extra mowing, watering or fertilizing. The center also composts about seven pounds of lunch scraps a week, which is used to feed the garden and reduce waste.

Some of the center’s more drastic renovations included putting solar panels on the roof, which now supply 5 percent of the building's energy. Renovations also included integrating day-lighting techniques and skylights into the property. And to cool the building more efficiently, an ice storage tank that supplies cold water to the building’s pipes and cools the building was buried on the side of the building.

**PERFORMANCE EVALUATION**

Whether the changes are drastic or simple, many challenges are involved with retrofitting a building to be green. Because of this, Gatlin said building owners and managers should know how well a building is performing before blindly jumping into renovations.

"Once you find out how your building performs, you will have a sense of what you need to do," Gatlin said. "If you are performing well, you may want to keep monitoring things and doing minor tune-ups. If [not], that indicates some tremendous savings opportunities, so you would really want to talk to a contractor about doing a retrofit."

A building’s energy performance can be evaluated through recommissioning—a process whereby an engineer ensures existing systems like power, lighting and heating and cooling are working as efficiently as intended. A recommissioning will, for example, show if filters are performing and are unclogged and if outside air dampers for heat and cooling control are operating properly.

"Recommissioning is a very effective way of saving a lot of energy," said Crawley. "Buildings we have worked with have seen a savings of 10 percent to 30 percent by getting the building to operate correctly."

Recommissioning can cost between $.05 and $.15 per square foot, and building owners can generate returns on the order of about $.15 or more per square foot. Gatlin said buildings should be recommissioned every three to five years.

"It is very low cost and has an immediate payback," he said.

**WORK IN PROGRESS**

If the recommissioning process indicates a building would in fact benefit from retrofits or a full-scale rehab, an organization should be prepared for the inconveniences like noise and increased building activity that come with any renovation—green or not.

Managers at the National Geographic Society and Center for Neighborhood Technology said careful planning and open communication are key to a smooth green renovation process. Both organizations’ buildings remained in operation during their retrofits.

At the Center for Neighborhood Technology, staff was shuffled around throughout the process. The renovation was done on a floor-by-floor basis, which called for staff members on specific floors to be moved at different times, rather than the entire staff to be moved at once. Employees utilized space on the floors not being renovated at the time, and several staff members moved to a temporary office space down the block.

At the National Geographic Society, the buildings were completely occupied throughout the renovation. Neal said staff members never missed a day of work as a result of the renovation because of practical planning. For example, engineers replaced chillers during the winter months when the cooling requirement was at a minimum, and they changed out the boiler during the summer before heat was needed. Cline said the planning and
ENERGY PACT
Building new is alternative for some companies going green

While some organizations are retrofitting their offices to be green, others are building new sustainable structures.

In 2004, developer Opus Northwest LLC, based out of Minneapolis, teamed up with the U.S. Environmental Protection Agency (EPA) and the U.S. General Services Administration to design and build the EPA Region 8 Office in Denver with a focus on green building. The goal was to create a property that uses less energy and provides an efficient and healthy work environment.

In addition to its commitment to green-building design from the ecological perspective, building green made financial sense, as well.

"Opus' business objective is not to build and own buildings; it is to build and sell buildings," said Amy Smith, a senior property manager for Opus and a LEED-accredited professional. "We knew [a green building] would be very attractive to any buyer. It is a good marketing tool."

While new construction offers more leeway in terms of design and implementation, the biggest challenge for this project was making sure the concept of the building did not change, despite the financial and site restrictions that exist in any new construction.

The innovations
One of the highlights of the building is its 20,000 square-foot green roof, which consists of grasses, perennials and ground cover. In addition to contributing to an estimated 26.7 percent reduction in storm water runoff, the green roof minimizes the "heat island effect," in which traditional black roofs absorb heat and radiate it back into the atmosphere.

One major goal for the building was to optimize energy efficiency with 35 percent less consumption compared to buildings of the same size. One way the building does this is by harvesting natural light to reduce energy consumption and improve indoor workspace quality.

The building also utilizes reflective surfaces, dimmers that feature daylighting techniques and occupancy sensors to reduce lighting usage. Windows, skylights and creative office layout design provide 85 percent of the floor space with natural lighting. Meanwhile, permanent sunshades ward off the glare and heat from the sun.

"It is light and airy and makes people feel good about working there," Smith said.

Another goal was to reduce water usage by 30 percent compared to other buildings of the same size. Opus accomplished this through installing waterless urinals, low-flow plumbing fixtures, water-conserving mechanical system design and low-maintenance landscaping with sustainable and native species.

Operationally, the building has a green housekeeping plan, which calls for green cleaning products with low volatile organic compounds. The building also has a daytime janitorial crew rather than a traditional nighttime crew, which cuts back on money spent keeping the building lit and the HVAC system running while the janitors are there at night, Smith said. At 7 p.m., when the building closes, the lights are turned off and all the building systems are shut down to the minimum so unoccupied space is not being heated or cooled.

The result
The building is currently in the process of applying for LEED status and should get the results later this year. Through lease documents, the building is required to maintain a LEED Silver certification at a minimum, but the building is going for the Gold designation.
challenges were worth it.

"Our green efforts," he said, "have resulted in reduced energy, waste and water expenditures, while providing our employees with an improved work environment."

**GREEN WITH ENVY**

Other benefits from taking the green retrofit route might include marketing opportunities. For example, the Center for Neighborhood Technology's green retrofit put the nonprofit's mission of sustainability in the spotlight.

"We've received a lot of attention, which helps support our work," said Rachel Scheu, green building coordinator for the Community Energy Cooperative, an affiliate of the Center for Neighborhood Technology. "It attracts employees who care about these things and are committed to sustainability."

Building owners and managers also report green retrofits attract tenants desiring comfortable and healthy environments and lower utility costs. In turn, they may charge higher rents in these spaces.

"Not only are they making the environment better, but the buildings are more comfortable," said Crawley. "They have better lighting, better access to the outdoors, and they are just nicer spaces."

Investing in green building can also increase property values.

The National Geographic Society reports its green retrofit increased the property's value by $24 million, and the organization has realized a $4 return on every $1 spent.

"You can green an existing building in many cases for low or no cost," Gatlin said, "and it will deliver financial return on that investment while also making the space environmentally friendly."

Moreover, the financial incentives continue to grow. Commercial and public buildings can take a tax deduction for improving the efficiency of systems beyond the national standard. Deductions range from $.60 per square foot for improving lighting up to $1.80 per square foot for improving the whole building, Crawley said.

"[In doing a green retrofit] you are showing that you're taking leadership in reducing your company's impact on the environment," Crawley said, "and, at the same time, you're making a buck; it's a win-win."

Diana Mirel is a contributing writer for JPM. Send questions regarding this article to kgunderson@irem.org.
Landing the deals

- **Colliers Turley Martin Tucker, AMO**, made several business transactions:
  - It leased 24,000 square feet of space to Kokusai, a precision measuring equipment manufacturer in Indianapolis.
  - It arranged the sale of Chapel Ridge Plaza, a 7,300 square-foot retail strip center in Fort Wayne, Ind. The property was purchased by four parties: SW Chapel Ridge, LLC; NR Chapel Ridge, LLC; CB Chapel Ridge, LLC and GK Chapel Ridge, LLC.
  - It arranged the sale of Fishers Crossing Shopping Center, a 29,569 square-foot property in Fishers, Ind., to Fishers Crossing Investors, LLC.
  - It arranged the sale of a 202,000 square-foot building in Indianapolis to OSC Lawrence, LLC. The building was purchased from Haakon Industries Indiana, LLC.

- **Levin Management, AMO**, made several business transactions:
  - It has been named exclusive leasing agent for Edgewater Square, a mixed-use development on the Hudson River in Edgewater, N.J. Construction is scheduled to begin in late 2007.
  - It leased 10,000 square feet of space at Middletown Commons in Middletown, N.Y., to the Children's Corner Nursery.
  - It leased 10,000 square feet of space at Middletown Commons in Middletown, N.Y., to ACS Commercial Solutions.

- **Divaris Real Estate Inc., which comprises Divaris Property Management Corp., AMO**, made two business transactions:
  - It leased 2,318 square feet of office space to Watershed Concepts at Sivers Airport Plaza in Portland, Ore.
  - It has been named exclusive leasing agent for Albemarle Place, a mixed-use development in Charlottesville, Va. Construction is scheduled to begin in summer 2007.

- **Western National Property Management, AMO**, made several business transactions:
  - It won a contract to manage a two-community, 459-unit apartment portfolio for BH properties. The portfolio consists of two properties located in Los Angeles and Orange County, Calif.
  - It will handle the leasing and management responsibilities for The Orsini, a luxury apartment complex in Downtown Los Angeles owned by G.H. Palmer Associates.

- **Thomas Campenni, CPM**, leased 20,000 square feet of executive office and showroom to the Resource Club Ltd., for 10 years in New York.

Awards and recognition

Divaris Real Estate Inc., which comprises **Divaris Property Management Corp., AMO**, was awarded the 2006 CoStar Power Brokers Award by CoStar Group Inc., a leading provider of information services to commercial real estate professionals in the United States, United Kingdom and France. Divaris was honored as one of the top 10 leasing firms in the Hampton Roads and Richmond, Va., markets. The CoStar Power Broker Awards recognize brokerage firms and individual brokers for their volume of sales and leasing transactions of office, industrial and retail properties.

Correction

Kathy McKenna Harmon, CPM, was incorrectly affiliated with a company in the Certifiably Green article in the March/April issue of *JPM*. She is the CEO of McKenna Management/Marketing Associates Inc.
AMO Spotlight

To earn IREM's Accredited Management Organization (AMO) designation, a company must demonstrate a high level of performance, experience and financial stability, and have a CPM in an executive position. AMO firms must meet ethics and other stringent requirements, proving their value to the industry. Below, an AMO firm is highlighted.

Company: Watts Realty Co., Inc.

Where is the company headquarters located? Birmingham, Ala.

How many employees does the company have? 12

When did the company become an AMO? February 1, 2007

How did the Watts Realty business get started?
W.A. Watts founded Watts Realty in 1906 through purchase of an interest in the Cement Block and Manufacturing Company. He built rental homes and began managing client properties. In 1908, W.A. co-founded the Hillman-Watts Land Company to purchase and develop raw land. After his partner's death in 1918, W.A. formed W.A. Watts, Realtor, and his brother Ed joined the firm a few years later. In 1946, W.A.'s son, Bill Jr., also joined the firm and expanded their services to include new home construction, home sales, and third-party commercial development and property management. In 1953, the partners changed the name of the firm to Watts Realty Co., Inc. to better reflect its business.

Why did Watts Realty decide to become an AMO?
Watts Realty decided to pursue the AMO accreditation because of the outstanding reputation and influence it has on potential clients. AMO stands for excellence in the field of property management and is the symbol of the elite firms across the nation. The credential is not only a symbol of professional and ethical pride for us, but it also informs our potential clients of the way we do business.

Watts Realty is built on three generations of CPM Members. How have those designations helped your business?
As a small, family-owned firm, we did not have the time to attend a college that specializes in property management. By pursuing our CPM designations, we were able to not only educate ourselves, but we were able to network and develop both personal and professional friendships that benefit our business, while conforming to a professional code of ethics.

What is it like to work so closely with family in the real estate industry?
We are just like anyone else...being around family too much can be difficult. As a company, we have learned to leave family issues out of the office and not to take business home. On the flip side, it is very easy to open a dialogue on sensitive issues with a family employee. This business has grown from deep family roots, and we strive each day to make it better and more viable for our future generations.

—W.A. "Chip" Watts IV, CCIM, CPM, President of Watts Realty Co., Inc.

Watts Realty Co., Inc.

Delivering Knowledge...
www.IREMFIRST.org

IREMFIRST

Your IREM membership gives you exclusive access to IREMFIRST, the online source for real estate management knowledge.

What resources are available?
- Customizable form templates
- Online tutorials
- Online forums and communities
- Over 2,000 industry term definitions
- Plus much, much more!

How do I access IREMFIRST?

Just login to www.IREMFIRST.org with your username and password to take advantage of this free member benefit.

IREM adds new resources everyday, so be sure to visit often!

IREM Institute of Real Estate Management
Ethics Boards review complaints and hold hearing at 2007 Leadership and Legislative Summit

The Ethics Hearing and Discipline Board considered a complaint brought by a CPM Member against another CPM Member which alleged violations of the article titled, “Duty to Former Clients and Former Firms and Employers.”

The complainant was the former employer of the respondent. The complaint was based on allegations that the respondent removed vendor and contract files and management tools when she left the complainant’s employ to start her own company. The respondent stated that she did not start her own management company and did not remove files and/or management tools with her when she severed her employment.

It was the conclusion of the Hearing Board that the complainant did not meet the burden of proof and did not demonstrate a violation of the Code of Ethics.

The Board of Ethical Inquiry reviewed three new complaints at the IREM Leadership and Legislative Summit in Washington, D.C., this spring. The first complaint was dismissed. The second complaint will be investigated further to determine if there is cause to forward for hearing. The allegation involved inattention to health and safety matters. The same party filed a second complaint citing ethical concerns and conflicts of interest related to drug dealing and criminal activity in the complex. The third complaint is being forwarded for hearing. It was filed by an outside party against a CPM Member, alleging mismanagement through failure to deliver rents and monthly reports on time.

What is the threat of terrorism impacted the security of shopping centers over the last six years?

Since the events of September 11, a heightened sense of security has become the norm for most people, especially for those managing large retail centers. Security reports show shopping malls are high on the list of "soft" targets for terrorism attacks. Security related operating budgets have continued to increase because of customer and retailer demand for increased safety, as well as Department of Homeland Security warnings. Property managers are re-examining security and emergency procedures, and updating policies and procedures more frequently.

What types of technologies or security measures are currently being used to deter criminal behavior in the shopping centers in your region?

A few of the security measures currently used at shopping centers in this area are: increased lighting in all areas, parking barriers, monitored surveillance, the elimination of lines of perpendicular approach and increased security presence. Use of universal access systems and access control cards for sensitive areas is also on the rise. Moving HVAC intakes to less vulnerable locations and re-routing traffic and parking patterns with traffic control devices is becoming more standard. Managers are establishing and maintaining good relationships with emergency departments in order to increase visits and patrol rates. A recent survey indicated tighter vendor security is the most frequently utilized security upgrade.

Many property managers now outsource security. What benefits are there to hiring a professional security company? What are the drawbacks?

By hiring a professional security company, a great deal of liability is shifted from the shopping center and property management company to the insurance carrier of the vendor. Most security company personnel are better trained in observation techniques, current laws and regulations. With their larger employee pool from which to draw, security companies are better equipped to supply personnel during peak seasons, sickness and other manpower schedule fluctuations.

Hiring a security company also relieves the property manager of training, screening, scheduling and human resource functions associated with in-house personnel.

A few drawbacks of using an outside security vendor include higher expenses and less control over the security personnel, especially if the vendor shifts personnel frequently.

RVP Corner

Skinner (Skip) Anderson, CPM, ARM, is the IREM Regional Vice President for Region 12, where he oversees chapters in Alaska, Idaho, Montana, Oregon, Washington and Wyoming. Anderson also serves as president of Riverside Management Company Inc., AMO, in Boise, Idaho.

How has the threat of terrorism impacted the security of shopping centers over the last six years?

Clients and Former Firms and Employers.
Ethics Report
Member Pledge

IREM requires all members to adhere to its detailed IREM Code of Professional Ethics. While the Articles of the Code deal with ethics as they apply to specific business practices, the Member Pledge describes the core of ethical behavior which goes above and beyond complying with laws and regulations. In the Pledge, members promise to maintain high ethical and moral standards, and to act with honesty, integrity and industriousness.

The Pledge can also be cited in an ethics complaint by itself or with other articles. In the last 30 years, the Pledge has been cited 39 times in complaints that have gone forward for hearing. The Pledge is most often cited with Article 10: Compliance with Laws and Regulations. Complaints of this type have included allegations of falsifying IREM applications, plagiarizing management plans, using copyrighted IREM materials, backdating lease renewals and sending inflammatory communications to a client.

The Pledge expresses the principles of the Code, while carrying a clear and powerful message to the marketplace that IREM Members will act in an ethical manner. Spread the word—display the Code proudly in your place of business.

To purchase the IREM Code of Professional Ethics, log on to www.irem.org. Move your cursor over the Publications tab at the top of the page and select Bookstore from the drop-down menu. In the Search box type Code of Ethics.

On the Road Again

July 17
Orange County Chapter No. 91
Location: Anaheim, Calif.
Visiting Officer: Randy Woodbury, Senior Vice President

July 18
East North Carolina Chapter No. 105
Location: Raleigh, N.C.
Visiting Officer: Bob Toothaker, President

August 15
Chicago Chapter No. 23
Location: Barrington, IL
Visiting Officer: Bob Toothaker, President

August 21
Southern Colorado Chapter No. 53
Location: Colorado Springs, Colo.
Visiting Officer: Bob Toothaker, President

Career Moves

Karen Beale, has been appointed principal for the Newport News, Va., office of Divaris Real Estate Inc., which comprises Divaris Property Management Corp., AMO. Beale is responsible for managing the company's commercial brokerage and property management services throughout the Virginia Peninsula market.

Sunrise Management, AMO, has merged with Tina West, CPM, and Monarch Group Management. The new alliance will provide services and marketing to clients throughout the Southwest.

Gretchen Lindemann Tobin, CPM, has joined Mourier Land Investment Corporation as commercial development manager for the commercial arm of JMC Homes in Roseville, Calif. Lindemann will head up the development and leasing efforts for Highland Pointe Corporate Center as well as the company's other properties throughout the Sacramento region.

Darlene M. Crick, RPA, CPM, has been appointed senior property manager at the Virginia Beach, Va., headquarters of Divaris Property Management Corp., AMO. Crick will manage office and retail space throughout the Greater Hampton Roads area. Her initial portfolio will comprise 700,000 square feet.
Chapter Star recognition

Congratulations to these chapters that earned Star status for their 2006 chapter activities. They were acknowledged at the Leadership & Legislative Summit. Seventy-five chapters were recognized as Three, Four, and Five Star Chapters, demonstrating IREM is focused on growing membership, providing leadership opportunities and getting members involved. The Chapter Star Program reminds us of the importance of teamwork and volunteer leadership to provide worthwhile member services.

**Five Star Chapters**

1. New Jersey Chapter No. 1
2. Delaware Valley Chapter No. 3
3. Boston Metropolitan Chapter No. 4
4. Michigan Chapter No. 5
5. Greater Los Angeles Chapter No. 6
6. Greater Metropolitan Washington Chapter No. 8
7. Nebraska Chapter No. 12
8. Milwaukee Chapter No. 13
9. San Diego Chapter No. 14
10. Western Washington Chapter No. 27
11. Houston Chapter No. 28
12. Oregon-Columbia River Chapter No. 29
13. Utah Chapter No. 33
14. North Florida Chapter No. 35
15. Central Virginia Chapter No. 38
16. Virginia Tidewater Chapter No. 39
17. Western North Carolina Chapter No. 40
18. Northern Ohio Chapter No. 41
19. Columbus Chapter No. 42
20. North Alabama Chapter No. 43
21. Minnesota Chapter No. 45
22. Southern Colorado Chapter No. 53
23. North Carolina Piedmont Chapter No. 56
24. Central Florida Chapter No. 60
25. Austin Chapter No. 61
26. Arkansas Chapter No. 64
27. Greater Nashville Chapter No. 71
28. Northern Virginia Chapter No. 77
29. West Central Maryland Chapter No. 92
30. New York Capital Region Chapter No. 93
31. Southern New Jersey Chapter No. 101

**Four Star Chapters**

1. Western Pennsylvania Chapter No. 7
2. St. Louis Chapter No. 11
3. Kansas City Chapter No. 15
4. Maryland Chapter No. 16
5. Indianapolis Chapter No. 24
6. San Antonio Chapter No. 48
7. British Columbia Chapter No. 50
8. Rochester-Western New York Chapter No. 58
9. Kentucky Chapter No. 59
10. Wichita Chapter No. 65
11. Tucson-Southern Arizona Chapter No. 73
12. Eastern North Carolina Chapter No. 105
13. Japan Chapter No. 110
14. West Michigan Chapter No. 62
15. Iowa Chapter No. 63
16. Georgia Chapter No. 67
17. El Paso Chapter No. 84
18. San Joaquin Chapter No. 85
19. Greater Rhode Island Chapter No. 88
20. Northern Nevada/Tahoe Chapter No. 89
21. Orange County Chapter No. 91
22. Alaska Chapter No. 97
23. Las Vegas Chapter No. 99
24. Northern Indiana Chapter No. 100
25. California Central Coast Chapter No. 102
26. Fort Worth Chapter No. 103
27. Kentucky-West Virginia Chapter No. 104
28. Southern California Inland Empire Chapter No. 106
29. Idaho Snake River Chapter No. 107
30. Poland Chapter No. 108
31. Korea Chapter No. 112

**Three Star Chapters**

1. Greater Cincinnati & Dayton Chapter No. 9
2. Tulsa Chapter No. 10
3. Dallas Chapter No. 14
4. Northern Colorado Chapter No. 17
5. Memphis Chapter No. 20
6. San Francisco Bay Area Chapter No. 21
7. Sacramento Valley Chapter No. 22
8. Chicago Chapter No. 23
9. Greater New York Chapter No. 26
10. Hawaii Chapter No. 34
11. Connecticut Chapter No. 51
12. Louisiana Chapter No. 55
13. East Tennessee Chapter No. 57
14. West Michigan Chapter No. 62
15. Iowa Chapter No. 63
16. Georgia Chapter No. 67
17. El Paso Chapter No. 84
18. San Joaquin Chapter No. 85
19. Greater Rhode Island Chapter No. 88
20. Northern Nevada/Tahoe Chapter No. 89
21. Orange County Chapter No. 91
22. Alaska Chapter No. 97
23. Las Vegas Chapter No. 99
24. Northern Indiana Chapter No. 100
25. California Central Coast Chapter No. 102
26. Fort Worth Chapter No. 103
27. Kentucky-West Virginia Chapter No. 104
28. Southern California Inland Empire Chapter No. 106
29. Idaho Snake River Chapter No. 107
30. Poland Chapter No. 108
31. Korea Chapter No. 112
Members receive IREM Foundation awards

The IREM Foundation honored three members through its professional recognition awards program at the Leadership and Legislative Summit in Washington, D.C., in April. The awards recognized the real estate professionals for their dedication, major accomplishments and contributions to the industry and IREM.

**Lloyd D. Hanford, Sr. Distinguished Faculty Award**

Leonard Frenkil, Jr., CPM, received the Lloyd D. Hanford Sr. Distinguished Faculty Award for his active role as a faculty member and member of the education committee.

The Hanford award is periodically presented to an IREM faculty member who has demonstrated exceptional dedication to the advancement of education in our industry. The award commemorates the contributions of Lloyd D. Hanford Sr., one of the Institute’s early national presidents and a founder of our education program.

Frenkil served as member and vice-chair of the education committee; he chaired faculty forum; and he has participated in course re-writes, task forces and the first Financial Course Summit. He was a founding member of region 3’s education committee, a model for how IREM and local chapters can work together to deliver the best real estate management education available, anywhere.

**Leonard Frenkil, CPM, receives the Lloyd D. Hanford, Sr. Distinguished Faculty Award from Craig Suhrieb, CPM, and foundation president at the Leadership and Legislative Summit in Washington, D.C., in April.**

**Louise L. and Y.T. Lum Award**

The foundation awarded Richard Muhlebach, CPM, with the Louise L. and Y.T. Lum Award. The award honors real estate professionals who have made a distinguished contribution to our profession through education, publication or the advancement of ethical and professional standards.

Muhlebach has shown extensive dedication to the industry by mentoring dozens of property managers who have worked for him and by sharing his vast knowledge through lecturing, teaching and publishing. In addition, he was noted as a role model with high standards and ethics.

**Richard Muhlebach, CPM, accepts the Louise L. and Y.T. Lum Award at the Leadership and Legislative Summit in April, in Washington, D.C.**

He served IREM as the national president in 1998. In addition he has authored over 100 articles, 25 of them for JPM, and he has co-authored 15 books on commercial property management including six for IREM, along with books for ICSC, John Wiley and Sons, and Aspen publishers. He has also been an IREM faculty member since 1980, and he teaches for BOMA, ICSC and the University of Washington.

**J. Wallace Paletou Award**

The J. Wallace Paletou award is presented to an individual who has made significant contributions to the real estate management industry or contributed to the betterment of society as a whole.

Leon A. Klein, CPM, received the 2007 Paletou award for his great contributions to the profession. Klein has performed fee management, facilities management, appraisal, consulting and tax advocacy duties in all 50 states and every Canadian province, as well as numerous island countries in the Caribbean.

He has been a highly rated instructor ever since he began his teaching career with IREM. He has contributed his experience, intellect and leadership abilities to the Institute for over 30 years. He has served on the 300 and 400 Course Boards as Course Board Director and on a multitude of committees as well.

His greatest legacy to IREM will be his contributions as one of two long-time faculty trainers. Since the mid-1980s until 2003, he trained an entire generation of our faculty—many of whom, in addition to becoming instructors, have served as IREM presidents.

**Leon Klein, CPM, expresses his gratitude after being given the J. Wallace Paletou Award at the Leadership and Legislative Summit in Washington D.C., in April.**
RVP Watch
IREM announces the 2008-2009 Regional Vice Presidents. They were elected at the Leadership and Legislative Summit in April, and will serve for a two-year term.

Region 1 - Mel Cote, CPM
Simons Real Estate Group
West Hartford, Conn.
Will oversee Chapters 4, 51, 88 in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont

Region 2 - Eileen Yesko, CPM
Community Realty Management
Pleasantville, N.J.
Oversees Chapters 1, 3, 7, 26, 58, 93, 101 in Delaware, New Jersey, New York and Pennsylvania

Region 3 - Gregory Cichy, CPM
Grubb & Ellis
Vienna, Va.
Oversees Chapters 8, 16, 36, 39, 77, 92 in the District of Columbia, Maryland and Virginia

Region 4 - P. Mike Libby, CPM
Prism Realty Management
Decatur, Ga.
Will oversee Chapters 19, 35, 44, 60, 67, 76 in Florida and Georgia

Region 5 - David Henry, CPM
Henry Management, Inc., AMO
Little Rock, Ark.
Oversees Chapters 43, 55, 64, 80 in Alabama, Arkansas, Louisiana and Mississippi

Region 6 - Susan Considine, CPM
Turner Property Services Group, Inc., AMO
Dayton, Ohio
Oversees Chapters 5, 9, 24, 41, 42, 59, 62, 100, 104 in Indiana, Kentucky, Michigan, Ohio and West Virginia

Region 7 - Rheta Williams, CPM
Schlosser Development Corporation
Austin, Texas
Will oversee Chapters 10, 14, 28, 48, 61, 84, 103 in Oklahoma and Texas

Region 8 - Guy Blasi, CPM
Bane Taylor JCA Property Management
Littleton, Colo.
Oversees Chapters 17, 33, 46, 47, 53, 73, 89, 99 in Arizona, Colorado, Nevada, New Mexico and Utah

Region 9 - Dale Nusbaum, CPM
McLennan Property Management Co., AMO
Park Ridge, Ill.
Will oversee Chapters 13, 23, 45, 78, 82 in Illinois, Minnesota and Wisconsin

Region 10 - Henry Voges, CPM
Jones Lang LaSalle
St. Louis
Will oversee Chapters 11, 12, 15, 63, 65 in Iowa, Kansas, Missouri, Nebraska, North Dakota and South Dakota

Region 11 - Joseph Greenblatt, CPM
Sunrise Management Company, AMO
San Diego
Oversees Chapters 6, 18, 21, 22, 34, 85, 91, 102, 106 in California and Hawaii

Region 12 - Skinner (Skip) Anderson, CPM
Riverside Management Company, Inc., AMO
Boise, Idaho
Oversees Chapters 27, 29, 49, 97, 107 in Alaska, Idaho, Montana, Oregon, Washington, Wyoming

Region 13 - Jason Stowe, CPM
Income Properties
Raleigh, N.C.
Oversees Chapters 20, 40, 56, 57, 71, 72, 105 in North Carolina, South Carolina and Tennessee

Region 14 - Chrystal Skead, CPM, ARM
Westcorp Properties, Inc.
Edmonton, Alberta, Canada
Oversees Chapters 37, 50, 54 in Canada

IREM recognizes the 2007-2008 Regional Vice Presidents for their work during the past year. They will continue their second year serving alongside the newly elected Regional Vice Presidents in 2008.

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## Course Listings

### JULY

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For the most up-to-date course listings, please visit [www.irem.org/education](http://www.irem.org/education).

### COURSE CODES KEY

- **ASM603**: Investment Real Estate Financing and Valuation - Part One
- **ASM604**: Investment Real Estate Financing and Valuation - Part Two
- **ASM605**: Investment Real Estate Financing and Valuation - Part Three
- **BDM601**: Maximizing Profit: Growth Strategies for Real Estate Management Companies
- **BDM602**: Property Management Plans: The IREM Model
- **CPMEXM**: CPM Certification Exam
- **CPM001**: CPM Certification Exam Preparation Seminar
- **ETH800**: Ethics for the Real Estate Manager
- **FIN402**: Investment Real Estate: Financial Tools
- **HRS402**: Human Resource Essentials for Real Estate Managers
- **MKL404**: Marketing and Leasing: Retail Properties
- **MKL405**: Marketing and Leasing: Multifamily Properties
- **MKL406**: Marketing and Leasing: Office Buildings
- **MNT402**: Property Maintenance and Risk Management
- **MPSA01**: Management Plan Skills Assessment
- **RES201**: Successful Site Management
Institute renews focus on IREM Foundation, hires executive director

Russ Salzman, IREM Chief Executive Officer and Executive Vice President recently announced the appointment of John Chikow as the first full-time executive director of the IREM Foundation.

Craig Suhrbier, IREM Foundation Board president, and Rob Click, IREM Foundation Board vice-president, spoke about this strategic decision and where the foundation is headed.

**Why is there renewed focus on the IREM Foundation?**

*Suhrbier:* We felt a full-time executive director would develop a balanced funding program to support new and innovative member programs.

*Click:* Although the foundation has made numerous contributions to the industry over the years, it has the potential to do so much more. IREM leadership felt in order to take the foundation to the next level, a full-time executive with full accountability and results would be required.

**Why is the foundation important to keeping IREM viable within the real estate industry?**

*Suhrbier:* As IREM places greater emphasis on workforce diversity programs, we naturally see an increase in the number of candidates needing assistance. Organizations aligned with IREM need to be able to count on the foundation to help others.

*Click:* Future member education programs will be key to IREM’s continued growth. In the past, IREM has been able to manage new education program growth through existing course fees. IREM leaders were concerned the costs to develop future programs, while keeping existing course fees reasonable, was in conflict.

**Why is it important to clarify the foundation’s mission and purpose?**

*Suhrbier:* IREM officers and the foundation’s board of directors are committed to growing the foundation, and we intend to support IREM initiatives, particularly education.

*Click:* Individuals and organizations seeking to invest in making a difference in the real estate management industry need to have confidence the future projects the foundation will fund will meet industry needs.

**How else might these funds be allocated?**

*Suhrbier:* Development of new educational programs is one possible area of further development. We see a great need to do additional research on a number of fronts that would help our members.

*Click:* IREM leaders are concerned about workforce development and diversity. The foundation is an important tool to support the development of pilot programs that help organizations aligned with IREM attract and develop the caliber of employees needed in the coming years in the real estate industry.

**How can the foundation make a difference?**

*Suhrbier:* The foundation will be increasingly effective as it develops and maintains alliances with partners willing to invest in the future of real estate management.

*Click:* We have a wealth of knowledge from industry leaders and educational programs that impact the industry. Our challenge is to leverage that impact by identifying additional resources and directing their focus as member needs emerge.

**What do you see the new executive director bringing to the foundation?**

*Suhrbier:* John Chikow’s background brings strong fundraising and volunteer management skills, as well as communication, organization and training skills to IREM.

*Click:* We look forward to John’s leadership. We will work with IREM leaders to build a balanced and disciplined funding structure. It’s important for all levels of IREM to work together to strengthen support for our members.
Two Organizations Come Together

Take advantage of a new collaboration between IREM and the National Association of Home Builders (NAHB). In October 2006, IREM and NAHB signed an agreement allowing IREM to offer the examination that leads to the Housing Credit Certified Professional (HCCP) designation. IREM has designed the LTC401 course to meet the needs of current practitioners in the affordable housing industry, individuals interested in pursuing the HCCP designation, and real estate professionals looking to expand their skills within the affordable housing arena. The course meets the HCCP’s 10-hour housing credit education requirement.

Housing Credits: Compliance Challenges and Solutions (LTC401)

The Low Income Housing Tax Credit (LIHTC) program was implemented by the Tax Reform Act of 1986 and marked a turning point in affordable housing development. The compliance rules for the program are complex, and investors and developers look to HCCP-designated LIHTC professionals to navigate these rules and protect tax credits.

By attending LTC401, students learn how to determine income eligibility, certify tenants, qualify buildings and projects, and deal with situations and events that often put compliance in jeopardy.

The course covers the following topics:

- LIHTC overview
- Attracting and Qualifying Tenants
- Tenant Income Certification
- Qualification of Building
- Qualification of Project
- Maintaining Tax Credits
- Housing Credit Projects with Other Financing
- LIHTC and other Federal and State Laws, Regulations and Programs

Register at www.irem.org.

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Nonmember: $710

Who Should Attend?

- Real estate managers, asset managers, developers, and other compliance professionals in the affordable housing industry.
- Individuals interested in earning the HCCP designation.
Talking Trash
Greening waste removal saves money and environment

by Mike McConnell, CPM

An effective solid waste management program may not save the world, but it can help protect the environment and generate significant cost savings for owners and tenants. Greening a comprehensive solid waste management program employs a four "R" strategy: Review, Reduce, Reuse and Recycle.

REVIEW: First, review your current waste removal program and conduct a waste audit by asking: How much waste does the site generate? Is the waste recyclable or not? Can the amount of waste be reduced? After monitoring your Dumpster for a few weeks or less, you can complete this audit and obtain an accurate understanding of the makeup of your trash.

Reviewing your waste removal contract and billings is also important. The cost components for trash removal services include some or all of the following: transportation fees for pickup frequency; disposal facility charges measured by weight; and container rental, and possibly rebates for recyclable materials offered in cents per pound. Your contract and invoices may detail all of these cost components or they may be rolled up into a single number.

The more detail you have about the contract's cost components the easier it is to monitor the bills for accuracy and compliance with the contract terms. If you pay by weight or pickup frequency instead of paying a flat rate, then unit cost pricing is a necessity. Having these details will also make it easier to evaluate vendor bids.

Once you have accurate information on your trash makeup and volume and you understand the trash removal cost components, you can evaluate the cost effectiveness of your contract terms and vendor. According to Environmental Protection Agency WasteWise information, you should ask:

- Can frequency of service be reduced?
- Are pickups scheduled or are they performed on an on-call basis?
- Are you charged per pickup regardless of the amount of waste material?
- Can you use fewer containers or reduce the number of pickups?
- Do more opportunities to recycle exist, or might better prices be obtained for recyclables?
- Is getting a more competitive bid possible?

If review, evaluation and performance-monitoring procedures give you a headache, then consider outsourcing the process to a consultant who will handle your complete waste management program. A typical waste management consultant will perform waste audits, develop favorable contract terms, conduct the bidding process and monitor vendor performance and billings. Consultants will generally charge for their services on a flat-fee basis or as a percentage of the overall waste management contract. An experienced consultant should generate cost savings that offset all or most of the cost of his or her services.

REDUCE: The reduce strategy applies to the amount of waste generated. If you eliminate waste materials, then there is no need for managing their disposal. Converting reports, documents and manuals to electronic versions rather than paper versions can have a major impact on the amount of paper generated. Other ways to reduce waste include printing and copying on both sides of a sheet of paper, using washable coffee cups and replacing throw away plastic water bottles with washable ones.

REUSE: Before throwing out an item, explore whether or not it can be reused. Many companies have programs for donating their used computers and equipment to community organizations. The contributor saves the expense associated with throwing the equipment out and may receive a tax benefit for the charitable contribution. The community organization receives a valuable and useful donation. The environment is spared of materials containing numerous toxic substances including lead, mercury and cadmium.

Other reuse strategies include refilling and reusing ink jet printer cartridges, saving incoming packaging materials like cardboard and Styrofoam, using such materials for outbound shipments and redirecting used pallets back to the shipper. Reuse does not work for all materials but it applies to a wide range of materials.

RECYCLE: It isn't possible to reuse all materials in their original form but the majority of the solid waste...
products generated by residential and commercial users are recyclable and can be reprocessed and then reused. It is not practical for commercial properties to recycle waste from food-related materials; however nearly all of the remaining waste materials can be recycled and kept out of the solid waste stream.

All paper types are recyclable. An estimated 70 percent of the total waste generated by commercial office tenants comes from paper materials. Other recyclable items include cardboard of all types, plastic and glass containers, aluminum and steel cans, plastic bags and Styrofoam.

The newest recycling challenge is E-cycling which includes computers, monitors, cell phones and related accessories like cartridges used for laser printing. Many electronic retailers will accept and recycle electronic equipment or at least direct you to vendors who will.

The fact is, most materials are recyclable and don’t need to be thrown out into landfills. However, according to EPA estimates, more than 66 percent of all recyclable materials are still sent to landfills.

If you are just starting a recycling program, start with paper. It is the highest volume of recyclable material and numerous vendors will handle it. Securing vendors to handle small quantities of recyclable materials can be challenging, and the cost to transport the material may exceed any income from the material itself. Be creative. One frequently used method is to allow the Boy Scouts or some other community organization to set up and manage an aluminum recycling center in return for the income.

Vendors who specialize in multi-material recycling offer the most effective service for commercial properties. These vendors allow all recyclable items to be collected in a single container, and because they permit 25 percent or less of non-recyclable contamination, standard trash removal contracts can be reduced or eliminated. This service is possible as the vendor will pick up and transport the materials to a sorting center where they are separated by product type. The property owner then receives “income” from the recyclables in the form of reduced rates for a standard trash removal contract.

**IMPLEMENTATION:** Numerous resources are available when you are ready to implement the reduce, reuse and recycle strategies. Some useful resources include:

- EPA’s Office of Solid Waste
  [www.epa.gov/wastewise](http://www.epa.gov/wastewise)
- Battery recycling
  [www.rbrc.org/call2recycle](http://www.rbrc.org/call2recycle)
- Recycling resource clearing house
  [www.earth911.org](http://www.earth911.org)
- Cell phone recycling
  [www.collectivegood.com](http://www.collectivegood.com)
- Multi-material recycling
  [www.orlando wastepaper.com](http://www.orlando wastepaper.com)

Keep in mind your tenants are the key to success. Nearly everyone likes to save money and act environmentally responsible. Many property managers have found tenants are very supportive of this green strategy once they request tenants’ support. In fact, the key to success includes two more “R’s”…Request and Remind. Ask tenants for their participation and periodically remind them of the program’s successes.

Mike McConnell, CPM, is a property manager with Colonial Properties in Lake Mary, Fla. Questions regarding this article can be sent to kgunderson@iram.org.
Smart is as smart does

Smart Questions: The Essential Strategy for Successful Managers, by management consultant Dorothy Leeds, explores the type of “people skills” that distinguish a good manager from a great one. Leeds provides step-by-step instructions for turning ordinary conversational skills into a formidable business tool. She shows readers how to reduce mistakes, overcome objections, solve problems, gain control over volatile situations and how to ask the right questions of the right person, at the right time. Smart Questions also includes quizzes to help test your knowledge. Visit www.dorothyleeds.com for more information.

Under pressure

The PGHW5-50524E is the latest gasoline powered, hot water pressure washer by Landa. Used extensively for on-site cleaning, it heats water by using diesel or fuel oil, and packs up to 5,000 pounds per square inch of pressure at a flow rate of five gallons per minute. The PGHW5-50524E also features an extra-large heating coil made of Schedule 160 steel pipe to produce hot water at nearly 190°F, a water-cooled 27 HP Kawasaki gasoline engine with electric start and a heavy-duty, triplex, oil-bath LH 5050 Landa pump with seven-year warranty. Visit www.landa.com for more information.

Sun solution

Solarban 70XL Solar Control Low-E Glass is a soft coat high performance glass created by PPG Industries. It offers solar control, which helps reduce the demand for air conditioning and other energy-consuming climate controls, and visible light transmittance, which lessens the need for artificial lighting. Solarban 70XL glass can be specified to produce a clear aesthetic or it can be combined with tinted glass. PPG has published a white paper detailing the potential energy savings architects and building owners can expect using Solarban 70XL glass. To request a copy of the white paper, call 1-888-PPG-IDEA. Visit www.ppgideascapes.com for more information.

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AwayWithGeese.com is an efficient, maintenance free, inexpensive product for keeping geese off properties near ponds and lakes, golf courses, and picnic and commercial areas. The device is a strobe, charged by photocells and automatically activated with a light sensor. Mounted to a fully enclosed weatherproof float that is positioned in the center of a pond or lake, the strobe blinks at night, disturbing the geese and forcing them to move on. The device has no effect on humans and does not adversely affect the natural appearance of the pond. Visit www.awaywithgeese.com for more information.
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