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Dr. Debbie Phillips, CPM, Chair
Carolyn Perrigo, CPM, Vice Chair

Dr. Debbie Phillips, CPM, Vice Chair
Carolyn Perrigo, CPM, Chair

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- WHAT DO YOU THINK ABOUT THIS ISSUE?
- WHAT'S YOUR FAVORITE SECTION?
- HAVE A STORY TO TELL?

JPM WANTS TO HEAR FROM YOU!

E-MAIL MARIANA TOSCAS, MANAGING EDITOR
MTOSCAS@IREM.ORG
Attracting and Nurturing Talent

The U.S. Department of Labor predicts U.S.-based employers will need 30 million new, college-educated workers in the next decade, while only 23 million young adults are expected to graduate from college between now and 2020. With a shortage in available talent and an increase in demands, attracting and retaining talent is a more important component of organizational success than ever.

"Anchoring Talent Management to Business Performance," (p. 5) by Deborah R. Phillips, Ph.D., CPM, focuses on developing an integrated talent management framework that closely ties to business performance. Talent management boils down to job fit and leadership. Organization leaders must pay greater attention to employee engagement—which will increase customer satisfaction, employee creativity and productivity, while reducing employee absenteeism and workplace accidents—all of which combine to make a more profitable enterprise.

Finding and retaining talent in the commercial industry isn't always easy. In the "Switch From Residential To Commercial is A Breeze," (p. 44) two IREM Members, Vera McPerson, CPM, ARM, and Solomen L. Bickersteth, CPM, agree that employees are upwardly mobile and looking for another job or opportunities to better themselves.

"Attracting and Keeping Talent is About Creating Sustainable Environments" (p. 12), insists "Green Scene" columnist, John Klein. Relationships and environments—even feel good colors, plants, fabrics, and warm and efficient lighting—can go a long way in achieving a nurturing work experience.

The IREM Student Essay Competition winner, L.J. Heaton, in "Breaking down the “Briefcase” Stereotype" (p. 48), breaks down his perceived stereotype of property management being a predominantly “salesman with a briefcase” position. While hiring a new graduate can be a risky proposition, Heaton urges companies to consider hiring new professionals because of their ability to bring in a fresh perspective while also having the opportunity to be mentored by their more experienced counterparts.

I hope you find this issue of JPM to be useful in developing strategies to attract and retain talent. Whether through making a large, company-wide change or starting small, we have the power to cultivate and care for our new and existing talent and take the real estate management industry to the next level.
MILLENIALS OPEN DOOR TO FUN, FUNCTIONAL OFFICE SPACE

Indianapolis Star

More and more companies are employing an open office space floor plan in order to attract the best young employees, promote collaboration and save money on corporate real estate expenses. Companies have reduced the average space occupied per employee from 225 square feet in 2010 to 170 square feet last year, noted a CoreNet Global survey. Such newfangled offices feature everything from group work spaces to comfortable couches to multiple coffee bars spread throughout. Mark McNulty, CEO of HR Dimension, remarked, "It's more of an environment where people can get together, as needed. They are not constrained by walls and doors." Emerging tech-driven companies, like ExactTarget, were among the first to move to open office spaces. Now an increasing number of traditional employers—most notably Eli Lilly and Co., Roche Diagnostics, and Rolls-Royce—are also redesigning their work spaces. Nikki Sutton, owner of interior-design firm Level Interior Architecture, said Millennials began driving the change when they entered the work force nearly a decade ago. The generation now in their 20s and early 30s were raised with laptops, smartphones and tablets that enabled them to work from anywhere. She said, "Millennials didn't grow up studying in libraries. They studied in coffee shops and more social environments, so that is reflected in what they expect when they go to work every day." In creating new office spaces, Sutton's design firm is eliminating private offices and creating open work environments.

A growing number of firms do not even have assigned seats anymore. ExactTarget promotes its so-called "orange culture." Its three buildings in downtown Indianapolis have offices that feature orange-splashed walls, exposed ceilings and hardwood floors, along with open work spaces, a fitness facility and even a rooftop sun deck. Todd Richardson, the company's executive vice president of administration, said, "We sell the work environment to job candidates, as much as compensation or title or opportunity. We are able to recruit the best people, because they prefer to work in a vibrant workspace than in more of a traditional, colder, less-welcoming space."
APARTMENT REITS EXPECTED TO BECOME NET SELLERS THIS YEAR

*NuWire Investor*

Buying apartment communities in core markets is no longer enough for multifamily REITs, which are expected to slow their acquisitions of individual assets this year. Dan Fasulo, managing director with Real Capital Analytics (RCA), said, “I think you’re going to see them becoming more neutral or even becoming net sellers.” He added that REITs can no longer count on apartment values to rise through the roof because prices have already climbed so far. To find yield, apartment REITs are pursuing other strategies, most notably mergers and portfolio purchases that may produce new value for their investors. The volume of apartment community sales remains high and on the rise. But many of these properties are now traded as part of larger portfolios or via mergers between companies.

Sales of individual apartment communities decreased by a 13-percent drop in the fourth quarter, noted RCA. Throughout last year, REITs continued to purchase more assets than they sold in core apartment markets. The District of Columbia, Los Angeles, New York City, San Francisco, Boston and Seattle represented the top six markets where REITs bought apartment communities in 2013. Other top areas for REIT sales included such secondary markets as Atlanta, Orlando, Dallas and San Diego. Back in October, Colonial Properties Trust and MAA completed their merger. The new, $8.3 billion company boasts 85,000 apartment units in its portfolio mostly throughout the Sunbelt. According to an MAA statement, the combined company is saving roughly $25 million a year from “the elimination of duplicative costs.”

SOUNDBITES

“Truth is the cry of all, but the game of the few.”
—GEORGE BERKELEY

“What ever you can do, or dream you can, begin it. Boldness has genius, power and magic in it.”
—WOLFGANG VON GOETHE

“Either you run the day, or the day runs you.”
—JIM ROHN

“Go confidently in the direction of your dreams. Live the life you have imagined.”
—HENRY DAVID THOREAU

“If the wind will not serve, take to the oars.”
—LATIN PROVERB

“In order to succeed, your desire for success should be greater than your fear of failure.”
—BILL COSBY

“It does not matter how slowly you go as long as you do not stop.”
—CONFUCIUS

“Either write something worth reading or do something worth writing.”
—BENJAMIN FRANKLIN
A FASHION TREND:
Bigger Showrooms and Smaller Offices
New York Times
While it often seems as if the modern office has moved permanently into cyberspace, the opposite seems to be happening in New York City's fashion industry. In the past few years, many of the Big Apple's top apparel businesses have expanded or reconfigured their offices to allow for bigger brick-and-mortar showrooms. In some cases, these Manhattan companies have simply shunted staffers into small, shared offices in order to create the larger showrooms. In other instances, companies have relocated in order to be able to afford intermittently used showrooms, avoiding the escalating commercial rents of traditional fashion strongholds such as SoHo and the garment district. Matthew Astrachan, a vice chairman with Jones Lang LaSalle (JLL), stated, “You really have to be able to touch and feel the products in your hands. You can't rely on a screen to sell clothing.” Astrachan has worked with dozens of fashion clients over the last 20 or so years.

Global apparel company the PVH Corporation is now renovating and expanding a series of showrooms at 501 Seventh Avenue. The 18-story prewar high-rise will feature showrooms for Speedo and other brands. In 2013, the global conglomerate renewed its lease for floors 10 through 15 while adding the 9th floor. Based on square footage leased, JLL noted that fashion deals accounted for 6 percent of the commercial real estate market share in 2013. Such firms are increasingly venturing beyond the garment district, keeping the comfort of the buyer in mind when scouting new sites.

WHITE ROOFS COULD OFFSET SUMMER WARMING BY 2100
Bloomberg
Painting the roofs of buildings white could help cool large cities notorious for high temperatures during summers. Keeping cities cool during the summer has become an increasingly important challenge as more people move to urban areas, which house over 80 percent of the United States' population. Cities currently cover a total of 106,386 square miles in the United States, and the EPA expects the country's urbanized land to double by 2100. Greenhouse gas emissions are expected to force average temperatures to increase between 3 degrees Fahrenheit and 9 degrees Fahrenheit by the end of the century, depending on the success of emission reduction efforts. Temperature increases will be particularly important in cities where the urban heat island effect—warming caused by paved and dark surfaces—can make temperatures as much as 10 degrees Fahrenheit higher than greener surrounding areas.

High summer temperatures can lead to increased energy costs and harm human health. New research shows that white roofs could offset the combined increase in temperatures, and if deployed across an entire megapolitan area, could reduce summer temperatures compared to the 1990-2010 average. However, some energy benefits gained in the summer could be lost in winter, as buildings with white roofs could need additional heating.
I am in favor of the valet trash and recycling services that are now available to residential apartment and condominium communities. The valet trash and recycling services are a positive benefit to residents, unit owners and managers of real estate. Some of the benefits to owners and residents are: no more carrying garbage bags down stairways or walkways; not having to transport trash in their vehicles to the first open container; not having to touch dirty and unsanitary refuse containers; and last, not having to take late night walks alone to the usually darkened container areas.

The benefits realized to asset managers, property managers and associations are numerous as well. Valet trash services are often competitively priced and inexpensive to offer to residents and unit owners. Utilizing the service allows property managers to attain a competitive edge in marketing their housing communities. The properties often are cleaner because the valet service will ensure the proper disposal of household refuse. Onsite maintenance can spend more time handling maintenance and completing work orders than focusing their efforts on trash and recycling efforts. This may lead to higher resident satisfaction and greater resident retention efforts, reducing costly vacancy turnover. Some valet trash and recycling companies utilize cutting-edge software to collect data on all waste pick-ups, allow for custom schedule changes, have the ability to note and document trash violators and provide this information back to the property manager.

Most valet services offer their trash and recycling services five nights a week to residents and owners. Recycling is part of the Green movement and allows properties to become more environmentally conscious. Valet trash and recycling services are a win-win to the owners, tenants and managers of residential real estate communities.

We have utilized valet trash services at our properties with mixed results. We introduced the service at a stabilized, high-end high-rise building in Northern California recently in an effort to reduce carpet staining and odors in common hallways, reduce man-hours spent on trash service and reduce the risk of employee injuries from hauling recycling and unkempt trash left in the trash receptacle rooms on each floor of the building. The program was introduced to the residents through a series of announcements detailing how the service would work and how it was expected to be rolled out.

We immediately encountered resistance from a small group of residents who voiced vague concerns about the “change.” It was never very clear whether their concern was with the logistics of the collection process or with the nominal $6/month cost increase which was planned to be passed on to all residents upon lease renewal. Regardless of the real issue, the opponents began circulating a petition door-to-door and mounted an aggressive e-mail campaign against the management company. They also contacted the Fire Marshall, who ultimately shut down the valet trash program due to code violations connected to the trash containers utilized by the valet service.

While our experience at this property was less than successful, several of the management companies utilized by my firm have reported better results under different circumstances. The consensus is that introducing valet trash services on mid-rise or high-rise product during lease-up produces far fewer challenges than rolling out such a program to a stabilized property.
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HORIZON
Ever shoot a video with your device and realize you were holding the phone the wrong way? With Horizon, you can shoot horizontal videos regardless of how you hold your device. The app uses your device’s gyroscope to auto-level the video to ensure it stays in the same aspect ratio.
iOs, Android/Free

INTERVIEWY
Transcribing your recordings can be difficult and time-consuming—particularly if you can’t remember your place. Whether you’re typing minutes from meetings or lectures, transcribing an interview or conversation or just typing out notes you’ve recorded for yourself, Interviewy makes it easy to mark the most important parts of your recording to access later, using TypeTags. Instead of having to listen back to the whole recording, you can just use the TypeTags as mile markers to determine where you are in the recording.
iOs/Free

WAZE
Waze is a navigation map with a little something extra. It’s different from GoogleMaps because it incorporates community aspects—such as traffic reports, accidents, police traps and road debris—giving you more of an insider’s look at the reality of your commute. You can also report anything you see on your commute along the way and earn points on your account.
iOs, Android/Free

12HOURS
12Hours is an analog clock widget with color-coded sections indicating events on your calendar using basic shapes and colors, and without cluttering your screen. The widget doesn’t only tell you the time, it displays each event on your calendar, and the corresponding amount of time it occupies on the clock face, for 12 hours at a time.
Android/Free

FAST FACTS

The GIRAFFE is the tallest horned animal to ever exist.

A DUEL between three people is called a TRUEL.

A LEMON contains more sugar than a strawberry.

The only king in a deck of playing cards WITHOUT A MUSTACHE is the KING OF HEARTS.

Someone on Earth reports seeing a UFO every three minutes.

Every one of the top 50 TALLEST MOUNTAINS is in ASIA.

OWLS are the ONLY BIRDS in the world that can SEE the COLOR BLUE.

DIDASKALEINOPHOBIA is the fear of going to school.
Highest and Lowest Operating Ratio E/I (Expense/Income) by Metro Area:

<table>
<thead>
<tr>
<th>Shopping Centers</th>
<th>Highest E/I Ratio*</th>
<th>Lowest E/I Ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>$7.53; 5</td>
<td></td>
</tr>
<tr>
<td>Ft. Worth, Texas</td>
<td>$8.75; 5</td>
<td></td>
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<tr>
<td>Texas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbus, Ohio</td>
<td>$8.68; 6</td>
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<tr>
<td>New Jersey Southern</td>
<td>$7.79; 6</td>
<td></td>
</tr>
<tr>
<td>Atlanta</td>
<td>$3.77; 12</td>
<td></td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>$3.36; 19</td>
<td></td>
</tr>
</tbody>
</table>

*Minimum sample of 5

Shopping Center data is available in Metro, Regional and National reports. Additionally, Income/Expense Analysis data is available for four other property types: Conventional Apartments; Office Buildings; Federally Assisted Apartments; and Condominiums, Coops, and PUDs.

TAE= Total All Expenses

Data from the 2013 I/E Shopping Center books

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In our work, we have dealt with hundreds of different property management companies in thousands of buildings in all property types from coast to coast. Most of these properties are investor owned. Statistically, there’s more turnover within the property teams than with the tenants or the residents. Clearly, attracting and retaining talent is sometimes challenging and daunting.

CREATING A SUSTAINABLE ENVIRONMENT
Numerous surveys have shown that a sustainable environment can be more important than money. Let’s face it, the property management industry, at times, can become somewhat repetitive with the day-to-day activities. So, having a more inviting and attractive office—whether it’s an on-site management office or your corporate HQ—sets a positive tone. Use tasteful and feel good colors, healthy plants, music, fabrics, decorations, warm and efficient lighting—and you can even consider becoming pet friendly, so that when guests or potential hires walk into these environments, they immediately feel drawn in and comfortable. And always use environmentally friendly materials and products. Our focus should not be about fanciness but rather in creating and celebrating an environment that is nurturing and helps people feel at home. The math is easy—we often spend more hours in our work environments than we do at home with our families.

NURTURING SUSTAINABLE RELATIONSHIPS
Regardless of the size of our business, we should demonstrate social and corporate responsibility. Think about how you would feel as a first-time visitor to your office. Does your staff feel good about being in the space? Do you have a flexible environment where people don’t have to be at the same desk day after day? Because the word sustainability is used in our everyday conversations, we need to have sustainable work environments. Foster an environment where people feel comfortable communicating face-to-face, rather than via texts or e-mails. Let’s go back to the old tested ways of using our vocal cords, ears and body language to express thoughts and emotions. This creates more intimacy, which attracts people. Surprise your staff with random acts of kindness. Organize periodic get-togethers in and out of the office. Constantly reassess your work environment: Reconsider the placement of furniture, add colors, photographs and music, and adjust temperatures in the space. Talk to your staff to see if they’re happy. When you are considering new hires, encourage them to go around your offices and speak with your current staff. Their message of contentment and excitement will do more than any salary offer to attract great talent.

Encourage everyone in your organization to think out-of-the-box. In fact, get rid of the box and reuse it or recycle it. Live in a world of constantly circulating ideas and collaborating together to find innovative ways to get things done. Welcoming healthy opposition creates avenues for real growth.

One of my mentors told me over 40 years ago: “Take care of your people because people take care of your properties. Properties can’t take care of your people.”
Q: Could you give the one-minute overview of PRG's business?
A: PRG owns and manages more than 14,000 apartment units in 42 multifamily communities in eight U.S. states. Our formula for success involves acquiring rental properties in excellent locations, continually upgrading them, and employing the best people to manage them for peak performance.

Q: Please describe some of PRG's key business initiatives.
A: We evaluated our purchasing and accounts payable process and invoice processing was a key element of the plan. We expanded our Yardi Voyager system by adopting Yardi Procure to Pay. This helped us achieve all three goals by eliminating paper, shortening our invoice processing time with automated workflows, and giving us greater budget oversight by purchasing at pre-negotiated rates.

Q: Can you quantify your success in meeting those business initiatives?
A: Before Procure to Pay, we needed 16 file cabinets to store our paper invoices. Now they're all gone. We eliminated paper from our invoice processing. Also, we no longer need storage space to house the old invoices. Our per-invoice processing cost dropped by 30% and our overnight shipping expenses are 84% lower.

Q: How has your business changed since implementing your new procurement and invoicing processes?
A: Our property management staff can focus on core leasing responsibilities instead of spending many hours per week on data entry. Before Procure to Pay, our property managers entered their bills, then sent them weekly by express mail to corporate headquarters in Philadelphia, where accounts payable reviewed and posted them into Yardi Voyager. Now the bills are sent to a Yardi processing center, that scans the bills and routes them according to our customized approval workflows.

"Our per-invoice processing cost dropped by 30% and our overnight shipping expenses are 84% lower."

Jonathan H. Chattley CPA
Controller, PRG Real Estate Management Inc.
Close your eyes for just a moment. Now, think back to your first job in real estate management.

On my own very first day working for a developer, I visited the older neighborhood shopping center I had been assigned. Even to my newbie eyes, the situation was dire: It was under redevelopment, and the entire building was shrouded in both Visqueen and dust (don't ask). Plastic-wrapped from top to bottom, including the store entrances, the entire effect was murky and closed-looking. Our retailers were—you guessed it—hopping mad (and so were our owners). I had indeed walked into the Twilight Zone. And that was only day one.

What was our customer satisfaction level on that project? Zero, for certain. And how about our company's ability to market our services? Zippo. Although my instinct was to run far, far away, I did actually learn a crucial lesson: Effective marketing and spectacular service are definitely better in tandem—kind of like peanut butter and jelly.

**HERE ARE 3 STRATEGIES TO GET YOU MOVING:**

**Just do it:** Sometimes, the hardest part of marketing is knowing where to start. Watching 60 Minutes recently, I tuned in to an interview with actress Cate Blanchett. Surprisingly, the job of a superstar isn't so different from our own. When asked what part of her job she struggles with the most, Blanchett responded that, "The trickiest thing is beginning." So it is with marketing.

**Channel your creativity:** Want Millennials as your tenants, or your employees? Then think like they do. Do they want tired, jail-cell-beige cubicles? Nope. They want a fun, interesting environment. And yep, they are your customers, too. Just before sitting down to write this column, I attended an industry panel of brokers from all different property sectors. Every one of them echoed the same message regarding up-and-comers: Be creative, literally. Adapt, or get left behind.

**Think about the story:** We're all used to spotlighting new accounts, new transactions or new people we've hired. But how about the rest of the great stuff? Here's an example: Recently, a colleague and I were discussing how to treat a particularly large dollar item in an operating expense reconciliation (not the pretty stuff, I know). This was one thing that could have a significant effect on that year's expenses but would also result in a sizable energy decrease thereafter, so why not highlight it? That's not only good news for the property, it's a good story—so we spread the news.

Steve Jobs said it best: "Get closer than ever to your customers. So close, in fact, that you tell them what they need well before they realize it themselves." When you're done reading, write it down. What can you do that will move you closer to your customers?

Sometimes, you just have to take the leap. I admit I like a challenge: I came back for day two.
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ANCHORING TALENT MANAGEMENT TO BUSINESS PERFORMANCE

| Deborah R. Phillips, Ph.D., CPM |
LEADERS ARE SEARCHING FOR ANCHORS AS THEY STEADY THEIR CORPORATE SHIPS IN RESPONSE TO THE NEW NORMAL BROUGHT ABOUT BY RECENT ECONOMIC CHALLENGES. FORTUNATELY, THE FORECAST IS BRIGHTER AS EMPLOYMENT STABILIZES, BUSINESSES RECOVER AND ORGANIZATIONS STRATEGICALLY GROW THEIR WORKFORCES. A RECENT TALENT SURVEY BY AON HEWITT SHOWED THAT 45 PERCENT OF RESPONDENTS ANTICIPATE SLIGHTLY TO SIGNIFICANTLY GREATER HIRING VOLUMES IN THE COMING YEAR, WITH AN INCREASED FOCUS ON THE QUALITY OF CANDIDATES.

This increase in hiring means that companies are now competing on the basis of the skills and talents of employees. Companies are discovering that by attracting and retaining the best and brightest employees, they can achieve higher-than-average market share and elevated profits. As a result, the word “talent” is now being more narrowly defined as a core group of leaders, technical experts and key contributors who can drive a business forward. Companies that have systems and processes aligned to business outcomes are adapting and doing well navigating the waters of talent acquisition. The real estate industry is in a talent crisis largely due to a reduction in available talent, a fragile platform to retain outstanding talent, escalating employee turnover and fragmented human resource strategies—including compensation and benefits.

To succeed in this new world, companies such as those in the real estate industry must develop an integrated talent management framework that closely ties to business performance. Organization leaders must pay greater attention to employee engagement—which will increase customer satisfaction, reduce employee absenteeism, reduce workplace accidents and increase employee creativity and productivity—all of which combine to make a more profitable enterprise. Employee engagement is one of the few determinants of profitability that is largely within an organization’s control, so a fully integrated talent management framework becomes crucial for the organization as a whole.

EMPLOYMENT TRENDS
The U.S. Department of Labor predicts U.S.-based employers will need 30 million new, college-educated workers in the next decade, while only 23 million young adults are expected to graduate from college between now and 2020. Fast-breaking technological breakthroughs in products and services will create a demand for new jobs requiring complex skills. Employees in highest demand will be technologically literate, globally astute and intellectually curious.

SCAN THIS QR CODE TO WATCH DEBORAH PHILLIPS, PH.D., CPM, DISCUSS TALENT MANAGEMENT.
Meanwhile, as baby boomers leave the workplace, they are taking with them the depth of their experiences. As a result, the U.S. workforce is seeing a decline in the number of workers and a shortage of experienced workers. Replacing those employees with a person who fits the job description is not as simple as it may seem because the generation that follows, “Generation Y” (those born between 1980-2000), comes with a different set of expectations.

Employee retention also has become paramount, particularly in the real estate industry. Several studies report that employee turnover in real estate firms averages 33 percent, and at least 60 percent of real estate firms do not have contingency plans for employee turnover. The hidden cost of this turnover is estimated to range from 30 percent to 300 percent of an employee’s annual cash compensation. Today’s workers also are changing jobs more frequently than in the past. The average length of employment in all age groups has been declining gradually over the past several decades. The time, energy and money invested in new employee training and orientation is lost when an employee leaves.

INTEGRATED TALENT MANAGEMENT SYSTEMS

One way to mitigate these costs and better manage the hiring process so that it more closely aligns with the company’s business goals is to put in place an integrated talent management framework. The framework below illustrates a nucleus from which to begin a talent management process. It consists of five key elements from which all actions regarding talent management can be derived: attracting, selecting, engaging, developing and retaining employees. These elements are connected through a continual process, which includes the steps of strategy, execution and evaluation. At the core of the framework are an organization’s values and competencies. High-performing organizations are known for having a strong and distinct culture. This culture consists of the values, attitudes, behaviors and practices of the organizational members. These core values and competencies help set the tone for the five elements involved in effectively managing talent. Recommended strategies for improving the effectiveness of each element are described below.

ATTRACTING TALENT

Increased candidate volumes and the lack of recruiting resources to process and screen hundreds of applicants for each position are making it hard for organizations to find quality hires. An organization needs to be creative when developing a recruitment strategy and should avoid the more traditional methods of recruiting when attempting to attract Generation
THE WRONG PERSON IN ANY JOB WILL NEVER PERFORM AS EXPECTED DESPITE INTENSE COACHING, TRAINING OR MOTIVATING. IT ALL BOILS DOWN TO JOB FIT.

Y employees. For example, many firms are taking advantage of virtual career fairs to build the pipeline of resumes and then using in-house resources to identify potential candidates for a particular position.

SELECTING TALENT

Traditional hiring practices such as examining resumes, checking references and conducting interviews are becoming obsolete. Behavioral interviews, personality assessments and job knowledge tests can serve as valuable selection, promotion and placement tools. They also can help match the right person with the right job and lead to increased employee engagement. The wrong person in any job will never perform as expected despite intense coaching, training or motivating. It all boils down to job fit.

ENGAGING TALENT

Attracting and selecting talent is only the beginning. Although pay and benefits may initially attract employees, top-tier organizations have now realized the importance of employee engagement. Engagement is much more than satisfaction; engaged employees are innovative, creative, take personal responsibility for making things happen, have an authentic desire to make the company successful and carry an emotional bond to the organization and its mission and vision. They are willing to go the extra mile to help the customer and usually understand how this effort makes a difference on the bottom line.

Both satisfied and engaged employees are valuable to an organization. Mid-level managers have a unique ability to bridge the gap between strategy and employee engagement, perceptions and productivity. Improving communication and empowering mid-level managers, who are closest to employees, will result in more efficient strategy execution and improved productivity. Focus should be placed on those employees who interact with customers. Often, these are also the employees who can increase or decrease market share through the level of customer care they deliver.

When human resource managers measure their own organization’s engagement, they immediately want to find ways to improve engagement among all ranks. In fact, many find themselves hoping that engagement will automatically improve and that the disengaged employee will switch gears and suddenly become engaged. This transformation is not likely. With each generation of new workers comes a separate and distinct protocol for increasing their engagement.

DEVELOPING TALENT

Strategies should be tailored specifically for each generation of workers in order to engage them. However, certain strategies are effective no matter the generation. For example, the opportunity to learn and grow ranked third in a nationwide survey of workers and their preferences. It ranked higher than additional pay, more vacation, flexible schedule, flexible workplace, work that is personally stimulating and a workplace that is enjoyable. Employees at all job levels value learning. Among the most important factors driving employee retention, especially in the United States and Europe, are opportunities to develop and advance in their careers. One of the best predictors of
Recent data on employee engagement by The Gallup Organization shows turnover is whether an employee has recently received training.

In the real estate industry, many managers find themselves wondering whether it is better to train the employee and have them leave or have an untrained employee. Research indicates it is far better for the organization over the long haul to train employees and have supervisors and mentors dedicated to talking to employees about their performance.

RETAINING TALENT
Employee retention is closely linked to an organization’s performance management system. It is recommended that a compensation package clearly articulate expectations of performance, skill requirements, experience, and behavior. This system should be designed to drive top performance at every skill level within the organization. Compensation and benefits should support the organization’s overall goals—not just in recruiting and retention, but also in business performance. As with the other elements of the talent management framework, managers need to account for differences among generations of workers. For example, while baby boomers generally assume they may spend one to five years in a position before being promoted, Generation Y employees want to know where they are going to be next month.

A succession planning process that is focused on long-term organizational implications and shared with employees can help with employee retention. The purpose of a succession plan should be to identify which jobs will come vacant at what time and which individuals will be in the pipeline with the necessary skills, talent and expertise to fill them. This advance preparation allows for increased training and provides additional employee satisfaction and engagement.

CONCLUSIONS
Recent data on employee engagement by The Gallup Organization shows just 30 percent of employees are energized and committed at work. Another 50 percent are effectively neutral. They show up and do what is expected but little more. The remaining employees—almost two out of 10—are disengaged and cost companies up to $550 billion per year in lost productivity in the United States alone.

These issues—when compounded with the shortage of talent, the generational divide and ordinary turnover—present tremendous yet surmountable challenges for organizations. Employees who are positively engaged have higher levels of productivity and profitability, better safety and attendance records, and greater retention levels.

Companies also are now starting to realize that employees are becoming the "brand" itself. Every time an employee has the opportunity to create a meaningful relationship with the customer or client, they are forming an important bond. If handled poorly, that bond will reflect negatively on the company and cause the customer to choose an alternative solution. Engaged employees have a direct, positive impact on a company’s customer relationships.

The most obvious solution is to practice the advice of the most prudent mariner and anchor an integrated talent management framework to bottom-line performance. In other words, measure what matters and execute with excellence! 

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SERVING AS AN AGENT OF CHANGE: The Leader’s Role

Though it was said in the 1800s, Benjamin Disraeli’s belief that “Change is inevitable... change is constant,” holds true to this day. A stagnant company risks falling behind and potential extinction. A changing company acclimates and evolves to meet every new environment. Managers must determine what changes to make in order to stay current, and how to implement them in a way that translates to helping people change.

Force Field Analysis and Strategy
Consider if the changes are hard (systems and processes that require changing behaviors) or soft (values and beliefs necessitating a change in attitudes), and address the influential forces, such as policies, procedures, individuals, groups, customs, habits and beliefs. Driving forces help the change take place, and must outweigh the restraining forces which inhibit change from taking place. What are the critical forces? Can they be changed? How? Consider the time it will take: Attitudes may take longer to change than behaviors.

Regulate Response
Some people will support the change, but for those on the fence or against it, you’ll have to minimize their resistance, and that means communicating, reducing anxiety, selling and providing support.

1. OVER-COMMUNICATE: Communicate to educate and listen. Help people see the logic behind the change initiative, which results in greater buy-in and reduces misconceptions. If there are disturbing rumors, address them head-on. Don’t be concerned with providing too much information; you cannot be criticized for over-communicating.

2. EMPOWER OTHERS: Anxiety often ac-
companies change and it is worse when an individual feels little or no control. Reduce stress by giving people as much control over the change as you can. How can you empower others to be part of the change or its implementation? Help your staff deal with fear by continuously communicating, empowering them to take control, training—whatever helps them.

3. SELL IT: When exposed to change, people often ask: How will this affect me? Your answer should promote the benefits and overcome any negatives. If there are unavoidable negative consequences of the change, consider providing incentives to get behind the program (e.g., power in decisions about the “what” or “how” of the change or a bonus for support).

4. CREATE COMMUNITY: Ultimately, people change only when their motivation outweighs the challenges, so provide the best environment possible. Both community support and peer pressure help people change: Think of the success of AA and Weight Watchers. A study even showed that having a friend along when climbing a hill causes you to estimate the slope as less steep than if you’re alone. Provide a community of support such as team meetings—it can even be anonymous, such as a company blog for chatting.

Be sure to create and maintain a culture of openness to new things and flexibility by encouraging, supporting and rewarding changes that have taken place. After all, the next change is right around the corner.

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Ask any middle- to upper-level executive in the real estate industry what they spend their time on and you might be surprised to find out that more time is spent on the people side of the business than the deal side. And unlike the deal side, the people side never slows down. Having the right people in place is key—not only to the success of an asset but to the success of a company. Everyone from porter to engineer to assistant manager to manager provides a level of service that helps add or create value. Looking to streamline the hiring process? Ditch the computers and listen to your people.

**NOT "TECHNICALLY" HELPING**

Yes, even in today’s day in age, with technology, automation and everything made easier, the process of attracting, vetting and retaining “the right one” remains oh, so challenging. Sure, today’s technology allows computers to dictate whether an applicant’s personality will jive with a company culture, or whether they were able to successfully complete a high school geometry-like test within an allotted time frame, but it doesn’t account for likability, core values and on-the-job experience.

**SLOW IT DOWN**

Smart employers are slowing down the hiring process and incorporating additional members of the management team to help interview and uncover whether or not a particular candidate best fits the company’s culture. Start with a recruiter, then incorporate multiple potential supervisors and peers. The idea is that your current people are vetting your prospective people, asking questions and comparing notes to determine whether or not your potential hire is a fit with the corporate culture.

**YOU GOT THE RIGHT ONE, BABY**

It almost reminds me of the Ray Charles Diet Pepsi commercial from the '90s. You know the one: “You got the right one baby, uh huh.” Ray Charles, sitting at his piano, was less than enthused with a substitute beverage, but upon the first sip of his beloved Diet Pepsi, a party erupted. There were inferior substitutes that were unacceptable and not up to par, but then there was the great Diet Pepsi flavor that made all the difference. It’s the same with the hiring process and securing the right person for the job. And if it’s not, you’re doing it wrong.

Sure, using tests can help to determine an individual’s personality traits or aptitude in a closed setting, but when you really want to find the right candidate, bring in your people. Discuss core values, review previous experiences and on-the-job victories, current personal and professional goals, as well as room for improvement. The need to thoroughly evaluate and assess a prospect’s ability to succeed remains unchanged. Take the time to focus on your people upfront, and deal-side will take care of itself later on.
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Hear what our experts have to say about data theft:
There's little question that the business of property management is heavily invested in the collection, storage, and transfer of data... Apartment managers, who collect reams of personal information about renters, are particularly susceptible.

On employee coaching:
Studies show that high performers produce 20-50% more than average employees. Coaching can have a considerable impact if it is targeted at high performers, or at least those with high potential.

And about climate change:
As weather events increase in frequency and severity, real estate management professionals need to become more proactive... "The financial impacts of severe weather events can be reduced through improved building design, flood management and disaster preparedness," according to a recent report.
Hone in on Your Hiring Practices

If it is true that organizations are only as good as their employees, then it follows that nothing is more important than the hiring process for determining those employees.

Ethics and fairness are the guiding principles of a successful hiring process. Have you taken a look at your company’s job descriptions lately? Either establish new job descriptions or review the current ones, ensuring that they accurately describe responsibilities and expectations. Why did your previous employees leave? Regardless of the reasons, it is a good idea to review current job descriptions. In many cases the responsibilities may have changed and should be reflected in your interviews.

Here are some suggestions to consider for inclusion in your hiring policy:

• Determine where and how you will advertise to candidates. If your policy requires that job openings are posted for internal consideration, do this simultaneously with employment ads and make sure the job descriptions are the same.

• The employment ad should be brief, include a submission deadline and job requirements. Make sure that it requests a candidate’s employment background, references and performance history. A deadline for submission should be required and honored for every candidate.

• Determine what the resume should include—such as accurate contact information and previous employment dates with description of duties.

• Indicate if credit and criminal background checks or social media sites will be screened. If doing so, please review and seek guidance from a legal professional on how to incorporate such screening into your hiring policy. This should be done prior to the employment solicitation.

• Make a written outline of what will be included in each interview. Develop a list of questions and include, “What Ifs,” and “Explain how you would respond to the following situation” prompts. Check online sources for developing interviewing questions and techniques.

• Determine who will participate in the interview process. Consider having not only the supervising manager but other employees with similar responsibilities who can provide insight into finding the best candidate.

• Share your organization’s mission statement and core values with the candidate. Indicate that ethical conduct is valued and expected.

The success and reputation of your company is determined in large part by the ethical values of your employees. Therefore, determining a candidate’s personal values—not just their technical skills and education, is paramount.
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Current Trends in the Multifamily Sector

By Nicholas Dunlap, CPM
Low interest rates
Increasing occupancy + Rising rents
LOWER CAPITALIZATION RATES
GREAT TIME TO SELL/DIFFICULT TIME TO BUY

Tax Shelter Helter Skelter

- Tax issues remain a major issue for real estate investors of all types: REIT, corporate, high net worth individual, family partnership or mom and pop. While some issues might have more of an impact on one type of investor than another, generally speaking, the talks of tax reform and its impact on real estate investors has been worrisome across the board. The following issues remain an imminent threat:
  - The Bush Tax Cuts
  - The 3.8 percent Tax and Obama Care
  - Carried Interest Tax Benefits
  - State Specific Earnings Taxes on Partnerships

Stocking Away Cheap Money

- Speaking of low interest rates, contrarian investors who know that now might not be the time to buy are taking advantage of low interest rates and repositioning the debt on their properties. Not only can this help to improve cash flow, but it allows them to set money aside to invest when things aren't so great and this constant demand has disappeared.

New Faces in the Crowd

- Strong fundamentals drive investor demand for multifamily housing. The end result is not just an increase in sales activity but also in new players entering the marketplace. The following equation best describes today's market.
  - Low interest rates + Increasing occupancy + Rising rents = Lower Capitalization Rates = Great time to sell/Difficult Time to Buy

That's a Big Portfolio You've Got There

- The past year has seen several major portfolio mergers and acquisitions, including moves made by Bell Partners, Equity Residential, AvalonBay and most recently, a merger between MAA or Mid-America Apartment Communities and Colonial Properties Trust. Further proof that the demand for multifamily housing is broad and is not just for mom and pops.
Shovels in Dirt Don't Hurt

- Developers are building apartments at the highest rate post 2005. Not only does this generate financial returns, it stimulates the economy through the creation and addition of new jobs.
  - See, the low interest rate party is not just for the for-sale market, it helps developers, too.

Smaller Units, Higher Occupancy

- To ensure affordability in today's climate of rising rents, many multi-family developers are building units that are smaller in square footage. This works especially well in highly-dense, urban locales. The suburbs? Not so much.
The Youth are Getting Restless

- Despite low interest rates and recent lows in the value of for-sale housing, many first-time buyers remain priced out of the for-sale market.
  - People can afford to pay higher rent for an apartment home and still achieve a comfortable value position.
- Many Millennials and Gen Y-ers are staying home with family or rooming with friends as opposed to moving out on their own.
  - Fewer new households are being created, which does not bode well for short-term occupancy rates.

Want to Study in My Luxury Dorm Room?

- Fifteen years ago, student housing was for fools. Now, it has grown into its own niche. Sought after by REITs and private investors alike, privatized student housing is all the craze. And no, this isn't the student housing of yesteryears. Today's student housing is all about the high-end finishes: wood floors, designer paint, granite countertops, custom cabinets and wall-mounted flat-screens. Was your first place nicer than your parents'? Me neither. Kids nowadays, I tell ya.
- Student housing is a lifestyle experience and smart landlords are able to receive a premium as a result of their upgrades and smart branding.

Conservation is Key

- Whether you are a landlord or tenant, utility expenses are up across the board. The remedy is not just the landlord updating or retrofitting fixtures, it requires resident participation as well. The end result is a smart partnership in which property owners and residents work together to preserve resources and help curb expenses.

Don't Doubt Disparate Impact

- One of the most watched fair housing issues in recent years, disparate impact, is the result of rules or regulations that have an indirect affect on or negative impact on a particular minority group. Previously, this was an issue for employers, but with many landlords conducting prequalifying background checks, disqualifying those with a criminal background could be a fair housing violation. This has been an issue to many at the local level but is now making headlines at the federal level. Stay tuned.

Nicholas Dunlap, CPM, (NICHOLAS.DUNLAP@MCKINLEY.COM) is the Regional Director of West Coast Operations for McKinley, Inc. in Ann Arbor, Mich.
BG Group Place epitomizes modern green building as it reshapes its neighborhood in downtown Houston.

When deciding to build Houston’s next Class A office building, Hines chose its location in downtown Houston strategically. The company made plans to develop BG Group Place on a distressed block of Main Street that had once been deemed the “most blighted block in Houston” by the Houston Chronicle in 2007.

Where others saw desolation, Hines saw possibility. The company purchased two downtrodden blocks on Main Street adjacent to the city’s expanded light rail system and pedestrian tunnel. The company’s goal was to develop two Class A office buildings that would be catalysts for growth and redevelopment in the central business district.

Mission accomplished. Since BG Group opened in 2011, the neighborhood has seen impressive growth and positive change.

THERE GOES THE NEIGHBORHOOD
BG Group Place has attracted some of the country’s top corporations and helped encourage neighborhood development. “There is significant new development happening all around the building,” said John Mooz, Senior Managing Director at Hines. “An old building to the west is being repurposed as a J.W. Marriott and an old Texaco building is being repurposed into high-end residential.”

Another part of Hines’ strategy for BG Group Place was for it to be a lynchpin between the city’s arts and entertainment district, the east side business district and the large courts district, all of which converge on these blocks.

“We’re really starting to see the transformative effects that BG Group Place is having on the neighborhood,” said Mooz.

And others believe in it too. BG Group Place was recently named as a 2014 winner of the Urban Land Institute’s Development of Distinction Awards in the for-profit category.

THE GREEN MACHINE
In addition to helping transform the neighborhood, BG Group Place is also a leader in the green building movement. It was the first building in Texas to earn LEED Core & Shell Platinum certification from the U.S. Green Building Council. The high-performing skyscraper has a number of sustainable technologies and features that have helped make it more than 50 percent more energy efficient than average buildings in the United States.
One of the most significant green features of the building is the curtain wall that has glass and aluminum horizontal solar sunshades that wrap around the curved north and south facades, which are the most exposed sides of the building, and the vertical sunshades on the west side of the building. "The sunshades keep up to 40 percent of the curtain wall in some form of shadow without losing daylighting," said Mooz. "That certainly helps with building performance."

The building also has a fully vegetated green roof, which absorbs rainwater and helps allay the heat island effect in the downtown area.

**ARCHITECTURAL GEM**
While the Houston skyline is one of the largest in the country, BG Group Place is one of the first architecturally significant additions to the skyline in the past 25 years. "That resonates well with tenants in the building and prospective tenants," said Adam Rose, LEED AP O+M, General Property Manager at BG Group Place.

The glass and steel skyscraper is 46 stories, with 36 floors of office space, 10 floors of above-grade parking and two levels of below-grade parking. It has 960,000 square feet of office space and 12,000 square feet of retail space.

The signature feature of BG Group Place is a cutaway on the 39th floor that houses a sky garden. The sky garden includes an indoor atrium and three fully functioning outdoor gardens with plantings and seating areas. This space is accessible to the tenants on the 39th floor.

"Basically, I see this building as the Ritz-Carlton of office buildings. That kind of service is what tenants can expect here. We have concierge services; we greet every single person who comes in and out of the building, and the offices are always clean and well lit." —ADAM ROSE, LEED AP O+M

"The sky garden is an iconographic feature of the building," said Mooz. "It is also a sought-after feature for our tenants. The rents in that portion of the building clearly reflect the desire of being around the sky garden."

**TENANT APPEAL**
Along with its goal of building an architecturally pleasing asset that is also a leader in green building, Hines sought to capture top-of-the-market tenants to occupy BG Group Place.

"We were leasing the building out during a difficult time in the economy, but people were still drawn to the quality of the space," said Rose. "Houston is a market where there is a war for top talent in the energy, oil and legal industries. This building is part of companies' strategies to recruit and retain top talent, especially young top talent."

About six months after the building opened, it was 80 to 85 percent leased, according to Rose. And today, 97 percent of BG Group Place is occupied. It houses prestigious corporations, including BG Group, KPMG and Citigroup.

**THE BEST OF THE BEST**
As tenants move into a Class A office building like this, they expect nothing but the best in terms of property management. "My team strives every day to make tenants feel like they are in the best building in Houston," said Rose. "Basically, I see this building as the Ritz-Carlton of office buildings. That kind of service is what tenants can expect here. We have concierge services; we greet every single person who comes in and out of the building; and the offices are always clean and well lit."

Rose maintains strong and constant communication with tenants to ensure that their needs and concerns are met. "All of my tenant contacts know my entire team," said Rose. "They can call anyone from the assistant manager to a member of the cleaning staff—everyone on my team is comfortable and capable of handling tenants' requests."

Rose has 11 direct staff members and a number of contractors on his team. All of the tenant requests and concerns go into the management team's internal system, which tracks the status of the request. While many of the requests can be taken care of from the management team's desk, Rose often sends a member of his team to tenants' offices to ensure that each tenant gets personal attention.

"Managing this building is a big job," said Rose. "It is very rewarding when I have happy tenants who feel like they are working in the best building in town."

**DIANA MIREL IS A CONTRIBUTING WRITER FOR JPM®, IF YOU HAVE QUESTIONS REGARDING THIS ARTICLE OR YOU ARE AN IREM MEMBER INTERESTED IN WRITING FOR JPM®, PLEASE E-MAIL MARIANA TOSCAS AT MTOSCAS@IREM.ORG.**
When your client is the largest property trade association in the world, some of the most knowledgeable people in the industry work in and visit your building every day,” said Renata Stec, CPM, senior vice president with Chicago-based GNP Management Group, Inc., AMO. Renata is the property manager for the one million-member National Association of Realtors’ national headquarters in Chicago. “The Realtor Building is the jewel in our property management crown and we take great pride in not only managing it, but also in being a building tenant.”

Renata reports to the Realtor Property Operations Committee (RPOC), comprised of industry professionals from around the country, many with first-hand knowledge and experience in Class A building management. “They know the best and expect us to deliver it,” said Renata. “Having our offices in the same building as the owner makes us immediately accessible at all times. While this can be challenging, it keeps us on our toes and that’s good for all of our managed properties. The Realtors expect us to be the best and that’s exactly what we want for the company.”

GNP assumed management of the NAR headquarters building in 1997. Built in 1964, the building has been modernized and renovated over the years. In 2011 the building was awarded LEED Gold certification for operations and maintenance. “We are extremely proud of the LEED certification which is quite significant for an existing, older structure,” said Renata.

THE VALUE OF EDUCATION

One of the ways GNP remains on the cutting edge is through constant training and education for the entire GNP team. “We send our building managers to classes offered by professional organizations such as..."
GNP Management Group, Inc., AMO / spotlight

IREM and BOMA, as well as from local groups, including apartment and condo management organizations," said Renata. A full service firm, GNP manages some 45 residential buildings—both condominium and rentals. Education is emphasized at all levels of the company. Renata is midway through the master of real estate program offered by Realtor University with an emphasis on real asset and property management. In addition to being a CPM designee, she is a licensed managing broker in Illinois and a Community Association Manager (CAM). "We are committed to providing services to enhance the quality of the environment for those who live or work in one of our properties," said Renata, "and of course to maintain and grow the value of the property for the owner. Ongoing education and training help us deliver on that commitment."

Increasingly those new services center on technology—everything from basic online payment services to offering a full-blown Intranet community for a building. "It's exciting to see the service impact of a tenant entering a work request via an online portal, which is immediately communicated to the building manager and, within seconds, to a maintenance staff. It comes full circle when the tenant is electronically advised of the status of the request," said Renata. GNP is putting into place new technologies that allow for building managers to remotely provide access to a property for service providers, real estate agents and others, for a prescribed period of time as short as 30 minutes. "This is ideal for our smaller properties that don't have door staff and allows our managers to maintain the highest level of security possible—short of standing at the door themselves to track who's coming in and out—and all from a few touches on their phones."

NO COOKIE CUTTER APPROACH

GNP believes the key to their success is to approach each client and property as a unique situation. "We reject cookie cutter management and instead work with each ownership entity to identify and address their specific needs and interests," said Renata. "While more time-consuming, we believe in the value of catering to every assignment individually—from daily operations to reporting."

"We're in constant communication with ownership entities and formally in touch at least once a month to bring them up to date on what's happening with the property, financials, what we see down the road that might impact the building—specific events or general market trends. This style of management really engages the owner—they know what's going on so there are no surprises at budget time. We treat the property as if it was our own, so it's as much of an investment on our part as it is for the owner."

ALL IN THE FAMILY

Renata said that this mindset is integrated into all GNP employees, many of whom have been with the company since its inception. Owned by Dean and Vasi Kutrumanes, GNP hires employees who reflect the family-owned nature of the business. "Everyone has a say in this company and the owners are right there, very hands-on and willing to listen to anyone who has an idea about how to improve the systems and processes we have in place—on a company-wide basis or for an individual property," said Renata. "Our employees have been instrumental in helping grow GNP and the owners recognize their value. Consequently, we try to promote from within and help those looking to develop new skills and take on new responsibilities."

SIZE MATTERS

Asked about the vision for GNP, Renata laughed and said that owner Dean Kutrumanes always says: We want to be big...but not too big. GNP's owners and senior managers want to always retain close, direct relationships with their customers. Renata said the business was built on a solid relationship-management model and, in spite of expansion to include a full range of property management services as well as leasing and sales, GNP's hands-on, custom approach to each property remains at the core of their service philosophy.

GNP Realty Partners will continue to work to evolve and adapt to changing industry technologies and business models, according to Renata, but she is confident that the company's personalized approach to its customers is the one thing that won't change.

CAROL WEINRICH HELSEL, PRESIDENT OF PASTICHE COMMUNICATIONS, IS A CONTRIBUTING WRITER FOR JPM®. IF YOU HAVE QUESTIONS REGARDING THIS ARTICLE OR YOU ARE AN IREM MEMBER INTERESTED IN WRITING FOR JPM®, PLEASE E-MAIL MARIANA TOSCAS AT MTOSCAS@IREM.ORG.
IREM extended its brand presence more deeply into Asia last year when it conferred the AMO accreditation on two major companies: Shanghai Urban Development Real Estate Agency Co., Ltd. of Shanghai, China; and Samsung Everland (now Samsung S1 Corporation) of Seoul, Korea. They are greeted by a wide network of IREM Members and AMO Firms that spans an ever-shrinking globe.

**BEYOND U.S. BORDERS**

For decades, IREM has been dedicated to reaching beyond its U.S. border to support the property management industry around the world. Although members joined from outside the U.S. nearly since its inception, it wasn’t until the mid-’70s that IREM made international growth part of its business plan. Through ties with the International Real Estate Federation (FIABCI)—in which IREM continues to be a principal member—IREM has been able to connect and partner with many similar organizations internationally.

Spearheaded by IREM Chief Strategy Officer Nancye Kirk, IREM has grown its network to include 20 active partnerships with international organizations and 1,500 individual members in 40 countries who hold, or are working toward, an IREM credential.

“IREM is dedicated to serving the property management industry—not just in the United States but around the world,” said Kirk. “We do this by providing a recognized education curriculum that speaks to the unique needs of real estate managers, translating course materials for each individual market and working closely with our partners.”

“For years there has been strong worldwide interest in IREM’s CPM designation,” said Kirk. “Now, we are seeing equally strong interest in the AMO accreditation among those who wish to differentiate themselves with the IREM name.”

**IREM BRAND CARRIES WEIGHT AROUND THE WORLD**

One person who can attest to the AMO brand is Steven Gordon, president and CEO of Regional Group of Companies, Inc., a real estate investment, development and asset management company headquartered in Ottawa, Ontario. His company has been an AMO Firm since 1977 and is the longest standing AMO Firm outside the U.S.

“Any firm that carries the AMO seal sets itself apart,” he said. “It is the ISO of property management and allows firms to be part of the elite and most respected property
management companies in the country.”

When Gordon first joined Regional Group, he was encouraged to pursue higher learning by company founder, Len Potechin, CPM Emeritus—a longtime active IREM participant and lecturer. Gordon and several other staff at Regional Group got involved with IREM and its partner, the Real Estate Institute of Canada (REIC), and received their CPM designation. From there, the firm received its AMO accreditation with Gordon as Executive CPM. He continues to serve in this capacity over 35 years later. Over the years, Regional group moved from managing mainly residential, rental and condominiums, to managing industrial, retail and commercial real estate, numbering thousands of units, and millions of square feet from Halifax, Nova Scotia to Victoria, British Columbia.

Following suit, several other Canadian firms have received their AMO credential as well, including Larlyn Property Management Ltd. of Ontario, and Mountain Creek Properties Ltd. and W.P.J. McCarthy & Co. Ltd., both of British Columbia.

With the recent addition of the two firms in Asia, IREM is responding to a cultural standard seen in many parts of the world.

“Although IREM’s focus in the U.S. tends to be more directed to the individual, as evidenced by the CPM, ARM and ACoM credentials, in many parts of the world, the company is given much greater emphasis,” said Kirk. “This is where the AMO accreditation comes in. While not everyone in a company can become a CPM, everyone in a company can proudly carry the AMO banner.”

Samsung, a household name in cell phones and appliances, has a sizable property management arm which oversees its vast collection of real estate, including Everland theme park and resort. Recently, Samsung Everland became Samsung S1 Corporation in order to provide total solution service in Korea with security, energy and property management under one company. Senior Manager and Executive CPM, Charles Lee, believes the AMO accreditation will help Samsung S1 engage with a network of AMO-affiliated companies. “We look forward to setting an international credibility with AMO recognition,” said Lee.

In February of this year, the AMO was earned by another firm outside the U.S., with the approval of Ayre & Oxford Inc., of Edmonton, Alberta. Managing Partner and Executive CPM, Rose Evans, CPM, ARM, said of this step, “Our entire team is very proud to be a part of this company being approved as an AMO Firm. Everyone on our staff is standing tall, spreading the word about this great news!” The addition of Ayre & Oxford number of AMO Firms in Canada brings the number of AMO Firms to five.

**BEST PRACTICES TRANSLATED**

Recently, through a grant from the IREM Foundation, IREM translated its *Best Practices: Real Estate Management Service* into eight languages—Chinese Mandarin, French, Japanese, Korean, Polish, Portuguese, Russian and Spanish—to better serve the non-English speaking real estate management community. The guide features a set of best practices that serve as a practical and useful tool for real estate management company executives in operating their businesses successfully and professionally.

“These best practices are the foundation for the AMO program, and their translation has made it possible for companies around the world to apply them in their local markets,” said Kirk. “This, coupled with the expansion of the AMO program, supports IREM’s goal of creating a global network that weaves together universal business standards with local market knowledge.”
The assistance comes from the Housing Choice Voucher program, in which tenants are given a voucher for the difference between 30 percent of their income and the rent of a qualifying private market property. Advocates of the program say there is a great shortage of available units; only 30 units of housing available for every 100 needy families. Federally-assisted housing programs allow private property owners to provide suitable housing for these families, who receive government assistance. However, increased regulations and burdensome requirements have led a growing number of private owners to exit from affordable housing. In addition, the federal government has reduced funding for these programs dramatically in the last several years.

IREM supports a national housing objective of affording every American the opportunity to live in safe, decent and sanitary housing which can best be served by means of a healthy housing market for all economic levels. Such a market can best be maintained by providing an adequate, continuous supply of mortgage money, at reasonable cost, for all segments of the economy. It also provides special assistance in the form of funding workable programs for new, rehabilitated and existing housing for very low, moderate and middle-income families who could not otherwise afford such housing.

IREM believes that housing for low- and moderate-income rental occupants is best managed by the private sector and further recognizes that private enterprise sponsorship is crucial to the successful operation of any federally assisted multifamily housing program. We encourage action by Congress to alleviate the hardships experienced by sponsors of projects for low-income residents through operating subsidies for restoring the economic viability of projects that are well

ISSUES LOBBIED ON CAPITOL HILL INCLUDED:

FEDERALLY ASSISTED HOUSING

IREM Members own and manage housing projects that participate in federally-assisted housing programs, such as the Section 8 project-based program, the Housing Choice Voucher program and others. Under the project-based programs, the federal government, through the Department of Housing and Urban Development, contracts with private owners to cover the difference between the rent for the unit and 30 percent of the tenant's annual income. The assistance comes from the Housing Choice Voucher program, in which tenants are given a voucher for the difference between 30 percent of their income and the rent of a qualifying private market property.

On Wednesday, April 9, hundreds of IREM Members took to Washington, D.C. for the IREM Capitol Hill Visit day, co-sponsored by CCIM Institute. This marks the 17th year IREM has traveled to our nation's capital to lobby on public policy issues. The IREM Capitol Hill Visit Day, co-sponsored by CCIM Institute, is held in conjunction with the IREM Leadership and Legislative Summit, April 5-9. Yet again, the event was a great success with numerous IREM and CCIM chapters represented on the Hill. During this exciting and educational event, IREM Members met with Congressional Members and staff to discuss important and pertinent issues that affect the real estate industry.
conceived and properly managed. Affordable housing units remain in high demand in nearly all communities nationwide. Underfunding federal programs have a negative impact on vulnerable Americans who rely on affordable rental housing. IREM supports providing adequate funding for all existing government contracts, preservation of all existing affordable housing stock and ensuring our most vulnerable citizens have access to safe, affordable and decent housing.

**THE TERRORISM RISK INSURANCE ACT (TRIA)**

The Terrorism Risk Insurance Act (TRIA) expires at the end of 2014. TRIA was enacted in 2002 due to the private insurance marketplace failing to provide adequate terrorism insurance coverage following the September 11 attacks. The law established a federal backstop for commercial property and casualty insurers arising from terrorist activity. Property and casualty insurance companies in all 50 states must now offer terrorism insurance coverage when they underwrite property and casualty insurance, and any existing state exclusions to the contrary were negated. The Treasury Department will pay insurers 90 percent of claims after insured losses exceed $10 billion in year one, $12.5 billion in year two and $15 billion in year three. Treasury will pay until insured losses exceed $100 billion.

TRIA successfully expanded terrorism insurance because the program requires the federal government share the risk of loss from terrorist attacks with the insurance industry. The program also requires that insurers offer terrorism insurance coverage to policyholders on the same terms and conditions as other property and casualty insurance (referred to as the “make available provision”).

IREM is very concerned about escalating insurance costs and the lack of coverage for events related to terrorism and war. Without this coverage, the real estate industry will be at grave risk.

IREM urged Congress to pass legislation that would provide federal reinsurance coverage for the nation’s property and casualty insurers against losses caused by acts of terrorism or war.

**TAXES AND REAL ESTATE**

The real estate industry is one of the leading employers in the United States. Real estate companies and professionals participate in a broad range of activities that generate millions of real estate-related jobs, including those in construction, architecture, property maintenance, management, brokerage and interior design.

Real estate is strongly affected by the way it is taxed. Real estate tax laws should bear a rational relationship to the economics of the real estate transaction. In cases where social benefits are clear, such as homeownership, entrepreneurial start-ups and affordable rental units, tax laws should help nurture these benefits. They also should not unduly restrict the ability of investment real estate owners to respond to changing economic and market conditions—an ability critical to the competitiveness of any investment asset.

Tax reform has been proposed and includes some specific proposals to repeal certain tax benefits now available under the current tax code. Important to real estate are proposals to increase the depreciable lives of real property used in business or held for investment; raising the tax rate on gains from depreciation recapture and repealing the tax rules that allow taxpayers to exchange like-kind real estate on a tax-deferred basis. IREM Members specifically discussed depreciation, depreciation recapture and like-kind exchanges with their Congressional Members during their Capitol Hill visits.

IREM believes that it is in our nation's best interest for Congress to encourage real estate investment in the United States by creating a tax system that acknowledges inflation and a tax differential in the calculation of capital gains from real estate, while stimulating economic investment and consequently leveling the playing field for those who choose to invest in commercial real estate.

The 2014 IREM Capitol Hill Visit Day, co-sponsored by CCIM Institute, was a great success! Several legislators and their staff were actively engaged in the meetings, asking IREM Members questions and requesting more information on the issues lobbied. IREM government affairs staff will continue to monitor these issues as they unfold in 2014.

BETH WANLESS (Bwanless@irem.org) is Senior Manager, Government Affairs, at IREM Headquarters in Chicago.
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Available at [www.certainteed.com/ceilings](http://www.certainteed.com/ceilings).

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Available at [https://store.nest.com/product/smoke-co-alarm](https://store.nest.com/product/smoke-co-alarm).

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The Ritron Gateguard is a wireless callbox/intercom providing long-range access control. Allowing wireless two-way voice communication with visitors and remote control of gates, the Gateguard is cost-effective, easy to install and secure. Gateguard is ideal for commercial and industrial properties, including secure office facilities, factories, warehousing, power plants, utilities, schools, healthcare and more, as well as single-family and multi-tenant residential locations.

Available at [www.ritron.com](http://www.ritron.com).

**SECURE-A-TANK**

Today’s smaller toilet tanks typically leave a one- to two-inch gap between the tank and the wall—any pressure on the tank can strain the bolts that connect the tank to the bowl, starting a persistent leak and possibly even significant water damage. Secure-A-Tank is an affordable, easy-to-install solution to ensure that leaks don’t damage your property.

Available through Ace Hardware or at [www.SecureATank.com](http://www.SecureATank.com).
Property Managers face many challenges in their work. Personal safety and accessing information efficiently are just two of those challenges. At a property, have you ever been faced with unwanted attention or aggression from a resident's dog, or even a stray dog while walking a property? Do you need a secure, flexible mount to hold your tablet or Smartphone while in the car or office? Then take a look at these devices.

**SOUND DEFENSE K-9 WARNING DEVICE | $39.95**

This handheld unit produces a loud, audible signal specifically designed to focus in on a dog's sensitive hearing range. It is used to deter (not prevent) unwanted attention from both aggressive and non-aggressive dogs while walking. The device can also be used when jogging with the included belt clip or cycling with an available bike mount (sold separately). The K-9 Self Defense is a safer alternative to mace, a taser or even pepper spray, for both the user and the animal. Normal use is for approximately two to 15 seconds. When used as instructed, the device will not harm the dog. A low power battery light tells the user when it is time to replace the battery.

For more information, visit [www.sounddefense.com](http://www.sounddefense.com).

**IOTTIE EASY SMART TAP IPAD OR IPAD MINI CAR AND DESK MOUNT | $44.99**

For use in the car, in the home or at the office, the iOttie Easy Tap Car and Desk Mount for iPad mini will fit tablet devices from 5 to 5.5 inches wide. The iOttie Easy Tap for iPad will fit tablet devices from 7.5 to 8 inches wide. iOttie also makes a series of Easy Flex mounts for use with your Smartphone. The Flex Mounts range in price from $22.99 to $24.99, depending on the size of your Smartphone. The iOttie series of mounts can be attached to desktops, countertops, windshields or dashboards with its one-touch mounting system. The tablet or Smartphone device is held securely by an arm that can be adjusted to hold the tablet or Smartphone horizontally or vertically. The iOttie Mount securely attaches to almost any surface with a sticky suction pad. After repeated use, the suction pad can be restored to its original adhesion by cleaning it with warm water and allowing to air dry. Like many other aftermarket add-on devices for Smartphones or tablets, the iOttie can only be used properly if the tablet or phone is removed from a protective case.

For more information, visit [www.iottie.com](http://www.iottie.com).

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WHEEL STOP ALTERNATIVE

The ADAAG requirements provide the basis for an alternative, requiring parking spaces for the physically disabled to be identified with a post mounted sign. Since the post mounted sign is required and wheel stops are not, a reasonable alternative is to install the sign on a structural bollard which provides a method of restricting vehicle and eliminates the pedestrian tripping hazard of a wheel stop.

While wheel stops may provide some benefits, you might want to consider the detriments and safer alternatives before deciding whether the liability associated with wheel stops is worth the investment.

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IREM® SUSTAINABILITY
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Increase NOI by reducing energy, water, and waste with IREM Sustainability.

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Log in. IREM® Members have a login already – based on your name and e-mail address. Contact irem@greenpsf.com if you need assistance.

2.) PROFILE YOUR PROPERTY
Profile your property(ies) – name, address, characteristics, ownership type, and utility and systems data. If you use ENERGY STAR Portfolio Manager, you can transmit your data directly from Portfolio Manager to the IREM Sustainability platform.

3.) FIND WAYS TO SAVE
Find customized Ways to Save. Based on your property profile, the platform will generate Ways to Save – specific suggestions for making your property more sustainable and improving its performance.

4.) FIND INCENTIVES IN YOUR MARKET
Find incentives within your market from the government and utilities – incentives that could make a project financially feasible.

5.) HAVE SERVICE PROVIDERS COMPETE FOR YOUR BUSINESS
Allow service providers to compete for your business – competitive bids on your projects can lower your cost up to 30%.

6.) ENROLL YOUR PROPERTY IN THE IREM® SUSTAINABLE PROPERTY CHALLENGE
Enroll your property in the IREM® Sustainable Property Challenge. With the click of a button, enroll your property in the challenge and get access to 80+ sustainability activities for you and your staff to complete. See how you rank against other properties.

7.) EARN THE IREM® CERTIFIED SUSTAINABLE PROPERTY
Complete 20 of 24 core sustainability activities and earn the IREM® Certified Sustainable Property certification. Activities range from education to benchmarking your property’s energy performance to documenting best practices.

LEARN MORE AT IREMSUSTAINABILITY.COM
SWITCH FROM RESIDENTIAL TO COMMERCIAL IS A BREEZE
By Joseph Dobrian

More and more, managers of residential properties are transferring their skills to other sectors, including office, retail, hotel and industrial real estate. This transition appears daunting to some real estate professionals, but those who've made the switch generally agree it's easier than it looks. One of the many workshops at IREM's recent Fall Leadership Conference in Scottsdale, Ariz., entitled, "New Career Opportunities for a Diverse Workforce," dealt with transitioning from the multifamily to commercial property sector.

Solomon L. Bickersteth, CPM, of Borger Management in Temple Hills, Md., teamed up with Vera McPherson, CPM, ARM, of Williamsburg, Va.-based W.H.H. Trice & Co. to share their stories of successful transitions to property sectors that traditionally don't attract a diverse workforce.
MANAGEMENT IS MANAGEMENT

"There are many ways to make the transition from residential to commercial, which we see as a trend among property managers," said Bickersteth. "In our presentation, we talked about how to prepare to present yourself if you're looking for a position in commercial property management, and how to familiarize yourself with the differences between residential and commercial."

The differences aren't huge, Bickersteth noted.

"In commercial, the tenants are larger, and you have to deal with them more often," he said. "The perception is that commercial is a whole different ballgame: no. Management is management. You won't find a lot of difference in the nature of the property, or the humanity. Commercial management does involve dealing with the sharing of expenses among tenants, and the leases will be longer-term, with rent increases included in the lease."

"In residential real estate, you can change the rent, year to year, depending on the economy and other factors. You also won't have as many line items in a residential situation: you just collect the rent." Bickersteth strongly recommended studying various IREM publications, including Office Building Management. The book contains invaluable information on how office management is evolving.

"Owners of commercial property have pre-set ideas of what they want in a manager; they don't want to re-train you," he warned. "You have to be ready to start from the get-go, and the IREM book will bring you up to speed."

"Financially, commercial management is more rewarding, and you'll have less work than when you had to collect individual rents, deal with delinquencies, go to court and renew leases every year. In commercial, you usually have one or two big tenants and three or four smaller ones—not 600 units. Delinquency is always a factor in residential, and in some cases a high percentage of your tenants will be delinquent. Delinquency is comparatively rare in a commercial situation, and collection isn't the tedious task that it is in residential."

Once you've earned the CPM designation, Bickersteth concluded, it's very easy to school yourself in every sector of the property management profession, because the designation covers all sectors. The designation will broaden every manager's job options and help with transitioning from residential to commercial or commercial to residential—although the former seems to be attracting the most interest."
"FINDING AND KEEPING THE BEST EMPLOYEES ISN'T ALWAYS EASY...IN THIS BUSINESS, PEOPLE ARE VERY MOBILE; THEY DON'T STAY AROUND LONG. THEY'RE ALWAYS LOOKING FOR ANOTHER JOB, TRYING TO BETTER THEMSELVES, AND I EMBRACE THAT, BUT IT DOES LEAD TO A LOT OF MANAGEMENT ISSUES."

We advise mid-level managers with the ARM certification to add the ACoM (Accredited Commercial Manager) certification to their education goal," he said. McPherson admitted that on the whole, she's glad she made the transition to commercial property, and she agreed with Bickersteth that a manager who's experienced in one sector usually won't have trouble with another.

"I won't say that making the transition from residential to commercial real estate was really a challenge, because I'd been managing both conventional and affordable residential properties—and when you manage affordable properties, you're dealing with the government a lot," she said. "So you get used to dealing with a lot of paperwork. There's not as much paperwork in commercial real estate, and you're dealing with people who own their own businesses. Commercial tenants are responsible for their fixtures and upkeep, which they write off as business expenses. Multifamily consumed a tremendous amount of my time. As a commercial manager, I'm overseeing portfolios, and there's a structure of people under me so I have more support."

DIFFERENCES IN RETAINING TALENT
A director of a commercial portfolio, McPherson explained, is more of a personnel manager than a building manager—and this brings its own set of challenges.

"Finding and keeping the best employees isn't always easy," she said. "In this business, people are very mobile; they don't stay around long. They're always looking for another job, trying to better themselves, and I embrace that, but it does lead to a lot of management issues. You have to get into the mindset of knowing the rules, sticking to them and treating everyone the same. If you can do that, you've got it."

Surprisingly, while personnel management skills may be vital to a career in commercial real estate, plain old "people skills" are more important in residential situations, McPherson said. Customer service is key to tenant retention, which is more of a day-to-day issue in residential.

"Word of mouth is how you get traffic in residential situations," she noted. "If tenants aren't happy with maintenance, with how they're treated, that'll kill your property, especially in this age of social media—even if you're offering good rents. People skills are less of an issue in commercial."

In affordable residential, not only does a manager have to deal with regulatory oversight and paperwork, but the tenants can be contentious. Moreover, they are often good at "playing the system."

"Government agents know who your tenants are, and vice versa, and tenants will reach out to the government if they feel they're not being
treated fairly or not getting what they want," McPherson warned. "Then there are different inspections, and so on, so you're dealing with the government on many levels.

"I love both residential and commercial management, but commercial is definitely less stressful. Our company has a small commercial portfolio, including retail, industrial and office. If I had to choose one category to work with, it would be industrial, because that’ll involve a small office and a warehouse, usually, so it’s very simple to manage. But whatever sector you like, you’ll have a great deal to choose from, career-wise."

McPherson noted that many non-white managers start in residential real estate, where tenants are of various races and ethnicities, and those managers might experience a bit of culture shock when transitioning to commercial, where the tenant mix might be less diverse. Gender roles might be defined differently, too, by different cultures.

"I find that commercial real estate can challenge a woman," she admits. "In one situation I had some difficulties with an older gentleman, so we decided that his son should be my contact, and he and I have a better relationship. You can usually find a way around personality conflicts, because nine times out of 10 there’ll be an involved party with whom you have a better relationship."

Based on the presentation, IREM offers property managers the following tips:

- Earn your ARM certification as soon as possible, followed by your ACoM and your CPM.
- If you're considering a transition to commercial management, read IREM's Office Building Management. Also, read generalized books on personnel management and commercial real estate investment.
- A career in real estate management is easily portable: Management skills will enable you to work in any market that appeals to you.
- Treat all tenants equally, according to your company's policies and legal regulations—but be aware of, and accommodate, personal and cultural differences among tenants. This applies to both residential and commercial management.

JOSEPH DOBRIAN IS A CONTRIBUTING WRITER FOR JPM®. IF YOU HAVE QUESTIONS REGARDING THIS ARTICLE OR YOU ARE AN IREM MEMBER INTERESTED IN WRITING FOR JPM®, PLEASE E-MAIL MARIANA TOSCAS AT MTOSCAS@IREM.ORG.
BREAKING DOWN THE “BRIEFCASE” STEREOTYPE
IREM Student Essay Competition: Hiring the Real Estate Managers of Tomorrow
By L.J. HEATON
IREM and the IREM Foundation sponsors an annual student writing competition. The goals of the competition are to 1) Encourage and recognize excellence in the study of real estate property and asset management; 2) Support the study of real estate property and asset management that has practical application to the industry and would benefit its practitioners; and 3) Promote the development of future real estate management professionals.

This year's topic was focused on attracting students and young professionals into the industry, and asked, What can employers do to attract newcomers to real estate management and support them in the early stages of their careers?

I'm going to be completely honest. When I first heard the term, Real Estate Manager, I pictured a salesman with a briefcase who sells houses and "manages" other real estate agents doing the same thing. It wasn't exactly what I wanted to do as a career, because I've never wanted to be a salesman. Don't get me wrong—there is nothing wrong with real estate agents in any way, shape or form: They help many people find homes they can afford and help others sell their property quickly, compared to those who do it without an agent. Agents know the ins and outs of leases, contracts and addendums that someone not versed in real estate knows nothing about. But it does take a certain type of person who enjoys the challenge of sales to make a successful agent. That might not appeal to many recent or soon-to-be graduates and young professionals seeking a career.

There is so much more to real estate management than sales, though. There are property managers who manage the day-to-day operations of a building or multiple sites; maintenance managers and technicians who keep buildings and mechanical systems running; vendors who help supply needed parts and expertise with those systems; marketing agents who help buyers get connected with sales agents; investors who look for ways to improve the value of properties they buy; landscape architects who make those properties look beautiful and increase their value; and lawyers who specialize in helping all of the above know the property and contractual laws of their state and country.

WHY SHOULD WE CARE ABOUT ATTRACTING NEWCOMERS?

Hundreds of possible careers in real estate management come from the above mentioned specialties. The challenge lies in helping students and young professionals break the salesman stereotype. But why should the real estate management industry be interested in attracting newcomers to this field and how would they go about doing it?

Every company, in any industry, needs new life and energy from their employees. Young professionals bring valuable energy to the companies they join after graduation. This helps reduce stagnation and provides a fresh perspective on a company's standards and practices.

With all the technological advances, automated building systems and new processes that the world is experiencing, an employer would be foolish to not actively seek out young professionals and students who created those systems. While these youngbloods know how to run many programs, gadgets and apps that make some of the more seasoned real estate managers' heads spin, the truth is, these young professionals can't do it alone. They need to be trained and mentored by their more experienced counterparts who learned from the school of hard knocks in the good ol' days. Otherwise, companies are doomed to repeat the same mistakes over again.

FINDING TALENT AND MENTORING THROUGH IREM

Local chapters of IREM can play a huge role in encouraging students to seek a career in real estate management. Most chapters have members from the majority of the aforementioned career paths and many more that aren't mentioned. If a company wants to hire more interns and recent graduates, they should seriously consider getting involved with their local IREM chapter, if they aren't already. Our
local chapter has an academic outreach committee which works closely with local universities to provide job shadowing opportunities, present at college seminars and organize fun social events like barbecues, parties and contests for students.

IREM student membership is only $40. That lasts a student’s entire college career, and in some instances, extends one year after graduation. If an employer is serious about hiring a student either as an intern or part-time employee until graduation, they should enroll a current employee that IREM and have them invite that student to luncheons and other activities. That employee should be a mentor to that student and help answer any questions they might have and introduce them to people they work with who can help them in their career. Once a student sees the support network that IREM already has, they’ll realize all the many possibilities within real estate management. Afterwards, the mentor should take that potential hire or intern back to their company and show them how their company is an essential part of that IREM chapter and the real estate industry as a whole.

This essay is not meant to be some sly plug to increase IREM membership. But if the national network, organization and support are already there, why would a company want to reinvent the wheel in trying to attract newcomers to join their company and industry? Many students and young professionals go to IREM meetings for the sole purpose of finding a career in real estate management. If these aspiring managers are active members of a professional association and are working towards receiving nationally recognized certifications and credentials, why not find them at the source?

Most colleges invite company recruiters to come to their campus and host info sessions for students to learn about their companies. Often, at those info sessions, the recruiters spend a considerable amount of time going over their companies’ core values, mission statements and slogans. While these words of determination and direction are important in helping companies get to where they want to go, they are a dime a dozen. What students really want to know is what they’re going to be doing at that company on a day to day basis, what type of leadership opportunities there are and the perks of working for that company.

Hiring a recent graduate can be a scary thing, for both the employer and employee, especially if the graduate is placed directly into a critical management position. If a company knows that changes are coming, and they want to hire recent grads or interns, one suggestion would be to appoint them to an assistant management position and have them work directly alongside the senior manager. Even if that new hire isn’t going to take over the reins at that property, they can help in making a smooth transition for the new senior manager coming in. The knowledge of how things were run before, coupled with new ideas and perspectives, will help the company continue to grow and succeed.

These are just a few ideas from a student’s perspective of how to attract more young professionals into the real estate management industry. It took me two years of wading through college classes to realize that I wanted to go into real estate management. I had to look past the salesman with the briefcase to see all the amazing possibilities within this industry. It took yet another year to make the decision to join IREM because I didn’t really understand how the networks and credentials could help a young professional starting out. But now I can honestly say that I want to go into real estate management and I know where to find the support I need to succeed.

L.J. HEATON (LJTHEHEATONGMAIL.COM) IS A STUDENT AT BRIGHAM YOUNG UNIVERSITY AND IS A MEMBER OF IREM UTAH CHAPTER NO. 33.
Check out the new PERSONALLY SPEAKING column, "How to Nurture a CPM" [p.52]. IREM Members make extreme contributions to the real estate management profession in, IREM FOUNDATION [p.55]. CONGRATULATIONS to the new CPM Members [p.62]. Have you registered for your courses? See COURSE LISTINGS for May/Jun [p.56].
How to Nurture a CPM

By John Salustri, Contributing Writer for JPIVT

Have the ability to listen, abandon your ego and focus on the big picture. These three concepts form the foundation of a good mentoring program. And mentoring is key to helping a newcomer build a successful career, not only in property management but in all disciplines within commercial real estate.

So said Dee Headley, CPM, CCIM. In an industry notorious for its lack of mentoring, Headley, who is IREM’s Student Outreach Chair, believes proper training must be a company’s top priority.

That’s a huge departure from traditional notions of training, but the methodologies that may have worked once will simply not work today, said Headley, who is also a vice president for Cassidy Turley in Indianapolis. This shift is due in large part to the fact that management is playing to a different crowd than ever before.

MENTORING IS KEY

“The orientation methods of the past, typified by a here-is-your-job-and-do-it approach, simply won’t work anymore,” she said. “We have to mentor, and we have to let our mentees use us, all of us, as a sounding board.” Essentially, you have to play to your audience, and the needs of that audience change from generation to generation. Up-and-comers in the Millennial Generation, the so-called Gen Ys, are more eager to listen and learn than the generation before, Headley be-
lieves, and mentoring has to adjust accordingly.

“Mentors and mentees need to communicate more openly about the goal,” she said, and define the direction of the training. “Otherwise, you will be working at cross purposes. Communication is key to successful mentoring. A good mentor is a listener as much as teacher. You need to understand what the person you are trying to mentor really wants.”

In fact, Headley reported, it seems that newcomers can’t get enough input. “IREM offers a great training module,” she said. “It far exceeds that of any other organization. But when I ask my new employees what we can do differently, they bring up training. It’s how they’re wired. They want still more, even though we embrace the IREM way.” And if you are not responding to that hunger for knowledge, “you’re simply setting them—and yourself—up for failure.”

COMMUNICATE VIA POPULAR PLATFORMS

Proper mentoring is critical to an industry that is frankly not high on the radar of college grads. “There are great people out there, but to attract them to this industry, we have to become more vocal to keep up with the Googles and Yahoos,” Headley said. “We can’t make property management sexier than it is, but we can do a better job of communicating the fact that, while it’s a very stable occupation, it is also changing and exciting. Every day we are dealing with different people, different needs and different problems. We still face the struggle of getting that message out. It’s no longer a question of ‘should we?’ It’s more, ‘Yeah, we better.’”

TREAT MENTEES LIKE PROSPECTIVE CLIENTS

Toward that end, IREM is actively spreading the Gospel of property management not only at the college level, but at the high school level as well.

When you think about it, mentoring a new professional—no matter the generation, Gen Y, Gen X or even Baby Boomer—takes the same skillset a property manager needs when addressing a client. To make either relationship work, “You have to lose the attitude that you are always right,” Headley said. “You need to have an open mind when addressing a question, just as you would addressing a client problem. If you aren’t learning something every day, you’re doing a disservice to your company and your team.” Check your ego at the door, she said. And remember, it’s okay to be wrong.

POWER IN TEAMWORK

Mentoring on the property management side is a slightly different proposition than she has observed on the brokerage side of the house. There is still a remnant of the lone gunslinger in the brokerage community that can hamper the team-spirited essence of growing a team. Happily, she reported, senior property managers and senior brokers alike are starting to come aboard.

“They see the necessity,” she said. “The ones who are successful in large corporate structures are those who realize that being the lone gunslinger will get them only so far. They can be even more successful on a national basis by embracing the fact that young people need to be exposed to all aspects of the business.” And that can happen only if the entire company embraces the concept of fostering new talent. Or as she puts it, “It takes a village.”

An understanding of the full range of company services is still key to a newbie’s development. “Clients today are savvier than ever,” she said. “They know what they want. You need to know the full range of corporate services you offer in order to service your client to the extent they need. You have to cross-market and understand that the bigger the client is, the less they want to deal with 17 little shops across the U.S.”

A relationship built on the ability to listen, abandonment of your ego and a focus on the big picture.

These are the three legs of a successful mentoring relationship. The result? “The company gains the exuberance of youth,” said Headley. “And the mentor also walks away with a renewed understanding of the company’s goals and capabilities.”

In short, a good mentoring program teaches student and teacher alike.

DEE HEADLEY, CPM, CCIM (DEE.HEADLEY@CASSIDYTURLEY.COM), IS VICE PRESIDENT OF PROPERTY MANAGEMENT AT CASSIDY TURLEY IN INDIANAPOLIS.
Account for Accounting—

Article 3 BY MARY FAITH NUGIEL, CPM, CMCA, AMS, PCAM

Pursuant to Article 3 of the IREM Professional Code of Ethics, one of the responsibilities of an IREM Member is to use reasonable efforts to provide accurate, auditable financial business records and documentation relating to the asset managed for their client. This Article is based not only on ethical behavior but also on good business practices. When some people think of accounting, they only envision “bean counters” and debits and credits. But accounting is more than numbers. The information we compile allows us to tell a story or paint a picture, thereby allowing the owner to assess an asset’s performance and make more appropriate decisions for the future.

Thoroughly Review the Management Agreement
Are the financials to be based on cash or accrual? Are there expenditure limits that require an owner’s advance approval? Which costs are reimbursable by the property versus a cost of the management company? How are management fees to be calculated? In regards to reporting, what financial support is required, who is to receive the reports and when are these reports due? Once the answers to these questions are confirmed, this information should be shared with the appropriate management team members.

Ensure Proper Accounting Controls are In Place
Internal controls, including proper segregation of duties, should be utilized for rent billing, collections and processing of invoices for payment. The property manager should ensure they have reviewed all the leases to ensure they’re properly administered.

- Are the proper rents being billed?
- Should late fees be assessed?
- Is CAM being calculated and assessed in accordance with the lease provisions?
- Are all payments received deposited promptly in a separate account for the client (not commingled)?
- Prior to approving invoices for payment, is the property manager ensuring the invoice is supported with a contract, purchase order or other proper supporting documentation?
- Are the invoices processed on a timely basis to prevent late fees from being assessed?
- To prevent the possibility of an inadvertent duplicate payment, does the property manager only process original invoices versus from invoice copies or from statements?
- Are the financials, along with the supporting documentation, properly reviewed prior to submission to the client? Many clients now require a Service Organization Control (SOC) report from their third party management companies to ensure that effective internal controls are both in place and being properly followed.

The management company should also ensure their employees are properly trained to provide the accounting oversight required under this section of the Code. Potential training opportunities include accrual accounting, CAM reconciliations, proper budgeting and relevant variance reporting. As your career partner, IREM can provide assistance with this training with a number of on-demand learning options and webinars.

As the owner’s eyes and ears of the property, it’s our responsibility to ensure we provide a complete and accurate accounting of all that has occurred at the property, no matter whether the picture is always “rosy” or not, in order to provide value to our clients and the assets we manage.

M. KRIS MOORE, CPM, CCIM, CPA, (KRIS.MOORE@CASSIDYTURLEY.COM) IS SENIOR VICE PRESIDENT, PRINCIPAL, OF CASSIDY TURLEY, IN INDIANAPOLIS.
A LITTLE APPRECIATION GOES A LONG WAY

Research has shown that those who receive regular recognition and praise increase their productivity, become more engaged among their colleagues and are more likely to remain with their current organization.

If you know a fellow IREM Member or colleague who has shown extraordinary dedication to the real estate management profession, nominate them for an IREM Foundation Professional Recognition Award—which recognizes them among the “cream of the crop” in the real estate management industry.

The objective of the awards program is not only to recognize those who do contribute, but also to encourage others to make similar contributions to the profession. Nominations for the Louise L. and Y.T. Lum Award and the J. Wallace Paletou Award do not have to be members of IREM. Nominations may be submitted to the Foundation anytime throughout the year by September 10th. When accepted, the award is typically presented during the IREM Leadership and Legislative Summit.

Visit www.iremfoundation.org to find out more about the awards and to download nomination forms. Contact the IREM Foundation Manager at (312) 329-6008 or foundation@irem.org with any questions.

I. Wallace Paletou Award
2013 – Jo Anne Corbitt, CPM
2011 – Charles A. Achilles
2010 – Robert K. Beal, CPM
2007 – Leon A. Klein, CPM
2005 – Carl R. Green, CPM
2002 – Thomas P. Costello, CPM
2001 – George F. Allen, Jr., CPM
1998 – Joseph T. Aveni, CPM
1997 – George Knight
1996 – Robert O. Boulter, CPM
1994 – Vincent Lane
1990 – G. Lindsey Crump, CPM
1987 – Theodore R. Britton, Jr., CPM
1986 – George M. Brooker, CPM
1985 – Tan Tek Lum, CPM
1984 – Joseph T. Aveni, CPM
1982 – Eugene J. Burger, CPM
1981 – Lloyd D. Hanford, Jr., CPM
1980 – J. Russell Doiron, CPM
1979 – James C. Downs, Jr., CPM
1978 – Stanley W. Arnheim, CPM
1977 – William Walters, Jr., CPM
1976 – Paul H. Rittle, Sr., CPM
1975 – Aaron A. Keynes, CPM
1974 – H. R. Crawford, CPM
1973 – Lloyd D. Hanford, Sr., CPM
1972 – Carter Dugess
1971 – Joseph C. Murray, CPM
1999 – Joseph W. DeCarlo, CPM
1996 – Barbara L. Holland, CPM
1995 – Floyd M. Adashek, CPM
1992 – Robert K. Beal, CPM
1991 – Douglas F. Collins, CPM
1989 – Joseph C. Murray, CPM
1985 – Ronald Vukas
1984 – Lillian E. Bowen, CPM
1983 – Aaron M. Chaney, CPM
1982 – Edward N. Kelley, CPM

Lloyd D. Hanford Sr. Distinguished Faculty Award
2013 – James H. Cantrell, CPM
2011 – John W. Magnuson, CPM
2010 – Steven K. Easton, CPM
2009 – Stephen M. Cary, CPM
2008 – Richard F. Muhlebach, CPM
2007 – Leon I. Frenkil, CPM
2006 – Jo Anne Corbitt, CPM
2005 – Kenneth Goodacre, CPM
2003 – Glenn L. French, CPM
2001 – Otto Gene Powell, CPM
1999 – Julia A. Banks, CPM
1998 – Franz Janicek, Jr., CPM
1997 – Barbara L. Holland, CPM
1996 – Eugene J. Burger, CPM
1995 – Edward F. McBride, Jr., CPM
1994 – William E. Borsari, CPM
1992 – R. Bruce Campbell, CPM
1991 – Theodore C. Weiland, CPM
1990 – Leon A. Klein, CPM
1989 – Edward N. Kelley, CPM
1987 – Albert C. Harmon, CPM
1986 – Robert D. Demson, CPM
1984 – Donald E. Patterson, CPM
1983 – Lloyd D. Hanford, Jr., CPM

Louise L. and Y.T. Lum Award
2010 – Beverly A. Roachell, CPM
2009 – Noriaki Shiomi, CPM
2009 – Yoshitaka Sadamura, CPM
2007 – Richard F. Muhlebach, CPM
2006 – John W. Magnuson, CPM
2002 – Glenn L. French, CPM
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JO ANNE CORBITT, CPM.
CPM, PRESENTS THE 2013
PRESIDENT GAIL DUKE, CPM, PRESENTS THE 2013
ABOVE. LEFT TO RIGHT) REM FOUNDATION VICE PRESIDENT GAIL DUKE, CPM, PRESENTS THE 2013 PALETOU AWARD TO JO ANNE CORBITT, CPM.
## New CPM Members

#### February

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<td>Kristopher K. Henry,</td>
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<td>Carol A. Payne, CPM</td>
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<td>Laurie D. Hallum, CPM</td>
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<td>Cathy A. Hamilton, CPM</td>
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<td>Allison D. Hamrick, CPM</td>
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<td>Tod A. Harrison, CPM</td>
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<td>Justin M. Hawkins, CPM</td>
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<td>Kelly A. Higgins, CPM</td>
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<td>Michelle M. Horn, CPM</td>
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<td>Nikola B. Ignatoff, CPM</td>
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<td>Elizabeth M. Jones, CPM</td>
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<td>Todor E. Kavkarev, CPM</td>
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<td>Vadim Kazberov, CPM</td>
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<td>Kristine C. Kichty, CPM</td>
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<td>Michiel J. King-Dumilao, CPM, ARM</td>
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<td>Kimberly Krzemien, CPM</td>
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<td>Dmitriy M. Kulakov, CPM</td>
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<td>Andrei Lebedev, CPM</td>
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<td>Carolyn L. Leonard, CPM</td>
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<td>Andrey A. Likefet, CPM</td>
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<td>Charlie H. Malberg, CPM</td>
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<td>John E. Malta, CPM</td>
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<td>Malinka E. Marinkina, CPM</td>
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#### March

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<td>Karli J. Blechschmidt, CPM</td>
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<td>Minko V. Bordzukov, CPM</td>
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<td>Bruce H. Boykin, CPM</td>
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<td>Jocelyn M. Burmester, CPM</td>
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<td>W. Scott Cannon, CPM</td>
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<td>Lynn D. Cassell, CPM</td>
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<td>Jeannie B. Collins, CPM</td>
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<td>Samuel Cruz, CPM</td>
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<td>Valerie A. Cespol-Jeffrey, CPM</td>
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<td>Kalina M. Dimitrova, CPM</td>
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<td>Jana Dolder, CPM</td>
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<td>Keith F. Driscoll, CPM, ARM</td>
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<td>Jennifer M. Livingston, CPM</td>
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<td>Demetrios J. Vocs, CPM</td>
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<td>Ronny H. Wenzel, ARM, CPM</td>
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<td>Cynthia A. Woodford, CPM, ARM</td>
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### “The cost of peace of mind—priceless.”

Brad McCahill  
Columbia Property Trust  
Formerly Wells Real Estate

Sometimes our clients say it better than we do:

“We began utilizing WaterSignal to monitor water consumption at our office building. Six days and two alerts later, in our eyes the benefits outweighed the cost. The two alerts would have gone unnoticed until the next bill arrived. The cost of peace of mind—priceless.”

WaterSignal measures water flow in real time by monitoring your meters. When water flow spikes above a preset limit, it triggers an immediate alert to your computer or smartphone.

Our Dashboard gives an overview of your property data. You can drill down to analyze water usage by hour, day, or month to identify leaks, improve conservation that helps you save money!

While the fee for WaterSignal is $995 plus a monthly monitoring fee, the “cost of peace of mind—priceless.”

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**Daily Readings**  
**Alerts**

![Daily Readings](Image)

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**BOMA**  
**IREM**
ON THE ROAD AGAIN / AD INDEX / IREM insider

ON THE ROAD WITH IREM LEADERS

MAY / JUNE LEADERSHIP VISITS

May 8
Edmonton Chapter No. 54
Location: Edmonton, Alberta
Visiting Leader: Joseph Greenblatt, CPM, President

May 12 – 17
NAR Midyear Legislative Meetings
Location: Washington D.C.
Visiting Leader: All National Officers; Russell Salzman, Executive Vice President and CEO; Nancye Kirk, Chief Strategy Officer & Vice President, Global Services

May 17
Region 3 IREM Gala
Location: Washington D.C.
Visiting Leaders: Joseph Greenblatt, CPM, President; Russell Salzman, Executive Vice President

May 18 – 20
ICSC ReCon
Location: Las Vegas
Visiting Leaders: Russell Salzman, Executive Vice President and CEO, Don Wilkerson, CPM, Senior Vice President

May 29 – 30
Japan Chapter No. 110
Location: Tokyo, Japan
Visiting Leaders: Joseph Greenblatt, CPM, President; Nancye Kirk, Chief Strategy Officer & Vice President, Global Services

May 28
San Joaquin No. 85
Location: Bakersfield, Calif.
Visiting Leaders: Julie Muir, CPM, Senior Vice President

May 29
Orange County Conference & Tradeshow
Location: Garden Grove, Calif.
Visiting Leaders: Lori Burger, CPM, President-elect

June 3
Central Virginia No. 38 and Hampton Roads No. 39
Location: Lanexa, Va.
Visiting Leaders: Jay Windsor, CPM, Senior Vice President

For a more comprehensive calendar of chapter visits, go to www.irem.org/calendar.

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### JUNE

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<td>CPMEXM</td>
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### COURSE CODES KEY

- ARMEXM: ARM Certification Exam
- 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
- CPMEXM: CPM Certification Exam
- CMP001: CPM Certification Exam Preparation Seminar
- ETH800: Ethics for the Real Estate Manager

- MKL404: Marketing and Leasing: Retail Properties
- MKL405: Marketing and Leasing: Multifamily Properties
- MKL406: Marketing and Leasing: Office Buildings
- MPSAXM: Management Plan Skills Assessment
- RES201: Successful Site Management

For the most up-to-date course listings, please visit [WWW.IREM.ORG/EDUCATION](http://WWW.IREM.ORG/EDUCATION)
SMU ADJUNCT JULIE LYNCH HONORED WITH TWO PRESTIGIOUS AWARDS—CREW & IREM

Julie Brand Lynch, Adjunct Lecturer in the Executive Education program at the Cox School of Business, Southern Methodist University, has won awards from two leading real estate industry associations, Commercial Real Estate Women (CREW) Dallas, and IREM.

Lynch was awarded the “Individual Career Advancement Award” by CREW Dallas for her vision and innovation that established the “SMU/CREW Leadership Certificate,” a customized program for women in commercial real estate. During this program, over 20 participants either advanced into the C-suite, received a promotion or accepted a new career position which elevated their careers to the next level.

Lynch also was awarded “IREM Academic Member of the Year” in recognition of her research contributions and educational training for the advancement of IREM Members and the property management profession. Lynch serves on the Executive Council of IREM as a strategic advisor. IREM Executive Director Kristin Hiett said, "Julie Lynch has been a longtime contributor to IREM Dallas. IREM was proud to present this prestigious award to her."

DAWN CARPENTER, CPM, 2015 NYSAR SECRETARY/TREASURER

A real estate professional since 1988, Carpenter will be the first CPM designee to ever serve New York in this capacity. Carpenter is owner/broker at Dawning Real Estate Inc, AMO, in Staten Island, N.Y., and has served IREM in 2006, as the President of IREM Chapter No. 26. She has also served on numerous committees for IREM and NAR, as well as served as Chair of the NYSAR Realtor Political Action Committee. She received “CPM of the Year” from IREM in 2008, “New York State Realtor of the Year” in 2011, the “NAR Commercial Alliance Service Award” in 2009 and was inducted into the NAR RPAC Hall of Fame in 2014.

Carpenter has received numerous citations and proclamations from State Assembly, Senate and Congress for service to the community. She also volunteers and is an executive team member for the Staten Island March of Dimes, the Special Olympics and the American Cancer Society.

Suzanne Sigmund, CPM, HCCP, OF GLASSBORO, N.J.
PROMOTED TO SENIOR VICE PRESIDENT.

In this role, Sigmund will work closely with CRM’s leadership team to oversee all property management-related strategies for the organization’s diverse portfolio of properties across the United States. "Suzanne is a consummate professional with immense knowledge of property management and today’s real estate landscape," said Michael Simmons, president of CRM. "She has been with Community Realty Management for 20 years, and in that time has demonstrated a sincere dedication to our partners and properties.

Sigmund began her career with CRM in 1994 as a regional manager, and was subsequently promoted to executive property manager with responsibility for over 1400 units located throughout Northeastern PA. She was then promoted to vice president of occupancy and compliance, and has served as the company’s primary trainer and Fair Housing officer while supervising the management of Compliance Department personnel.
NORTHWEST SNAPSHOT

APARTMENT BUILDING BOOM

“Seattle is experiencing a development boom in residential multifamily rentals, and it has been for a couple of years. In the past, conventional wisdom dictated that for every one new apartment added to the market you needed to produce eight new jobs to absorb it. That number has changed, and today the ratio is for every one new apartment you need 4.7 new jobs to absorb it. That’s a huge shift, and the outlook for new employment continues to be strong.”

BARRY BLANTON, CPM, PRINCIPAL, BLANTON TURNER, SEATTLE

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>2012 ASKING RENT</th>
<th>2013 ASKING RENT</th>
<th>% CHANGE</th>
<th>VACANCY RATE</th>
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<tr>
<td>APARTMENT</td>
<td>$1,116.10</td>
<td>$1,196.52</td>
<td>7.2%</td>
<td>4.6%</td>
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<tr>
<td>OFFICE</td>
<td>$29.34</td>
<td>$30.18</td>
<td>2.9%</td>
<td>14.1%</td>
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<tr>
<td>RETAIL</td>
<td>$22.91</td>
<td>$23.36</td>
<td>2.0%</td>
<td>6.9%</td>
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CORPORATIONS FUEL GROWTH IN PORTLAND

“Portland is growing again, on the back of a few major things. Intel has invested billions of dollars in their facility in Washington County. Nike also is hugely expanding their corporate locations. Those are two companies that have made a huge impact on Washington County. In addition, Kaiser Permanente built a new hospital that opened in the summer of 2013. So, we are seeing more growth in Washington County, and more growth in Portland, than we have seen in a long time.”

CLIFF HOCKLEY, CPM, CCIM, EXECUTIVE DIRECTOR PRESIDENT, BLUESTONE & HOCKLEY REAL ESTATE SERVICES, PORTLAND

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>2012 ASKING RENT</th>
<th>2013 ASKING RENT</th>
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<td>$21.97</td>
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<td>RETAIL</td>
<td>$20.18</td>
<td>$20.32</td>
<td>0.7%</td>
<td>7.9%</td>
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TECHNOLOGY IS HOT

“Technology is leading the San Francisco office market and is the economic driver with over 75 percent of the growth. Talent wants to live and work in the City. Construction cranes dominate the skyline. There is approximately 6 million square feet of new office product under construction. Multi housing is trying to catch up with demand, with over 5,000 units under construction at this time.”

MARY WIESE, MANAGING DIRECTOR CBRE | ASSET SERVICES, SAN FRANCISCO

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>2012 ASKING RENT</th>
<th>2013 ASKING RENT</th>
<th>% CHANGE</th>
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<td>$33.24</td>
<td>1.3%</td>
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SPENDING POWER BOOSTS RETAIL

“Retail follows rooftops and it also follows the almighty dollar. San Francisco and Seattle followed very closely by Portland have very diverse, extremely healthy economies that are attracting the ‘best and the brightest’ people from across the country and around the globe. For the most part, the percentage of disposable income in these markets is far higher than the national average and that bodes well for everything from housing and housewares to chef driven restaurants and high-end luxury theaters.”

CRAIG KILLMAN WEST COAST RETAIL MARKET LEADER JONES LANG LASALLE, LOS ANGELES

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>2012 ASKING RENT</th>
<th>2013 ASKING RENT</th>
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<td>$30.87</td>
<td>$31.24</td>
<td>1.2%</td>
<td>5.2%</td>
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Light is efficient

Comprehensive lighting solutions for a sustainable facility

- SYLVANIA ULTRA LED lamps and retrofits provide up to 80% energy savings and long life.
- ENCELUM® Energy Management Systems deliver integrated software-based lighting control for maximum energy savings.

- SYLVANIA Lighting Services ties it all together by providing lighting design, installation, monitoring and tracking.

Learn more at www.osram-americas.com/solutions or call 1-800-LIGHTBULB.

Light is OSRAM
SMART: Interactive online marketing

SMATER: A single platform with mobility for end-to-end property marketing, leasing, and resident services

YARDI Marketing Suite™

» Social media and reputation management tools to help you attract prospects and lower marketing costs
» Online renewals, payments and maintenance requests for maximum resident retention and satisfaction
» Real-time lead identification, evaluation and tracking ensures that every lead is serviced
» Mobile end-to-end leasing and resident services from a tablet
» Integration with Yardi Voyager® delivers full mobility, real-time information access, and data accuracy

To learn more, call 800-866-1144 or visit www.yardi.com/marketingsuite