SOMEONE DIED, NOW WHAT?

Dos and don’ts of managing a property through the trauma and messiness of death. / P24
Even if you manage the most peaceable, respectable building in your market, it pays to get acquainted with a fairly young industry: crime scene cleanup. Also known as crime and trauma scene decontamination, or CTS Decon, this industry concerns itself with cleaning up the mess and eliminating biological hazards following a traumatic and/or unattended death. Such a death in your building can create grave risks of contamination and liability and it takes a professional to mitigate them.
It's well-established that sustainability in real estate management can result in substantial cost savings. The risk mitigation opportunity is also apparent—sustainability and energy efficiency proved a hedge against spiking energy and water prices, prepare a property for existing and impending regulations, and guard against market obsolescence. The value enhancement opportunity—through better tenant demand and retention, higher rents and higher sales prices—is becoming clearer.”

—DOING WELL BY DOING GOOD, P. 7

JOIN IREM AT SUSTAINABILITY-RELATED EVENTS IN 2015

> www.irem.org/resources/irem-blog

TURN TO PAGE 56 TO READ AN EXCLUSIVE INTERVIEW WITH BETH MACHEN, CPM, ON PUTTING TOGETHER A DREAM GREEN TEAM.
PUTTING OUR MONEY WHERE OUR MOUTH IS

DID YOU KNOW A HOT WATER FAUCET THAT LEAKS ONE DROP PER SECOND CAN WASTE UP TO 165 GALLONS PER MONTH? Sustainability is a term thrown around a lot these days, but there are measurable consequences to not keeping up with the times. You might be thinking, Doesn’t it cost more to ‘green’ my building? Depending on how you break down the costs, while you might initially see anywhere from a 1 to 4 percent increase, Class-A, LEED-certified buildings in major markets can garner up to $24 per square foot more than a conventional building.

Destiny USA, the largest LEED Gold certified retail building in the world, leads the way by embodying the green movement. With a rainwater harvesting system that is 78 percent more efficient than the average shopping center, large scale use of bio-diesel during construction, recycled materials and socially responsible practices, this building is a shining example for everyone to follow. Read more about this state-of-the-art building in “Destiny USA Celebrates Sustainability in a Large Way” (P. 14).

IREM Headquarters in Chicago demonstrates green building leadership and “walks the talk” by aiming for two sustainability certifications—LEED CI and WELL Building Standard—in its new headquarters space in the REALTOR® Building in, “IREM Goes for the Gold” (P. 42). Get an insider’s look at how IREM HQ is evolving, and check out exclusive photos of its progress.

“Someone Died, Now what? Death, Uncovered” (P. 24) is a no-holds-barred look into the dos and don’ts of managing a property through the trauma and messiness of death. Where does the body go? What happens next? How does the unit get cleaned up and re-rented or re-sold? The process of remediation applies to more than just freshening up carpets and a new coat of paint—contamination, crime-scene cleanup and tenant trauma all factor into the situation. Read at your own risk!

This issue of JPM® is jam-packed with useful tips and tricks, along with a heavy dose of insider knowledge and truth. Enjoy!
TINY APARTMENTS: A Small Solution to a Big Sustainability Issue

THE GUARDIAN, 04/08/15, MOODIE

Growing populations and the resulting housing shortages in U.S. cities have urban planners, architects and builders thinking about living spaces in novel ways. New developments such as the My Micro NY and Atlantic Yards projects in New York are the first examples of modular communities. “Modular construction is faster, less expensive, allows for high levels of quality control and significantly reduces waste and truck traffic,” said former New York City Mayor Michael Bloomberg. “It’s also safer for workers as construction is done inside in controlled environments.”

Between 2012 and 2013, modular construction of lodgings grew by 31 percent, according to the nonprofit Modular Building Institute. “Millennials are looking for smaller, more affordable and more sustainable living spaces,” said University of Massachusetts at Amherst Professor Elisabeth Hamin. The My Micro NY Project is the city’s first micro-unit apartment building, constructed offshore by Capsys and assembled in June in the Kip’s Bay neighborhood with 55 units ranging from 270 to 350 square feet. Prefabricators can produce a module per day, or 35,000 square feet per month, cutting construction time from 24 months to 15 to 18 months. This helped current New York Mayor Bill de Blasio accomplish his goal of adding 200,000 affordable apartments to the city’s stock over the next decade.

CALIFORNIA PANEL MANDATES LOW-WATER LAWNS ON NEW BUILDINGS

WASHINGTON POST, 05/29/15, NIRAPPIL

As a result of the historic drought gripping the Golden State, California regulators mandated that lawns and other landscaping on new and renovated buildings and homes guzzle less water. The state’s Building Standards Commission voted to alter development rules to reduce the demand for water. Developers can meet the rules by planting shrubs and bushes rather than grass or installing slow-trickling valves as opposed to traditional sprinklers. “You can still see grass, you are just going to see a lot less of it,” said Bob Raymer of the California Building Industry Association, an advocate of the changes. The new standards went into effect June 1 for proposed office buildings, schools and hospitals, and on June 15 for housing developments.

If developers comply, officials estimate that lawns will use about 20 percent less water. Lawns that do not meet these anti-guzzling rules are prohibited under separate regulations approved earlier in the year by California’s Water Resources Control Board. The Building Standards Commission expedited the new rules in response to Gov. Jerry Brown’s executive order for immediate and permanent conservation due to the drought. Brown had called for a ban on traditional sprinklers for new buildings. However, his administration dropped that proposal after industry officials pointed out it may unintentionally ban irrigation systems that reuse water flowing down shower drains and toilets. The standards approved late last week establishes a maximum amount of water to maintain new lawns based on a formula.
GREEN LEASES COULD SAVE U.S. OFFICE BUILDINGS $3.3 BILLION ANNUALLY
CLEANTECHNICA, 05/25/15, MARCACCI
Buildings rank as America's biggest energy consumers, and commercial buildings generate much of this demand, spanning approximately 87 billion square feet across 5.6 million buildings. However, competing interests between landlords and tenants often discourage commercial efficiency upgrades. According to the Institute for Market Transformation (IMT), green leases could clear this hurdle by aligning the financial and sustainability interests of landlord-tenant leases, unlocking as much as $3.3 billion in annual energy cost savings. However, efficiency upgrades require capital investment up front for a payback over time—an equation that usually doesn't work in a landlord-tenant relationship due to the “split incentive problem” in commercial office settings. Building owners don’t pocket the full cost savings of cutting power demand, while occupants don’t want to pay for improvements on a building they don’t own. Neither party is fully incentivized to pay for major efficiency upgrades.

Green leases are able to clear this hurdle by linking incentives through financially beneficial clauses for both sides of the commercial leasing relationship. Owners can reduce overall operational costs and boost net income via higher occupancy and increased interest from socially conscious companies. Tenants, meanwhile, can slash demand up to 22 percent, paying up to 51 cents less in power per square foot. “There’s great potential for green leases to catalyze energy efficiency measures and for owners to transition their entire real estate portfolios to green leases,” said Andrew Feierman, IMT Commercial Real Estate Engagement Program Associate. Saving 50 cents per square foot quickly becomes a substantial sum when executed across a set of buildings.

SOFTWARE TO ANALYZE BUILDING LIFECYCLE
BUILDINGS, 04/20/15
While many types of software exist to measure energy consumption in buildings, a new program has been created that can analyze the entire life cycle of a building. The cloud-based software dubbed NECADA can be used to run scenario simulations that can identify the possible effects that climate change will have on buildings, including measuring how much carbon dioxide a structure will emit. Based on the BIM model, the design allows building professionals to find the most ecologically friendly option for design and construction based on specified materials, the area’s climate, the building’s orientation and so forth. Researchers from the Polytechnic University of Catalonia expect the software will be used for a variety of applications, noting that the tool makes it easy to calculate the value of potential renovations for multiple facilities and design tests to find the most energy-efficient method to operate buildings.

SOUNDBITES
“Coming together is a beginning; keeping together is progress; working together is success.”
—HENRY FORD

“A year from now you may wish you had started today.”
—KAREN LAMB

“Logic will get you from A to B. Imagination will take you everywhere.”
—ALBERT EINSTEIN

“Only put off until tomorrow what you are willing to die having left undone.”
—PABLO PICASSO

“What would you attempt to do if you knew you would not fail?”
—ROBERT SCHULLER

“Go as far as you can see and you will see further.”
—ZIG ZIGLAR

“Someday is not a day of any ways.”
—EARL NIGHTINGALE

“Never give up on a dream because of the time it will take to accomplish. The time will pass anyways.”
—HENRY FORD

"Coming together is a beginning; keeping together is progress; working together is success.”
—HENRY FORD

“A year from now you may wish you had started today.”
—KAREN LAMB

“Logic will get you from A to B. Imagination will take you everywhere.”
—ALBERT EINSTEIN

“Only put off until tomorrow what you are willing to die having left undone.”
—PABLO PICASSO

“What would you attempt to do if you knew you would not fail?”
—ROBERT SCHULLER

“Go as far as you can see and you will see further.”
—ZIG ZIGLAR

“Someday is not a day of the week.”
—DENISE BRENNA-NELSON

“Never give up on a dream because of the time it will take to accomplish. The time will pass anyways.”
—EARL NIGHTINGALE
White green roofs are incredible engineering feats that provide insulation and storm-water management, their lush greenery could be putting building owners and managers at risk for an invasion of pests. Whether such rooftops have low grass, flowers, shrubs or food gardens, insects and animals will inevitably be attracted to the foliage. But the following four tips could help ensure that green roofs will thrive without becoming overrun with wildlife.

One, LANDLORDS AND THEIR ON-SITE MANAGEMENT STAFF NEED TO UNDERSTAND WHICH PESTS FREQUENT VEGETATED ROOFS. And because a green roof is designed to be a habitat, one pest problem usually encourages another. For instance, birds may become more attracted to the area because there are better nesting opportunities and a greater amount of insects to eat. In turn, these feathered friends may be carrying mites that will then establish a population on a building's roof.

Two, the article's author advised, "RECOGNIZE THE RISKS TO YOUR BUILDING AND OCCUPANTS." A pest infestation on one's green roof is a three-fold problem that can cause structural issues, spread to other areas of the building and scare off tenants. Mice and rats are a particularly bad nuisance. They not only leave behind contaminated droppings, but they can chew and burrow straight into buildings as they create their nests. In addition, they may gnaw through wiring, irrigation systems and even the roof membrane.

The third entails BUILDING MANAGEMENT LOOKING FOR SIGNS OF ACTIVITY. For those who already have a pest inspection routine for their facility, they need only add the green roof to the rotation. Look for obvious signs such as droppings, nests and damage to plants. Due to the fact that some roofs are intended to be self-sustaining once established, they often have a minimal maintenance schedule. To avoid missing signs of pest activity, it must become a habit to visit the roof on a regular basis—more than what is required to just keep the vegetation in good health.

A fourth and final tip is to USE INTEGRATED PEST MANAGEMENT, OR IPM, WHICH PRIORITIZES PREVENTION STRATEGIES OVER REACTIVE ONES AND FAVORS LOW-IMPACT METHODS TO ADDRESS PESTS. These range from no-kill traps to sealing cracks in the envelope to employing anti-roosting devices.
SUSTAINABILITY TIPS FOR REAL ESTATE MANAGERS

Doing well by doing good

It's well-established that sustainability in real estate management can result in substantial cost savings. The risk mitigation opportunity is also apparent—sustainability and energy efficiency provide a hedge against spiking energy and water prices, prepare a property for existing and impending regulations, and guard against market obsolescence. The value enhancement opportunity—through better tenant demand and retention, higher rents and higher sales prices—is becoming clearer.

HERE ARE SOME TIPS ON HOW TO MAKE THE MOST OF THE BUSINESS OPPORTUNITY IN SUSTAINABLE PRACTICES:

**OPERATIONS**

The old adage "you can't manage what you can't measure" is truer than ever with sustainable real estate management. Benchmark resource usage and set policies for energy and water management, recycling and sustainable purchasing. The IREM Certified Sustainable Property Certification provides a simple, actionable framework for getting started in this area.

- Make sure your staff has the training they need. Consider hiring a Certified Energy Manager (CEM®), a Sustainability Facility Professional (SFP®), or someone with similar credentials for your portfolio.
- Consider green leasing so that both your owner and tenants share in the costs and benefits of sustainability projects.
- Perform a market analysis to understand the demand for sustainable real estate in your area. Sustainability can be a powerful tool for meeting an owner's goals for an investment—but only if green buildings are in demand in your market.

**FINANCIAL ANALYSIS**

Try to quantify the value enhancement contribution of your sustainability initiatives.

- Focus on statistics and percentages. By what percentage has energy use decreased from baseline? What is your recycling diversion rate? How much less water are you using? How does your property compare to others in the market?
- Make sure brokers know about your sustainability initiatives and can communicate the benefits to potential tenants.
- Know exactly how much you are saving your owners and how much your tenants are saving in total occupancy costs. Communicate these amounts through regular reporting.
- Regularly perform cost-benefit analyses on equipment retrofits. Technology is always improving, and costs decrease. For instance, LEDs were cost-prohibitive just a few years ago. Now they are an achievable path to energy savings.
- None of these tips involves a huge disruption to your current business practices. Sustainability can involve some very simple actions to achieve results. You don't have to completely uproot your life or business to capitalize.

**TENANT ENGAGEMENT**

Regularly communicate your sustainability initiatives to tenants through e-mail, presentations, lobby kiosks, green teams or however else you desire. Include all the areas of sustainability—energy, water, recycling, indoor environment, transportation, etc.—or just the areas in which your property is particularly strong.

- Regularly communicate your sustainability initiatives to tenants through e-mail, presentations, lobby kiosks, green teams or however else you desire. Include all the areas of sustainability—energy, water, recycling, indoor environment, transportation, etc.—or just the areas in which your property is particularly strong.

To read more about sustainability, visit the IREM Blog at www.irem.org/resources/irem-blog.

BY TODD FEIST / buzz ::
DOWNLOAD ME

TIMEFUL
Timeful helps you organize your life, so that you can find the best times in the day for the things you want to do. It understands your schedule, habits and needs so you can get the most out of each day. For example, if you want to find the time to exercise three times a week, go grocery shopping or catch up on your e-mail, Timeful will take note of your calendar schedule and suggest the best times to do these things. Not only does it help you schedule these tasks, but it keeps track of how often and when you do them. It's a great way to stay on track and be productive throughout the day! (iOS; Free)

DRAGON DICTATION
This simple dictation app transcribes what you say, eliminating the need to type out simple notes when you're on the go. You can use it to draft e-mails, write notes, post to social media and more. Post easily to Facebook or e-mail straight from the app with Dragon Dictation's shortcuts. (iOS; Free)

UNCLOUDED
If you have one of more online storage accounts on Dropbox, Google Drive or the like, you know how difficult it is sometimes to locate specific files. Unclouded gathers the data from your storage accounts, lets you know where certain files are located, how much storage those files take up and also where you have duplicate files. Now you can manage your accounts easily and keep track of your important files! (Android; Free)

DASHLANE
For all those failed login attempts because you forgot your password (again), Dashlane is the answer for you. Rather than frantically typing in every password variation possible, this app saves your login information and syncs them across your devices. All you have to remember is one strong password for Dashlane (iPhone 5s and above can use TouchID) and the rest of your information is safely at your fingertips. It can even generate great passwords for you. (Android, iOS; Free, Premium account from $29.99 per year)

FAST FACTS
50 percent of North America's 108 million corporate PCs and monitors are left on overnight and on weekends, wasting up to $4 billion of electricity per year.

A compact fluorescent light bulb uses 75 percent less energy than a regular bulb, and can last up to four years.

A hot water faucet that leaks one drop per second can waste up to 165 gallons per month.

Office buildings use approximately 19 percent of all energy consumed in the U.S.

One person uses two pine trees' worth of paper products each year.

Recycling two aluminum cans saves the amount of energy it takes to power a PC for one workday.

Americans comprise about 5 percent of the world's population and annually produce 27 percent of the world's garbage.

Heating, ventilating and air conditioning systems account for 40-60 percent of total energy use in the commercial sector.

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THESE APPS ARE ALL FREE TO DOWNLOAD AND ARE DESIGNED FOR MOST MOBILE DEVICES.

THESE APPS ARE THE BEST TIMES TO DO THESE THINGS. NOT OF YOUR CALENDAR SCHEDULE AND SUGGEST ON YOUR E-MAIL, TIMEFUL WILL TAKE NOTE SO THAT YOU CAN FIND THE BEST TIMES IN. TIMEFUL HELPS YOU ORGANIZE YOUR LIFE, SO THAT YOU CAN FIND THE BEST TIMES IN THE DAY FOR THE THINGS YOU WANT TO DO. IT UNDERSTANDS YOUR SCHEDULE, HABITS AND NEEDS SO YOU CAN GET THE MOST OUT OF EACH DAY. FOR EXAMPLE, IF YOU WANT TO FIND THE TIME TO EXERCISE THREE TIMES A WEEK, GO GROCERY SHOPPING OR CATCH UP ON YOUR E-MAIL, TIMEFUL WILL TAKE NOTE OF YOUR CALENDAR SCHEDULE AND SUGGEST THE BEST TIMES TO DO THESE THINGS. NOT ONLY DOES IT HELP YOU SCHEDULE THESE TASKS, BUT IT KEEPS TRACK OF HOW OFTEN AND WHEN YOU DO THEM. IT'S A GREAT WAY TO STAY ON TRACK AND BE PRODUCTIVE THROUGHOUT THE DAY! (iOS; FREE)

UNCLOUDED
IF YOU HAVE ONE OF MORE ONLINE STORAGE ACCOUNTS ON DROPBOX, GOOGLE DRIVE OR THE LIKE, YOU KNOW HOW DIFFICULT IT IS SOMETIMES TO LOCATE SPECIFIC FILES. UNCLOUDED GATHERS THE DATA FROM YOUR STORAGE ACCOUNTS, LETS YOU KNOW WHERE CERTAIN FILES ARE LOCATED, HOW MUCH STORAGE THOSE FILES TAKE UP AND ALSO WHERE YOU HAVE DUPLICATE FILES. NOW YOU CAN MANAGE YOUR ACCOUNTS EASILY AND KEEP TRACK OF YOUR IMPORTANT FILES! (ANDROID; FREE)

DASHLANE
FOR ALL THOSE FAILED LOGIN ATTEMPTS BECAUSE YOU FORGET YOUR PASSWORD (AGAIN), DASHLANE IS THE ANSWER FOR YOU. RATHER THAN FRANTICALLY TYPING IN EVERY PASSWORD VARIATION POSSIBLE, THIS APP SAVES YOUR LOGIN INFORMATION AND SYNCS THEM ACROSS YOUR DEVICES. ALL YOU HAVE TO REMEMBER IS ONE STRONG PASSWORD FOR DASHLANE (IPHONE 5S AND ABOVE CAN USE TOUCHID) AND THE REST OF YOUR INFORMATION IS SAFELY AT YOUR FINGERTIPS. IT CAN EVEN GENERATE GREAT PASSWORDS FOR YOU. (ANDROID, IOS; FREE, PREMIUM ACCOUNT FROM $29.99 PER YEAR)

FAST FACTS
50 PERCENT OF NORTH AMERICA'S 108 MILLION CORPORATE PCs AND MONITORS ARE LEFT ON OVERNIGHT AND ON WEEKENDS, WASTING UP TO $4 BILLION OF ELECTRICITY PER YEAR.

A COMPACT FLUORESCENT LIGHT BULB USES 75 PERCENT LESS ENERGY THAN A REGULAR BULB, AND CAN LAST UP TO FOUR YEARS.

A HOT WATER FAUCET THAT LEAKS ONE DROP PER SECOND CAN WASTE UP TO 165 GALLONS PER MONTH.

OFFICE BUILDINGS USE APPROXIMATELY 19 PERCENT OF ALL ENERGY CONSUMED IN THE U.S.

ONE PERSON USES TWO PINE TREES' WORTH OF PAPER PRODUCTS EACH YEAR.

RECYCLING TWO ALUMINUM CAN SAVES THE AMOUNT OF ENERGY IT TAKES TO POWER A PC FOR ONE WORKDAY.

AMERICANS COMPOSE ABOUT 5 PERCENT OF THE WORLD'S POPULATION AND ANNUALLY PRODUCE 27 PERCENT OF THE WORLD'S GARBAGE.

HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS ACCOUNT FOR 40-60 PERCENT OF TOTAL ENERGY USE IN THE COMMERCIAL SECTOR.
HIGHEST & LOWEST TOTAL ALL EXPENSES (TAE) FOR LOW RISE CONDOMINIUMS BY REGION

<table>
<thead>
<tr>
<th>Highest TAE</th>
<th>Lowest TAE</th>
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<tr>
<td>Metro</td>
<td>Median</td>
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<tr>
<td>Minneapolis-St. Paul, Minn.</td>
<td>$3,488.38</td>
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*Minimum sample of 5
TAE = Total All Expenses For Low Rise Condominiums
In Median Dollars per Unit
Data from the 2014 Expense Analysis: Condominiums, Cooperatives, & PUDs

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TRENDS & CHANGES IN SUSTAINABILITY

Over these last few years, there has been a trend in the direction that almost every noteworthy company has some kind of sustainability officer or director. Many of the leading organizations in the real estate, whether they are REITs, financial institutions or real estate operating companies, have a designated person who has the word “sustainability” somewhere in his or her title. If sustainability is not in their title, it is most certainly in their job description.

There is also an increasing amount of institutions of higher learning that have either sustainability programs or degrees in sustainability in their undergraduate and graduate programs. As an IREM Member, industry professional and also a regular reader of this column, you’re aware of much of what is happening, and the benefits of incorporating real sustainability into your career path. It’s difficult to see any real estate organization today without a positive promotion taking place about why “we are better.”

A fascinating observation is that in many circles, there is a substantial divide between those who appear to know the concepts of sustainability and those who actually are implementing cost-effective, value-added improvements into their operations and buildings. Once again, we have an opportunity to differentiate ourselves as IREM Members and make a real impact. Although there are many programs in the corporate and university worlds, quite the opposite is true in primary and high school education.

MADE AN IMPACT
Get involved with your local schools and help them help themselves! Not only can you become a keen observer of many of their practices in facility management, but you can also provide valuable guidance on how to potentially reduce their expenses and conserve sorely needed funds. Let’s change the conversation from “What can I do for my building?” to “What can I do for my community?” Take your hands-on practical experiences and share them in the classrooms. Ask the schools to allow you the time to give instruction on better energy, water and resource management. Use what you’ve learned in your career as a real estate professional to make a change for the better. Talk to school administrations about conducting a career day to give the students a better understanding about the emerging world of amazing employment opportunities that are good for the planet—and profitable, too!

What’s changing about sustainability is that the audience continues to grow larger. When we take our messages and make them easily understood so that students in K-12 have a solid foundation, we can make a positive and long-lasting change from the inside. Think about how the real estate industry has transformed in just a few short years to a much more responsible place. Now, we are competing for residents and tenants based upon reducing our pass-through costs, and highlighting the environmental benefits that result.
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**PITCH PERFECT: THREE DEADLY MISTAKES NOT TO MAKE**

Picture this: You’ve been courting a prospective client for months. Finally, she’s ready to meet with you. Your best pitch team is all lined up, but you’re having second thoughts about who (and what) you should bring to the table. What should you do?

Want to be pitch-perfect? Here are three deadly marketing mistakes you won’t want to make.

**UNDERESTIMATING BENCH STRENGTH**

Third-party managers, perk up your ears. My colleague, Jennifer, recently put her owner’s retail portfolio out to bid. She’s been debating whether to outsource management and leasing, formerly done completely in-house for almost a year. Clearly, who could best manage her properties was a major pain point for this owner.

After interviewing several management companies, Jennifer made a decision. What did the winning team’s pitch best display? Bench strength—hands down. Owners want to know that management companies have a team in place (vs. on the way) to handle their needs.

**NOT DOING YOUR HOMEWORK**

If you’ve ever seen Kevin O’Leary on TV’s Shark Tank, you know what I mean. O’Leary grills would-be entrepreneurs on every aspect of their pitch. While I wouldn’t recommend his “you’re dead to me” method of weeding out lackluster pitches, it’s an absolute must to do your homework before you get in front of the client. Ask these questions to get an A+:

*Did we visit the property?* Yup, you can find out a lot online, but an in-person visit pays off. Make sure both you and your property manager visit the property. Astute owners will want to know what the person on the ground thinks.

*What are our recommendations?* The owner is interested in you for a reason. Think about how to put what you’ve seen into action. Can you offer ideas for a better tenant mix, marketing or a better way to handle maintenance issues?

*What about the market?* Surprisingly, managers often take this aspect for granted. Take time to check out similar properties in the area (including the owner’s) to see how they stack up. And be sure properties you manage in the area are up to par, too.

**DELAY PRACTICING**

Here’s my advice: don’t wing it. Sure, it pays to be flexible in case things don’t turn out as planned. But unless you’re Jimmy Kimmel, don’t depend on improvisation to see you through. You never know what people (aka, your team) will say when they are nervous or under pressure.

The trick here is mastering the art of turning your written proposal into a live conversation. Before you bring your next pitch to the table, help your team prepare with these tactics: 1) Script it out: Have everyone (newbies and veterans) write out what they plan to say. 2) Throw it out: Once you know what you’re going to say, throw out the script and just converse. Interested in more practice tips? Stay tuned.

Pardon me for a moment—I’m going to watch a little late-night TV. You’d be surprised at the tips you can pick up.
The Real Estate Management Professional
LEADERSHIP DEVELOPMENT
SELF-AWARENESS

The Thirteenth in a Leadership Series

YOU WILL LEARN HOW TO:
For real estate management professionals, especially in leadership positions, there is a strong need to bolster your sense of self-awareness. Whether you are dealing with complaints, inquiries, or negotiations with tenants, residents, or property owners, there is a constant need to think on your feet and remain poised. The IREM White Paperon Leadership Development: Self-Awareness will help you consider ways to stay focused on your leadership style, while also considering alternative approaches to boosting office morale - thereby increasing productivity.

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DESTINY USA CELEBRATES SUSTAINABILITY IN A LARGE WAY

BY LAUREN STANIEC
On February 6, 2015, Destiny USA celebrated its third anniversary as the largest LEED® Gold certified retail building in the world. With the Core & Shell LEED® Certified expansion of the building totaling 1.3 million square feet, Destiny USA invested countless hours in developing new and existing sustainable initiatives, merging economic development with environmental sustainability.

Key sustainable design features of the Center include large scale brownfield redevelopment, a rainwater harvesting system (including fixtures) that is 78 percent more efficient than the average comparable shopping center, large scale use of bio-diesel during construction, materials embodying significant recycled content, and using socially responsible practices during material harvesting and close consideration and monitoring of the supply chain.

The Center itself was no small feat, but Destiny USA founders wanted to dive deeper into retail and sustainability. Encouraging the project team to continue efforts with the U.S. Green Building Council (USGBC), the teams collaborated creating an unprecedented impact of sustainability in the retail sector. The final result is that the Developer requires each retailer that opens within the new expansion to achieve LEED® certification as part of their lease. To aid in each tenant’s endeavor, the project team participated in a pilot program being tested by the USGBC, and Destiny USA’s expansion became the first retail project to participate in a LEED® Campus Project. The Campus Project pre-certifies a portion of prerequisites and credits that every tenant may utilize while pursuing in their own LEED® for Commercial Interiors certification. Upon finalizing the Campus Project, the USGBC awarded four preapproved prerequisites, and 27 preapproved credits. Additionally, Destiny USA offered the rainwater harvesting infrastructure on site for tenants to tie into for additional credit compliance. Ensuring tenant success, a support staff is maintained at Destiny USA to help tenants through their individual certification processes.

 EACH RETAILER
THAT OPENS
WITHIN THE NEW
EXPANSION MUST
ACHIEVE LEED®
CERTIFICATION AS
PART OF THEIR
LEASE.
DESTINY USA'S LEED® TENANT EXPERIENCES

P.F. CHANG'S IS THE FIRST RESTAURANT AT DESTINY USA TO REACH LEED® GOLD

In 2013 P.F. Chang's continued the restaurant's green initiative growing the number of LEED® Certified Gold spaces for the Company by one at Destiny USA. P.F. Chang's started constructing LEED® certified projects in 2011 with a focus on designs utilizing sustainable materials. The 7,500 square foot space at Destiny USA further focused on resource conservation with nearly all credits contributing towards water and energy use reductions. Lighting, kitchen equipment and HVAC equipment were all selected and installed to operate the facility to the most optimal of levels. Energy usage was then offset with the purchase of renewable energy credits. P.F. Chang's also tied into Destiny USA's rainwater harvesting system and was able to reduce their water consumption by over 72 percent compared to a baseline tenant of similar size and use.

>P.F. CHANG'S FOCUSED ON RESOURCE CONSERVATION, ESPECIALLY WATER AND ENERGY USE REDUCTION.

"P.F. Chang’s was an especially exciting LEED® project at the site, we currently had one LEED® Gold certified retail-tenant, but we weren’t sure how far a restaurant tenant could push the boundaries of the Commercial Interiors rating system at our Campus. P.F. Chang's was able to set the standard for not only restaurant tenants, but all tenants on site. Even though they have met the LEED® requirements of their lease they have advanced their sustainability efforts further by joining Destiny USA's composting program. It's been wonderful to see amount of tenant initiative and follow through of Destiny's ultimate goal of being the Nation’s greenest shopping destination," said Lauren Staniec, Sustainability Coordinator, Destiny USA.
PUMA IS FIRST RETAILER TO ACHIEVE LEED® PLATINUM IN DESTINY USA'S EXPANSION

PUMA outlet at Destiny USA was formally recognized by the USGBC in October 2014 as LEED® Platinum. This certification is the first LEED® certification for PUMA worldwide and the first Platinum level certification at Destiny USA.

To obtain Platinum certification, PUMA received recognition for several initiatives, including high efficiency LED lighting, the use of rapidly renewable materials in display systems, installation of an energy efficient HVAC system and utilizing locally manufactured materials, thus decreasing fuel costs.

"The PUMA project showed how a dedicated team consisting of the owner, designers, contractors and Destiny USA can create a truly high performing, sustainable project. As a LEED® Platinum project, the store will provide an improved environment for customers and staff, reduce operating costs and result in a lower impact on the environment" said Charles Bertuch, P.E., Bergmann's Energy Group Leader.
NORDSTROM RACK

Since registering their project with LEED® online in February 2015, Nordstrom Rack’s project team has been a tightly coordinated group on all aspects of their project at Destiny USA. Bringing all design disciplines, tenant representatives and landlord representatives together on every call has created a very streamlined, all-inclusive project—not just for design and construction of the build-out itself, but for the coordination and understanding of a LEED® project as well. Set to open at Destiny USA in Fall 2015, the tenant has created an exciting preliminary LEED® checklist that they are vetting through the design process.

"Nordstrom Rack has truly embraced the LEED® design process at Destiny USA. This is the tenant’s first LEED® project, but you would never know that by listening to the conversations and the amount of knowledge and passion that the entire team has for the process. Discussions for LEED® and construction are entirely collaborative and inspiring, all ideas are considered. It will be an exciting certification for them and for us," said Stephanie Wright, Tenant Coordinator at Destiny USA.

Currently, the tenant’s focus rests largely with indoor air quality, energy and water conservation measures. Still very early in their process, Nordstrom’s project team has been inspirational and educational for all team members. More than 50 retailers within Destiny USA’s expansion have achieved LEED® certification with the efforts of tenant coordination teams, architects, engineers and planners. The unique components of the Center’s project extend beyond the property, with many retailers implementing sustainable initiatives at their new properties.
Are you a ScrumMaster?

PROJECT MANAGEMENT
INSIGHT FROM SOFTWARE DEVELOPERS

With my family being steeped in the IT world, I get benefits. Not in iTunes cards (unfortunately), but in the advantage of learning about management concepts used in Silicon Valley. For work projects that are complex, require innovation or are long term, you can benefit from IT’s project management ideas. Applicable real estate projects include acquisition due diligence; renovation; development; and long-term projects such as establishing policies and procedures. You can adjust some of the tech world’s project management processes to a non-IT world.

FOLLOW AGILE PRINCIPLES

An agile approach emphasizes and supports communication, collaboration, team self-organization and flexibility. It has four main principles:

1. People and their communications override processes.
2. The result (e.g., a quality product) is more important than documentation.
3. Customers’ input matters. While writing policies and procedures in real estate, for example, employees will provide feedback. This is because their quality won’t be known until they’re tried and tested.
4. Large or complex projects are hard to plan and often requiring changes—it’s better to respond to change than follow a linear plan.

USE SCRUM FRAMEWORK

A popular agile methodology is termed Scrum (as in Rugby) and takes education and experience to do it well, as it’s quite involved; however, you can use its general concepts. It involves three primary roles:

1. The “Product Owner” determines the business needs, customer requirements and creates a prioritized list of portions of work needed.
2. A ScrumMaster—as facilitator, not manager—is a servant of the team who creates a good environment and removes obstacles, while keeping the Product Owner abreast of progress. (This is serious in the IT field: Two associations provide training and certification.)
3. The Scrum Team is cross-functional, self-organized, self-managed and shares collective responsibility. There may be several Scrum Teams, each working on a different aspect of a project simultaneously, and are responsible to work with other teams.

Projects are completed via a series of short time periods (one to four weeks) called “Sprints,” where a team completes a portion of the project.

In Sprint planning meetings, the incremental work portions and team requirements of a project are determined. Each team has a Daily Scrum—a maximum 15-minute meeting—held while standing, to coordinate the team’s work and assess its progress. Each member quickly describes what he’s done, what he plans to do, and what is impeding progress.

At the end of each Sprint, there are two meetings: 1) A Sprint Review to receive stakeholders’ feedback; e.g., how do the employees like the new policies and procedures? 2) A Sprint Retrospective to reflect on the sprint process and team dynamics. What should the team start doing? Stop doing? Continue doing? Lastly, the Scrum team ends or it takes on another portion of the work, repeating until the entire project has been concluded.

When your next large project presents itself, try Scrum concepts as an agile method and let the IT world improve your success.
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2. **Advanced Budgeting & Forecasting**, an automated toolset that delivers accurate budget projections for revenue expenses using tenant lease data drawn directly from Yardi Voyager.

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4. **COMMERCIALCafé**, which combines dynamic, branded online marketing and tenant service portals that enhance marketing efforts and deliver outstanding customer services.

5. **Advanced Maintenance**, a suite of products that enables preventative and responsive maintenance tasks to be managed from desktops or mobile devices.

6. **Procure to Pay**, a fully automated end-to-end procurement and invoice processing solution including vendor management and access to maintenance and repair supplies from national vendors.

7. **Payment Processing**, which streamlines payment collection and reduces operational costs by replacing manual accounts receivable methods with paperless payments and electronic transactions.

8. **LOBOS**, (Load Based Optimization System), an intelligent energy optimization software platform that significantly reduces energy consumed by HVAC systems without compromising occupant comfort.

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Making Sense of Business Intelligence

By Kevin Yardi, Director, Consulting Practices, Yardi®

As software technology used in commercial property management becomes more sophisticated, the term “business intelligence,” or BI, is increasingly making the rounds, calling for an examination of its components, uses and importance.

In general, BI is the ability to use complex operating information so that executives and others can analyze asset performance and make the right decisions for their stakeholders. Centralized BI systems that automatically compile information from multiple sources in a single platform can deliver significant value by building powerful data visualizations, comparing actual vs. forecasted budgets with a click of a button and streamlining decision-making through automation.

Traditionally, data aggregation—compiling information from multiple sources—has been required because most firms were using multiple disparate systems to run their businesses. However, with the advancement of technology, many companies—particularly owners, REITs and investment managers—have discovered that they can consolidate their entire business on one platform that contains all of their operating data. This can eliminate or greatly reduce the need for data aggregation and also makes building a BI layer much simpler. As business-wide management platforms have emerged, BI applications have become much more attainable across the marketplace because they don’t require the degree of custom design required by aggregation systems. Some business platforms now contain out-of-the-box BI systems that may be configured or customized as little or as much as the user desires. Whereas BI systems were once feasible only for the largest companies with the largest budgets, they are now attainable for almost any company of any size at a reasonable cost.

Today’s BI systems are cloud-based, browser- and device-agnostic systems, allowing end users to view data immediately via desktops or mobile devices. Executives can perform analysis from anywhere, resulting in faster responses that can make a company more competitive. A manager can walk into meetings and look at reports and dashboards in real time using their mobile devices, raising credibility with stakeholders. BI products also allow analysts to access and manipulate BI views via a spreadsheet file and create ad hoc analysis with which to potentially win a sale, report to the market or satisfy internal inquiries.

Asset managers can use state-of-the-art BI systems to transform property management and accounting data housed in a technology platform into easy-to-use metrics that illustrate occupancy, lease expirations, net operating income, budgets vs. actual, dollar per square feet and much more. This BI can be “sliced and diced” in convenient ways; an investor, for instance, would be more interested in occupancy percentage across the investment portfolio than an asset manager, who would more likely gain value from property-level key performance indicators.

BI technology has advanced to the point that companies can even provide BI across a portfolio with the ability to drill down from the investor level to building tenants’ lease amendments and other property-level details. Technology advances, particularly in property management software and mobile applications, have brought this capability within reach of commercial real estate companies.
SOMEBODY DIED, NOW WHAT
DEATH, UNCOVERED: The dos and don’ts to managing a death on your property. ARE YOU PREPARED?

BY JOSEPH DOBRIAN

WARNING: THIS ARTICLE CONTAINS GRAPHIC DESCRIPTIONS AND IMAGERY.
Even if you manage the most peaceable, respectable building in your market, it pays to get acquainted with a fairly young industry: crime scene cleanup. Also known as crime and trauma scene decontamination, or CTS Decon, this industry concerns itself with cleaning up the mess and eliminating biological hazards following a traumatic and/or unattended death. Such a death in your building can create grave risks of contamination and liability and it takes a professional to mitigate them.

The process of “remediation”—restoring an apartment or other unit of real estate to a safe condition—involves the meticulous removal of all bodily fluids and parts, along with the disinfection of every surface. Sometimes, it involves going past the surfaces—even ripping out flooring, drywalls, two-by-fours and sub-floors. The odor will have to be eliminated, as well. A decomposing corpse will inevitably attract insects, which will have to be hunted down and killed before they can spread the pathogens they’ve picked up.

Prepare for the Process
Jeff Darr, owner of Crime Scene Service in Monroe, N.C., urges property owners and managers to shop for a remediation specialist before the need arises. He noted that different companies charge at different rates, although the process is pretty straightforward.

“A decomposed body is one of the worst health hazards,” he said. “Time and temperature influence decomposition, and the fatty tissue in a human body is like kerosene in that it won’t evaporate like gasoline will. It’s a greasy substance and it absorbs into the carpet and the floor. If someone dies in bed, the fluids can seep through the mattress, the box spring, the carpet, the floor—and sometimes you even have to pull up the sub-floor. I don’t know if pets will actually eat a dead body, but they will investigate it, and step in the mess, and cross-contaminate other rooms.

“The hepatitis B or C virus can live outside the body for seven days. We have chemicals that kill that virus, and MRSA [staph] and even ebola.”

The remediation process can take anywhere from an hour to 40 hours, and specialists charge for time and materials. Darr urges property managers to find out what the rates are, well in advance of need.

“I’ve been doing this for 16 years, and I work with insurance companies, so I see what some of my competitors are charging,” he said. “Some companies might charge $13,000 for a job I’d do for $2,500. Most of us don’t rebuild; we just go in and clean.”

Behind the Process
Bryan Reifsteck, director of business development at Aftermath Services in Aurora, Ill., said his company handles thousands of situations in residen-
tial and commercial properties every year. Aftermath is mainly known for working with crime scenes, but it also handles suicides, unattended deaths and hoarding situations, which present their own set of biohazards.

“In the case of a crime,” he said, “Your first call should be to law enforcement. They’ll take control of the situation and contact the coroner, who’ll handle the removal of the body. Then, usually, the property manager has a regional manager or a risk manager to notify.”

“Each situation is unique, depending on how the person died, the amount of time they’ve been dead and the temperature. Our first priority is to remove the biological fluids, including maybe a mattress, couch, carpet and flooring.”

Our first priority is to remove the biological fluids, including maybe a mattress, couch, carpet and flooring.”

—BRYAN REIFSTECK, DIRECTOR OF BUSINESS DEVELOPMENT, AFTERMATH SERVICES

“Once we’ve removed the biological fluids, we begin disinfecting and sanitizing the area. It could be a single room that’s affected; it could affect the entire unit, depending on how far the fluid has traveled. We do a bio-wash and then a deodorizing. To kill the virus, the decontaminating materials must come in contact with it. We use a mop-and-bucket method, hand washing all surfaces. Then, at the end, we use a surface bacterial test to ensure that the surfaces show zero contamination. Once the unit is clean, we provide the client with a certificate of treatment, explaining what we’ve done and how we’ve complied with regulations. You might want to air the unit out for a day or so, then, to let the chemicals dissipate, but when
we're done it's fully safe for you to start with any reconstruction you need to do.”

Reifsteck noted that a traumatic or unattended death may also have psychological effects on tenants or building employees, and a property manager should be aware of these ramifications. “But at least we give you the peace of mind that the scene is cleaned properly, safe and ready to be entered.”

Factoring in the Media
Property managers might also be concerned with negative publicity connected to a death in their building. Reifsteck said Aftermath employees have been trained to ensure as much privacy as possible.

“We’ve implemented our own protocols to keep our business as discreet as possible,” he said. “The Department of Transportation requires us to have signage on our trucks, but we cover that up when we get to the site. We wear discreet clothing; we don’t show up in our Aftermath uniforms. And we train our personnel not to speak to media; we leave that up to our clients. We let them know we have no comments, and point them to whoever our contact is. We’re sometimes asked to work only at night, setting up tents so people can’t see into the unit; sometimes we’re asked to use specific entrances, to avoid attention.”

Reifsteck said that the biggest mistake a manager can make is not being prepared. Managers usually have an exposure control plan, but those tend to be pretty vague.

“There are huge liability and health risks,” he warned. “You need a plan not just for your employees, but for other tenants’ safety. Choose a reputable remediation company, one that operates legally and has trained employees.

“Another of the biggest mistakes managers can make is to put the responsibility for the cleanup on the family of the deceased. But if there are liability issues later, they will fall on the management company. If you want to make the family financially responsible, that’s one thing, but you should still participate in the cleanup—and don’t use your own personnel.”

Marc Chernin, CPM, is senior account executive at New York City-based Brown Harris Stevens, which develops, owns and manages luxury residential buildings. He said his company has a strict protocol that ensures the remediation process will run smoothly.

“It’s rare that we find a dead body, because these are high-end buildings where occupants can afford help.

As a property manager, you mustn’t lose sight of the fact that people are born and come to your building as children, but there’s sensitivity involved when people pass away, too.”

—JAY FINGERMAN, RAM, VICE PRESIDENT AND MANAGING DIRECTOR, BHS
Honolulu-based property manager and REALTOR Lurline Johnson, RMP, CRB, CRS, CBR, also emphasizes the importance of discretion, as well as consideration for other residents. She urges managers to get the family of the deceased involved in the process of cleaning out the unit, especially with regard to disposing of property.

“But verify that they are, in fact, next-of-kin, before you let them clean out the unit,” she said. “Then it’s a matter of getting it re-rented. There’s a stigma that goes with death in a unit, so I recommend disclosing the facts to a prospective tenant, because the last thing you want is for a neighbor to let them know three months later. We have the unit blessed by clergy, so other tenants will feel more secure.”

Deaths are common in assisted living facilities, of course. At Oaknoll Retirement Community, Iowa City, Iowa, director of health services Kim Bergen-Jackson said the protocol is to call the police and the county medical examiner first.

“In a hospice situation we call the hospice first, and they’ll call the medical examiner,” she said, or if it’s an expected death we’ll call the physician of record, who can release the body to the mortuary.”

The media often play a part in the aftermath of a death, BHS’s Marc Chernin said.

“We have high-profile buildings,” he said, “and if anything causes the press or a TV van to show up, we call our public relations company. They pull us out of the loop.”

Not every property owner/manager requires a public relations contact, but it’s a good idea to have one if you have well-known tenants. Ordinarily, these companies will provide crisis plans that outline the protocols the onsite people should follow when faced with an emergency.

Not every property owner/manager requires a public relations contact, but it’s a good idea to have one if you have well-known tenants. Ordinarily, these companies will provide crisis plans that outline the protocols the onsite people should follow when faced with an emergency. The PR person will then communicate with the media on behalf of ownership, drafting and disseminating a statement that focuses on the facts, and handling further updates as the situation progresses.

“In most cases,” said one PR professional, “the world moves along the next day. But our goal, often, is to keep the client’s/building’s name out of the press.”

JOE 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.
Creating a Livable Downtown  

In 2004, leaders in the city of Dallas envisioned a rejuvenated downtown where people would not only work, but also live. To bring this vision to life, the city found a ready and willing partner in Forest City Enterprises. Together, Forest City and the city formed an ambitious public-private partnership that first focused on redeveloping the historic Mercantile National Bank Tower and converting it into a residential apartment building.

Originally built in World War II in 1942, the 523-foot Mercantile is an eclectic Art Deco building that boasts geometric shapes, a stately clock and a soaring spire. “It is an iconic building in Dallas,” said Jim Truitt, senior vice president, Forest City.

In addition to the building’s architectural and historical significance, its prime location on the east end of downtown Dallas near the Neiman Marcus department store made the Mercantile ripe for redevelopment.

To begin this large and expensive project, Forest City worked with the city to create a tax increment financing (TIF) district as a way for the city to reinvest added tax revenue from new development back into the area. The city’s investment combined with Forest City’s investment allowed this project to take off and become a catalyst for revitalizing downtown Dallas.

Community Creation

“We worked hand-in-hand with the city all the way through the project to get the lights turned back in this building,” said Truitt.

During the project, Forest City redeveloped 250,000 square feet of space into updated residential units. “We preserved the exterior of the building and tried to keep as much of the original building as we could,” said Truitt. “We wanted to celebrate the historic nature of the building, while also bringing it up to the design standards of what people want today.”

Today, the Merc (as it is known locally) offers luxury apartments and penthouses in historic setting.

Forest City also tore down 800,000 square feet of old office space in the neighborhood to start converting the whole block into apartments. The Merc was, in fact, the first of four major apartment buildings that now comprise Mercantile Place; Forest City developed all four buildings, and Forest City manages all four properties today.

As a whole, Mercantile Place has more than 700 apartments and pent-
houses within four distinct buildings, which are all adjacent to each other. "Each building has its own unique style and price point," said Lisa Ratcliff, regional manager of Mercantile Place, Forest City.

In addition to the Merc, Mercantile Place includes: the Wilson, loft-style units within a historic building with an ornate exterior modeled after the Paris Opera House; the Element, which boasts Eichler-inspired architecture with open floor plans and large windows; and the Continental, an adaptive reuse project in which Forest City converted the historic Mercantile Commerce Building into an LEED Silver Certified luxury apartment complex. Mercantile Place also has a pool, retailers and restaurants that have helped bolster the sense of community within these four apartment buildings and downtown Dallas as a whole.

"We manage them all the same, but they are different products," said Truitt. "Residents have four different options for places to live, which provides for diversity in the market."

**Personalized Leasing**

While there is certainly a benefit to having many residential options in one location, the buildings can compete with one another. This can be a challenge from a leasing and management perspective. "But our team does a good job of helping people identify the perfect home for their needs," said Ratcliff.

The sales team sits down with prospective tenants to determine each tenant's unique tastes, styles and lifestyle needs. Moreover, the team builds trust among prospective tenants by not trying to upsell them past their maximum price point. "We always ask them what is your not-to-exceed price—and we don't go anywhere beyond $25 of that," said Ratcliff. "We want them to be comfortable."

At press time, occupancy at Mercantile Place was 95 percent; it averages between 92 and 96 percent throughout the year. The residents are typically single professionals and young couples, with an age range from mid-20s to mid-40s.

**A New Downtown**

With its high occupancy and optimized rents, the Mercantile Place has been a success story among developers. This success combined with the formation of the TIF district has helped encourage further redevelopment in the area.

"While the city would have probably created the TIF district, the Merc project really started this," said Truitt. "As a result, it has been a source of redevelopment dollars for downtown Dallas."

Additionally, many people are seeing the appeal in urban living and moving downtown. "Downtown Dallas has grown tremendously since Mercantile Place opened," said Ratcliff. "Downtown is definitely moving in the direction of not just being a place to be when you're working eight to five; it is a more livable downtown."

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What is a typical day like at Sealy & Company, LLC?

A / Sealy & Company offers a full-service, dynamic, in-house platform built upon an institutional grade infrastructure. Our platform provides extensive experience in all facets of real estate including acquisitions, internal deal sourcing, detailed underwriting, financing, dispositions, construction, development, asset management, property management, advisory, accounting, leasing, marketing and brokerage services. Our existing managed, industrial focused portfolio is approximately 15.5 million square feet across 20 portfolio markets with an estimated value of approximately $670 million. Sealy also maintains an active deal pipeline that is consistently monitored and maintained. Sealy has approximately 100 experienced staff in key markets across the southeastern and southwestern U.S., including our corporate offices located in Shreveport, La. and Dallas, and six integrated regional offices. Our in-house associates are supported by a network of local and national vendors, brokers and consultants. A typical day at Sealy involves communication across these various platforms to ensure we are utilizing the full depth of experience, knowledge and resources offered throughout the company to provide our customers, tenants and vendors with superior service and value.

How do you motivate your employees?

A / I do my best to employ a servant leadership approach on a daily basis. At Sealy, we recognize that our maintenance technicians and supervisors, as well as our onsite property managers, typically have the most frequent interaction with our customers. Accordingly, my highest priority is to ensure they have the resources and information they need to be successful. It is vital these team members understand their
overall role in company and departmental objectives and property operating parameters. We also strive to engage our maintenance technicians, supervisors and onsite property managers as early as possible in the leasing process, ideally well before lease execution, so they have the opportunity to provide input and to develop a personal relationship with the tenant.

Give an example of how Sealy has embraced IT.

A / Information Technology is a critical component to our operational platform. As a result, significant resources are allocated to ensure Sealy utilizes and maximizes industry-leading technology to drive operational efficiencies. We have a proven in-house capability throughout the organization to not only develop, test and implement industry-leading and proprietary software and technology solutions, but also to improve upon and customize them for our needs and those of our customers. This gives us the ability to offer customized solutions catered to a wide range of clients and services—from small local investors up to implementation of standardized operations and reporting across our platform of regions, properties and tenants for an institutional client. Sealy has also developed IT solutions which are near launch in 2015 to improve investor communication, correspondence and transparency, as well as an internal communications platform to enhance integration of regional offices and further heighten corporate standards.

Describe how Sealy views its relationship with third-party vendors.

A / Our vendors are highly valued partners. Sealy utilizes a “preferred contractor” initiative, whereupon we contract with competitively selected general and subcontractors for a large percentage of our work. We maintain competitive and consistent pricing at both the general contractor and subcontractor levels via a cost plus GMP (guaranteed maximum price) bidding model which allows for improved budgeting and forecasting. In addition, this initiative increases our speed-to-market for both bidding and construction, mitigates risk and improves the quality of work. Increased familiarity with our portfolio, tenant base, standards and specifications also allows our vendor partners a better opportunity to value-engineer each project.

How do you predict Sealy will be different in three years?

A / Sealy has experienced exponential growth since its inception in 1946 and we project this trend to continue. A significant source of recent and near-term future growth is associated with the company’s latest investment offering Sealy Strategic Equity Partners (SSEP). Through SSEP, Sealy is anticipating significant growth from acquiring, operating and aggregating a diversified portfolio of broad-use industrial properties in targeted primary and secondary markets in the Southeastern and Southwestern U.S. The fund goal is to grow to $900 million and achieve its anticipated return by targeting soft-marketed acquisitions or off-market properties and through implementing the fund’s “Portfolio by Design” strategy, which includes blending three key investment elements: quality industrial properties, strategic locations and proven credit-worthy tenants. SSEP’s established performing portfolio currently includes 5.8 million square feet of property in eight states and 14 markets and is positioned for substantial growth.

SNAPSHOT

CORPORATE HEADQUARTERS
Shreveport, La.

EXECUTIVE CPM
Jeremy Slaughter, CPM

NUMBER OF EMPLOYEES
100+

COMPANY WEBSITE
www.sealynet.com
Property Management As You Have Never Known It

The time is 4:35 AM. You are awakened from a deep sleep by the deafening noise of a diesel locomotive bearing down on your home—your house begins to shake violently—you are thrown from your bed onto the floor. You try to stand but are thrown down again. You pause and look at your watch. Forty-three seconds have passed. Seems a long time? That is the length of time the city of Christchurch, New Zealand, was shaken by a shallow magnitude 7.1 earthquake on September 4, 2010.

As dawn broke, the extent of the damage became apparent. Amazingly, there were no deaths, but some 30,000 homes were damaged, as were many of the commercial buildings in the city center. Infrastructure was severely compromised with power lines down, sewer and water pipes torn up and roads made impassable.

A long period of aftershocks followed. On February 22, 2011, at around midday, a shallow aftershock of 6.3 magnitude struck and brought down many buildings which had been damaged in the September event and took 185 lives. In total over the two years since the initial September 4, 2010 earthquake, over 11,000 aftershocks of 2.0 or more were registered. The human toll—in terms of insecurity created and emotional strains endured by residents—is impossible to measure.

MANAGING THROUGH THE CHAOS

Through all of this, one of the most challenging occupations has been that of a property manager. After the first event in September, understandably, property managers were concerned for the well-being of their families and themselves. After just a few hours, most, if not all, had found their way to work and were looking after the well-being of their owners and tenants.

As Louiza Meiring, a senior property manager with the established firm Whittle Knight and Boatwood said, “This has been a very draining process. Not one day in the intervening 4½ years has not had some involvement with earthquake-related matters.”

New Zealand is unique in having an Earthquake Commission (EQC). The EQC obtains funds by charging an amount on every insurance premium somewhat akin to a tax. Though, at the time of the quakes, a substantial fund had been created, it was nowhere sufficient to cover the damage. The balance has since been made up by conventional insurance and government assistance for the reconstruction of infrastructure.

The first effect on many businesses was unexpected. For safety reasons, a large section of the commercial heart of the city was cordoned off and entry prohibited. At least one property management company had senior management break through the cordon under cover of darkness. They entered their office and recovered their computers and server. This enabled them to commence work within 48 hours.

THE PHYSICAL AND EMOTIONAL AFTERSHOCKS

Praesto Property Management, a boutique commercial business, had properties under management in Auckland, Wellington and Christchurch. The entire Christchurch portfolio was destroyed. This included a shopping arcade and commercial buildings. Ian Wright, Praesto’s owner and president, said that the biggest challenge is the enormous added work-
load created by a catastrophic event. He estimates that the workload increased two to three times through working with insurers, assessors, tenants and lawyers, and the attendant negotiations. This was compounded by Praesto having its group accounting function centered in Christchurch. Whenever a significant aftershock occurred, the accounting staff fled the building, leaving the accounting function inoperable throughout New Zealand, sometimes for several hours on end.

A key lesson for Wright has been that no amount of disaster planning can take into account the effects the disaster has on staff. The degree of trauma suffered by many Christchurch residents from all walks of life is beyond measure and would have been impossible to plan for.

Another critical factor has been the time taken to have buildings repaired or reconstructed. Wright’s view now is that three years is the minimum length of time that a landlord should have as the cover period for loss of rents insurance. Also factored into any insurance should be the increased costs which accrue because specialists such as engineers, architects, demolition specialists and construction-related trades-people are in short supply.

**EXPECTED CHALLENGES AND EXPENSES**

Residential property managers who typically manage portfolios ranging between 120-170 single family homes were faced with having to inspect every property as quickly as possible. Some companies found additional temporary staff to help, but the task was mammoth. Many New Zealanders live overseas but have investments at home, so the property manager has been required to liaise with the Earthquake Commission, insurers and repairers to ensure that work is carried out satisfactorily.

A major concern, especially after the February event, was liquefaction. Liquefaction is caused by shaking that turns water-saturated sand into sludge and then squirts upwards through cracks. Individuals from within communities teamed to help one another; a student army, comprised of students from Canterbury and Lincoln universities formed teams to help with wheelbarrows and shovels; and contractors provided men and machinery, often without charge.

However, extensive damage was unavoidable. Many vehicles caught in the mess were written off, and areas of land were “Red Zoned” and deemed unsuitable for rebuilding.

Gael Robb of Cowdy & Co, a leading Christchurch residential property management company, noted some other challenges faced by property managers.

These included:
- Tenants fleeing from Christchurch regardless of tenancy agreement terms
- Owners who just said, “Fix it,” even down to selecting colors
- Liaising with EQC and insurers

**ONE STEP FORWARD, TWO STEPS BACK**

Robb said that the worst feature of the major aftershock quake that occurred in February 2011 was that repairs to many homes were already underway. Immediately after the shake occurred, she realized that the entire process would have to start over again. It was this second round of having to revisit and reassess all properties, re-notify absentee owners of damage and recommence negotiations with the Earthquake Commission and insurers, which caused the greater stress. Robb pointed out as far as she knew, New Zealand is the only place where insurers physically carry out repairs rather than making a cash settlement.

Janice Cowdy, principal of Cowdy & Co., noted an interesting side effect—the way in which the property management team has bonded together and supported each other throughout the ordeal. Not one staff member has left her team as a result of the stress and workload, which is a credit to the company.

In 2010, cloud-based solutions were just gaining traction in the property management industry in New Zealand. Companies that adopted this off-site method of information storage saw significant benefits. The disaster has accelerated the acceptance and adoption of this process, together with the adoption of the paperless office.

In summary, the Christchurch earthquakes, despite the damage and personal trauma they caused, have brought the best out of many people. It built teams and friendships which will last a lifetime and has shown that nothing is insurmountable.

We will leave the last word to Gael Robb. When asked what she would do differently she smiled enigmatically and said, “Retire, perhaps.”

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**Figures:**

John Crocker, CPM, ([JONHCROCKER@XTRA.CO.NZ]) is principal of John Crocker and Associates Ltd. in New Zealand.
Homelessness & the Right to Rest Act

According to the Department of Housing and Urban Affairs' 2014 Annual Homeless Assessment Report to Congress, in January 2014, 578,424 people were homeless on a given night. While this number is a decline of 2 percent from HUD's estimate in 2013, and 11 percent from 2007, few would argue the pressing and urgent nature of homelessness in America.

Moreover, homelessness is a problem that affects us all: former HUD Secretary Shaun Donovan has stated the costs to taxpayers of $40,000 for every homeless person on the streets.

In recent years state legislatures have passed bills seeking to protect homeless individuals from potential discrimination. Illinois, Rhode Island and Connecticut have all passed “Homeless Bill of Rights” legislation, which seek to affirm
the civil rights of homeless people, particularly their access to medical care, having equal opportunity for employment and being able to register to vote.

In addition to these basic rights, the laws also cite the right to use public spaces in the same manner as any other person without regard to their housing status. Illinois' Homeless Bill of Rights (Public Act 098-0516), for example, states that a homeless person has the right to "use and move freely in public spaces, including but not limited to public sidewalks, public parks, public transportation and public buildings, in the same manner as any other person and without discrimination on the basis of his or her housing status." The Rhode Island and Connecticut laws contain similar language.

In addition to these laws already passed, legislatures in California, Oregon and Colorado are currently considering homeless “Right to Rest” bills.

California and Colorado’s Right to Rest bill define “public space” as, among other things, “Plazas, courtyards, parking lots, sidewalks [...] and shopping centers.” Also, homeless individuals are given a “reasonable expectation of privacy on one’s personal property in public spaces to the same extent as personal property in a private residence or other private place.” The legislation specifies that homeless individuals can use public spaces without time limitations.

These “Right to Rest” bills, as well as Illinois’, contain enforcement provisions which enable those whose rights have been violated to seek compensatory damages and attorney’s fees.

The IREM Official Statement of Policy
Some IREM Members, particularly those who manage shopping center properties, have expressed concern about the provisions in these bills, especially the potential for liability on the part of property managers.

IREM’s official Statement of Policy on homelessness states our affirmation of the national goal of a “decent home and a suitable living environment for every family.” In working towards achieving this goal for everyone, particularly the homeless, federally-assisted housing programs, such as Section 8 and the Housing Choice Voucher, seek to provide housing for the disadvantaged by providing funds for tenants’ rent. However, these programs are severely underfunded, and IREM Members have advocated for adequate funding to encourage private-sector participation in the programs in order to work towards a more substantive solution to the problem of homelessness.

This SOP was adopted in 1989, and given these recent legislative developments, including indications that “Right to Rest” bills will likely continue to be introduced in states across the country, and our members’ growing concern over the potential consequences they may face from these laws, this SOP will be reviewed and updated by the Legislative and Public Policy Committee and we will continue to provide updates on “Right to Rest” legislation.

IREM Members have advocated for adequate funding to encourage private-sector participation in the programs in order to work towards a more substantive solution to the problem of homelessness.

MIKE TONER (MTONER@IREM.ORG) IS GOVERNMENT AFFAIRS LIAISON FOR IREM HEADQUARTERS IN CHICAGO.
MANAGED BY Q
Q not only provides office cleaning, but other on-demand smart services to help all of your office operations run smoothly—all through the use of a mounted iPad. Whether it’s restocking supplies, HVAC installation or IT troubleshooting, Q’s got you covered. In addition, you’re able to FaceTime with representative for live support, give constant feedback and customize your work-manage experience with them to cater to your company’s needs.
Find out more at www.managedbyq.com; $25/hour.

AMBI CLIMATE
Ambi Climate is the smart, sleek add-on for your existing infrared remote-controlled air conditioner. When syncing your air conditioner with your Smartphone, not only can you control it from anywhere in the world, but it learns your habits and home environment, monitoring the temperature inside and out with predictive climate control. This maximizes your comfort by adapting to each day’s temperature and humidity.
Find out more at www.ambiclimate.com; $199.

KEES SMART LOCK
Korea Technology and Communications (KT&C) launched an iris recognition door lock, eliminating the need to use your hands to gain access to opening your door. No more fumbling for keys, your Smartphone or remembering codes on a trackpad. You can keep your hands in your pockets or carrying your ten-at-once bags of groceries. One glance into the system confirms your identity and one simple push-pull of a handle opens the door. There are a lot of possibilities for convenient security when it comes to multi-unit residential properties, office buildings and more with the use of iris biometrics. Now you can see and secure the future.
For more information, visit www.ktncusa.com/products-accessories/locks-hardware/kees; $989.

BLUESMART CONNECTED LUGGAGE
We’ve seen everything under the sky made for Smart homes, and now it’s time to indulge in Smart travel. Bluesmart connects your luggage and your Smartphone with its Connected Luggage, so you can now control it with digital locks, weigh with a built-in scale, receive proximity alerts and even charge your phone. Bluesmart gives you the amazing design and technology to have a seamless traveling experience.
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PARROT FLOWER POWER | $59.99
Don't have a green thumb? No problem! Plug one of these devices into your potting soil and get notifications straight to your phone when your plants are hungry and thirsty. Monitor the growth and consumption of your plants with stats on the amounts of sunlight, soil temperature, moisture and even soil electrical conductivity. Get personalized notifications such as: “Move me to a warmer spot” or “Water me in two days.” Seems like a good idea for a forgetful mind.
For more information, go to www.parrot.com/usa/products/flower-power.

APPLE WATCH | $350-$17,000
What kind of Gadgets writer would I be if I didn't nod to the Apple Watch? Although you have to charge it every night, and some apps are sluggish, the fact that you can keep your phone in your pocket for a big number of tasks (whether talking on the phone, replying with a quick text response or a reminder etc.) definitely is a plus. More and more, developers are also jumping on the bandwagon. Not only does it work as an exercise tracker but you soon will be able to use the NFC chip inside to open door locks to your apartment or hotel. Some automobile manufacturers are jumping in, as well. Volkswagen will allow you to have the ability to control your car stereo and climate control. Talk about having everything in the “wrist” of your hand.
For more information, go to www.apple.com/watch.

TESLA POWERWALL | $3,000-$3,500
Ever have dreams of running your own energy company while wearing a monocle and a top hat? The Tesla Powerwall will bring you one step closer to this reality. Tesla unveiled a zero-carbon sustainable home battery system powered by solar panels. Measuring about 3 feet across, 4 feet tall and 6 inches deep, the panel increases the power capacity for a house and can also be used during power outages. The business version (named Powerpack) will also be available. Prices range between $3,000 and $3,500 for 7kWh and 10kWh, respectively. The business Powerpack pricing has not been released yet.
For more information, go to www.teslamotors.com/powerwall.

ALEX LEVIN (ALEVIN@IREM.ORG) IS DIRECTOR OF IT FOR IREM HEADQUARTERS IN CHICAGO.
Children Can’t Fly

A few years ago, a small boy staying at a hotel fell from a second floor window and was injured while jumping from the bed to a padded window seat—and ultimately falling out of the open, sliding-glass window—resulting in serious head injuries. Since there was no mechanical ventilation in the room, the boy’s mother got some air by opening the window to where the stops were. While screw-on stops were attached to the window tracks intending to limit the window opening, over time, with use, the stops became loose, allowing the window to open more than the 4 inch industry standard. Scratches from the screws on the tracks indicated that the stops were not consistently set tight and had moved numerous times. This should have alerted the owner/manager that the stops were not permanently secure.

Take Another Look at Your Windows

Windows are needed for light, emergency escape and sometimes ventilation. There are special concerns related to windows where children are expected tenants. Children are naturally inquisitive, fearless and not necessarily understanding of dangerous situations around them. Because of the potential of falls that can result in injury and death, children’s safety must be considered.

The U.S. Consumer Product Safety Commission (CPSC) data indicates that, on average, about eight deaths from window falls occur yearly to children five years and younger. In the early 1970s, New York City’s Department of Health established the “Children Can’t Fly” program. Other states have followed suit.

Organizations such as ASTM International (formally the American Society for Testing and Materials) have written technical standards for window fall prevention devices. The National Safety Council has a Window Safety Task Force and sponsors National Window Safety Week every April. Notwithstanding this wealth of information, window falls involving children still occur.

Prevention and Maintenance

Fundamental accident prevention procedures require hazards be removed or guarded, or to provide a warning. Operable windows in multi-story residential situations need to have devices to limit window openings to prevent falls.

While windows are necessary, does the facility’s design promote potentially unsafe behaviors? Does the facility maintenance negate intended safety features?

The incident with the young boy falling out of the window was preventable, but happened because, while window stops were provided to limit the window opening size, the window stops were not routinely checked and maintained to prevent the window from opening more than 4 inches. This was compounded by the hotel’s decision to install a padded window seat in front of the window, just a short jump away from the bed. The window seat may have been aesthetically pleasing, but was logistically questionable considering children frequent hotels.

While there is no substitute for adult supervision, owners and managers of multi-story residential buildings where children are present have the opportunity to identify and improve the safety conditions of windows, and the surrounding area, in order to prevent accidents.
IMPORTANCE OF IREM ETHICS COURSES & WHAT TO EXPECT

"Why do I have to take this class? It's going to be boring! Why can't I take this online? Everybody knows what's ethical and what isn't—what a waste of my time!"

Does this sound familiar? While we may not admit it, most (if not all) of us uttered these words before having to sit through a full day of ethics training to obtain our IREM designation. Hopefully this article changes that for those who have yet to take the course.

It took me nearly 10 years to get my CPM designation, so by the time I sat for the Ethics class, I was really ready to be done. I knew the Ethics course was a requirement for my designation, but since I thought ethical behavior was a no-brainer, I questioned the need for the course. That question was answered as soon as the class began.

First and foremost, IREM was founded (in 1933) on ethics; as such, it makes sense that an ethics course would be required to achieve an IREM designation. Secondly, as we talked through some real life events during the class, it became clear that ethical behavior wasn't always as black and white as I assumed it would be (you know what they say about assuming). Yes, some things are blatantly obvious; however, this class taught me that some situations have such a fine line between ethical and unethical that its easy to miss it until you've clearly stepped over it—and at that point, it's too late!

Do you know how this story ends? Did Joe behave unethically? If so, should he be stripped of his IREM designation? These questions are discussed during the class in great detail, which is exactly why students are currently required to take the course in person.

Sometimes the most innocent actions, without proper thought training, can end up being unethical when presented to the IREM Ethics Review Board. The more training we have on this subject and the more we talk through the details, the less likely we are to do something resulting in us losing our IREM designation (and potentially, in ending our career in real estate management).

As the great Maya Angelou once said, “I want to know more...so I can be a better human being!” Knowing more about ethics not only ensures we are better employees and managers, it also sets us apart and makes us, as IREM Members, leaders in the industry!  ■
IREM Commits to LEED CI and WELL Building Standard® for New Headquarters Office

BY TODD FEIST
IN AN EFFORT TO DEMONSTRATE GREEN BUILDING LEADERSHIP AND "WALK THE TALK," IREM IS AIMING FOR TWO SUSTAINABILITY CERTIFICATIONS FOR ITS NEW CHICAGO HEADQUARTERS OFFICE IN THE REALTOR™ BUILDING. The first, LEED for Commercial Interiors, focuses on the overall sustainability of the interior design, including energy and water efficiency, materials and resources, transportation and site issues, and indoor environmental quality. IREM is on target to
achieve LEED CI Gold certification.

The Institute will also work toward the new WELL Building Standard®, and looks to be among the first WELL Certified offices. The WELL Building Standard® is administered by the International WELL Building Institute (IWBI). The certification, developed with input from experts in real estate, health care and green building and design, is a comprehensive evaluation of how the built environment fosters human health and well-being.

**Office Reflects Sustainable Practices Among Membership**

The commitment to these certifications aligns with IREM’s leadership in raising awareness on the critical role real estate managers play in sustainable real estate. IREM recognizes sustainability as a powerful tool to help managers meet owners’ goals for their investments. Moreover, managers ultimately determine property performance—both from an operational and financial perspective.

“Sustainability has become an important part of everyday operations for IREM Members,” said IREM CEO/Executive VP Russ Salzman. “It’s no longer something one person in a company can do. We saw the build-out of the IREM Headquarters office as an opportunity to reflect that reality. IREM volunteer leadership was very
The office build-out comes at a time when IREM is advancing its role in the sustainable real estate sector. The new IREM Certified Sustainable Property Certification, launched in mid-2014, provides a recognition program for properties unable to achieve LEED. The certification also allows property managers to access a simple framework for starting and advancing sustainability programs, with a focus on benchmarking and policy implementation.

IREM also has several education initiatives in development, including three online courses in partnership with Rocky Mountain Institute. The courses provide education on assessing the multiple benefits—from value enhancement to risk management—resulting from energy efficiency retrofits. Other courses coming soon will focus on financing energy efficiency projects, accessing utility data for better energy management and recognizing the growing importance of water efficiency. IREM also hosts monthly sustainability webinars and seeks to develop live seminars on a number of green building topics.

Other Goals for IREM's Sustainable Office

In addition to reflecting its mission, IREM had several other goals with the new office build-out. Since IREM is governed by its members, the organization had to keep within the budget approved by that body. To achieve this supportive of the effort.”

The WELL Building Standard® is an evidence-based system for measuring, certifying and monitoring the performance of building features that impact health and wellbeing. WELL is administered by the International WELL Building Institute (IWBI), a public benefit corporation whose mission is to improve human health and well-being through the built environment.

The WELL Building Standard® is third-party certified by the Green Building Certification Institute (GBCI), which administers the LEED certification program and the LEED professional credentialing program.

How was WELL developed?

WELL was developed by integrating scientific and medical research on environmental health, behavioral factors, health outcomes and demographic risk factors that affect health with leading practices in building design and management. WELL was launched in October 2014 following the completion of a comprehensive expert peer review.

An Advisory Council represents diverse stakeholder perspectives and provides guidance on the ongoing development and review process of WELL. The council also recommends strategies for market advancement of WELL and related programs both domestically and globally, including professional education and the WELL Accredited Professional program.

How do you earn the WELL Building Standard®?

Projects are evaluated according to seven “Concepts:” Air, Water, Nourishment, Light, Fitness, Comfort and Mind. To be certified, projects must achieve all Preconditions in these Concepts. Higher certification levels can be achieved by pursuing Optimization Features. Core and Shell, Tenant Improvement and New Construction projects can certify as Silver, Gold or Platinum, depending on the percentage of Optimization Features accomplished. To maintain WELL Certification, projects must recertify a minimum of every three years.

For more information on the WELL Building Standard®, visit www.wellcertified.com.

"WE WANTED AN OFFICE THAT OUR MEMBERS COULD BE PROUD OF, AND WE WANTED A HEALTHY, PRODUCTIVE ENVIRONMENT FOR OUR EMPLOYEES.” — KEN PAUL, IREM CFO
The growth in sustainability in the real estate sector experienced by IREM Members. With the office build-out and new programs in development, REM hopes to reflect as the architectural and engineering contractors. The project team has also sought input from IREM’s 65-plus headquarters employees.

"We wanted an office that our members could be proud of, and we wanted a healthy, productive environment for our employees,” said Paul. “The LEED and WELL certifications will provide validation that we’ve accomplished those goals.”

Another goal is to provide a learning opportunity for members and the industry. This is particularly important when it comes to the new WELL Building Standard®. More emphasis is being placed on the health and productivity benefits of sustainable real estate. When properly quantified, these benefits could drive tenant demand for green space higher than anyone could have imagined a decade ago. In order to be prepared for this increased level of demand, IREM hopes to raise awareness through its WELL Certified office.

“We want to be able to walk people through our office and point out features that research has shown promote wellness and productivity,” said Paul. “The lighting, the cleanliness, the thermal comfort—they all play a role in providing those benefits. Not all offices or buildings will get certified, but they can take advantage of those features. Ultimately, our members could see higher tenant demand, even higher revenue, from some fairly achievable design changes. We can show them some concrete actions to take by showing them our office.”

### Growth of Sustainability

With the office build-out and new programs in development, IREM hopes to reflect the growth in sustainability in the real estate sector experienced by IREM Members. Following are some statistics on the growth of sustainability driving demand for green properties and workplaces.

- **41.5%**
  - Annual growth in use of Bloomberg’s Environmental, Social and Governance (ESG) Data, which tracks sustainability metrics of public corporations so that investors can factor this data into financial decisions

- **77%**
  - Percentage of green building square footage in Minneapolis—the market with the largest share of sustainable real estate, according to CBRE’s 2014 Green Adoption Index, which examines the 30 largest markets in the U.S.

- **142**
  - Record number of shareholder resolutions in the 2014 proxy season calling on corporations to improve environmental performance and increase disclosure of sustainability data, according to IW Financial. Many investors are concerned with the environmental risk associated with climate change—from resource scarcity to supply chain disruptions. Others are concerned with reputation damage from business practices.

- **80%**
  - Percentage of respondents to Cushman & Wakefield’s 2014 U.S. Occupier Survey that said investors were driving them to invest in sustainable properties.

- **8 to 11%**
  - Employee productivity increase possible through indoor air quality improvements alone, according to existing research examined by the World Green Building Council.

### A Work in Progress

The new IREM office will reflect organizational values that include workplace mobility, innovation and adaptability. The office will feature video conferencing capabilities, open, private and semi-private collaborative spaces, and a cafe with seating for eight with healthy snack options in the vending machines. The cafe can also be used as a meeting space, and will be equipped with a monitor system and sound deadening curtains to minimize noise transmission.

Almost all equipment will be ENERGY STAR-labeled. Lighting will meet specific quality standards set forth in WELL Standard requirements. Restrooms and kitchen facilities are already equipped with water-efficient...
fixtures from the building's LEED certification. The building also has a fitness room and bicycle storage racks, widely used by IREM employees.

"IREM is proud of the programs and resources we offer to the industry," said Salzman. "This headquarters space will set us up for further success. Sustainable real estate has become a proxy for quality—quality buildings, quality offices, quality management. The value we offer in our programs needs to be matched with a state-the-art headquarters, where staff can collaborate with members to advance the profession of real estate management."

As anyone who has worked on a LEED certification knows, credits are a moving target. There are some credits that are easily achievable, some that will depend on the construction process and others that are not possible, due to site factors or budgetary restrictions. LEED CI also has base building considerations. The REALTOR Building is LEED for Existing Buildings: Operations & Maintenance Gold. That helps, as does the central location on Chicago's Magnificent Mile, with excellent public transportation options. But the ultimate points accomplished, as well as the certification level, is still somewhat indeterminate. Gold level is probable—but not a sure thing.

"I think we're there," said Paul. "We have a cushion of several points to achieve LEED Gold. We committed to some added Energy & Atmosphere credits late in the game to get there. But you just never know."

As of the time of this writing, construction has only just begun. IREM will update progress, with photos, on the IREM Blog.

TODD FEIST IS SUSTAINABILITY PROGRAM MANAGER AT IREM HEADQUARTERS IN CHICAGO.

"THE VALUE WE OFFER IN OUR [SUSTAINABILITY] PROGRAMS NEEDS TO BE MATCHED WITH A STATE-THE-ART HEADQUARTERS, WHERE STAFF CAN COLLABORATE WITH MEMBERS TO ADVANCE THE PROFESSION OF REAL ESTATE MANAGEMENT."

—RUSSELL SALZMAN, IREM EXECUTIVE VICE PRESIDENT AND CEO
Based in Vancouver, BC, HiVE is a community hub for the social impact sector. As a non-profit society, they are using co-working to create a culture of connection and collaboration, while simultaneously building capacity and support for social innovation.

© HIVE VANCOUVER / RONALD LEE
As collaborative cowork spaces continue to gain popularity, these progressive office spaces are creating their own unique personalities to draw in members. BY DIANA MIREL
In the past several years, coworking spaces—designed to provide office space to individuals, startups and entrepreneurs who want variable workspace in a collaborative environment—have gained momentum across the country. “These spaces allow people to work where they need to be,” said Amy Yanow, community manager at Coalition: Energy, a cowork space in Chicago. “They can have an office space with more flexibility.”

According to an annual coworking survey conducted by DeskMag, an online magazine about coworking, seven out of 10 coworking facilitators report that the availability of desk space in coworking spaces can’t keep up with the public’s demand in general. Additionally, almost 300,000 people had worked in nearly 6,000 coworking spaces worldwide by the end of last year.

Coworking is a reflection of our increasingly mobilized society. “It no longer requires massive capital to start a business; all the tools are practically free,” said Don Ball, co-founder of CoCo, cowork spaces located in Minnesota. “Work groups no longer need to be in the same space to be productive. That means everybody has access to amazing tools and can work from anywhere. Given those factors, the need for a long-term lease on a traditional office space is negligible for early-stage companies. And for ‘solopreneurs’ and freelancers who typically work from home or the coffee shop, coworking is a shot in the arm, providing access to a network of resources, colleagues and prospective clients—for about the same cost as a daily latte habit.”

People looking to cowork often seek more than just a desk in a cookie-cutter office. Consequently, many cowork spaces have adopted distinct cultures, philosophies and management styles to differentiate themselves in this growing niche market.

Industry-Focused Space
Coalition: Energy is a cowork space that caters to individuals and companies in the energy industry; members do everything from clean tech and smart grid technology to energy consulting. “Having an industry focus is helpful for building the community,” said Yanow.

Rather than prompting rivalry between members, the industry focus has fostered a collaborative spirit within the space. “I have not seen a lot of competition between our tenants,” said Yanow. “They all have similar goals and are interested in the same things. It feels more like a partnership.”

Located on the famed Michigan Avenue, Coalition: Energy is housed in the penthouse of the historic Gage Build-
“Work groups no longer need to be in the same space to be productive. That means everybody has ACCESS TO AMAZING TOOLS AND CAN WORK FROM ANYWHERE.”

—DON BALL, CO-FOUNDER OF COCO

The space has offices, communal tables, conference rooms and shared kitchen space, along with a panoramic view of Lake Michigan.

The number of individuals and companies who lease space varies daily. All members of Coalition: Energy have access to an internal website where they can reserve office space or a conference room and pay their bill. Members can reserve space for specific days or hours, and they can make day-of reservations. The offices are dedicated to more long-term tenants, but there are also work stations for people who need a day pass.

Like a conventional office space property manager, Yanow wears many hats to manage the space. She works closely with the building’s engineers and maintenance team to address operational issues. At the same time, she handles onboarding for new members. “This is a different kind of place for people to come work, so they have a lot of questions,” said Yanow.

One of the biggest challenges in managing the space is keeping her finger on the pulse of every member’s unique situation and needs. “None of them is the same, so it can be hard to predict who is going to need what,” said Yanow. “I need to get to know all of the people and understand the nature of their organization/company.”

Community building is central to Coalition: Energy’s success. Yanow is responsible for establishing relationships between the people who work in the space. She does this through weekly events and monthly happy hours. The weekly events include book signings, lectures and the like, that focus
on clean-tech, clean energy; they are open to both members and the public at large.

"These events are important for facilitating collaboration and connecting these different companies and individuals with each other," said Yanow.

Community Building
When CoCo—collaborative cowork spaces in Minnesota—opened in 2010, they were the first cowork spaces in their market. "We saw the most basic need: to create coworking where it hadn't existed yet," said co-founder Ball. "Beyond that, our instinct was to create a space that was inclusive of everyone who was up for a more collaborative approach to work."

CoCo offers a wide range of work spaces for members, which include entrepreneurs, startups, freelancers, consultants, attorneys, accountants, non-profits, actors, investors and corporate employees. There are hot desks (single work stations used by different people at different times); group work spaces (open-air setups called campsites); and startup suites (closed-door spaces for groups of eight, 12 and 14).

"In designing our campsites, we made a deliberate attempt to foster familiarity and collaboration across all our members," said Ball. "[And the startup suites] satisfied a need for some of our member businesses that outgrow our space and need something that looks like traditional office space, but don't want the associated costs and commitments."

Individuals and businesses must purchase a membership to cowork at a CoCo location. Members can then reserve space on a daily, monthly or six-month basis. "We're generally month-to-month in our memberships," Ball said. "This fits our members, who tend to have the cash flow swings you'd expect from a startup or small business. Our pricing rewards more usage, as the cost per day is less if you commit to a full-time membership."

Community managers at each location focus exclusively on taking care of members. And that entails more than making coffee and ordering supplies. Rather, community managers shape the collaborative, supportive core of CoCo by planning events and meetups and getting to know each member. They are tuned in to the work that members are doing, which allows them to cultivate organic associations between members.

While CoCo certainly provides members with an office infrastructure, Ball insists they are not in the commercial real estate business. "One is about office space. The other is about personal and business acceleration, and just happens to involve a lease," Ball said.

Yet, Ball sees potential in bringing coworking into the mainstream. "We have a close associate who is consulting with large commercial real estate firms on the idea of creating an integrated stack of services that includes, coworking, suites, a conference center and traditional leased space," said Ball. "While we don't consider ourselves to be in the commercial real estate business. "One is about office space. The other is about personal and business acceleration, and just happens to involve a lease," Ball said.

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Unconventional Coworking
As a community cowork space, Gangplank has several locations in the U.S. Co-founders Derek Neighbors and Jade Meskill wanted Gangplank to be more than just a physical office space with desks and high-speed internet. They wanted to create a supportive, dynamic community to help people launch their startups.

"We wanted a density of ideas," Neighbors said. "We weren't looking for people who needed a place to work; we wanted people who build companies."

Today, Gangplank has a wide range of individuals and startups working in the space, covering everything from marketing and technology to architects and illustrators. "We target creators," said Neighbors.

The highly dynamic cowork spaces can be reconfigured in different ways to serve Gangplank's members. There are open spaces, desks, small meeting rooms, couches and conference rooms.

Most companies have a three-year cycle at Gangplank; they either grow and are stable enough to move to their own
Many cowork spaces have adopted distinct cultures, philosophies & management styles TO DIFFERENTIATE THEMSELVES IN THIS GROWING NICHE MARKET.
office space or they realize their busi-
ness is not as strong as they hoped it
would be and move on to something
else. "Once companies get to 12 to 15
people, they tend to spin out into their
own spaces because they have a hard
time creating their own company cul-
ture vs. being part of the Gangplank
culture," said Neighbors.

Gangplank is a 501 (c)(3) nonprofit,
so there is no fee to cowork in the office
spaces. It is funded through grants and
donations—and operates with, what
Gangplank refers to as, "social capital."
"We require you to pay with time, tal-
et and relationships," said Neighbors.
Whatever value you are getting from
working at Gangplank, we ask that you
find a way to give that value back. For
most people that means mentoring oth-
ers or teaching a class. Basically, if you
like what's going on here, get involved."

Gangplank also has an unconven-
tional approach to managing the spac-
es. While there is no specific property
or community manager, everyone who
works within the space steps up to help
maintain it. Members are asked to
pitch in to make sure the office runs
smoothly. Once a week, there is a com-

unity meeting where they discuss
day-to-day management issues and de-
termine what's working, what isn't and
what needs to be done to maintain and
manage the space.

Maintaining the culture is one of
Neighbors' top priorities—and one of
his biggest struggles. "Keeping the cul-
ture in tact is the biggest challenge," he
said. "Every time someone comes in,
they'll do something different from our
culture. So we are constantly reinforc-
ing the culture."
In today’s economy, sharing is the craze. Need a room for the week? Just pull up the Airbnb app on your iPhone. As convenient and creative as this sharing trend might be, it has also caused its share of controversy. From coast to coast, municipalities are upset over losses in tax revenue, traditional businesses are struggling to compete with their app-driven counterparts and landlords are being forced to confront the growing trend of subletting. If you feel a bit hypocritical for enforcing the rules where it affects you but are relying on these options when you need them, you’re not alone. Welcome to the share-conomy.

SIMPLICITY = THE KEY TO BRILLIANCE
Airbnb hit the scene in 2008 but has really taken off in recent years. Like many other startups, the firm used credit cards, the founder’s apartment and a great idea not just to become successful but to help people. Sound familiar? Hosts are able to place their rooms or residences on the site for rent for the day, week or month while guests are able to access a pool of qualified rooms in their desired location. Whether you’re looking for a room for the night in Paris with a view of the Eiffel Tower or a house for the week that is close to Disneyland, Airbnb has you covered. Or, maybe you own the apartment building just outside of Hollywood that was Kurt Cobain and Courtney Love’s hideaway, realized that one unit alone can generate a month’s rent in one week, and are looking for an outlet to market your one-of-a-kind rental. The concept has been so effective because it is simple, convenient and has cross-appeal. But while the dollars were worked out, the details went by the wayside.

DOLLARS OVER DETAILS
Rooms found on Airbnb are short-term and compete mostly with hotels and motels, but what happens when your resourceful multifamily or residential tenant decides to sub-let a room or their unit for the day or week? Sure, you prohibit sub-leasing in your lease agreement and have taken the time and effort to properly screen your residents, but it doesn’t mean you aren’t at risk. One of the more alarming aspects of the service is that, just like a hotel or motel, anyone with a credit card and identification card can rent. Could an unqualified person put your tenants or property at risk? Absolutely. The service does not conduct background checks and yet renters are entrusted with full use of the space. Not only is this a potential fair housing concern for landlords, who have both uses in place at their properties and are running multiple uses simultaneously, but it is also a safety concern for landlords who could have unknown liabilities lurking in the shadows.

Airbnb is looking for ways to solve liability concerns stateside, having ventured to do so through a host protection insurance program they have recently rolled out. As an industry, we have reached the point where we must be aware of these uses at our properties because whether we choose to acknowledge them or not, it is happening. Although property damage and personal injury claims associated with the use of the site have been minimal, they are sure to grow as the site continues to grow in popularity.

NICHOLAS DUNLAP, CPM, (NDUNLAP@AVANATH.COM) IS THE DIRECTOR OF PROPERTY MANAGEMENT OF AVANATH CAPITAL MANAGEMENT IN IRVINE, CALIF. FOLLOW HIM ON TWITTER: @ NICHOLASDUNLAP.

MR. DUNLAP IS ALSO THE AUTHOR OF TO CREATING WEALTH THROUGH REAL ESTATE INVESTMENT (E-BOOK).

AVAILABLE AT IREMBOOKS.ORG.
Beth Machen, CPM, knows green. The IREM past president and head of Machen Advisory Group in Charlotte, N.C., not only has her LEED AP certification, but, in addition, as IREM senior VP, she was an instrumental part of the team that established the group’s sustainability mission, as well as their first sustainability course.

So we thought it appropriate to chat with her about some of the myths and realities surrounding the concept of energy efficiency. Needless to say, Machen is a supporter of the concept and believes that owners and managers who pay little heed to the nearly universal movement of sustainability do so at their own peril.

“Everyone in our industry needs to get on this road if they aren’t already,” she warned. “If not, they’ll be the ones holding the bag, sitting there with an obsolete building with little or no value.”

But there are still beliefs about the concept that could serve as barriers to entry, beliefs such as exorbitant upfront costs or LEED as the only way to go. Machen went far to clarify, if not totally dispel, many of those myths.

**MYTH 1: Higher Upfront Costs.**

Said Machen: “That’s true. It’s not a myth. There is more expense, especially upfront. And whether you’re doing new construction or working in an existing building, you’re looking at anywhere from a 1 percent to 4 percent increase.” That spread depends on if it’s a full class-A building upgrade or a simple retrofit.

But there are ways to mitigate that expense, namely by choosing your team wisely. “The quality of the crew, their knowledge and experience, can impact that expense. If the average cost increase is 2 percent, a bang-up team could probably reduce that to 1 percent.”
TO REALLY SEE YOUR COST/BENEFIT, YOU'VE GOT TO BENCHMARK YOUR BUILDING.

MYTH 2: Difficulty Measuring Returns.

Untrue, said Machen—if you’re careful. “To really see your cost/benefit, you’ve got to benchmark your building,” she said. “You need to know where you’re starting out before you do any retrofitting.” She cited Energy Star for its ease of use, once you have the baseline figures plugged in, which is a time-consuming task. “But once you’re in, it will compare you to other similar buildings around the country, and as you start making improvements you can see your energy efficiencies and your rating improve, and your utility bills will go down.”

But again, making the plan work takes a trained and dedicated team. She urges managers to make sure the system is monitored daily and even hourly. The program “can save you tons of money, but the critical part is, again, the team. If your engineer isn’t paying attention and watching usage, then why did you spend the money for the energy-management system? A properly trained and qualified maintenance team can make a tremendous difference in utility savings.”

She turns to Class-A, LEED-certified buildings in major markets to illustrate the value increase, which can be as high as $24 per square foot more than a conventional building.” Under Energy Star, the same building could reap a $16-per-foot value increase, just by water and electricity savings alone. One way or another, “you’re going to get your money back.”

MYTH 3: Green Means a LEED Plaque on Your Door.

Nope. “There are many programs out there,” she said. “LEED is geared more to Class A.” She added that her company did a LEED application a few years back and while they achieved LEED Gold and learned a lot along the way, “it was a lot of work.”

Not every building is meant to be LEED-certified, she said, and recommends Energy Star as another “great program.”

But so is the association’s own IREM Sustainability program, launched in partnership with Green Per Square Foot (greenpsf.com) during Machen’s presidency. Among the benefits of the program are access to applicable incentives; building certification (recertification is required every three years); and vendor price reductions through competitive bids. (Contact Nathalie Osborn for more information: 312-595-8044.) As an added benefit to the program, “Property managers can talk to their peers in the program to share and solve mutual problems.”

MYTH 4: You Have to Be Big to Be Green.

No again. “You’ve got to get your building as green as it can be as soon as you can,” she said, “and you don’t have to have a lot of money to make it happen. You just have to be committed and learn how to do it.”

Essentially, said Machen, examine the bones of your building, determine what needs to get done and develop a capital budget. “What if your owner can’t afford to replace a boiler this year?” she asked. “Develop a five-year plan and put some reserve aside.” And don’t forget the incentives that are often available through your local utility. These programs “will give you a good payback.” And remember, as your operating costs go down, those savings will feed your capital program.

But don’t wait or let old myths stand in your way. “Start with a plan and tackle it,” she said. “The sooner you get on the program, the better you will be.”

BETH H. MACHEN, CPM, LEED AP, (BMACHEN@MACHENGROUP.COM) IS PRESIDENT OF MACHEN ADVISORY GROUP IN CHARLOTTE, N.C. AMONG THE MANY TITLES UNDER WHICH SHE HAS SERVED IREM, MACHEN WAS 2013 PRESIDENT OF THE ORGANIZATION.
Your Charity of Choice

The art of helping others is no small task, but non-profit organizations such as the IREM Foundation still manage to rise to the occasion. Each year, the IREM Foundation continues to advance its mission of attracting, developing and retaining individuals for careers in real estate management.

While the IREM Foundation develops and supports its own independent initiatives, it also supports education and training opportunities that align with the Institute’s goals and encourage industry growth. It takes a concerted effort to impact the lives of others.

QUALITY PROGRAMMING
THESE PROGRAMS GENERATE A MUCH-NEEDED INCOME STREAM:
- Annual Giving
- Chapter Restricted Fund
- Planned Giving
- Special Events

THESE PROGRAMS HELP THE FOUNDATION ACHIEVE OUTCOMES:
- Scholarship
- Professional Recognition
- Grant Funding

It is important to remember that a non-profit organization is, first and foremost, a business. Like any other business, the organization’s primary duty is to generate more money than it spends on its mission. One of our goals is to continue to financially support educational and career development programs that enrich lives.

VOLUNTEER INVOLVEMENT
IREM Members who volunteer their time, energy and diverse skills by serving on the Foundation Board of Directors and various committees are valuable assets. Volunteers pitch in year after year to ensure the work of the Foundation gets accomplished, and we are grateful to have a growing base of volunteers who believe in the cause.

The work the Foundation does and how it changes peoples’ lives would not happen without the help of donations from generous supporters. Donations made to the Foundation have helped so many people through the years. This source of income expands our financial resources and capacity benefitting IREM and the real estate management community.

FINANCIAL SUPPORTERS
To date, the Foundation has existed off of personal donations and grassroots fundraising events. In order for the mission to be realized across a much broader spectrum and make a greater impact, continuous financial support is needed.

Attending special events such as the Party with a Purpose and the Joe Aveni Open Golf Outing are great ways to support the Foundation. You can also encourage others to give to the Foundation.

Consider making the IREM Foundation your charity of choice. Your generosity is directly linked to the success of the organization’s endeavors. Donations expand the Foundation’s vision of excellence: developing new programs and projects, turning new ideas into reality and finding innovative ways to help others.
# New CPM Members

## April

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<td>Tania K. Beale</td>
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<td>Sharon A. Bidstrup</td>
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<td>Stephanie F. Brock</td>
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<td>Michele A. Casi</td>
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<td>Yan Chen</td>
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<td>Xiaotian Chen</td>
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<td>Zhangfan Chen</td>
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<td>Dmitriy V. Dementyev</td>
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<td>Kelsey Fogarty</td>
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<td>Peng Gao</td>
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<td>Jerry E. Green</td>
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<td>Theresa G. Haney</td>
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<td>Michelle L. Hodge</td>
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<td>Xin Li</td>
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<td>Kevin A. Lovett</td>
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<td>Gretchen B. Lundberg</td>
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<td>Ling Xiong Luo</td>
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<td>Gail S. Moodie</td>
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<td>Sandra D. Morgan-Grusczynski</td>
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<td>Hongai Pan</td>
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<td>Sachna Raj</td>
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<td>Yi Rong</td>
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<td>David J. Zweig</td>
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<tr>
<td>Sandra F. Arriola</td>
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<td>Tish M. Brown</td>
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<td>Fredrick Danelian</td>
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<td>Albar H. de la Cuesta</td>
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<td>Kazuhiro Yoshiya</td>
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<td>Kevin R. Zimny</td>
<td>CPM, ACoM</td>
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JULY/AUGUST 2015
LEADERSHIP VISITS

JULY 8
Las Vegas Chapter No. 99
Location: Las Vegas
Visiting Leader: William McCarthy, CPM, Senior Vice President

JULY 14 - 19
Alaska No. 97
Location: Anchorage, Alaska
Visiting Leader: Christopher Mellen, CPM, ARM, President-Elect

JULY 15
Louisiana Chapter No. 55
Location: New Orleans
Visiting Leader: Craig Cardwell, CPM, Senior Vice President

JULY 27 - 30
National Officer Meeting
Location: Chicago
Visiting Leaders: ALL National Officers

JULY 31
Region 4, 5 & 6 Retreat
Location: Atlanta
Visiting Leaders: Lori Burger, CPM, President, Russell C. Salzman, CAE, IOM, RCE, CEO/Executive Vice President

AUGUST 7 - 12
ASAE Symposium
Location: Detroit
Visiting Leaders: Russell C. Salzman, CAE, IOM, RCE, CEO/Executive Vice President, Lynn Disbrow, CAE, Chief Operating Officer, Membership & Marketing Services, Phyllis Coneset, CMP, Vice President, Leadership Services

AUGUST 10 - 12
NAR Leadership Summit
Location: Chicago
Visiting Leaders: Christopher Mellen, CPM, ARM, President-Elect
Nancye Kirk, Chief Strategy Officer, VP Global Services

AUGUST 12
Alabama No. 43
Location: Birmingham, Ala.
Visiting Leader: Lori Burger, CPM, President

AUGUST 13
Greater Phoenix Chapter No. 47
Location: Phoenix
Visiting Leader: Lori Burger, CPM, President

AUGUST 17 - 18
IREM Budget Meeting
Location: Chicago
Visiting Leaders: ALL OFFICERS

AUGUST 29 - SEPTEMBER 2
Secovi
Location: Sao Paulo, Brazil
Visiting Leaders: Nancye Kirk, Chief Strategy Officer, VP Global Services, Cheryl Gray, CPM, Senior Vice President
Career Moves

Lawrence N. Sauer, CPM, CMCA, PCAM, Managing Partner of Association Advisers New Jersey LLC, was elected President-Elect of the New Jersey Chapter of Community Association Institute (CAI) for 2016. His one-year term will begin on January 1, 2016. He attended the CAI Annual Conference & Exposition in Las Vegas where he participated in two days of leadership programming with interactive sessions with his peers from around the country.

For more information, visit www.askaa.com.

Irem Houston CPM Named President of the Texas Apartment Association

Beth Van Winkle, CAM, CAPS, CPM was installed on Saturday, April 25 as the 53rd president of the Texas Apartment Association.

The installation took place as part of the 2015 Education Conference & Lone Star Expo in San Antonio, April 22-25, during the Installation & Awards Brunch. Steve Lamberti, CAM, CPM, president of Milestone Management, served as the installing officer.

Awards & Recognition

910 Texas Street Receives 2015 Paragon Award for Best Community from the National Apartment Association

The National Apartment Association (NAA) recognized 910 Texas Street in Dallas as the 2015 PARAGON award recipient for Best Community with over 150 units in the Builders, Owners and Developers category. 910 Texas Street received this prestigious award for its outstanding performance in areas such as demonstrated service to residents and the community, interior and exterior structure, customer service, occupancy rate and retention, property maintenance and financial performance against the market. 910 Texas Street is owned by Hat Creek Partners and professionally managed by Greystar.

“We are extremely proud of all our team members at 910 Texas Street. Their exemplary performance and focus on providing outstanding service to our residents and community truly represent the very best in the industry,” said Toni Reeves, Senior Managing Director of Real Estate for Greystar. “We are delighted to continue our partnership with Hat Creek Partners. The trust they place in us to properly execute on their real estate is the highest compliment we could receive.”

The annual PARAGON awards program highlights the multifamily housing industry’s top communities, executives, employees and affiliate programs.

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<td>Managing Residential Properties (RES201)</td>
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<td>Ethics for the Real Estate Manager (ETH800)</td>
<td>August 5</td>
<td>Sacramento, Calif.</td>
</tr>
<tr>
<td>Managing Residential Properties (RES201)</td>
<td>August 6-13</td>
<td>Sacramento, Calif.</td>
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<tr>
<td>Ethics for the Real Estate Manager (ETH800)</td>
<td>August 7</td>
<td>Omaha, Neb.</td>
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<tr>
<td>Investment Real Estate Financing and Valuation - Part 1 (ASM603)</td>
<td>August 10-11</td>
<td>Charlotte, N.C.</td>
</tr>
<tr>
<td>Management Plan Skills Assessment (MPSAXM)</td>
<td>August 10-13</td>
<td>Addison, Texas</td>
</tr>
<tr>
<td>Investment Real Estate Financing and Valuation - Part 2 (ASM604)</td>
<td>August 12-13</td>
<td>Charlotte, N.C.</td>
</tr>
<tr>
<td>ARM Certification Exam (ARMEXM)</td>
<td>August 14</td>
<td>Sacramento, Calif.</td>
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<tr>
<td>CPM Certification Exam (CPMEXM)</td>
<td>August 14</td>
<td>Addison, Texas</td>
</tr>
<tr>
<td>Investment Real Estate Financing and Valuation - Part 3 (ASM605)</td>
<td>August 14</td>
<td>Charlotte, N.C.</td>
</tr>
<tr>
<td>Ethics for the Real Estate Manager (ETH800)</td>
<td>August 19-20</td>
<td>Marietta, Ga.</td>
</tr>
</tbody>
</table>

IREM ALSO OFFERS COURSES INTERNATIONALLY IN CANADA, BULGARIA, JAPAN, RUSSIA AND S. KOREA. TO FIND THE SCHEDULE FOR THESE COURSES, VISIT [WWW.IREM.ORG/EVENTSCHEDULE.CFM](http://WWW.IREM.ORG/EVENTSCHEDULE.CFM)

FOR THE MOST UP-TO-DATE COURSE LISTINGS, PLEASE VISIT [WWW.IREM.ORG/EDUCATION](http://WWW.IREM.ORG/EDUCATION)
<table>
<thead>
<tr>
<th>Membership Category</th>
<th>1/1/2015</th>
<th>4/1/2015</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPM Members U.S.</td>
<td>7,427</td>
<td>7,461</td>
<td>0.5%</td>
</tr>
<tr>
<td>CPM Members International</td>
<td>1,038</td>
<td>1,050</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>CPM MEMBERS TOTAL</strong></td>
<td><strong>8,465</strong></td>
<td><strong>8,511</strong></td>
<td><strong>0.5%</strong></td>
</tr>
<tr>
<td>CPM Candidates U.S.</td>
<td>3,020</td>
<td>3,181</td>
<td>5.3%</td>
</tr>
<tr>
<td>CPM Candidates International</td>
<td>196</td>
<td>202</td>
<td>3.1%</td>
</tr>
<tr>
<td><strong>CPM CANDIDATES TOTAL</strong></td>
<td><strong>3,216</strong></td>
<td><strong>3,383</strong></td>
<td><strong>5.2%</strong></td>
</tr>
<tr>
<td>ARM Members U.S.</td>
<td>3,764</td>
<td>3,869</td>
<td>2.8%</td>
</tr>
<tr>
<td>ARM Members International</td>
<td>255</td>
<td>265</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>ARM MEMBERS TOTAL</strong></td>
<td><strong>4,019</strong></td>
<td><strong>4,134</strong></td>
<td><strong>2.9%</strong></td>
</tr>
<tr>
<td>ARM Members U.S.</td>
<td>2,889</td>
<td>3,205</td>
<td>10.9%</td>
</tr>
<tr>
<td>Associate Members International</td>
<td>3</td>
<td>5</td>
<td>66.7%</td>
</tr>
<tr>
<td><strong>ASSOCIATES TOTAL</strong></td>
<td><strong>2,892</strong></td>
<td><strong>3,210</strong></td>
<td><strong>11.0%</strong></td>
</tr>
<tr>
<td>ACoM Members U.S.</td>
<td>126</td>
<td>128</td>
<td>1.6%</td>
</tr>
<tr>
<td>ACoM Members International</td>
<td>17</td>
<td>19</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>ACoM MEMBERS TOTAL</strong></td>
<td><strong>143</strong></td>
<td><strong>147</strong></td>
<td><strong>2.8%</strong></td>
</tr>
<tr>
<td>Student Members U.S.</td>
<td>372</td>
<td>397</td>
<td>6.7%</td>
</tr>
<tr>
<td>Academic Members U.S.</td>
<td>37</td>
<td>45</td>
<td>21.6%</td>
</tr>
<tr>
<td>Academic Members International</td>
<td>2</td>
<td>1</td>
<td>-50.0%</td>
</tr>
<tr>
<td><strong>ACADEMICS TOTAL</strong></td>
<td><strong>39</strong></td>
<td><strong>46</strong></td>
<td><strong>17.9%</strong></td>
</tr>
<tr>
<td>ARM Candidates International</td>
<td>61</td>
<td>61</td>
<td>0.0%</td>
</tr>
<tr>
<td>ACoM Candidates International</td>
<td>8</td>
<td>9</td>
<td>12.5%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19,215</strong></td>
<td><strong>19,898</strong></td>
<td><strong>3.6%</strong></td>
</tr>
<tr>
<td>AMO Headquarters U.S.</td>
<td>550</td>
<td>553</td>
<td>0.5%</td>
</tr>
<tr>
<td>AMO Headquarters International</td>
<td>7</td>
<td>7</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>AMO HEADQUARTERS TOTAL</strong></td>
<td><strong>557</strong></td>
<td><strong>560</strong></td>
<td><strong>0.5%</strong></td>
</tr>
<tr>
<td>AMO Branches U.S.</td>
<td>581</td>
<td>577</td>
<td>-0.7%</td>
</tr>
<tr>
<td>AMO Branches International</td>
<td>6</td>
<td>3</td>
<td>-50.0%</td>
</tr>
<tr>
<td><strong>AMO BRANCHES TOTAL</strong></td>
<td><strong>587</strong></td>
<td><strong>580</strong></td>
<td><strong>-1.2%</strong></td>
</tr>
</tbody>
</table>
THE BAHAMAS  
**CAPITAL CITY:** NASSAU  
**POPULATION:** 377,400  
**GDP:** $8.42 BILLION  
**GDP GROWTH RATE:** 2.3%

“The real estate market in The Bahamas is very much tied to the economy of the U.S. as the majority of visitors and investors are from North America. This is certainly understandable considering the close proximity to the U.S. mainland. The preponderance of international banks has, historically, resulted in a strong residential leasing market with apartment and home gross rentals averaging close to 1 percent per month of the market value of the property. During the past five years this market has suffered due to the global recession as well as a contraction of the financial services industry in The Bahamas due to global tax compliance pressures placed on this sector.

In general, the most active area of the real estate market for the past 18-24 months has been in the high-end residential market and in particular in the waterfront, gated communities. Properties in these communities have appealed to high net worth individuals wishing either to purchase a second home in the Bahamas and/or to take advantage of the accelerated consideration for permanent residency extended to those qualified persons who invest a minimum of $500,000 in a residence.

W. Larry Roberts  
CEO  
NAI Bahamas Realty Commercial

THE CAYMAN ISLANDS  
**CAPITAL CITY:** GEORGE TOWN  
**POPULATION:** 58,440  
**GDP:** $4.3 BILLION  
**GDP GROWTH RATE:** 2.3% (2014)

“Due to the strength and growth of the Cayman Islands’ financial services industry, Cayman has a relative scarcity of Class A commercial product. In order to attract and retain the top tier talent that makes these firms global leaders, tenants value amenity-rich environments just as much as the benefits of a first generation Class A building. Having ample parking in addition to an abundance of open spaces, recreation, shopping and dining options in easy walking distance helps these financial services firms be more competitive.

Developed by Dart Realty, Camana Bay is a 600-acre master planned, mixed-use community which includes 340,000-square-feet of commercial office space, 170,000-square-feet of retail space and 63 leased residential units occupying 100,000-square-feet Camana Bay’s office space is 87 percent percent leased and the surrounding restaurant/retail space is 89 percent leased.”

Linda Podlaski  
Vice President of Property Management  
Dart Realty (Cayman) Ltd.

JAMAICA  
**CAPITAL CITY:** KINGSTON  
**POPULATION:** 2.7 MILLION  
**GDP:** $14.4 BILLION  
**GDP GROWTH RATE:** 1.7%

“The real estate market in Jamaica generally has been a buyer’s market for the past five years. The economy has not been growing. The government, since 2009, has been under the strictures of the International Monetary Fund as a result of the country’s high debt. The government, who is the highest employer of labor, has imposed a wage freeze on its employees for the past five years. High taxes have been imposed, including property taxes, by over 100 percent. These and other measures have significantly reduced demand in the economy. The rental market, both commercial and residential, has been discounting to attract new tenants or holding increases to retain tenants.”

Roosevelt Franklin J.P., CPM (Recently retired)  
Montego Bay, Jamaica
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