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VP Information Technology, Post Properties, Inc.

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Urban Regeneration is a global concept for what each of us does, every day, in our work as real estate managers: Managing, measuring, improving and creating. Our role in the day-to-day dramatically impacts not only the buildings in which we work, shop and live, it fosters community.

Urban Regeneration: Reviving Buildings and Communities (p.10) explores the art of taking vacant buildings and renovating, repurposing or converting them to mixed-use properties. Urban renewal projects can have a lasting impact on the economic and physical environment surrounding the property, as well as benefit the community and environment.

Look Before You Leap (p.38) offers insider knowledge from a handful of industry professionals on what they consider prerequisites for real estate management for those looking to break into the field. The article includes helpful networking tips and a resources section including contact information for professional organizations relevant to property management.

Asset & Property Management: A View from the Summit (p.44) captures a discussion on the changing relationship between asset and property managers from such firms as Bentall Kennedy, Deutsche Bank, Inland Real Estate, New York Life Real Estate Investors and Principal Real estate Investors. The article asks and answers tough questions, such as “What pressures are you facing...” and “What don’t asset managers ‘get’ about property management?”
The number of shuttered retail stores this year is already outpacing 2015's rate and showing no signs of slowing down. Earlier this month, Men's Wearhouse said it will close 250 stores, while Sports Authority filed for Chapter 11 bankruptcy protection and said it will close 140 stores. In February, Kohl's said it will close 18 underperforming locations, and such other big-box retailers as Wal-Mart and Macy's are also culling stores due to such factors as increased competition and customers' preference for shopping online. Retailers typically trim their store counts at or near the start of each year. Some retail experts say 2016 could be the start of a major shakeout. Among them is Richard Church, managing director of Discern Investment Analytics, who said, "We are in a weak demand environment that could meaningfully accelerate next year."

The number of store closures during the first two months of this year is already 33.2 percent higher than January/February 2015, according to a study by Church's firm. That is compared with a 29 percent increase in 2015 over the year before. Apparel has been the hardest-hit sector, while restaurants and food stores "are holding up," said Excess Space Retail Services Inc. President Michael Wiener. Compounding the real estate problem for traditional brick-and-mortar retailers is indeed growing competition from Internet-based retailers like Amazon.com and also their own e-commerce operations as about 13 percent of purchases have shifted to online. Mall operators are investing in redeveloping their properties rather than in new construction, concludes the International Council of Shopping Centers (ICSC).
STANDING DESKS MAY BE TOTALLY POINTLESS

MarketWatch

Sitting for extended periods has been found to be detrimental to health, causing such chronic conditions as heart disease and diabetes over time. To combat this, more and more companies have been spending big on desks that allow workers to have the option to stand or sit, as well as health education programs. To date, there has been little proof that these initiatives have been effective at increasing daily mobility. The research, published last week by the Cochrane Work Group, surveyed past studies on workplace interventions aimed at reducing time spent sitting—from the introduction of sit-stand desks to complete workplace rearrangements. Evidence of increased employee mobility from these and other changes was either weak or inconclusive, the group reported in the study.

With more occupations requiring employees to sit in front of computer screens and rising obesity and heart disease rates, employers have been looking for ways to combat the trend. The main reason these methods have not been effective is because they aren’t combined with health education or training, said Dr. Alan Hedge, an environmental analysis professor at Cornell University. “A lot of companies make the mistake of, when they get the equipment, they teach people how to use it, but not why they’re using it,” Hedge explained. “The key to any behavioral change is to get people to understand why it’s important.” Hedge said office spaces designed to keep people moving throughout the day are the most beneficial to long-term health.

Changes like making the stairs more prominent than the elevator, creating mobile work stations and moving trash cans away from desk areas can significantly improve employee health and prevent chronic disease caused by over-sitting. For sit-stand desk areas, Hedge believes the best routine is to cycle through 20 minutes of sitting, eight minutes of standing, and a couple minutes of walking every half-hour. In a recent survey of office buildings in Australia, Hedge said occupants in a building where the stairs were easier to access than the elevator walked about 1,400 steps a day more than average workers; adding up to an additional mile walked each week.
MAJORITY OF BOOMERS, MILLENNIALS AND GEN XERS VIEW RENTING AS MORE AFFORDABLE THAN HOMEOWNERSHIP

Despite rent increases and feeling burdened by their finances, a new Freddie Mac survey shows that 70 percent of renters currently feel renting is a more affordable choice than homeownership. Furthermore, 55 percent plan to keep renting in the next three years. In terms of age demographics, the views are similar with 70 percent of Millennials, 61 percent of Generation Xers, and 73 percent of Baby Boomers thinking that renting is a more affordable option for them. The Freddie Mac survey was conducted during the first two months of this year. Researchers found that the most popular reason for younger Millennials to rent is that doing so allows them to save money (42 percent), followed by it being their best option for their current lifestyle (39 percent). Gen Xer's top reason is that renting provides them freedom from home maintenance (28 percent), followed by not wanting the responsibilities of owning a home (24 percent). Close to 40 percent of Boomers say they rent because they do not want to worry about home maintenance (41 percent) or do not want the responsibilities of owning a home.

Many renters responding to the survey also reported that they will likely not move even if their rent is raised. "Almost half of all renters whose rent rose in the last two years say they like where they live and will stay regardless of rent increases," David Brickman, executive vice president of Freddie Mac Multifamily, said. Among all age groups, the most important considerations in choosing a rental apartment are: safety and security (27 percent), convenience of location (19 percent), size (13 percent) and privacy and pet friendliness (both 12 percent).
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It’s the DIY how-to app for pretty much any project, craft, repair or life hack. You can create your own how-to guide (complete with pictures, videos and captions) or browse existing. Since users can follow each other, comment on and share their contributions, this app can be used for impromptu training sessions or as a quick field guide for specific tasks.
Free / iOS

PEAK
Train your brain with a comprehensive collection of mini-games that have been developed in collaboration with scientists. Refine specific cognitive skills, such as memory, language, mental agility and attention. You can even see how you compare to others in your age group and profession.
Free / iOS and Android

FAST FACTS

The White House has been valued at approximately $110 million.

There is a Bavarian town called Nördlingen that was built on top of a 14-million-year-old meteor impact crater.

ALASKA is simultaneously the northernmost, westernmost and easternmost state in the U.S.

The Burj Khalifa is so tall that you can watch the sunset from the base of the building, take an elevator to the top, and watch the sunset all over again.

In 2009, there were more foreclosures in the U.S. than there were marriages.

Warren Buffett is one of the richest men in the world and he still lives in the same house he bought in 1958 for $31,500.
TOP 5 HIGHEST & LOWEST NET OPERATING INCOME
> FEDERALLY ASSISTED HOUSING

KEY
REGION 1 & 2 / Maine, Vt., N.H., Mass., R.I., Conn., N.Y., N.J.
REGION 4 / Ky., Tenn., N.C., S.C., Miss., Ala., Ga., Fla.
REGION 5 / Minn., Wisc., Ill., Ind., Mich., Ohio
REGION 7 / Neb., Iowa, Kan., Mo.
REGION 9 / Calif., Nev., Ariz., Hawaii, Alaska

HIGHEST NOI

<table>
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<td>G S8 Fam</td>
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*Minimum sample of 5 properties

NOI = Net Operating Income
Data from the 2015 I/E Federally Assisted Apartments books

LOWEST NOI

<table>
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<td>Region 9</td>
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<td>6</td>
<td>G S8 E/H</td>
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<tr>
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<td>$11.47</td>
<td>6</td>
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</table>

* The above data is for Garden Section 8 Elderly/Handicapped and Section 8 Family properties.
* Sections 202, 221(d)3 and 236 data is also available.

S8 E/H = Section 8 Elderly/Handicapped
S8 Fam = Section 8 Family

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IREM ETHICS ENFORCEMENT

PART 2 OF 3: HEARING, CONCLUSIONS AND FINDINGS

A continuation of Part 1 of 3, which examined “Complaint and Response.”

If the IREM Ethics Inquiry Board has determined that the IREM Code of Professional Ethics may have been violated by a member, the complaint is forwarded to the IREM Hearing and Discipline Board and a hearing is scheduled. All of the supporting documentation is provided to the board members well in advance of the hearing.

IREM HEARING AND DISCIPLINE BOARD

The board holds hearings, which occur at national meetings, to give the complainant and IREM Respondent an opportunity to make statements and present witnesses, if they choose. The board members also have an opportunity to ask questions to understand the facts. All board members pledge to keep all proceedings and information confidential. Violation of confidentiality by a board member may result in loss of IREM membership for the board member.

After the hearing, the IREM Ethics Hearing and Discipline Board members convene in an executive session to consider the facts that have been presented to them and vote on whether or not there was a violation. Careful consideration is given to the evidence by the board, then they vote by secret ballot. If the respondent is found to have violated any part of the Code of Ethics, including the pledge, there are three possible disciplinary outcomes.

LETTER OF CENSOR

The first possible discipline, and the least severe, is a letter of censor. Upon receiving a letter of censor, the name of the member may or may not be published in the JPM®. The letter of censor is the only discipline where there is an option that includes not publishing the name of the member in the Journal. The other two disciplines—suspension or termination of a member’s membership—include publishing the member’s name in the Journal.

SUSPENSION OF MEMBERSHIP

Suspension can be for a period of up to three years and can also be conditional. For example, the respondent may be required to successfully complete Ethics for the Real Estate Manager (ETH800) or the Management Plan Skills Assessment (MPSA) by a specific date. If the condition of the suspension is not met, the respondent’s membership may be terminated.

TERMINATION OF MEMBERSHIP

The most severe discipline is termination of the respondent’s IREM membership. In this case, after five years the respondent may reapply for IREM membership.

The complainant and respondent are both notified in writing of the findings and conclusions of the Ethics Hearing and Discipline Board. After receiving the Ethics Board’s decision, either the complainant or respondent has the opportunity to request an appeal hearing with the IREM Appeal Board. Learn about the appeal process in the Jul/Aug issue of JPM®.
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Recent decades have witnessed the seemingly inevitable decline of many of America's older cities. Market pressures have eroded these cities' infrastructures and sapped their vitality. The decline sometimes appears irreversible. However, in a number of towns and cities across America, localized urban regeneration planning initiatives have succeeded in halting and even reversing this decay. As a result, urban centers have been revitalized, ensuring they can look forward with optimism to a much brighter future.

When implemented properly, urban renewal projects can bring tremendous benefits to cities suffering the effects of economic decline. Urban landscapes, blighted by ugly, unused buildings and suffering from terminal malaise, can be turned around with the right kind of vision and implementation. This can be a win-win for developers, who manage commercially viable projects, while facilitating the wider development of the local community.

Not all urban areas are suitable for development, so it is essential for developers to do the groundwork in terms of market analysis and deciding whether to knock a building down or adapt it. This due diligence can both reduce the risks and increase the chances of success. When done correctly, the outcome can be game changing, with lasting improvements in the economic and physical environment and substantial benefits for the community and the environment.

Market Analysis
Market data is a great starting point because of the historic perspective it can offer about a proposition's commercial viability. Good analyses tend to look at three areas: customers, competitors and industry/regulatory environments. The first tries to identify who the customers are in an area and what they want to buy. Conducting surveys and analyzing data on their preferences and spending habits can provide this information. Competitor analysis will look at what other businesses are currently offering, and evaluates products, business sizes, sales, services and staffing. Analyzing the industry and regulatory environment considers the obligations and constraints that a business would have to operate under.

Speaking to customers (or potential customers), business owners and employers in a commercial district is often very informative. Even walking or driving around an area can give a feel for how a proposed development will fit in to the neighborhood.

Renovate, Repurpose or Mixed-Use?
Vacant buildings can be brought to life in innovative and profitable ways. In most cases, a vacant building can be renovated, repurposed or converted to a mixed-use property.

Renovation is when a building is refurbished but its original function remains the same. This can work well if the building sits within an existing commercial space where there is already a market demand for that type of business. Essentially, the developer is seeking to do what was done before but to do it better.

Adaptive reuse means taking an existing property and repurposing it for an entirely different use. This can be popular for older buildings because of the tremendous character they can bestow on a business, which in turn can attract customers. Adaptive reuse works well when market analysis identifies a gap in the market or where the new use aligns with other businesses in the area. One example would be utilizing an old building as an event space in an area with lots of bars and clubs.

Mixed-use developments provide a platform for two separate activities in the same building. This can be a combination of retail, office, entertainment, residential or civic space. These projects can take more time to complete because of possible zoning changes that might be required e.g. Planned Unit Developments (PUD), overlay zones and "by right" zoning.

Whenever changes to an existing structure are made, a developer will require the assistance of professionals such as architects, landscape architects, suppliers, contractors and, for historic buildings, preservationists. As a rule of thumb, it is better to speak to professionals with prior experience of similar projects.

Funding Options
The cost of repurposing vacant properties is not insignificant and may involve demolition of existing structures, area clean up, rebuilding or renovation. However, there are a

When done correctly, [Urban Renewal Projects] can be game changing, with lasting improvements in the economic and physical environment and substantial benefits for the community and the environment.
CASE STUDY: SPOTLIGHT ON WHEELING, WEST VIRGINIA

The city of Wheeling may serve as an example for small cities throughout the country and a roadmap for what can be achieved. The town is a historic one with many of its buildings listed in the National Register of Historic Places. However, its rich heritage has not saved the city from a long-term decline, demonstrated by a population drain that has taken place over many years. Successive censuses have shown consistent 9-10 percent falls in the numbers living in the city. As residents left for the larger urban areas in West Virginia, Ohio and Pennsylvania, Wheeling stagnated, a trend that appeared likely to continue indefinitely.

However, stakeholders refused to accept that the city could not be revitalized and Wheeling policy makers, regeneration groups, business organizations and other groups, worked strategically to create and implement a long-term strategic plan. The city’s vision was the brainchild of the Wheeling National Heritage Area Corporation (WNHAC), which has been instrumental in the successful regeneration of key urban renewal projects like Wheeling Heritage Area and Heritage Port.

HERITAGE PORT
Prior to development, the Wharf Garage was a stagnant economic area. The city saw the potential of its heritage and devised a long-term plan to redevelop the port, encouraging activity on the waterfront. The Wheeling National Heritage Area Corporation (WNHAC) spearheaded the demolition of the Wharf Garage and the creation of Heritage Port. This has transformed the waterfront area and now attracts between 250,000 - 300,000 visitors annually to the festivals and events held there. Urban areas like Heritage Port show the potential for medium-sized renewal projects that utilize larger tracts of disused land.

ARTISAN CENTER
The Wheeling Artisan Center is an adaptive mixed use industrial structure, consisting of three buildings with a three-storey atrium and skylight. Originally housing a grocery business and dating back to 1868, the building had several uses in the intervening years. WNHAC rehabilitated the building, which is now functioning as office space, a large restaurant incorporating Wheeling’s heritage, an arts and craft floor, an art space and a 7,500 square foot special events hall used for conferences, wedding receptions and banquets.

WHEELING STAMPING BUILDING
Dating back to the late 19th century, the building was originally a metal stamping business and grocery warehouse before falling into disuse. In 2002 it was repurposed as the global headquarters of Orrick, Herrington & Sutcliffe LLP, an international law firm, with funding assistance from Historic and New Markets tax credits and a West Virginia state historic tax credit. The project was a win-win, saving the company $10-15M in operating costs and revitalizing the local area.

The success of this project led to an upsurge in interest in redeveloping buildings in the vicinity as well as other large warehouse buildings in the area. Two adaptive reuse office developments in the surrounding region, totaling $7M, were completed. In addition, following completion of architectural feasibility studies, four large footprint buildings were bought, rehabilitated and repurposed for use by organizations as diverse as Staley Communications and Wheeling Jesuit University.

The short- and medium-term effects on Wheeling are clear, based on the subsequent development and inflows of employees/consumers. The long-term effects on the city of these urban regeneration initiatives will become evident over time but have probably helped contribute to slowing down the population drain, from over 9 percent to less than 2.5 percent in 2014.
range of funding alternatives from private, public and nonprofit sectors.

CORPORATE SPONSORSHIP
If a large corporation has operations in the area they may be interested in funding the development of a property in return for having their name displayed prominently in the building. Alternatively, if a repurposed property is going to be used in a way that aligns with a commercial organization, they may be willing to offer sponsorship.

FEDERAL AND STATE
In low-income areas, New Markets Tax Credits (NMTCs) offer private developers a federal tax credit. These are primarily for emerging areas, so to qualify, the individual poverty rate must be at least 20 percent or median family incomes must be 80 percent of the median for the area. Typically NMTC projects are between $2-$5 million.

The Regional Economic Development (RED) Partnership Programs offer the Real Estate Advantage Loans (REAL) SBA 504 Loan, which can fund projects up to $5 million (or $5.5 million for certain manufacturing projects or those incorporating energy-saving technologies). Funding is possible for up to 40 percent of the total project.

Another option is the system of Federal Small Business Administration (SBA) loans, which target small-scale projects aiming to commercially revitalize areas. Additional state funding may sometimes be available to businesses who are planning to create create local jobs.

If a project involves a building that has historic value it may be worth applying for federal historic preservation tax credits. Increasingly, credits at the state level are becoming harder to come by. Further information on historic buildings can be found at the State Historic Preservation Offices (SHPO) – [www.ncshpo.org/find/index.htm](http://www.ncshpo.org/find/index.htm).

LOCAL GOVERNMENT
Tax Increment Financing (TIF) takes into account future property taxes to finance development projects, particularly in underdeveloped areas.

Revolving Loan Funds (RLFs) are utilized by some municipalities as a perpetual loan fund to finance small business development. Local governments may also use tax abatement and financing from the General Fund to support property development.

NON-PROFIT
Community Development Financial Institutions (CDFIs) support low and moderate income groups and can access federal funding to finance business development, including commercial real estate. Foundations may also be willing to support businesses whose projects help to develop a local area.

In cities like Wheeling, which have a rich cultural heritage, there are opportunities for investors who can see the potential in renovating and adapting the many fine buildings in the area. When projects are aligned to the broader strategic goals of the city these newly developed properties can fit seamlessly into their surroundings. The result can showcase the regeneration of an area and serve as an example of what is possible.
USING SUSTAINABILITY TO BUILD YOUR BUSINESS

Tenant demand for sustainability continues to grow, and research increasingly shows that sustainable real estate portfolios outperform conventional ones. With these trends, many real estate managers are wondering how to embrace green practices beyond a building-by-building approach. How do you tie sustainable practices to your strategic direction as a company and grow your business? Let’s take a look at some guidelines for making sustainable practices a standard part of your service offerings and effectively marketing your sustainability program.

> MAKE SUSTAINABILITY THE NORM: From leadership to site staff, everyone should understand the benefits of, and impediments to, sustainable practices, as well as the principles of sustainable management. Sustainability often involves doing things that make business sense and managing properties efficiently—so incorporating sustainable practices in day-to-day operations is, in many ways, just sound management. This is why tenants and residents typically associate sustainability with quality.

> TAKE A PORTFOLIO APPROACH: Compare properties to one another to prioritize actions and resources. Use programs such as GRESB to benchmark portfolio performance. The certification process for the IREM® Certified Sustainable Property program can help you scale sustainability across your portfolio. What properties are strong? Which ones need improvement and what are the opportunities?

> CHALLENGE YOUR OWNERS TO ACCOMPLISH MORE: This is perhaps a controversial point. Rocking the boat is not easy if you are a third-party manager. But if you frame the discussion around how sustainability can help meet investment goals, make the business case, and propose projects that meet tenant needs, your owners may be more willing to follow your lead on sustainability. In some markets, sustainability is a necessary tool in your toolbox to meet investment goals, when tenants are driving demand—so you have a responsibility to your owners to raise the issue if they are not asking.

> HIRE A SUSTAINABILITY DIRECTOR: In some ways, this conflicts with the first point. You do not want to silo sustainability in one person or position. However, a sustainability director can focus on emerging trends, including new certifications, standards and regulations, and pay close attention to how sustainability impacts overall business performance. A director can manage large projects that impact several properties or your entire portfolio. A director can tie your sustainable practices to your overall brand and communicate your corporate responsibility to stakeholders and the community.

> CREATE A BRAND FOR YOUR SUSTAINABILITY PROGRAM: Several companies have effectively branded their sustainability programs so that clients, owners, tenants and residents readily identify program components. Weingarten Realty has GreenForward. Alliance Residential has Focus Green. Post Properties has Post EcoActive™. Branding your program allows you to effectively communicate your practices and accomplishments. 

SUSTAINABILITY OFTEN INVOLVES DOING THINGS THAT MAKE BUSINESS SENSE AND MANAGING PROPERTIES EFFICIENTLY—SO INCORPORATING SUSTAINABLE PRACTICES IN DAY-TO-DAY OPERATIONS IS, IN MANY WAYS, JUST SOUND MANAGEMENT.

TODD FEIST (TFEIST@IREM.ORG) IS SUSTAINABILITY PROGRAM MANAGER AT IREM HEADQUARTERS IN CHICAGO.
YOU'RE JUST
(NOT MY)
TYPE

BY RON GJERDE
In June, 1959, IREM published a paper entitled, *HOW TO UNDERSTAND EMPLOYEES*. In it, IREM Research Director, J. Earnest Kuehner, wrote:

"Too often an employer fails to understand that when he hires a person as a member of the management team he has acquired a rather complex machine... The employer must go beyond the business of working with hardware, elevators, machines, tools and heating plants and work in the more complex area of human interaction. To do this in an adequate manner he needs to find out what are some of the basic factors in human behavior."

Although written almost 60 years ago, Kuehner’s statement still holds true. The higher real estate managers climb on the career ladder, the less they manage properties—instead they manage people who manage properties. Many supervisors don’t try to understand their employees, they simply abide by the Golden Rule: Treat others as you would have them treat you. Unfortunately, this rule usually ends up causing more problems than solutions. It only works if the supervisor and employee have the same personality types and behavioral needs—which is rarely the case. A better practice is the Platinum Rule: Treat others as they want to be treated. As Keuhner put it, “In all cases of dealing with other people effectively, the ability to understand the other person’s feelings, to put yourself in his place, is a key factor.”

The tricky part is deciphering how a person wants to be treated. Some employees like detailed instructions for how to do something. Others prefer being given an overall “vision” of what needs to be accomplished and then the autonomy and authority to figure out how to complete the task. Some employees like collaborative opportunities and working on teams. Others like to work alone, uninterrupted by coworkers or outside influences.

You can always talk with your employees to help understand what motivates them and their preferred work styles. However, that doesn’t always work—we don’t have the time, we misread people or employees are not very forthcoming in sharing their needs and preferences. Many companies have turned to psychological testing to identify workplace needs. The theory is that knowing your personality type, and those of others, helps you interact more effectively with colleagues/employees.

There are many psychological assessment tools to choose from. The best known assessment is the Myers-Briggs Type Indicator® (MBTI®). Used for over 70 years, 1.5 million MBTI assessments are administered annually to individuals, including employees of most Fortune 500 companies. Over 10,000 companies, 2,500 colleges and universities and 200 government agencies in the U.S. use the assessment.

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1 The Myers-Briggs Type Indicator® and MBTI® are trademarks or registered trademarks of the MBTI Trust, Inc., in the United States and other countries. The MBTI® is published by CPP, Inc., 1055 Joaquin Rd., Suite 200, Mountain View, CA 94043, (800-624-1765), www.cpp.com
THE ASSESSMENT IS ROOTED IN CARL JUNG'S THEORY OF PSYCHOLOGICAL TYPE, SORTING PERSONALITY PREFERENCES INTO FOUR DIFFERENT SCALES:

1 WHERE DO YOU PREFER TO FOCUS YOUR ATTENTION? WHERE DO YOU GET YOUR ENERGY?
Extraversion (E) - Extraverts prefer the outer world of people and activity. They direct their attention outward and receive energy from interacting with people and taking action.

Introversion (I) - Introverts prefer their own inner world of ideas and experiences. They direct their attention inward and receive energy from reflecting on their thoughts, memories and feelings.

2 HOW DO YOU PREFER TO TAKE IN INFORMATION?
Sensing (S) - Sensing people prefer taking in information that is real and tangible - what is actually happening. They are observant about the specifics of what is going on around them and are especially attuned to practical realities.

Intuition (N) - Intuitive people prefer taking in information by seeing the big picture, focusing on the relationships and connections between facts. They want to grasp patterns and are especially attuned to seeing new possibilities.

3 HOW DO YOU MAKE DECISIONS?
Thinking (T) - People who use a "thinking" preference in decision making prefer looking at the logical consequences of a choice or action. They tend to be very objective in analyzing the pros and cons of the situation. Their goal is to find a standard that will apply in all similar situations.

Feeling (F) - People who use a "feeling" preference in decision making prefer considering what is important to them and to others involved. They tend to make decisions based on their values about honoring people. Their goal is to create harmony.

4 HOW DO YOU DEAL WITH THE OUTER WORLD?
Judging (J) - Judgers prefer living in a planned, orderly way, seeking to regulate and manage their lives. They like to be structured, organized and have things decided. Sticking to a plan and schedule is important.

Perceiving (P) - Perceivers prefer living in a flexible, spontaneous way, seeking to experience life rather than control it. Detailed plans and final decisions feel confining. They prefer to stay open to new options.

MBTI IN ACTION

Founded in 1978, Sunrise Management, AMO, (www.sunrisemgmt.com) is a privately owned San Diego-based firm specializing in the management of residential real estate properties. The firm currently has regional offices in Sacramento, Las Vegas and Phoenix, overseeing more than 13,000 multifamily units throughout California and the Southwest.

Sunrise Management is using the MBTI to enhance the leadership competencies of its staff. According to Joseph Greenblatt, CPM, president and CEO of Sunrise Management:

"We are using MBTI as a core leadership development tool. It provides baseline data for our leadership team members, enhancing their self-awareness; a fundamental leadership competency. At the same time, the personality insights and preferences the MBTI reports provide are invaluable as we strive to practice the Platinum Rule: Treating people the way they want to be treated. As leaders collaborate among themselves, with their direct reports and other team members, understanding those preferences advances good communication and teamwork, two other key leadership competencies."
The MBTI occasionally comes under fire in terms of validity and usefulness. This usually results from misunderstanding the purpose and use of the instrument. It was never intended to measure abilities or skills, and should not be used to "qualify" someone for a specific position—or to "judge" how well someone might perform in any given situation. It only identifies personality “preferences,” or behavioral tendencies. There is no right or wrong to these preferences. Each identifies normal and valuable human behaviors. An analogy is thinking about whether a person is “right-handed” or “left-handed.” We can use either hand when we have to, and use both hands regularly. But for writing or other things, one hand is preferred and is used more naturally and competently. Using our non-preferred hand requires more effort and may feel awkward.

The more you use your non-preferred hand, the easier it gets to use it. People who have had their preferred hand broken often learn to use their non-preferred hand as easily and naturally as the other. It’s the same with the MBTI preferences. We all use both ends of the four scales all the time. A person with a “feeling” preference can still make logical, objective decisions—just as a person with a “thinking” preference can consider values, and the impact on people in making decisions. But when we use our preferred methods, we are generally at our best and feel most competent, natural and energetic.

When used properly, the MBTI is useful for self-understanding, relationship building, team building and appreciating diversity. There is no “best type.” In fact, a workplace filled with all preference types creates a more productive, creative environment. The biggest value of the MBTI is in creating a non-threatening, non-judgmental environment where differences can be discussed. It allows people to talk about how they differ, and how they prefer to work and communicate without having to be defensive. The value doesn’t come from labeling people by their four-letter type, but from allowing people to explore each other’s preferences and ways they want to be treated.

Consider an introvert employee and an extrovert boss. If the boss raises a new issue in a meeting, the introvert will tend to be quiet and not contribute much. The boss might think the introvert is not very creative or engaged. More likely, the introvert prefers to think things through before responding; contributing their thoughts after having time to process. It’s important to provide introverts with an agenda prior to the meeting, with enough background information so they can internalize and be prepared to contribute. Introverts can think off the “top-of-their head,” but thinking out loud doesn’t come as naturally to them.

I can personally attest to the value of the MBTI. A new colleague and I would attend the same MBTI certifying class. In learning about the different, but normal, preferences people have we realized that we were not intentionally trying to make each other’s life miserable—we were just different. We came to understand each other, and learned how to collaborate using our different preferences to help each other become more effective. She helped me be more detail oriented, and I helped her be more open-minded and able to consider new options.

By understanding a person’s behavioral preferences, and his or her desired work environment, you can adapt your behavioral tendencies to fulfill the Platinum Rule: Treat people the way they want to be treated. You will create better relationships with your employees (or clients, tenants/residents, vendors, friends and family), and a more productive workplace.

Just remember, if an employee is “just not your type,” that might be a good thing.
GROWING YOUR BUSINESS?
3 MARKETING QUESTIONS ANSWERED
FROM PLAYING JENGA

Have you ever played the game Jenga? A game of skill, it requires players to adeptly remove one block at a time from a small wooden tower and place it on top. I found this out in a recent game: as the tower grows taller, it becomes progressively more unstable. If you're impatient (that would be me...) or too hasty with your moves, the tower topples. Worth noting is the fact that each block has imperfections, making the ability to keep the core of the tower upright just a wee bit challenging. Balance and consistency are key.

You're feeling a sigh of relief—we're well into the year, cranes are in the air and many real estate markets are indeed hot, hot, hot. Perhaps the time is right to consider expanding your business. And it can be tempting. After all, you know your stuff, you've assembled a great team and you just know you're ready to go into a new market. What could go wrong?

If you want to grow in 2016, it's critical to make sure your marketing matches your growth plan. Ask yourself these questions:

WHERE SHOULD I BEGIN?
First things first. When you're ready to expand your business, think about it: The best place to start is with what you already know. If your company has made its mark by managing top-drawer retail, now may not be the right time to go into HOA management. Capitalize on your adjacencies—these are the logical extensions of what you already offer. If your company has valuable experience in mid-rise, B-class office space, or if you already have a niche in high-rise luxury apartments, that's important expertise in a new geographic arena. And it's absolutely marketable. Brand consistency is a huge advantage; just like Jenga, it keeps your tower from taking a header.

WILL THE MARKETPLACE TRUST ME?
A colleague relayed his experience working for a fast-moving, hard-driving owner whose modus operandi was to acquire new properties in new cities, constantly. While this was great, the owner forgot one thing: the property teams were reluctant to trust him. No one knew him. An important marketing advantage is the ability to develop relationships and show (not tell) the strengths you already have: management and customer know-how.

WHAT ARE MY RESOURCES?
You've done it: the new property is yours. Now what? Each new account has imperfections; the question is how you'll deal with them. Now's the time to use the resources at your disposal. Don't be afraid to channel “Who Wants to Be a Millionaire” and ask for a Lifeline(s)—your IREM colleagues. Your designation will set your company apart as the best in the business, so use it.
The demand for dynamic live-work-play communities remains high among everyone from Millennials to Baby Boomers. Answering this demand is the Avalon, a mixed-use development, in Alpharetta, Ga.

Located just outside Atlanta, phase one of the Avalon was complete on October 31, 2014, with phase two scheduled for completion at the end of this year. The development spans 86 acres, complete with more than 500,000 square feet of retail space, a state-of-the-art movie theater, Class-A office space, single-family residences and luxury rental homes. Phase 2 will bring additional office, retail and residential space, and phase 3 (scheduled to begin next year) will include a full-service hotel and convention center.

One of the goals for the development was to create a walkable, urban experience in a suburban setting. Today, this ambitious and inventive development has made significant impact on how residents and visitors live, work and play in the Atlanta suburbs.

CREATING SOMETHING DIFFERENT
For years, the site of the Avalon sat vacant, partially complete and abandoned. When North American Properties took over the property, the company worked with the city of Alpharetta to develop something that would help build and improve the community at large, while simultaneously enhancing business and residential interests.
“There was no real gathering space in this community—and there was a real need for one,” said Matt Simon, Senior General Manager of the Avalon. “There are many tech firms in the area and an above average net worth in this community. A development like this had the potential to draw a lot of people.”

One of the keys to bringing the vision to life focused heavily on creating a strategic tenant mix. “We spent a lot of time curating the tenant mix to make sure we were providing an unexpected quality of retail in this community,” said Simon.

And these efforts paid off. Seventy-one retailers, 250 apartments, 101 townhouses and 105,000 square feet of Class-A office space have come together to create this dynamic town within a town.

A NEW WAY OF LIFE
The Avalon is home to 800 residents who reside in luxury condominiums (with rents starting in the high $1,500s) and single-family townhouses (with costs ranging from $749,000 to $1.5 million).

“We charge above average rents, but tenants understand they will receive above average service from us,” said Simon. “They understand that they are valued.”

The homes were strategically designed to avoid common mixed-use problems, like heating and cooling issues. “The residences were built with smart centers, which means no restaurant vents are going into another tenants’ HVAC system or into anyone’s home,” Simon said. “This design sets you up for a more successful mixed-use development. Although what we did is new and unique, I think it will become the norm among other developments like this going forward.”

“One thing that has happened here is we’ve realized the experience often starts with food and ends with shopping. People come here to go out to eat at these great restaurants and then shop afterward. That is where we’ve really found our niche.” —Matt Simon, Senior General Manager.
The Avalon also offers 750,000 square feet of Class-A office space. The modern office spaces often attract creative companies, such as architecture and interior design firms. Despite above average rents, employers are eager to bring their businesses to the Avalon.

One of the biggest draws for corporate clients is the opportunity to recruit and maintain top talent by touting the opportunity for a work-life balance right on the property. “People spend a minimum of eight hours per day at work; their workplace becomes part of their lifestyle,” said Simon. “So they are not only working here, they are also dining, shopping and enjoying all of the things happening here.”

From an infrastructure standpoint, the Avalon can’t be beat. The development is on the cutting edge of technology with gigabit internet service. This allows for internet speeds 100 times faster than what is normally available—a benefit to any company.

Rounding out the live-work-play formula are the 570,000 square feet of retail and chef-driven restaurants. The innovative mix of local and national retailers and dining destinations has helped transform Alpharetta from quiet suburbia into a hub of culture and entertainment. Most notably, the Avalon has brought buzzworthy dining typically reserved for city centers to the suburbs. In fact, some of Atlanta’s most distinguished chefs have set up shop at the Avalon.

“One thing that has happened here is we’ve realized the experience often starts with food and ends with shopping,” said Simon. “People come here to go out to eat at these great restaurants and then shop afterward. That is where we’ve really found our niche.”

The Avalon also allows retailers to cast a wider consumer net. “The Avalon is the best opportunity in retail in America today,” said Simon, who formerly managed The Grove shopping center in Los Angeles. “The Avalon is completely changing the way an entire community thinks about retail.”

Of course, the live-work-play combination requires savvy management—a true balancing act.

“The dynamic of a property changes when you have people living there; every management decision affects a person’s home,” said Simon. “At the same time, we need to take care of our retail and office tenants. We need to maintain landscaping, pressure-wash the property, ensure that deliveries are arriving property and so on. That all needs to happen with minimal impact on residents.”

Simon and his team of 10 manage challenges by working collaboratively and maintaining open communication. An impressive synergy between management, residents, office employees, retailers and visitors helps as well. “Everyone has a sense of ownership in the property,” said Simon.

“Much of this is credited to the Avalon’s commitment to service. “The biggest highlight of the property is the service experienced here,” said Simon. “Our concierge is the heart and soul of the property. With the sense of ownership, everyone has an opinion, and often our concierge is the one who relays that information to us.”

The property builds up the community aspect with a number of special events. During the holidays, the Avalon hosts a lavish tree lighting ceremony and boasts a Rockefeller Center-sized ice rink in the property’s Plaza. The Avalon also hosts celebrations and special events year-round, such as St. Patrick’s Day, Mardi Gras, the Kentucky Derby and more.

At the same time, the Avalon is committed to the Alpharetta community at large. “We want to be sure this environment is completely welcoming,” said Simon. “It is a gathering space for the entire community, not just those who live or work here. Often, people who live in Alpharetta will bring visitors here; it has become a point of pride in the community as a whole.”

DIANA MIREL IS A CONTRIBUTING WRITER FOR JPM®. IF YOU HAVE QUESTIONS REGARDING THIS ARTICLE OR YOU ARE AN IREM MEMBER INTERESTED IN WRITING FOR JPM®, PLEASE E-MAIL MARIANA TOSCAS AT MTOSCAS@IREM.ORG.
SEVENTY-ONE RETAILERS, 250 APARTMENTS, 101 TOWNHOUSES AND 105,000 SQUARE FEET OF CLASS-A OFFICE SPACE HAVE COME TOGETHER TO CREATE THIS DYNAMIC TOWN WITHIN A TOWN.
Government Infrastructure and Incentives are Shaping Real Estate

In Seoul, serious efforts have been put forth by government officials and city planners to lure businesses out of established business districts and into newly created districts. Enticed by low construction costs, subsidies and other incentives, many large businesses and conglomerates have already made the move to new neighborhoods in and around Seoul. In addition, the ever-expanding web of the Korean rail system means that what were previously seen as far-flung districts are now within easy reach for employees.

The newly formed business districts are restricted by industry, the most prominent being Sangam Digital Media City (restricted to media and entertainment firms) and the Pangyo Tech Valley (restricted to information technology, biotechnology and other technological fields). Industry-specific business districts encourage growth and innovation for the companies that occupy them. Organizations benefit from access to shared resources within close proximity. In addition, lower land costs mean that organizations can construct new headquarter offices from the ground up—an option that isn’t readily available in the established business centers. Research compiled in 2015 by CBRE, The Decentralization of the Seoul Office Market, explains that organizations that made the move to these districts, specifically, saved an average of 40-50 percent in rental costs.

While Sangam DMC and Pangyo are perhaps the most distinctive new business districts, formed in 2007 and 2009, respectively, other up-and-coming business districts include Songdo Business District (for the financial and multinational sector), Jamsil (noted for the 123-floor Lotte World Tower), Munjung (for the legal sector) and Yongsan (residential and office).
TRENDS IN 2016

Edward Yusuk Kim, CPM, CEO of REMS Asset Management Co., Ltd. in Seoul, reported, “The tenant-driven office markets in Korea have been getting tougher in recent years and also we expect that 2016 will be also a tough year. We see a high supply of office space in Seoul CBD (Central Business District) and new city, Pangyo, in the southern part of Seoul.”

In 2016, a second wave of development is emerging in the Magok district (for R&D firms), and the second Pangyo tech valley. Magok, currently being developed by SH Corporation, will be six-times larger than the Sangam DMC. Furthermore, in coming years, some of the new industry-restrictive districts will begin relaxing restrictions on the types of companies allowed to move in. With more infrastructure projects and company moves on the horizon, the decentralization of Seoul's office market looks like a trend that is here to stay.

Property managers are responding to a competitive market by incentivizing new and existing tenants. “We have ramped up the types of enticements we offer,” said Kim. “From free rent for tenants who renew their leases, to subsidies to companies altering space layout and extra commissions to pre-selected brokers for leasing. We have divided some larger vacancies into several small spaces and made leasing terms more flexible than before.” His company has also seen success with its “Tenant-get-a-tenant” referral bonus program.

The competition for tenants in Seoul has shaped the field of property management. Kim said integrated real estate and property management firms have borne the brunt of the loss. “Some real estate brokerage firms expanded into property management with the belief it would add a constant income stream to balance unpredictable brokerage fee collections. But after years of heavy competition, these companies have gotten crowded out and people seem to have realized that property management and brokerage are quite different from each other in nature and in the way of doing business. More and more people have realized that property management functions are best handled by property management specialty companies.”

PROPERTY MANAGERS ARE RESPONDING TO A COMPETITIVE MARKET BY INCENTIVIZING NEW AND EXISTING TENANTS.

The Decentralization of the Seoul Office Market report advises owners and landlords to consider their property’s value in the longer term, to formulate value-add strategies and differentiate their buildings by such measures as improving building’s common areas and obtaining green building certifications. Property managers who see themselves not as bystanders in a tenant-driven market but as adaptable drivers of change will be better equipped to survive in the long run.
Our property managers are always thinking, always working and always evolving to become better at what they do. Responding to all situations in a professional manner is essential.

BY W. STEVEN BANNER, LEED AP+M, CPM, RPA, CCIM

NAI SOUTHERN REAL ESTATE

NAI Southern Real Estate was founded in 1899 and is the oldest active real estate company in North Carolina. As a full service real estate firm, NAI Southern Real Estate focuses on both properties leased and owned by institutions and individuals, providing property management and brokerage services. For the property management side of the business, we specialize in: property, facility and asset management, accounting and lease administration as well as integrated document management services.

NAI Southern Real Estate's integrated solutions enables real estate owners, asset managers and executives the enhanced ability to control operating expenses and costs, improve budgeting, performance, efficiency and service levels. NAI Southern Real Estate, through an acute blend of technology and management services, provides each client with unparalleled service levels, achieving the client's immediate and long-term objectives.

Real estate technology is no longer just a cost of doing business. The right strategic partner and the use of technology can greatly enhance the overall real estate process. NAI Southern Real Estate's platform is designed to combine business applications with strategic value. By integrating technology and proven processes and strategies, we can be aligned as a real estate business partner, proving to be an invaluable
asset, enabling clients to focus on their core business, rather than the distractions of day to day real estate operational issues. Our clients have peace of mind knowing their real estate is efficiently being cared for.

One of the competitive advantages that NAI Southern Real Estate has is greater flexibility compared to many of our competitors. Being a single location firm, with an affiliation to NAI Global, a national firm, we are able to adapt to both local and global changes effectively. We are centrally structured, so all of our experienced team members are in one location.

One of the significant focuses of our property management group is the management of medical space which includes MOBs, ambulatory surgery centers, clinics and Health care facilities. One of NAI Southern Real Estate's most recent management assignments and one that we are very proud of is the management of the brand new VA Healthcare Center in Charlotte. The facility is currently the largest facility in the United States and it will serve over 2000 veterans a day. The management of medical space is different than other types of properties because of the time parameters that service is required to be completed. We have set up time responses and procedures that are much more vigorous than typical commercial real estate. For example, a urology practice must have plumbing issues resolved in less than 30 minutes, compared to potentially longer times in conventional environments. We have also developed a separate set of Key Performance Indicators (KPIs) for our medical properties. Our employees and technicians have specialized training for medical properties, including areas of: blood borne pathogens, patient privacy and infection prevention.

Property management at NAI Southern Real Estate is responsible for everything from a leaking roof or pipe to creating and balancing large capital project budgets. There is no such thing as an average day, which makes the job exciting and tasks ever evolving. Property managers touch every aspect of the properties on both personal and professional levels. These positions involves day to day operations as well as unexpected issues that arise, taking precedence over other tasks, such as a failed generator in a medical building that needs to get immediately replaced.

Efficiency is highly valued at NAI Southern Real Estate. To be most efficient, property managers stay organized, are very detailed and participate in continuing education classes and programs. Our property managers are always thinking, always working and always evolving to become better at what they do. Responding to all situations in a professional manner is essential. To circumvent problematic issues and take preventative measures, property managers investigate the issues at a granular level to ensure that they can make informed and solid decisions based on the best possible information that is available.

In the ever changing world of real estate and property management, NAI Southern Real Estate believes that Green initiatives are important. We strive to be proactive in the conservation of water, electricity, natural gas, and other natural resources, and believe that higher efficiency among systems will reduce the amount of natural resources that we consume as an industry.
The widespread availability of financing has been one of the keys to the nation's economic recovery. That same financing may soon be more difficult to come by due to a change in accounting procedures. The old standard that has been in place since the 70s accounted for various types of leases in different ways. Capital leases, such as equipment that was leased for nearly all of its useful life, would be recognized on a balance sheet. Other leases, such as an office space, were classified as operating leases and were not recognized as assets or liabilities on balance sheets. In 2005, the U.S. Securities and Exchange Commission recommended a renewed approach to lease accounting guidance. Since then, the Financial Accounting Standards Board (FASB) has been working with the International Accounting Standards Board (IASB) to create a new standard that addressed leasing.

IREM'S STANCE

In 2010, the FASB released a first draft of the new accounting standards, followed by a second draft in 2013. The final draft was released in December of 2015, and it was officially published in February of 2016. IREM has been, and continues to be, heavily involved in the formulation of the new standard. It is IREM's position that these changes are not only unnecessary, but also potentially harmful. While IREM appreciates intentions of increasing transparency and comparability, we feel this standard may have a widespread detrimental impact on IREM Members.
Until the new standard is implemented, leases are considered an operating expense and therefore not required to be shown on balance sheets. By including leases as liabilities on balance sheets, businesses will dramatically increase their apparent liabilities, and in turn, will reduce their debt to equity and return on assets ratios making them appear to be less stable than before the accounting change. There will be no actual change to the companies' income, expenses, liabilities, leases or anything else. The only difference will only be the way of accounting for leases.

**WHAT THIS MEANS**

According to the *Wall Street Journal*, this lease accounting change will increase companies' liabilities by nearly $2 trillion. In a 2012 study conducted by Chang & Adams Consulting, it was predicted this could result in a loss of between 190,000 and 3.3 million jobs. The study further suggests that in a best case scenario, U.S. Gross Domestic Product could decrease anywhere from $27.5 billion to $478.6 billion annually.

All companies following the U.S. Generally Accepted Accounting Principles (GAAP) will be required to follow this new standard. The new standard will affect all leases except short-term leases of 12 months or less.

While all companies following the U.S. Generally Accepted Accounting Principles (GAAP) will eventually be required to adopt the newly revised standard, the FASB has set two implementation periods. Public companies have until December 15th, 2018 to finish implementation of the new standards, and private companies will have until December 15th, 2019. Both can adopt the new standards early if they wish. Once the standard is adopted, companies must restate comparative periods in their financial statements. Public companies with be required to restate their income statements for two years prior to the effective date and one year prior for the balance sheet.

**IMPACTS OF THE NEW STANDARDS**

Many real estate executives have expressed trepidation related to the widespread impacts expected to come from the new standards. Executives are especially concerned about the effect of the new standards on financial ratios such as debt-to-equity and return on assets. By changing these ratios, there is apprehension that financing will be harder to obtain.

Anthony D. Natale, CPM, the Chief Financial Officer of Salvatore Capital Partners in Dedham, Massachusetts has expressed concerns regarding the new standard. Mr. Natale said, “We are worried this will affect the borrowing ability of our tenants. How will lenders react when they see a large liability now listed on a balance sheet that wasn’t there before when a borrower goes to refinance or extend a line of credit?”

In the “Lease Accounting Survey: Preparing for Implementation” published by Deloitte in 2014, 52 percent of executives expected implementation would take over one year. One factor contributing to that implementation period is the capabilities of current IT systems. Compliance with the new standard is expected to require more support than is currently necessary. Also, the revised standard could bring about more volatility in leases. Natale went on to say:

> I think one of the marketplace changes we may see from some of our tenants who wish to limit the lease obligation liability amount on their balance sheets, is to enter into shorter-term leases for their rental space with additional extension options. This way, the tenant will still control the space for a given period, but the amount of the lease obligation will be less until an extension is exercised.”

IREM is committed to monitoring this important policy issue and will continue to work with a coalition of industry stakeholders to ensure the real estate management and commercial real estate industries are well represented.
myCOI

Tired of having to track all the certificates of insurance for your vendors and tenants? Enter myCOI to save the day. Not only will this service track and obtain the certificates for you, it will send out reminders of expiration so that you can keep your properties protected. Get the Concierge level service and the company will review the certificates for compliance and follow up with any issues. Costs vary based on levels of service.

www.mycoitracking.com

ZUS CAR CHARGER/LOCATOR

Ever forget where you parked in a parking lot? Zus Car Charger can help. Not only will it charge your gadgets at a maximum rate, it will also remember the last GPS location of your vehicle before you turn off the ignition. You can then fire up the Zus app on your phone (no internet connection required) on the way back and see exactly where you need to walk to find your wheels.

www.touchofmodern.com

D3 SECURITY – GUARD TOUR

Curious if your security guards are walking your building and doing their rounds when they say they do? D3 Security – Guard Tour can validate. Through a series of unobtrusive stickers with barcodes/QR codes placed throughout your property, your security staff can make their rounds while scanning in via a mobile device. As the manager, you can then see analytics of the rounds (times, durations, number of check-ins). It can even disseminate photos of trespassers across all the guards’ devices.

www.d3security.com/products/guard-tour-system

EMIST – TRASH COMPACTOR ODOR CONTROL

Getting complaints about that awful smell coming from your loading dock? Hot summers and/or infrequent pickups can cause strong odors coming from your garbage compactor/dumpster. eMIST has a solution. Trash Compactor Odor Control is environmentally friendly and biodegradable, so it won’t cause damage to your dumpster. The eMIST system sprays every 15 minutes 24/7. Both Waste Management and Republic Services are on board and using this system at their service properties.


ALEX LEVIN (ALEVIN@IREM.ORG) IS DIRECTOR OF IT FOR IREM HEADQUARTERS IN CHICAGO.
NEXT GENERATION SMART ELEVATOR

The new Gen2 elevator, made by Otis, is an intelligent, connected elevator. With the eCall mobile application, residents and visitors can call and direct the elevator at a distance from their Smartphones for reduced waiting time. Inside the elevator, real-time information, customized to each building—building updates, calendars, weather reports, local traffic information—can be played from the eView screen.

www.otis.com for information and pricing.

SMART LOCK SYSTEM

Founded by two former Apple employees, Latch is a way to digitally access your door with a passcode or app, eliminating the need for keys. Have visitors? Guests can be given temporary codes. Latch also has a hidden camera in the lock, which will photograph guests when they’re at the door.

www.latchaccess.com; Pricing not available yet.

FLYING DRONE CAMERA

It's a bird, It's a plane...it's a Lily Camera. This easy-to-use drone camera, equipped to capture 1080p HD video, flies itself at up to 25 mph and up to 20 minutes of flight time. It can be set to follow, lead or loop around the user, who carries a tracking tool, taking video as soon as it is thrown into the air. It's even waterproof.

www.lily.camera; $999

IKEA JYSSEN WIRELESS CHARGER

While wireless charging technology has been around for almost a decade, Ikea has made a mainstream inductive charging device that can be bought on its own, or installed into any piece of furniture. With its changing pad options, you can charge up to four devices at once, without the bulk of the charger.

www.ikea.com; $28 and up.
DEVELOPING THE FACE & FRONTLINE OF LUXURY RESIDENT EXPERIENCE

DDG's ThreeSixty Leadership Initiative provides leadership opportunities to property management professionals through experiences that broaden their knowledge base, enhance skills, encourage personal growth and spark interest in the industry. This initiative has a unique multiplatform approach that integrates investment, design, development, construction and property management to enable team members to seamlessly exercise a key component of DDG's vision—enhancing resident experience at a condominium property with street-level retail.

"After evaluating development, design, construction and marketing, we sought to ensure the team, composed of individuals from hospitality, military and food and beverage backgrounds, knew their importance as an extension of DDG's legacy," said Ryan Kinser, Director of Concierge Services, Property Manager, DDG. "They are essentially the face and frontline of our luxury residential environment."

After its first year of operations, the team conducted a needs assessment that included resident and staff feedback. The objectives were to identify opportunities for improvement and to better understand resident expectations. Implementation of the initiative followed a circular model beginning with resident expectations. This led to fine-tuning and staff training. By regularly gauging the residents' experience and expectations, the initiative enabled continuous growth and improvement for the property management team and enhanced service for the residents.

PAVING THE ROAD FROM EXPECTATION TO EXPERIENCE

"The roadway from expectation to experience is in the hands of the building staff," Kinser said. "We realized by nurturing, training and elevating our team members, we were enhancing residents' experience." The team held resident care sessions to enable team members to shape their learning by studying residents residing at the property. "We evaluated how our residents wanted to feel as they moved through the building, starting from the front door, outside and then back again," Kinser
said. "We encouraged the staff to envision all aspects of their roles and how they, as leaders and ambassadors of the DDG brand, could add value. Our ThreeSixty approach brought details to the forefront and encouraged team members to explore ways their involvement could close loops and complete the daily circle the residents experience to make their paths smoother and more luxurious."

"What makes a residence luxurious?" Some team members suggested the building, staff, amenities and price, while others pointed to sustainability and maintenance. This produced great starting points. The team toured luxury hotels to observe decor, uniforms, lighting and care taken by staff. Hotel staff often have 24 hours or less to complete the path to customer satisfaction. The team learned from these tours, took notes, asked questions and engaged in conversation about standards and leadership. Team members grew more engaged and determined to deliver higher standards of service.

DDG started a book club that included everything from One Minute Manager to Songwriting Strategies to art and design books. This enabled the team to compare similar approaches with dissimilar goals. "The team expressed interest in sustainability so we dedicated training to LEED certification, which afforded greater knowledge to build on their enthusiasm," Kinser said.

CLOSING THE LOOP LEADING TO LUXURY SERVICE

DDG launched a ThreeSixty point system recognizing staff for outstanding leadership contributions. Team members utilized their knowledge to establish standards for property tours, uniform inspections, and cleaning detail. "We engaged team members at all levels to contribute ideas and recommendations and we empowered and incorporated those ideas to create symmetry in the service we provide our residents," said Kinser. "This emphasis on leadership development motived our team—engaging them in the loop enabled them to reveal their potential and use their newly polished skills to deliver outstanding, luxury resident service."

WE EVALUATED HOW OUR RESIDENTS WANTED TO FEEL AS THEY MOVED THROUGH THE BUILDING, STARTING FROM THE FRONT DOOR, OUTSIDE AND THEN BACK AGAIN.

WE ENCOURAGED THE STAFF TO ENVISION ALL ASPECTS OF THEIR ROLES AND HOW THEY, AS LEADERS AND AMBASSADORS OF THE DDG BRAND, COULD ADD VALUE.
Draper and Kramer, Incorporated, AMO, won the 2015 REME Award for AMO of the Year and the organization has been part of IREM’s history since 1933 and remains a family business, providing property and financial services in real estate. “Our IREM membership has been a key component of our success. Today, we employ 22 CPMs and 14 ARMs,” said Forest Baily, President, CEO, Draper and Kramer, Chicago. “Our AMO status is promoted to the public and our clients via our website, in our e-mails and in our capabilities package. IREM is, and always will be, an important part of our company vision and strategy.”

**VALUING INTEGRITY**

Draper and Kramer’s core values are aligned with the highest level of ethical behavior and integrity. “Our team upholds a legacy of more than 100 years of leadership and innovation,” said Kimmerly Donnelly, CPM, Vice President, Senior Regional Property Supervisor. “We pride ourselves on our reputation as a trusted and upstanding organization. The interests of our clients, the community and the company are placed above personal interests.”

**DELIVERING VALUE AND SERVICE**

Draper and Kramer’s vision is: “We create value by delivering exceptional living experiences.” Customers are the driving force of the business. Customer feedback is monitored to ensure exceptional service at all points of contact. By incorporating feedback into its services, Draper and Kramer has increased ratings to 78—higher than the national average. “Our passion for superior customer service has resulted in the long-term relationships that fuel our business,” said Donnelly. “Our company culture is proactive and responsive, delivering the best possible service to each and every customer.”

**DRIVING RESULTS THROUGH EXCELLENCE**

As a results-oriented service business, Draper and Kramer fosters a collaborative environment that rewards team members who contribute to success. “Being good at what we do is just the beginning—we always look for ways to improve. We are not afraid to take responsible risks and see challenge as opportunity,” said Donnelly. “We take pride in proactively crafting innovative solutions across all our business lines.” Draper and Kramer moved to the Yardi integrated property management solution to manage more than 130 rental and condo buildings, and other business facets. The transition enabled us to more effectively manage and grow portfolios. It also enabled employees to work from any location because of the web-based solution, and it streamlined training and standardized property reporting.
OUR TEAM UPHOLDS A LEGACY OF MORE THAN 100 YEARS OF LEADERSHIP AND INNOVATION.

WE PRIDE OURSELVES ON OUR REPUTATION AS A TRUSTED AND UPSTANDING ORGANIZATION. THE INTERESTS OF OUR CLIENTS, THE COMMUNITY AND THE COMPANY ARE PLACED ABOVE PERSONAL INTERESTS.

Developing Our People

Employee development is a top priority and many employees are promoted from within—25 people in 2014. Draper and Kramer invests more than $150,000 per year in education and training. “The dedication and tight-knit culture is reflected in our commitment to our community and to our coworkers. We seek to attract, develop and retain the best talent by providing the tools, training and support needed for each person to thrive and grow. By embracing individuality and diversity, we foster an enriching and welcoming culture,” said Julie F. Johnson, CPM, Senior Vice President. Three hundred employees receive training on fair housing practices, and all leasing agents, property managers and supervisors are licensed. Draper and Kramer offers tuition reimbursement and, in 2014, invested $23,703 in tuition. It also invests $20,000 in conferences per year so employees have opportunities to network. “We nominate individuals, teams and properties for internal awards throughout the year based on exceptional service, financials and teamwork, in order to motivate our employees to elevate our service to the next level,” said Donnelly. “This encourages friendly competition and we see results.”

Submit to the 2016 REME Awards
www.irem.org/events/reme-awards

Discover more about the 2015 REME Award winners.
www.irem.org/remewinners

Watch Draper and Kramer’s AMO® of the Year video.
http://goo.gl/51supk
LOOK
BEFORE
YOU
LEAP
LOWER OIL PRICES MAY HAVE HOUSTON'S ENERGY MARKET IN A DOWNTURN, but residential real estate is in high demand with retail hot on its heels. While commercial real estate is not currently performing at its historic levels, real estate management professionals are more in demand than ever.

By 2022, job growth for property, real estate and community association managers is projected to increase by 11.8 percent, or by 35,000 employment positions, based on findings supported by the U.S. Department of Labor. The right skillset and networking abilities, combined with thousands of career opportunities, make for a bright future in real estate management.

While real estate management can sometimes be an unexpected profession, it is quickly becoming a career
path for the Millennial generation and a career shift for Generation X. For the newcomer, whether making a transition or just beginning their journey, what skills are necessary and where do they start? A handful of industry professionals offer their backgrounds and insider knowledge on what they consider prerequisites for real estate management.

MULTITASK MUCH?
In a given day, a real estate manager may play the role of a lawyer, salesperson, accountant, psychologist, teacher, financial advisor, IT troubleshooter, event planner, web designer, contractor, public relations representative—and many more.

Pius K. Leung, CCIM, CPM, CIPS, FINstLM, is Principal of SPAK Interests, Inc., and began his career as a property accountant prior to making many accomplishments in the real estate industry. Leung said the ability to work with people is essential in any real estate position. "I have worked in the property management, investment brokerage and real estate software industries, and knowing how to work with people is probably one of the prime commonalities." He also credits adaptation and flexibility as necessary skills for a career transition.

James Sinclair, CCIM, CPM, is a property manager for Brookfield Property Partners and went from producing and directing live television newscasts to managing office buildings. "You have to be flexible and willing to take a chance. I think it was the confidence I had in my ability to handle changing situations that helped me transition. The skills you have for the most part—customer focus, ability to analyze and interpret, and judgment—are all transferrable to another field. Being able to present yourself to a potential employer as someone who has an interest in the field, who cares enough about it to learn and who can bring something valuable to the table can mean the difference between success and failure in an interview."

"Discipline, training and a great attitude are significant to changing industries. I have been in the real estate business for a long time, just learning it from a different aspect," said Kathryn Currier, who transitioned from residential real estate with Heritage Texas Properties to Senior Accountant for Transwestern, a global commercial real estate company.

"Make sure you really know what you are getting into. I spent 13 years in the banking industry and wanted to make a change, so I took a position in the railroad industry as a train dispatcher. I didn't do enough research to realize how much my life would change, and after six months I returned to banking. Two years later my father-in-law, who had been in the property management industry, heard a position at Brookfield was available and thought it would be a good fit for me. This time I spent a lot more time understanding what I would be doing. I am happy to say after nearly eight years, I love my job and can't imagine doing anything else," said Sean Alley, CPM, a property manager for Brookfield Property Partners.

IT'S ALL ABOUT WHO YOU KNOW
Networking is the number one way of discovering those hard-to-find, never-advertised job opportunities. The phrase "it's all about who you know" could never be more true when it comes to this industry. Being involved in professional real estate organizations is fundamental in a job search and for receiving the many benefits the commercial real estate industry has to offer.

"Join one or more of the trade associations and be actively involved in the association you decide to join. Organizations such as IREM, CCIM, SIOR, CREW, NAR, etc.,” said Leung.

NETWORKING TIPS:
> Join one or more of the trade associations, such as IREM, CCIM, SIOR, CREW, NAR.
> Make a list of everyone you know in real estate. This is the beginning of your career database. Meet with them and get their insight.
> Stay in close touch with college professors and coworkers from previous employment.
> Be a good listener. Ask questions, really think about the responses, and follow up with another question. Get business cards. Take notes.
> Always carry business cards. Everywhere you go is a networking opportunity, so never forget them and keep your contact information current.

WHO YA GONNA CALL? YOUR BEST RESOURCE, OF COURSE!
Commercial real estate is a fluctuating business yet companies are continuously searching for new and experienced industry talent. Whether office, multifamily or
industrial, those who specialize in this field are invaluable to their investor or owner, particularly during an economic decline.

"The best resource for someone thinking about getting into the commercial real estate business is someone in the industry. Talk to them and really find out what they do on a daily basis. Find out their likes and dislikes and what challenges you will have," said Alley.

"I truly believe in training, getting to know the market and soaking up as much as you can from people who have been in the business a long time. If you are starting out you need to work with someone who has been in the business for a while as an assistant and/or have another job because you need to spend time learning as much as possible," Currier said.

"IREM has helped me create my support network. Whenever an issue comes about that I am unfamiliar with I am able to connect with my peers and mentors to develop an action plan based on a variety of experiences, not just mine," said Blaire Moreland, an Associate with Evergreen Commercial Realty.

"I would spend time with someone you know who is currently in the field. Ask them what they like about what they do, and what they don't like, or what they would change if they could. Ask who their mentor was and if you could talk with him or her. See if there is a professional organization that has information about a career in real estate. Research companies who provide services in the field and look at employee benefits—do they encourage ongoing learning and development? The more you talk with others who are actively doing what you want to do, the clearer picture you get of what it's really like," said Sinclair.

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**PROFESSIONAL ORGANIZATIONS:**

1. **Chamber of Commerce** ([www.uschamber.com](http://www.uschamber.com)): Join your local chamber to get involved in your community. Visit the National Chamber of Commerce site to locate your local office.

2. **IREM—Institute of Real Estate Management** ([www.irem-houston.org](http://www.irem-houston.org)): An international community of real estate managers. IREM is the home for all industry professionals connected to real estate management—the only organization serving the multifamily and office sectors.

3. **BOMA—Building Owners and Managers Association** ([www.houstonboma.org](http://www.houstonboma.org)): A network of professionals involved in building ownership, management, development and leasing.

4. **NAIOP—National Association of Industrial and Office Properties** ([www.naiop.org](http://www.naiop.org)): A national association with over 10,000 members that represent the interest of developers and owners of industrial, office and related commercial real estate.

5. **SIOR—Society of Industrial and Office Real Estate Specialists** ([www.sior.com](http://www.sior.com)): The Society of Industrial and Office REALTORS is a leading professional commercial and industrial real estate association. The SIOR network includes more than 2,800 members in 480 cities in 20 countries on six continents.

6. **CCIM—Certified Commercial Investment Member** ([www.ccim.com](http://www.ccim.com)): A CCIM is a recognized expert in the disciplines of commercial and investment real estate.

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ERIN HORN ([ERIN.HORN@BROOKFIELD.COM](mailto:ERIN.HORN@BROOKFIELD.COM)), CPM CANDIDATE, IS AN ASSISTANT PROPERTY MANAGER FOR BROOKFIELD PROPERTY PARTNERS IN HOUSTON.
DON'T BE SKEPTICAL ABOUT SKEPTICISM

Optimism is popular and mostly a preferred mode of thinking. People consider optimists happy and enjoyable to be around. Yet, positive thinking isn’t a panacea. Skepticism has its place.

Decision-making suffers when thoughts are not fact-based. And people can be wrongly ostracized when sharing a negative viewpoint or questioning a thought. The risks of positive thinking are seen in 2007’s financial difficulties: Rose-colored glasses created a “times will always be good” belief.

HALF-FULL. Optimism gives more weight to information that supports a positive outcome and good results are expected. It’s not all or nothing; psychologists categorize optimism into degrees.

When faced with disappointments or failures, some optimists explain them away with the belief that “everything happens for a reason,” which prevents reflection and misses learning from the experience. Perhaps it happened because you should have done things differently and a lesson is available.

HALF-EMPTY. Negativism, too, comes in degrees. Being overly pessimistic, actions appear too risky, which can be immobilizing. Some psychologists recommend “defensive pessimism;” Consider what can go wrong and how to avoid or compensate.

ACCURATE MEASURE. Discussing low occupancy on a client’s property the other day, the broker said, “The problems we have...ah, I mean the opportunities...”

“No,” I said, “it is a problem. It’s okay to call it that.”

The glass isn’t half empty or half-full. Quite simply, it’s both, and that’s realism. No amount of sunshine-thinking or projection-of-doom can change the water level. Thinking contributes to your world, but attentiveness, discipline and actions are most needed.

APPLYING SKEPTICISM. The level of appropriate optimism and pessimism are very situational and personal. Sometimes you fare better as an optimist; sometimes as a pessimist. The key is to know when each is best to use.

> Optimism can help you have confidence to move past fear, if it’s not to such a degree that you don’t take needed actions.
> Skepticism can push you to do more, if it’s not to such a degree that it’s debilitating.

A leader who shows unrealistic pessimism or idealistic optimism is not contributing to success. When things go bad, strong leaders address negative outcomes because it’s healthier for people to do so. And when people need cheering, leaders serve that role to help the psyche and provide hope.

Skeptical positivism is most often the best approach.
Recognizing achievements and innovation in the real estate management industry.

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WWW.IREM.ORG/REME
Earlier this year, IREM hosted some major industry heavyweights in January for our first IREM Commercial Summit—from the institutional side were such names as Bentall Kennedy, Deutsche Bank, Inland Real Estate, New York Life Real Estate Investors and Principal Real Estate Investors. Also on hand were senior representatives from property management operations of all stripes—from independent regional firms to the management divisions of global brokerage houses. More on them a bit later.

An ongoing focus for IREM, of course, is the shifting, tightening relationship between asset and property managers, which was kicked off last year with a White Paper on the subject (www.irembooks.org). It also formed the meat of a lively discussion between both disciplines at the Summit. And while we’ll protect the anonymity of the speakers, we thought you’d be interested in some of the comments the discussion inspired from both sides of the aisle—asset and property managers. We started with the institutions, and asked them:

[Q] What do you look for in a property manager?
A: We have all five asset classes, so what we look for in property management varies with each class. But generally speaking, we look for firms that have scale to provide the proper resources. They can afford systems and technology and have specialists in place.

The best property managers UNDERSTAND VALUE AND THEIR IMPACT ON VALUE, for example, a roof repair affects value.

A: Good property managers focus not just on process, or checking off items on a checklist. The best property managers understand the value side of real estate.
A: The best property managers understand value and their impact on value, for example, a roof repair affects value.

[Q] Do you prefer staff-based or outsourced property management?
A: Our U.S. model has always been based on outsourcing and still is, and in my opinion it should NOT be brought in house. By outsourcing property management, we can shop for the best team for every asset and every market. If it’s done in house, you’re stuck with who you employ.

[Q] Would you call the relationship more collaborative or supportive?
A: Collaborative. We need to work as a team. We’re not dictating but working side-by-side. Our role is to provide leadership.
A: It's a collaborative relationship with property management; if we do a rehab on a project, we'll be involved in selecting materials and making decisions, with the property manager bringing recommendations to us.

A: It's a partnership. The property manager and the asset manager have different skill sets, so they need to work together as partners.

Q] What advice would you give to third-party property managers to help them better align with asset management?

A: Think like an asset manager, who is responsible for returns. If expenses are running high, understand the impact this has; $100,000 at a 6-cap translates into a whole lot of value.”

Q] What pressures are you facing and how does property management help you?

A: Reporting is a huge pressure, and there's more and more pressure every year. Proper reporting starts with the property manager, then we refine it.

A: Developing a strategy statement for a property. Not just a budget, but a strategy statement. Good property managers help develop a budget statement around and in support of a strategy statement. Property management becomes the co-author of that statement.

From the management side of the equation, firms such as CBRE, Cushman & Wakefield, Colliers, NAI, RiverRock, and Simon Properties were on hand as well to add their take to the discussion. We asked them:

Q] What don't asset managers "get" about property management?

A: Asset managers today have to take on more responsibilities. In the past they had smaller portfolios; now they have 10 to 30 properties spread out over a much larger geographic area. As a result, the property manager has had to take on more responsibilities to absorb this and take on a broader perspective as well. All of this creates challenges in workloads, in the number of staff required, which can be especially challenging with the downward pressure on fees.

A: The challenge comes from the different compensation structures for asset managers and property managers. The property manager often is judged on tenant satisfaction. The asset manager doesn't care about this; he's focusing on return and value. The reward systems need to be aligned.

A: The asset manager who comes out of an MBA program often doesn't know about the building and how to run it. If property management were a true career path to asset management, they could become the best-ever asset managers.

A: The best asset managers have some operations experience . . . unless they try to be the property manager. That can be its own problem.

A: Good property managers today are more business managers. They're not just taking care of the physical asset. But the asset manager doesn't always give the property manager the end-game. The property manager can do much better if she or he knows the vision for the property. When this happens, there can be a true pairing between the property manager and the asset manager.

A: You're right, but the driver is really the property owner. What's the owner's strategy? The property manager has to ask, probe and gain an in-depth understanding of what the strategy is. Is the property owner an income-driven fund or a value-driven fund? This can have a huge impact on how to manage the property. What are the objectives of ownership?

A: It gets back to the owner's goals and objectives. The property manager and asset manager have to have a dialogue about the owner's objectives.

A: If the property manager gets an assignment, she or he wants to know how to do it well. They need to be trained to help asset managers do their jobs and achieve their goals.

Q] The institutional players emphasized collaboration. What about you? Are you seeing more collaboration?

A: In the last 10 to 15 years, asset managers appear to have gained a greater understanding of property management operations. At one point they were purely analytical, they just understood the financial side but didn't understand how to run a property. Today there appears to be more of a merging. It's no longer "us versus them" but a collaborative effort.

A: They're acquiring some operations experience and I see asset managers taking a more collaborative approach. There's more of a union between the two disciplines.

A: Do asset managers bring property managers into their home offices? Provide them with an inside look at the asset management companies? This could be valuable.

A: More collaboration can only be healthy for the industry.
CALL FOR NOMINATIONS

In 1971, the IREM Foundation recognized its first Professional Recognition Award recipient—Joseph C. Murray, CPM, who received the J. Wallace Paletou award. The J. Wallace Paletou, Louise L. and Y.T. Lum, and Lloyd D. Hanford Distinguished Instructor awards all celebrate outstanding individuals who make valuable contributions and show extraordinary dedication to the real estate management industry and, in so doing, enhance the stature of the profession.

We invite you to submit a nomination today. We invite you to submit a nomination today so that we can begin identifying the next recipient of the following awards:

› J. Wallace Paletou Award—for significant contributions to the real estate management industry.
› Louise L. and Y.T. Lum Award—for distinguished contribution to the real estate management profession through education, publishing, or the advancement of professional and ethical standards.
› Lloyd D. Hanford Sr. Distinguished Instructor Award—for outstanding contributions to the profession by serving as an IREM instructor.

HOW TO APPLY:

› Nominees for the awards have to be nominated by a CPM in good standing with IREM.
› Nominators must submit a Nomination to the IREM Foundation.
› Nominees will be notified by the IREM Foundation of their nomination and will be asked to submit a Nomination Form by June 1st.

Don’t delay, your nomination is needed today. The awards will be presented during The IREM Fall Leadership Conference at the Inaugural Gala & REME Awards ceremony on Friday, October 21, 2016.

FOR MORE INFORMATION and to nominate someone, visit the website at www.iremfoundation.org or e-mail foundation@irem.org.

2015 Award Recipients

J. WALLACE PALETOU
AWARD RECIPIENT
O. Randall Woodbury, CPM
Presented by Gail Duke, CPM
IREM Foundation President
Lori Burger, CPM, IREM President
Bob Clarke, ABM

LOUISE L. AND Y.T. LUM
AWARD RECIPIENT
David Domres, CPM
Presented by Gail Duke, CPM
IREM Foundation President
Lori Burger, CPM, IREM President
Bob Clarke, ABM

LLOYD D. HANFORD, SR.
DISTINGUISHED INSTRUCTOR
AWARD RECIPIENT
John A. Warthman, CPM
Presented by Gail Duke, CPM
IREM Foundation President
Lori Burger, CPM, IREM President
Bob Clarke, ABM

KIM HOLMES (KHOLMES@IREM.ORG) IS MANAGER OF THE IREM FOUNDATION AT IREM HEADQUARTERS IN CHICAGO.
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Wylie Boddie, CPM
Diane E. Brennan, CPM
Casey K. Broussard, CPM
Shinya Chiba, CPM
Piotr Czerwinski, CPM

Toshitsugu Takahashi, CPM
Janine Lind, CPM
Alma Andrade, CPM
Melanie L. Traster, CPM
Michael Trendota, CPM
Kimberly Villarreal, CPM, ARM
Alycen Williams, CPM
Junji Yamanaka, CPM
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Lisa Makely, CPM
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Diana E. Norbury, CPM
Cathy A. Patterson, CPM
Wesley P. Reinhardt, CPM
Sheri M. Ricks, CPM, ARM
Christopher M. Gardner, CPM, ARM
Delinda K. Armstrong, CPM
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Heidi J. Roberts, CPM
Antonina J. Sanfilippo, CPM
Takashi Hayashida, CPM
Michael F. Borba, CPM
Michele R. Brant, CPM
Joyce L. Bendana, CPM
Takashi Hayashida, CPM
Koichiro Hisadome, CPM
Tatehisa Ikeda, CPM
Tetsuya Ikoma, CPM
Hideyuki Ishida, CPM
Ryoji Ishimitsu, CPM
Wataru Komatsu, CPM
Megan Milich, CPM
Yuji Mori, CPM
Akio Oishi, CPM
Yuki Okuyama, CPM
Katsunori Ono, CPM
Charles A. Osondu, CPM
Matthew D. Pastor, CPM
Russell N. Schaadt, CPM
Len B. Shannon, CPM

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Jennifer A. Bell, CPM
Joyce L. Bendana, CPM
Michael F. Borba, CPM
Michele R. Brant, CPM
Dori J. Brewer, CPM
Alexander Broderick, CPM
Natalie G. Drapac, CPM
Jim Driver, CPM
Patricia A. Dykstra, CPM
Toni Elliott-Brand, CPM
Steven G. Evans, CPM
Melinda Felts, CPM
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Yong-Nam Kim, CPM
Michelle M. Kimos, CPM

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Nathan Veliz, CPM
Matthew T. Watne, CPM
Lisa A. Webb, CPM
Craig J. Wilkos, CPM
Joann Ziifile, CPM
MAY 2016
5/9 - 5/14
REALTORS Legislative Meeting and Trade Expo
Location: Washington, D.C.
Visiting Leader(s): Chris Mellen, Mike Lanning, Ben McGrew, Don Wilkerson, Russ Salzman, Nancye Kirk

5/11
Southern California Real Estate Conference & Tradeshow
Location: Orange County, Calif.
Visiting Leader(s): Cheryl Gray, CPM—Senior Vice President

5/13
Greater Metropolitan Washington Chapter No. 8, Northern Virginia Chapter No. 77, West-Central Maryland Chapter No. 92—IREM Gala
Location: Bethesda, Md.
Visiting Leader(s): Chris Mellen and Russ Salzman

5/18
Greater Rhode Island Chapter No. 88—Lifetime Achievement Awards
Location: Providence, R.I.
Visiting Leader(s): Chris Mellen and Russ Salzman

5/22 - 5/25
ICSC ReCON
Location: Las Vegas
Visiting Leader(s): Michael Lanning

5/23 - 5/27
Japan Chapter No. 110 Meeting
Location: Kumamoto, Japan
Visiting Leader(s): Chris Mellen and Nancye Kirk

5/25 - 5/26
San Joaquin Chapter No. 85—Executive Council Meeting & Young Professionals Event
Location: Bakersfield, Calif.
Visiting Leader(s): Cheryl Gray, CPM

JUNE 2016
6/2 - 6/4
CONSEJO International Conference
Location: Seville, Spain
Visiting Leader(s): Chris Mellen and Nancye Kirk

6/7 - 6/9
Region 14 Leadership Conference and REIC Annual General Meeting
Location: Ottawa, Ontario
Visiting Leader(s): Mike Lanning, Nancye Kirk, Leah Misbin

6/8 - 6/9
Memphis Chapter No. 20—Executive Council Strategic Planning Session & Legislative Forum
Location: Memphis, Tenn.
Visiting Leader(s): Ben McGrew

6/9
Columbus Chapter No. 42—Executive Council Meeting & Chapter Event
Location: Columbus, Ohio
Visiting Leader(s): Don Wilkerson

6/14 - 6/15
Real Estate Round Table
Location: Washington
Visiting Leader(s): Russ Salzman

6/16
Greater Nashville Chapter No. 71—Executive Council Meeting and Chapter Event
Location: Nashville
Visiting Leader(s): Mike Lanning

6/15 - 6/18
NAA Conference
Location: San Francisco
Visiting Leader(s): Ron Gjerde and Russ Salzman

6/25 - 6/27
BOMA International Conference and Expo
Location: Washington, D.C.
Visiting Leader(s): Mike Lanning, Lynn Disbrow, Nancye Kirk
In order to be irreplaceable, one must always be different.”
—COCO CHANEL

Investment real estate is a business that thrives on competitive advantage. And with so much time spent emphasizing or demonstrating to clients the tasks that we as managers share in common, it’s the differences that we must accentuate in order to stand out as we grow a business or portfolio. With modern technology has come the ability to automate and drive many tasks that were once so personalized to portals, websites or computerized databases. But there’s no shortcut to personal care or market expertise. Don’t kid yourself, either. These old-school traits never go out of style.

**HOW DO YOU MEASURE UP?**

So how do you and your firm measure up? Something as simple as a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis—completed both internally by decision makers, key team members and presented to clients for their feedback (perhaps in survey form)—can go a long way. The simple survey or study outlines, in fool-proof form, the areas or aspects of a business that are strong, need improvement, present opportunity for growth or are posing a threat to the current business model. The strengths, as you would imagine, become marketing points to new clients, while the weaknesses, opportunities and threats become the launch pad for future growth and development.

**THINK OUTSIDE OF YOUR BOX**

Once you truly understand your competitive advantage and where you are positioned within the marketplace, you are better able to identify potential clients. A boutique firm with an edge in accounting and technology that has historically focused on high-net worth individuals might be poised for growth in the realm of institutional real estate; whereas a national firm with a sophisticated operational platform might find success in localized growth and expansion by scaling down to mid-sized or non-institutional clients.

Truly understanding your strengths and what makes you different makes you invaluable and irreplaceable to clients, customers and employees alike. Culture is increasingly important in today’s world of social media, communication and consumerism. So next time you sit down with new clients to discuss how you can help them with their investment portfolio, leave the sample reports in the presentation folder. Instead, focus on your company, your people and the details that will allow you to help achieve greater results than the competition. Rest assured, if you have succeeded in your presentation, you will most certainly be able to present your sample financial reports. Chances are, your new client will soon be asking. •
| MAY | ARM Certification Exam - ARMEXM | May 2 | Norwood, Mass. |
| Investment Real Estate | Financing and Valuation - ASM603 | May 9-10 | Kansas City, Mo. |
| ARM Certification Exam - ARMEXM | May 4 | South Bend, Ind. |
| Ethics for the Real Estate Manager - ETH800 | May 9 | Columbia, S.C. |
| Investment Real Estate | Financing and Valuation - Part 1 - ASM603 | May 9-10 | Memphis, Tenn. |
| Management Plan Skills Assessment - MPSAXM | May 11-12 | Kansas City, Mo. |
| ARM Certification Exam - ARMEXM | May 13 | Denver, Colo. |
| CPM Certification Exam - CPMEXM | May 13 | Tampa, Fla. |
| CPM Certification Exam - CPMEXM | May 13 | Kansas City, Mo. |
| Ethics for the Real Estate Manager - ETH800 | May 16 | Las Vegas |
| Investment Real Estate | Financing and Valuation - Part 3 - ASM605 | May 16 | Addison, Texas |
| Investment Real Estate | Financing and Valuation - Part 3 - ASM605 | May 16-17 | Orange, Calif. |
| Investment Real Estate | Financing and Valuation - Part 1 - ASM603 | May 16-17 | Glendale, Calif. |

<p>| JUNE | Ethics for the Real Estate Manager - ETH800 | June 3 | Houston |
| Ethics for the Real Estate Manager - ETH800 | June 6 | Wichita, Kan. |
| Investment Real Estate | Financing and Valuation - Part 1 - ASM603 | June 6-7 | Kirkland, Wash. |
| Investment Real Estate | Financing and Valuation - Part 1 - ASM603 | June 6-7 | New York |
| Investment Real Estate | Financing and Valuation - Part 1 - ASM603 | June 6-7 | San Francisco |
| Managing the Physical Asset - MNT402 | June 6-7 | Rockville, Md. |</p>
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<td>CPM Certification Exam - CPMEXM</td>
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<tr>
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For the most up-to-date course listings, please visit [www.irem.org/education](http://www.irem.org/education).

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Anchorage | ANCHORAGE BATTLES DROP IN OIL PRICES

“2016 is going to be an interesting year with our oil and gas markets cutting back. Because the oil and gas sector is such a driving force for business here, you see the pinch of slowing investments, development and construction, which directly impacts the professional and business services. On the other hand, our healthcare industry continues to grow, and our tourism industry remains strong. There seem to be some darker days ahead, but our economy is much more diverse than the 1980s, which will allow us to navigate through these times much more smoothly.”

SHAWN CANGE, CPM, CO-OWNER AND BROKER | CANGE CHAMBERS COMMERCIAL PROPERTY MANAGEMENT, ANCHORAGE

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<thead>
<tr>
<th>Sector</th>
<th>Q4 2014 Asking Rent</th>
<th>Q4 2015 Asking Rent</th>
<th>% Change</th>
<th>Vacancy Rate</th>
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<tbody>
<tr>
<td>Apartment</td>
<td>$1,122</td>
<td>$1,125</td>
<td>0.2%</td>
<td>1.7%</td>
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<tr>
<td>Office</td>
<td>$25.85</td>
<td>$26.00</td>
<td>0.6%</td>
<td>10.8%</td>
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<tr>
<td>Retail</td>
<td>$19.77</td>
<td>$19.86</td>
<td>0.5%</td>
<td>8.1%</td>
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</table>

Source: Reis Inc.

Seattle | SEATTLE SEES SURGE IN NEW APARTMENTS

“The Seattle/Puget Sound region remains one of the strongest in the nation. Seattle was recently rated the number 5 city in the county for foreign commercial real estate investment—up from number 8 the previous year. The apartment sector has continued to see new construction. In 2015, 11,600 new units were added within the region, which is the highest level since 1991. An additional 41,500 units are expected to be added over the next five years. Job growth will boost the region’s population and help to absorb the new apartment inventory. Apartment construction is expected to have a short-term impact on vacancy, as vacancy rates are expected to rise gradually from the current level of 3.5 percent to almost 6 percent by the end of 2017.”

GREG ANDERSON, CPM, PRESIDENT | ALLIED RESIDENTIAL, RENTON, WASH.

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<tr>
<th>Sector</th>
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<tbody>
<tr>
<td>Apartment</td>
<td>$1,272</td>
<td>$1,374</td>
<td>8.0%</td>
<td>5.3%</td>
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<tr>
<td>Office</td>
<td>$31.31</td>
<td>$33.76</td>
<td>7.6%</td>
<td>12.5%</td>
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<tr>
<td>Retail</td>
<td>$23.61</td>
<td>$24.15</td>
<td>2.3%</td>
<td>7.1%</td>
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</tbody>
</table>

Source: Reis Inc.

Portland | OFFICE RENTS RISING IN PORTLAND

“We have very little development in the Portland market since the downturn. There were two buildings delivered downtown and one in the suburbs since 2007. So, the amount of product that is out there has dwindled pretty significantly in the last 18 months. The concessions have really started to back off as far as free rent and improvements. However, landlords are still willing to give free rent and TIs in trade for a higher face rate, and rents have increased significantly across the board in all classes.”

JOHN MEDA, SENIOR VICE PRESIDENT | COLLIERS INTERNATIONAL, PORTLAND

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<tr>
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<tbody>
<tr>
<td>Apartment</td>
<td>$974</td>
<td>$1,049</td>
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<td>Office</td>
<td>$22.32</td>
<td>$22.96</td>
<td>2.9%</td>
<td>12.1%</td>
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<tr>
<td>Retail</td>
<td>$20.66</td>
<td>$21.18</td>
<td>2.5%</td>
<td>8.3%</td>
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</tbody>
</table>

Source: Reis Inc.

San Francisco | SIGNS OF SLOWDOWN IN SAN FRANCISCO?

“In 2015, San Francisco saw office buildings reach record heights in occupancy, rental rates and investment values. Job growth has been a big driver for the office market. San Francisco added 21,000 new jobs, while Silicon Valley added almost 50,000 jobs in 2015. However, the overall vacancy rate for Class A and Class B office space in San Francisco rose eighty basis points in the fourth quarter. Since 2014, the amount of sublease space on the market has jumped more than 50 percent, and the expectation is that this trend will continue in 2016.”

DAVID FORD, CPM, SENIOR VICE PRESIDENT | TRANSWESTERN, SAN FRANCISCO

<table>
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<tr>
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<tr>
<td>Apartment</td>
<td>$2,312</td>
<td>$2,556</td>
<td>10.5%</td>
<td>4.1%</td>
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<td>Office</td>
<td>$46.83</td>
<td>$49.50</td>
<td>5.7%</td>
<td>10.3%</td>
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<tr>
<td>Retail</td>
<td>$34.71</td>
<td>$35.54</td>
<td>2.4%</td>
<td>3.1%</td>
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Source: Reis Inc.
The Easy Decision

Contractor Connection: The right partner to get you back in business when disaster strikes


These are the things you need to help quickly restore daily operations and return to normalcy after a loss. From fires to floods and everything in between, Contractor Connection has the deep experience and the resources to handle damages from minor losses to highly complex events. We are your total property solution, providing streamlined service to get any building operational and back in business.

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