FOLLOW THE LEADER

A 4-STAGE STRATEGY FOR SUCCESSION PLANNING page 16
Firms have to hire not just to fill an immediate need, but actually as part of a long-term succession plan. That means having a possible career path laid out for those in your charge.
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The Institute of Real Estate Management (IREM) is dedicated to supporting real estate management strategies that advance an environmentally sustainable and economically prosperous future.

Institute of Real Estate Management Sustainability Statement

The Institute of Real Estate Management is committed to sustainability in all its operations and activities. We recognize the importance of protecting the environment and promoting responsible business practices. Our sustainability efforts include:

- Reducing our carbon footprint by implementing energy-efficient practices and using renewable energy sources.
- Encouraging our members, vendors, and staff to adopt sustainable business practices.
- Promoting awareness of environmental issues and encouraging our members to contribute to the fight against climate change.

Institute of Real Estate Management Diversity Statement

The Institute of Real Estate Management (IREM) practices diversity. We are an inclusive organization that embraces and values differences and welcomes individuals of all races, genders, creeds, ages, sexual orientations, gender identities, and national origins. Our mission is to foster an inclusive environment that promotes equal opportunity and equality of opportunity for all.

In our commitment to diversity, we:

- Oppose all forms of discrimination, including racial, gender, sexual orientation, gender identity, age, religion, and disability.
- Promote diversity in our programs, events, and publications.
- Encourage our members, vendors, and staff to participate in diversity initiatives.

We believe that diversity strengthens our organization and enhances our ability to provide valuable services to our members and the real estate industry.

We are proud to support the efforts of organizations that promote diversity and inclusion, such as the National Association for the Advancement of Colored People (NAACP), the Human Rights Campaign (HRC), and the National Association of Real Estate Editors (NAAREE).

We recognize that diversity and inclusion are ongoing processes that require continuous improvement. We are committed to developing and implementing strategies to address the needs of diverse populations and to creating a more inclusive and equitable organization.

Institute of Real Estate Management, 430 N. Michigan Ave., Chicago, IL 60611. Printed in U.S.A.
PRESIDENT'S LETTER

It's a new year, and with that comes new outlooks, new beginnings and, for me, a new role as IREM's 2018 President. I am honored to hold this position, and I welcome the prospect of serving you. While I've met many of you already, there may be a handful I haven't had the pleasure of encountering yet. I look forward to learning more about what you value and how IREM can help you on your professional journey. You can find some of my thoughts about our association and the areas I want to focus on in my tenure on p.26 of this issue.

I'll have plenty of help in these endeavors, not the least of which will be from the members of the IREM Executive Committee—this dynamic team of business professionals is featured on p.30. Each member is a formidable leader in his or her own right; together, we'll work to accomplish the many important goals set for IREM in 2018.

The Executive Committee is a natural source for IREM's next group of officers, to continue the good work of the Institute. Like any smart organization, having capable employees at the ready, prepared to take the reins when the time comes, is crucial in maintaining a steady momentum in business. It's no wonder then that succession planning comes up frequently in industry discussions. On p.16, executive coach Michael Beck breaks the process of turning successors into leaders into four stages, taking them from workers to owners, laying a foundation for them and then building upon it.

We already have a solid foundation at IREM, and we will continue to build on that and evolve. I hope you share my enthusiasm about the initiatives IREM will be taking on in 2018, and I encourage you to join us in moving IREM into new and exciting directions.
RESULTS FROM THE 2017 STAPLES® WORKPLACE SURVEY CONCLUDED THAT 43% of employees say the ability to work remotely is a must-have, yet only 38% of employers allow it.

2017 U.S. MEDICAL OFFICE BUILDING RATE IS 8% — THAT IS 5% LESS THAN THE U.S. OFFICE MARKET RATE OVERALL

ANDREA CROSS, AMERICAS HEAD OF OFFICE RESEARCH, CBRE, AMO, FROM UTAH BUSINESS MAGAZINE

The steep increase in the 65+ population and anticipated greater need for in-office physician services by [the aging population] signals a continued increase in demand for healthcare services & medical office space in the years ahead.

7 TIPS TO IMPROVE YOUR PROPERTY MANAGEMENT EXPENSES & FINANCIALS

01 Establish a spend management program
02 Choose just one accounting process
03 Anticipate expenses and income
04 Be sure to budget for the year-round changes
05 Utilize and share data
06 Create uniform spending processes
07 Take accounting digital

Property Management Insider, Blackwell
**DOWN & DIRTY TOP 5 WAYS TO PROTECT YOUR ROOF**

By Eric Skoog

Minimize the chance of liability exposure and property damage by doing the following:

**GUTTERS/DOWNSPOUTS**—Clean out gutters and downspouts to remove leaves, debris and balls—keeps water from backing up under the roof.

In areas with freeze-thaw cycles, placing electric tape along the eaves can minimize and/or eliminate the ice dam effect.

**VALLEYS**—Where two slopes meet. Make sure valleys are cleared of debris, so water isn’t blocked and redirected horizontally across the roof surface.

**PENETRATIONS**—Vents, skylights, chimneys, etc. Penetrations need to be checked at least annually and periodically resealed to ensure watertightness.

**PARAPETS**—Walls that rise above a roof. Parapets may crack or otherwise permit water entry.

Parapets must be checked and cracks or other evidence of deterioration addressed.

**AGE**—Budget for roof repairs and replacement.

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**Highest/Lowest Net Operating Income Conventional Apartments**

(median dollars per square foot of rentable area)

<table>
<thead>
<tr>
<th>METRO</th>
<th>NOI</th>
<th>SAMPLE SIZE</th>
<th>METRO</th>
<th>NOI</th>
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<td>San Diego</td>
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<td>Santa Barbara, Calif.</td>
<td>18.89</td>
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<tr>
<td>Wichita, Kan.</td>
<td>3.61</td>
<td>34</td>
<td>Oakland, Calif.</td>
<td>20.87</td>
<td>25</td>
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<tr>
<td>Detroit</td>
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<td>18</td>
<td>San Francisco</td>
<td>21.89</td>
<td>20</td>
</tr>
<tr>
<td>S. Bend/Ft Wayne, Ind.</td>
<td>4.00</td>
<td>15</td>
<td>San Jose, Calif.</td>
<td>23.53</td>
<td>31</td>
</tr>
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</table>

NOI = Net Operating Income for Garden Conventional Apartments

Data from the 2017 Income/Expense Analysis: Conventional Apartments

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**Double the Ouch**

Following the October 2017 historical Northern California wine country fires, both Sonoma and Napa counties and/or city government budgets may get ‘burned’ next. Tax revenue into county and city coffers will be reduced due to several thousand property owners seeking property tax relief on structural/improvement values—which theoretically could be valued at zero after checking the box for ‘calamity’.

RICHARD LEE, CPM, LEED AP
CUSHMAN & WAKEFIELD, AMO, SAN FRANCISCO

ABOUT ERIC SKOOG Eric Skoog is president of SUNVEK Roofing, an Arizona-based company specializing in commercial roofing, maintenance and repair.

www.sunvekroofing.com
Two critical issues facing the real estate industry are retaining talent and managing change. They are not always two separate and distinct problems. The American Psychological Association (APA) Well-Being Survey shows that workers who reported being affected by organizational change currently, or within the past year, are more than three times as likely to say they intend to seek employment outside the organization within the next year (46 percent vs. 15 percent) compared with those with no recent or anticipated change.

The stress, fear and negativity affecting employees during a change initiative is also a leading cause of change initiative failure. A number of studies suggest that between 50 to 70 percent of all change initiatives fail to achieve their intended results. One might think the primary reason for failure is that initiating the change was a bad idea in the first place—but not necessarily so. For example, a large company like General Electric (GE) has discovered that 100 percent of all changes evaluated as "successful" had a good technical solution or approach, and more than 98 percent of all changes evaluated as "unsuccessful" also had a good technical solution or approach.

So, what did GE find was the difference between "successful" and "unsuccessful" change initiatives? Their conclusion was that the cultural strategy—the process of building acceptance and buy-in from the people required to implement the change—is just as important as the technical strategy of the change itself.

Successful change management is all about the people who have to make it work. The following is an excerpt from IREM's new white paper, entitled Retaining Talent During Change, outlining five strategies that make for successful change initiatives while retaining your best talent.

in for an initiative. To the extent possible, this should also include “What's in it for them.” Without some type of reward, there is little motivation to support change. While less work and more money can certainly be an employee motivator, it doesn’t need to be that. It may just be that the calls to action make employees feel they are part of something important. People respond to changes that appeal to their hearts as well as their minds. An emotional connection to the change initiative can make a major difference in its acceptance.

2 INVOLVING ALL LEVELS OF THE ORGANIZATION

The extent that midlevel and frontline people can make or break an initiative should never be underestimated. Making change work is easier if the people affected by the change are given an opportunity to provide input prior to rolling out the change. Midlevel and frontline employees tend to be more knowledgeable about the technical and logistical issues involved with the change—and how problems can be avoided. They probably also have a better sense of how clients, tenants/residents, and/or vendors may react to the change. Early engagement in the change process can reduce resistance from the stakeholders.

Managers often overlook including these levels because they think that involving fewer people in the planning will make the process more efficient. But taking the time, upfront, to involve all the stakeholders will pay off in the long run. It can help create a better technical strategy for the change and improve employee engagement and buy-in.

3 UNDERSTANDING THE IMPACT OF CHANGE ON THE EMPLOYEES

Helping employees through change requires understanding their emotions and

Involving all levels and encouraging feedback on the change initiative

should help you identify what’s working and what’s not.
When leaders communicate effectively, explaining the rationale behind the change, employees are more likely to support the change—and make it work.

5 Communicating Effectively

All of the strategies mentioned so far need to include an element of communication to work. It should come as no surprise then, that communicating effectively is perhaps the most important strategy of all in retaining talent during times of change. The basic strategy is simple: Communicate early and often. Even if there is nothing new to report, communicate that. Silence can be intimidating, and it allows the imagination to wander (and rumors to develop).

Research shows that poor communication is the top reason that organizational changes fail. When leaders communicate effectively, explaining the rationale behind the change, employees are more likely to support the change—and make it work.

Your communication strategy should include both top-down and bottom-up mechanisms. Letting employees provide feedback about the change is just as important as telling them about what's happening. Two-way communication is critical.

Remember, most employees prefer in-person, face-to-face communication, regardless of their generation. But that doesn’t mean you shouldn’t use other communication outlets. Not everyone is the same, so don’t be afraid to overcommunicate through multiple in-person and digital channels. There is nothing wrong with employing social media, YouTube or other mobile channels in your communication stream—as long as digital media isn’t your sole source for delivering your message. You may need to modify both the message and the delivery system to meet the needs of a diverse workforce.

Finally, make sure any communication is timely, straightforward, true and consistent. Loss of trust in the organization is a primary reason people leave their jobs. You don’t want people to think you are hiding something or being misleading in what you are telling them. If at all possible, also try to be upbeat and positive in the message you are providing.

A successful change initiative needs more than just a good idea. Many great ideas have died as a result of poor implementation. And the greatest cause of these deaths is ignoring the psychological and cultural needs of the very people the organization needs to make any change work—their employees.
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- outdoorlink
- Peach State Roofing
- PSR
- Preparis
- QuadReal
- REALPAGE
- RESTORATION AFFILIATES
- SERVPRO®
- WLS
- XFINITY Communities
- zentility

[Logos of various companies and organizations]
Sustainability Leadership Is Often About Getting Started

By Todd Feist

Often when people point to a sustainability leader, they talk about iconic buildings—and the Empire State Building in Manhattan, the Merchandise Mart in Chicago, the Transamerica Pyramid in San Francisco and the Adobe Headquarters in San Jose are just a few examples that are often included in case studies.

These buildings are all marvels of architecture and engineering, and we should celebrate them. But it can be hard for most property managers to identify with the exceptional. The incredible sustainability achievements of these properties arose from committed owners, tenants who demand green space, and abundant resources, both in terms of personnel and money. This is not to diminish their accomplishments and the challenges they faced along the way. But most property management teams find these case studies hard to identify with because they seem so far out of the realm of possibility.

There are lessons to be learned from the journey these properties took to their achievements, of course. But when a team or company is just getting started with sustainability or energy management, even when they recognize the growing demand among owners and tenants, the potential cost savings and the opportunity to be a good corporate citizen, they may find these examples off-putting, the journey too arduous.

Sustainability leadership is not necessarily about matching the accolades these properties have earned. Taking the first, foundational steps toward better management of resources is a worthy undertaking and can be a significant change for many organizations. It’s all about context and the steps an organization has already taken.

Let’s take a look at some of the initial steps toward establishing a successful sustainability program. The success of those iconic buildings is certainly possible—but in order to begin pursuing those achievements, laying a good foundation is critical.

IREM has resources to take these foundational steps and demonstrate sustainability leadership for your organization. The IREM Certified Sustainable Property certification includes guidance on benchmarking in ENERGY STAR® Portfolio Manager®, policy templates, self-assessments and a framework for improving resource efficiency. IREM also has a suite of online energy management courses that focus on accessing utility data, benchmarking and understanding the value enhancement potential in a good sustainability program. Visit www.irem.org to access these resources.
FIRST STEPS TO SUSTAINABILITY

BENCHMARK, BENCHMARK, BENCHMARK
Begin tracking energy, water and waste in EPA's ENERGY STAR® Portfolio Manager®, a free, user-friendly online tool.

SELF-ASSESSMENTS
Examine existing programs, possible improvements and the resources available to make those improvements, through optimal use of vendors, utility incentives and nonprofits that provide assistance.

POLICIES AND PLANS
Lay out the commitment to sustainability, staff responsible for tasks, actions already taken, a five-year plan for improvement and any anticipated challenges.

LOW-HANGING FRUIT
The foundational steps outlined above, operational improvements, small retrofits with quick paybacks, and even the proper training for a management team can lead to significant returns and initial victories that lead to larger projects.
hiring & retention:
THE WISDOM OF THE CPM  
By John Salustri

The collective and collected wisdom of the professionals who make up the membership of IREM is pretty impressive. My years interviewing CPMs for various IREM content areas (this space included) has underscored what 2018 IREM President J. Benjamin McGrew calls, elsewhere in this issue, "the think tank and base of knowledge represented by both membership and the Executive Committee."

Nowhere is that CPM thought leadership more in evidence than in the hiring and long-term retention of new talent. As they have revealed to us, that is a complex and highly nuanced affair, far beyond simply posting an ad on Indeed or LinkedIn. And that's a particular concern today. The war for talent is almost a cliché, but it is so because it is here, it is fierce and it is ongoing.
HIRING FOR THE LONG HAUL

As Christopher Lee of CEL & Associates said in a recent interview, firms have to hire not from a position of weakness but a position of strength, and not just to fill an immediate need but actually as part of a long-term succession plan. That means having a possible career path laid out for those in your charge, naturally, based on the talents of the individuals in question.

Jeff Lapin, CPM, vice president of property management at Coastal Partners, LLC, AMO, in Rocklin, Calif., is in full agreement about the complexity of the hiring process, calling that part of his job a real trick to pull off properly.

"Those of us who hire and train people understand that the labor element of any business is the most difficult to manage and get right," he said, adding that it is also the most expensive, next to a firm's real estate costs.

If a person's performance is not up to expectations, "we must ask if we did our job correctly," he said, "meaning did we do a proper screening, did we check the person out and hire under a probationary period to ensure they were who they said they were? Did we communicate properly who we are and what we expect? Did we give them proper and ongoing training?"

The answers to those questions resonate of course through the entire operation, and they inform such critical issues as morale.

"You want people to feel good about coming to work each day," said Saul Gumede, CPM, Group CEO of Dijalo Property Group in Johannesburg, South Africa. This is especially true if a new hire does not measure up and the talk turns to termination. Be open and honest with those who are left behind, said Gumede. "By being fair to the other employees, you are being fair to the company, and in doing so, you add value. Otherwise, you are likely to lose good staff, because those people are highly marketable."

It was generally agreed among everyone we talked with that, of all the critical issues a senior property manager faces—including hiring, ensuring ongoing profitability, staying ahead of competition, quality control and consistency of service—hiring and retention are at the top of the list.

For example, if Nick Schwendeman, CPM Emeritus, and SVP of asset management for The Webb Companies in Lexington, Ky., had to choose one of those issues as his biggest professional concern, he would pick: "The continued retirement of baby boomers and the new generation in the workforce." This is especially true, he noted, with a new generation that is "savier in terms of technology. We have tenants that are seeking to downsize as they adapt to those who either work from home, share office space or use technology to reduce the need for a brick-and-mortar presence." The imperative is there for the provider of the space to understand the needs of that growing cohort. Like speaks to like.

Ingo Kraus, CPM, regional manager of Altman Management Co. Inc., AMO, in Fort Washington, Pa., agrees that hiring and retention is the highest priority. It is no less than a matter of survival.

"We have to hire and retain the best talent," he said. "We are not a nonprofit, so we have to be profitable. We have to stay ahead of our competition to remain relevant to our community and be the best at what we do. We cannot rest on our laurels but have to provide quality, consistent service. That is what keeps food on our respective tables and allows us to be a service to the great group of friends and neighbors who we also call our tenants." It is the staff he hires, and the training the firm provides, that makes that connection, that relationship, between his team and the firm's tenants viable, positive and forward-looking.

It is not surprising, then, that in the above-mentioned list of important priorities, Kraus says the first in the list is also first in his priorities.

"Property management is a people business," he says, "so I am never going to hesitate to rank hiring and maintaining talent at the top. That is critical. Everything else happens after hiring a quality, talented staff."

CARVING CAREER PATHS

As Chris Lee indicated, a critical part of the training that goes into the long-term retention of new hires obviously has to do with career paths. Increasingly, however, that career path might include a move into asset management, also a key issue for IREM...
in 2017, and one that is destined to get more attention this year. (For insights on how 2018 IREM President J. Benjamin McGrew views the asset management issue, and how it will inform his presidency, please go to page 26.) At the very least, as IREM partner Dustin Read, Ph.D/JD, indicated in his book, *Acquisitions & Dispositions: The Role of The Real Estate Asset Manager*, there is a growing connection between the two disciplines.

"No matter the nature of the organization," he wrote, "be it REIT, private equity fund or whatever, a culture of collaboration has to be developed from senior management and then communicated to the teams. A failure to do so results in a siloed internal structure and a disconnect that disrespects ownership’s investment vision." Importantly, Read also moderated a session at the 2017 Global Summit on the very issue of property managers ascending to asset management positions.

But that was not the only treatment of career paths at the Summit. It was a topic underscored by two CPMs at the Industry Leaders panel there.

"Companies have to develop a strong value proposition to attract good talent," said Cindy Clare, CPM, chief operating officer at Bell Partners Inc., in Greensboro, N.C. (She was also the 2017 NAA board chair.) Potential employees are looking for companies that "offer employees an opportunity to provide meaningful service, have defined career paths and have a reputation for valuing their people."

Robin Webb, CPM, CCIM, managing director and principal of NAI Realvest in Orlando, Fla., and 2017 president of CCIM Institute, stressed that hiring and developing employees was critical for future success because "what you put into employees will determine how they will help grow your company."

Clearly, the war for talent is on, and how managers respond to the challenge will determine who wins. But just as clear, as the thought leadership on hiring and retention reveals, CPMs who hire carefully and with long-term plans for those on board are well-armed for the battle.
ENSURING TOMORROW
The Four Stages of Successor Development
by Michael Beck
The property management industry is in a state of flux—changing with the use of remote workers, new technologies and increased competition—but all things considered, the biggest challenge facing the industry is the fact that baby boomer owners are beginning to retire.

ESTIMATES ARE THAT somewhere between 54% and 63% of all property managers will be retiring over the NEXT 10 YEARS.

The shifting real estate landscape coupled with the pending wave of ownership transfers spells trouble for the industry if successors are poorly prepared to take the reins of a company.

Studies show that 70 percent of successions fail. But if successors are effectively developed through the following four development stages, growth and profitability are maximized, employee turnover and customer loss are minimized, and owners get paid the full value of their business.

Stage One: WORKER/CONTRIBUTOR
This is the stage where successors learn the basics of the business, gaining knowledge of what’s involved in managing a property and how to interact with tenants and owners. In essence, they are getting good at getting the work done. Competencies in this stage involve acquiring technical and industry knowledge, along with improving technical skills.

Stage Two: MANAGER
This is the stage where successors learn how to get work done through others—overseeing multiple properties and managing resources. Although they may still be doing some of the work themselves, their main tasks are to provide guidance to others and to drive production, productivity and quality. Improvement in this stage comes from things like project management training, general management training and hands-on experience.

Stage Three: LEADER/EXECUTIVE
This is the stage where successors learn to lead rather than manage. It’s the point where people skills become more important than technical skills and industry knowledge, and an entirely new set of competencies comes to the forefront. In order to be effective leaders, successors must improve their communication skills and learn the art of influencing others to get buy-in for their plans and ideas. They must learn to foster teamwork and collaboration along with the ability to resolve conflict in a constructive manner. Additionally, strong leaders appreciate the need to develop others and master that ability. Finally, successors begin to enhance their executive presence by projecting mature self-confidence, taking control of difficult situations and projecting the ability to make tough decisions. A leader with good executive presence is better able to instill confidence, build trust and earn respect.

Improvement in this stage does not come from training. Becoming a better leader cannot simply be done by reading books. It requires breaking old habits and forming new ones. It requires revealing blind spots and limiting beliefs. And it requires a deeper understanding of human nature. These competencies are best honed through coaching and mentoring, both of which take time.
Stage Four: C-SUITE/OWNER

This is the stage where successors learn how to lead a property management organization—where seeing the bigger picture becomes their job. In order to do this, they must hone their strategic thinking and move beyond simply developing tactics to cultivating directions for the company that address fundamental problems or capitalize on opportunities. It requires sound judgment in order to make good decisions. Successors at this stage must be able to develop a vision for the organization and have the ability to gain buy-in for that vision. They must have awareness both of the organization and the real estate industry as a whole, looking beyond the confines of the company. The final piece in this stage is for successors to develop an owner mindset. Up to this point in their careers, most successors have only ever been employees. The reality is that owners see things differently than employees.

In order for successors to shift from an employee mindset to an owner mindset, they need to change their perspective from short- to long-term thinking; from self- to organizational-focus; from internal to external focus; and from narrow/ silo thinking to big-picture thinking. Improvement in this stage is developed over time and occurs through coaching and mentoring.

STRATEGIES FOR SUCCESSFUL DEVELOPMENT

Let’s assume the successor has successfully mastered the first two stages of development. In other words, they’ve gained a strong knowledge of the technical aspects of the industry and have gained experience managing projects.

COACHING

In order to master the second two stages, a successor must then be coached and mentored. If you take on this task, you must adopt a coach-like style of leadership—meaning, ask questions (rather than give answers) that 1) give you insights into the other person; and 2) allow you to give the other person new insights. The only way to know what questions to ask in order to give a successor those new insights is to first discover where their thinking, judgment and/or perspective is incorrect. That’s what the first set of questions accomplishes.

This coaching will help the successor develop the necessary leadership competencies, strengthen their executive presence and improve their ability to think strategically.

MENTORING

You must also mentor the successor. This is done by allowing them to make increasingly difficult decisions. Only by guiding their thinking can a successor’s judgment be honed. Start with allowing them to make decisions that aren’t critical. In other words, a misstep won’t harm the company. As their judgment and thinking improves, have them participate in decisions that have greater impact.

And finally, share the mistakes you’ve made in the past and the lessons learned over the years. Many times, the lessons learned are not self-evident.

THE BOTTOM LINE

In order for successors to effectively lead an organization into the future, they need to transition from contributors to managers to leaders, and ultimately to owners. It is essential that development does not stop at mastering the mechanics of the business.

Michael Beck (mbeck@michaelbeck.com) is an executive coach, business strategist and author based in Portland, Ore.
Engaging Asset Managers & Property Managers to Maximize the Value of Innovation Districts
By Dustin Read, PhD, JD and Andrew R. Sanderford, PhD

Many organizations, large and small, are now interested in occupying space in dynamic mixed-use settings that are specifically designed to promote collaboration and the exchange of ideas among those who live, work and play onsite. Real estate developers are responding to the demand by producing so-called innovation districts intended to provide such an environment. And while the characteristics of these projects and the public-private partnerships frequently formed to bring them to fruition have received a significant amount of attention in trade literature, relatively little has been written about operational issues and oversight. Thus, there is a need to consider the roles real estate asset managers and property managers play in generating investment strategies that involve this unique real estate product type. By examining the ways these real estate professionals can...
potentially encourage innovation and knowledge diffusion at the property level, this article compliments existing studies that focus on city-scale benefits that often emerge from the agglomeration of highly-skilled people and technology-driven enterprises.

USING PROGRAMMING TO PROMOTE COLLABORATION
An emerging body of research suggests real estate developments including a combination of attractive common areas, compelling retail amenities and shared-use research and development facilities can bring together highly-skilled people from different organizations. In some instances, informal interactions among these individuals may lead to tacit knowledge exchange and relationship building that accommodates future collaboration. Innovation district developers tout the possibility of these outcomes as a fundamental part of the value proposition. However, individuals familiar with this type of development are often quick to point out that formalized programming is simultaneously necessary to achieve such ends. For example, it is not uncommon for the management team of an innovation district to sponsor CEO roundtables, new product showcases, training programs and structured networking events that are all designed to foster community building among a targeted group of professionals and the organizations for whom they work. Asset managers and property managers are therefore left to assess how and when they should participate in the delivery of such programming to enhance the tenant experience. Making these decisions requires a strong understanding of the organizations represented onsite and the industries in which they compete.

ENGAGING THE BROADER BUSINESS COMMUNITY
Asset managers and property managers must also use the resources at their disposal to build awareness of the aforementioned programming in the broader business community. This is important because innovation districts tend to be most successful when they are recognized as a hub of entrepreneurial activity and creativity throughout a city or region at large and serve as a point of connectivity for people working on and offsite. By effectively using programming to lure external parties to a real estate project, asset managers and property managers can help create durable competitive advantage and a brand identity for a property that differentiates it from its peers in the marketplace. The end result may be higher rents and lower vacancy stemming from widespread market recognition of the property’s positive attributes among a subset of prospective tenants that it is particularly well-positioned to serve. Building such a reputation takes a substantial amount of time, and it can only be accomplished when the members of the real estate management team demonstrate a commitment to an innovation-oriented business plan.

OPTIMIZING THE TENANT MIX AND INCREASING INNOVATION CAPACITY
Creating, maintaining and nurturing a synergistic tenant mix is another challenge that can be particularly pronounced in the context of innovation districts. These projects are often home to a combination of multinational corporations, start-ups, universities, nonprofit organizations, small business incubators and accelerators, government agencies and capital providers who can all contribute to the commercialization of new ideas in different ways. The propensity for these parties to work together may, however, be predicated in large part on shared values, an awareness of common interests and the existence of a sense of trust serving as a foundation for collaborative endeavors. Asset managers and property managers cannot control all of these variables, but they can act as infor-
Common area improvements must not only cater to prevailing tenant demands, but also encourage the employees of these organizations to interact.

MAKING COMPLEX CAPITAL BUDGETING DECISIONS

Asset managers and property managers must additionally make difficult capital budgeting decisions to ensure the physical features of an innovation district help maximize the value of the diverse tenant mix. Common area improvements must not only cater to prevailing tenant demands, but also encourage the employees of these organizations to interact. Furthermore, reinvestments must continually be made in a project to provide public spaces and amenities that are interesting or useful enough to bring outsiders in and connect them to the onsite workforce. The complexity of these decisions requires asset managers and property managers to have an intimate understanding of how internal and external parties currently engage with the built environment, while remaining mindful of how behaviors may change over time in response to emerging market trends and disruptive technologies, among other things. This is by no means an easy task in light of the dynamic nature of the organizations that innovation districts typically serve and the rapidly evolving preferences of the highly-skilled individuals they tend to employ.

MEASURING COLLABORATION AND ENTREPRENEURSHIP

A final way in which asset managers and property managers can add value to innovation districts is by developing substantive measures of any collaboration and entrepreneurial activity taking place onsite. As an increasing number of real estate projects are marketed as innovation districts, prospective tenants are likely to become more leery of the benefits associated with locating in such environments and more demanding of evidence that they are in fact different from traditional office parks. It may therefore prove necessary for management teams to be able to provide information about patents or venture capital funding obtained by entrepreneurial firms already operating in the project, new business startups and innovative joint venture partnerships, just to name a few examples. By routinely collecting information about these types of activities, members of the real estate management team may be better equipped to convey the value proposition of an innovation district to companies considering it as a home.

Dr. Read is also the author of Acquisitions & Dispositions: The Role of the Real Estate Asset Manager, available at irembooks.org

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This seventeenth edition of *Principles of Real Estate Management* highlights the current changes within today's economy and their impact on real estate management, including online marketing techniques through social media and other outlets, the impact of sustainability, as well as sound maintenance techniques to keep any property primed for occupancy. Along with covering the foundations of real estate and economics, this edition also features more in-depth information on marketing and branding with additional images and graphics throughout.

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By Tamela Coval

You may think I’m impulsive, but I want a new $1,000 Apple iPhone. “It’s more expensive and you don’t need it but you want it!” I justify irrational consideration of this price by reminding myself that my iPhone is the gadget I use most. I depend on it, as much as I’d like to deny that fact. So if I’m going to spend a small fortune on it, yet enjoy that experience just a little bit more, that cost is worth it to me.

If that’s my thought process, my phone just became a tech “Snobmodity,” a trend where a brand turns its products into luxury items. Technology products and systems companies most definitely understand that. Consumers look to broadcast their social and economic standing through the products they purchase. So why not follow that logic about the places where they live?

Enter the topic of technology and multifamily. Innovative technology swirls around us, oftentimes producing a murky view of the “simple” act of caring and collecting payment for the use of space for an agreed-upon period of time. A love-hate technology relationship is becoming a “must-do” rather than a “wait-and-see.” As uncomfortable as traditional multifamily owners and managers may be in considering tech in their operational strategies, consumers are all about technology. They are forcing us to change the way we do business.

Let’s look at six things that were simply words on an industry PowerPoint a short year ago, yet today are included in most every aspect of apartment development and operation.

01 A.I. (ARTIFICIAL INTELLIGENCE)
The robot valet sitting on the kitchen counter has the skills to be the assistant we’ve always dreamed of yelling at. Depending on A.I. to accurately “light me up, keep me cool, lock the door or play that song,” is what Amazon’s “Alexa” is all about. Pre-Alexa and Echo, Amazon’s “Dash Replenishment Services” ushered in the no-brainer shopping experience. One click repurchases an already trusted brand. No wallet needed. No driving to retrieve it. That new box of goodies arrives like magic, just without the “poof.”

While this isn’t the total vision of the Smart Home, communication with connected devices is the first step in customer expectations, and this leads us to item number two.

02 INTELLIGENT THINGS OR IOT (INTERNET OF THINGS)
The Internet of Things is expected to comprise 30 billion connected devices by 2020. One of science’s most exciting areas of focus is on nanosensors embedded in the human body. It won’t be too far in the future where we’ll no longer have...
to carry keys or credit cards—or Apple watches for that matter.

Our “chip” will contain all of our info. “Will I be able to pay rent with my chip?” may be a question apartment operators will be faced with sooner than we expect.

Are multifamily developers and operators prepared for providing the army of IoT power to the discriminating consumer who will increasingly demand it? And if those builders and owners do factor IoT connectivity into their offerings, are property operators being provided the budget and tech resources to manage and maintain the products and their platforms?

03 DIGITAL EVERYTHING

Digitalized things are assisting in making economic decisions.

Revenue Management tools track vacant/on-notice apartment availability to optimize pricing and revenue yield.

Inspection and Asset Management software merges due diligence with budgeting and preventative maintenance.

Procurement and Inventory Management Solutions link Compliance and Purchase Power with informed budgeting and asset management.

Is your company prepared for the digital innovation revolution, or do you really only have a company social media feed?

04 CUSTOMERX

Renovating the Customer Experience is a digital priority: CustomerX innovation is the next frontier, and half of all consumer goods are likely to be directed toward improving the customer experience. Marketing and Resident Services tools are where the tech rubber meets the road, because that’s where customers meet us first. Selecting the “just right” responsive website and SEO combination will drive traffic to your property by helping prospective residents find the right apartment home. Potential residents will also look for leasing and resident portals that provide easy 1, 2, 3 Transactional Services, from document e-signing and storage, to maintenance repair/request communication, to package arrival and delivery.

05 AUTOMATED COMMERCEX

2018 looks to be the year that shoppers will increasingly hand over every element of researching, reviewing, customizing, comparing, purchasing and receiving products and services to the entity known as A-Commerce—where “A” stands for “Automated.”

E-commerce is the conducting of commercial transactions electronically, on the internet. Most of us have that one down both personally and in business. If you’ve made an online purchase from your desk or laptop, you have used e-commerce.

M-commerce is e-commerce on mobile phones. The M-word we’ve heard that we must be prepared for (more than “millennial”) is mobile-mobile-mobile. Again, we’re comfortable with this in our personal life. Anyone who’s used Uber or ordered movie tickets through Fandango grasps this concept.

A-commerce is where sophisticated data algorithms paired with your A.I. “order-bot” (another nod to Alexa or Siri) generates personal preferences automatically including price-checks, review-sorting and the “one click to buy” option. Again, we’re familiar with this aspect in our personal lives. BookBub knows my reading preferences and suggests new authors I’ll enjoy, just as Shazzaam steers new music artists my way based on the music I like.

06 CYBERSECURITY

Hackers are becoming increasingly sophisticated in how they commit identity theft. The evolution of the intelligent digital mesh and digital technology platforms and application architectures means that security has to become fluid and adaptive. Security in the IoT environment is particularly challenging. Security teams need to work with enterprise architects to consider security early in the design of applications or IoT solutions. Multilayered security and user and entity behavior analytics will become a requirement for virtually every enterprise. Technology empowers small companies to act really big and big companies to become personal and act really, really small. The next layers of innovation involve the intersection of very advanced specialties where narrow-casting is a far improved strategy over broadcasting. The same tired company standard policy message and verbiage that you’ve never changed and have been sending out (on your evolving letterhead) over the years no longer works.

Customers will not hesitate to tune you out and turn you down if you aren’t meeting their tech needs. Technology enhances both operational and consumer experiences. If you are scared about the tech revolution, learn to collaborate with the smartest, most efficient people you can find to help you meet that challenge. The changes in technology are only going to come faster, and if you don’t adapt to it, your competition will.
“We Need to Look & Sound Like Where We Want to Be.”
Getting to know IREM's 2018 President,

J. Benjamin McGrew, CPM, CCIM

Have a chat with IREM's 2018 president, J. Benjamin McGrew, CPM, CCIM, and you'll hear a lot about member connectivity. Connectivity with other members, with leadership and with other professional development opportunities. As IREM embarks on its 85th anniversary, you'll be hearing about it a lot more, as McGrew guides IREM through its rebranding efforts. Or as McGrew himself likes to say, "We need to look and sound like where we want to be."

The president and majority shareholder of FiduciaryWest in Reno, Nev. takes the president's chair at an interesting time in the Institute's history. The year 2017 saw not only the appointment of a new CEO, Denise Froemming, CAE, MBA, CPA, but it also marked the beginning of a major rebranding of IREM in the form of a new strategic plan and a refining of its focus for the coming years. That strategy also reflects an interesting time in the evolution of property management, a time marked by a new generation of potential members and new career choices. McGrew's presidency will be a time of nurturing the changes planted in that rebranding while still embracing the needs of more established members.

McGrew sat down with JPM® to talk about the coming year, what he hopes to accomplish and what 2018 will mean to membership.
JPM: How would you characterize your management style—which is really another way of asking what membership can look forward to this year?

Ben McGrew: Today, there exists within the Institute a symbiotic and cohesive decision-making process. It’s a collaborative approach, and it’s right in my style. And it will continue after 2018, as President-Elect Don Wilkerson and Secretary/Treasurer Cheryl Gray take their turns. They know they’re here for a reason, and we want their voices.

I always say that I never volunteered for any of the positions I’ve held. I just never said no. But more important is that we as a team realized that if we were to be successful over the long term, we’d have to buy into each other’s concepts once we studied and vetted them and saw the path they would take us on. The result is a more homogenous whole. I fully intend to take advantage of the massive think tank that exists in our Executive Committee and membership.

I would classify the leadership of the Executive Committee as very fluid and able to react to the needs of our membership in real time. This is going to be particularly important as we engage in our strategic plan and rebranding.

JPM: Let’s talk about that plan. How will the new program move IREM forward during your term as president?

McGrew: The rebranding is taking a lot of human and financial capital. Christopher Lee [president of consultancy, CEL & Associates] predicted three years ago that more than half of our existing membership will retire in the next 10 years, and millennials (and younger) will be replacing us. IREM’s future leaders will come from that younger group. The rebranding essentially was birthed in that reality.

But, of course, it has to be said that there are many members, myself included, who are in their 50s and later who still have important contributions to make. We need to connect with both groups—and to forge a strong connectivity between the two. This is one major way the rebranding will inform my presidency.

For instance, this year there will be a member under the age of 35 on the Executive Committee, one of 20 people who help shape the future of IREM. We’ve also established a Young Professionals Task Force to beef up the programs designed to recognize and attract young professionals in real estate management. I think that’s very cool. We need to walk the walk. We need to look and sound like where we want to be.

JPM: What other initiatives do you want to advance in 2018?

McGrew: In terms of finances, reserves, stability and the ability to pass stringent annual audits, IREM is rock solid. Now a key issue is U.S. CPM growth. Of some 20,000 members, we have roughly 7,500 CPMs in the U.S. That’s something that both Denise and I are focused on full force. Of course, that’ll take time, because becoming a CPM has a long gestation period. There are coursework, exam and experience requirements, and it’s a lengthy process. But it definitely is measurable, and we’ll move that needle. And because of the collaboration I mentioned earlier, the next two presidents, Don and Cheryl, as well as the full Executive Committee and IREM staff partners, have already bought into this initiative. It’s very exciting.
JPM: IREM has been focusing more on asset management, and it seems that the ability of property managers to move into asset management is becoming a viable option. Do you think that door is opening wider?

McGrew: This is very timely. It’s probably the No. 1 request in terms of education that our members have for us. In fact, I was at an IREM Asset Symposium in San Francisco recently, with more than 300 people, and in other trips I’ve made, one of the first questions I’ve gotten is about the connection between asset and property management.

And we have to thank Craig Cardwell for illuminating this for us almost three years ago. Craig, who’s based in Memphis, Tenn., is a CPM and long-standing member of IREM, and he has been the champion of asset management as a greater IREM focus. In large part because of his efforts, and the recognition by both membership and the Executive Committee, it is a growing part of our collective consciousness. There is already substantial movement on this, and this will continue in 2018.

JPM: Why now? What is it about the market or the industry that has changed to make the connection between property and asset management more viable than it was a few years ago?

McGrew: Some of our markets are starting to see a bit of contraction in terms of rent growth, deal flow and fees. As a result, people start doing more with less. Some professionals are being asked to take on more asset management roles, with long-range planning, acquisitions and dispositions in addition to the operational aspects of their jobs.

JPM: Well, much like those property managers, over the next year, you’re going to have two full-time jobs. How will you cope?

McGrew: It’s not just a matter of doing more and more. As you get more involved in senior leadership, they interview you, your family, your partners and your company associates. They did mine about four years ago. They came to my house, I introduced them to lawyers and judges I’ve worked with and certainly my staff. They’re the ones who are going to see you come in on Friday from a chapter meeting in the Midwest and pack again to go to Tokyo on Monday. And in between you have to keep the home fires burning.

Through my experience, I learned a long time ago the importance of a core staff and technology, and I rely on both in any way I can. That’s how you do well and make it successful. As I said at my inaugural, no one gets to where they are alone. I didn’t get to this position alone, and we’re going to go through it together. We support each other. That’s frankly one of the joys of being associated with IREM. As I’ve said, it is all about connectivity.
PRESENTING THE

DREAM TEAM

During his term as IREM President, Ben McGrew, CPM, CCIM, will be supported by a team of dedicated real estate pros who will assist him in executing initiatives to move IREM toward achieving its goals. These include engaging and empowering the next generation of real estate professionals, differentiating and repositioning the IREM brand, and reinforcing IREM’s position as a resource for and about the field of asset management.

2018 IREM EXECUTIVE COMMITTEE ALL-STARS
Seated, left to right:
>> DEBBIE A. SANTANO, CPM
Brandywine Realty Trust
McLean, Va.
>> ANNE C. LEMON, CPM, ARM
Kessinger/Hunter & Co.
Kansas City, Mo.
>> DONALD B. WILKERSON, CPM
Gaston & Wilkerson Management Group, AMO
Reno, Nev.
>> J. BENJAMIN MCGREW, CPM
FiduciaryWest
Reno, Nev.
>> CHERYL A. GRAY, CPM
QuadReal Property Group
Toronto
>> GEORGE D. GRIFFIN, CPM
Houston Housing Authority, AMO
Houston
>> MICHAEL T. LANNING, CPM
Cushman & Wakefield Inc., AMO
Kansas City, Mo.
>> LORI A. TILLIS, CPM
Ohio Capital Corporation for Housing
Columbus, Ohio

Standing, left to right:
>> JAMES L. HELSEL, CPM
Helsel, Incorporated, Realtors
Camp Hill, Pa.
>> CHIP WATTS, CPM
Watts Realty Co. Inc., AMO
Birmingham, Ala.
>> BRANDEN J. BARKER, CPM
Barker Real Estate & Management Services
Baton Rouge, La.
>> ANNE-MARIE N. NIKLAUS, CPM, ARM
Balfour Beatty Communities, AMO
Malvern, Pa.
>> MICHAEL C. BROWN, CPM, ARM
Camden Property Trust, AMO
Mission Viejo, Calif.
>> RENEE M. SAVAGE, CPM
Capital Growth Properties Inc., AMO
La Jolla, Calif.
>> GREGORY A. CICHY, CPM
Colliers International, AMO
Washington, DC
>> JAMES A. EVANS, CPM
Bruce G. Pollock & Associates Inc.
Grand Blanc, Mich.

>> DEE E. HEADLEY, CPM
Cushman & Wakefield Inc., AMO
Indianapolis
>> MEL E. SCHULTZ, CPM
New Concepts Management Group, Inc.
St Louis Park, Minn.

Not Pictured:
>> CLARK F. LINDSTROM, CPM
The Peterson Companies
Wichita, Kan.

PLAY A LARGER PART IN HELPING IREM REACH ITS 2018 GOALS. Visit www.irem.org/about-irem/volunteering to find out about leadership and volunteer opportunities within the association.
HOW DOES FREEMAN WEBB DELIVER SERVICE AND VALUE?
Freeman Webb Company delivers service and value by empowering and recognizing the importance of our many talented employees. Despite our solid growth, we pride ourselves on maintaining that sense of family and community that was the foundation on which Freeman Webb was built. Our very first employee still works for our company today and the average tenure of our employees is more than twice the industry average. We understand that everything we accomplish depends on our team. That is why we encourage them to increase their knowledge and skills through pursuit of professional designations, continuing education and in-house training. Additionally, we have developed incentive structures to recognize their value and reward their contributions to the firm’s success.

WHAT INITIATIVES IMPLEMENTED AT FREEMAN WEBB ARE YOU MOST PROUD OF?
During the recent period of booming multifamily construction in Nashville, Freeman Webb Company has doubled down on our real estate management to optimize performance of our 15,000-unit portfolio, while continuing to be a leader in managing low-income properties and renovating more than 3,000 units to offer first class amenities and finishes at more affordable price points. An initiative that we are proud of is our employee bonus structure, which aligns our employees’ interests with the property owners. The bonus plan further incentivizes and rewards strong performance of all onsite employees, allowing them to share in the value that their work creates.

While we pride ourselves on our support of our company’s employees and our business industry at large, we take the greatest measure of satisfaction in knowing that we have provided substantial support to Nashville and its citizens as a whole. We have undertaken various initiatives aimed at addressing our community’s affordable housing issues with an effort to provide housing across all income classes. We have been active in How’s Nashville, a program to provide discounted rates and more lenient qualifying standards to house homeless individuals through the Nashville Homeless Commission. Additionally, we have introduced Apartment Angel, a non-profit that prevents the eviction of apartment residents by providing interest-free loans for one month’s rent, to the Nashville market. We’ve also worked closely with Rooftops, a partnership among congregations to provide emergency rental assistance.

HOW HAS YOUR INVOLVEMENT WITH IREM HELPED YOUR COMPANY?
The professionalism and expertise that our 17 ARMs, seven CPMs and current IREM designee candidates have acquired through Institute classes have been a key component of our success. The IREM education has been especially beneficial for our CPMs, as the knowledge gained through their training has enabled them to successfully plan for and meet challenges presented in our current market cycle. Additionally, IREM has been a crucial part of our growth as a firm. Our clients know IREM designations are recognized as the standard for professional compe-
tence, integrity and innovation in the multifamily industry. Over the course of our 39 years in business, we have had two property managers selected for IREM’s prestigious ARM of the Year award. This remarkable achievement is impressive to the clients we serve, helps when soliciting new business and attracts top talent to work for us.

WHAT MAKES YOU PROUD TO WIN THE 2017 REME AWARD FOR AMO OF THE YEAR?
We are most proud to win the 2017 REME Award for AMO of the Year because of the quality and integrity of our competitors, as well as prior recipients. Achieving the AMO designation is a tremendous accomplishment, as we believe that AMO Firms are truly elite organizations that set the standards for excellence in property and asset management. Therefore, we consider the REME Award for AMO of the Year to be the Super Bowl trophy of the real estate industry. We are thrilled to win this award and will continue to strive for excellence.

WHAT ARE THE GOALS OF FREEMAN WEBB MOVING FORWARD?
Freeman Webb’s goals remain focused on maximizing the value of our clients’ assets, enriching our employees and their development, and serving our tenants and customers with integrity and excellence.

Freeman Webb Company is a regional company with a presence in three states outside of Tennessee including Alabama, Mississippi and Missouri. Our goal is to continue to expand our management business into new markets, increase our expanding Class A portfolio and continue to assist clients with successful lease-up at new construction or rehabbed properties. No matter how much we grow, Freeman Webb Company wants our employees to feel valued, our residents to feel appreciated and our clients to feel they can rely on us.
WHAT INITIATIVE(S) ARE YOU PROUD TO HAVE IMPLEMENTED OR BEEN A PART OF?
I am proud of being part of something bigger than myself. When I was asked to be a part of the Lieberman Mentor/Mentee program, I jumped at that chance. Having the opportunity to be a part of that program, as well as engaging in activities outside of the property management field (like being involved in charity work) certainly helped me become a better employee. And I couldn’t have done it without a wonderful support staff at Lieberman Management, AMO.

HOW HAS ACHIEVING THE ARM CERTIFICATION HELPED YOUR CAREER?
Earning my ARM certification gave me confidence in areas that I felt weak in. Education gives you confidence, and confidence gives you the ability to position yourself as an “expert” in the room. And then what you do with it is up to you. The ARM certification has helped me open doors with property management professionals, as it shows an increased level of commitment to the profession.

WHAT ADVICE WOULD YOU GIVE UP-AND-COMING PROFESSIONALS IN THE INDUSTRY?
Literally: Just do it. Get involved, volunteer for a committee (IREM and others), run for a board if you live in a condo/HOA environment. It only serves to make you a better person and professional. Once you get involved, you’ll find that it will open doors, and you’ll meet more like-minded people than you could imagine.

WHAT QUALITIES DO YOU THINK MAKE A SUCCESSFUL REAL ESTATE MANAGEMENT PROFESSIONAL?
An incredible amount of flexibility. While we all have calendars and to-do lists, each day rarely affords the ability to follow a predetermined schedule. I think Mike Tyson once said: “Everyone has a plan until they get punched in the face!” And while we don’t get physically punched, we certainly can get punched emotionally, so you just have to be flexible and move on to the next task at hand. You have to remember that, to us, it’s a business, but to our residents, it’s their home—and people can be emotional about where they live. Be flexible, don’t take things personally, and this industry can make you a better person.

Absorbing as much knowledge as you can take in will give you confidence when you are faced with issues you may never have thought about before. I never would have believed that I would ever need to know anything about elevator balancing, negative air pressure, the legal definition of a “residential condominium unit” or a whole host of other things. But now that I have that knowledge, I feel better about having a solid, professional conversation about many subjects. Go to the seminars, take classes, read industry papers—it will make your job easier.

WHAT ARE YOUR GOALS MOVING FORWARD?
My overall goal is to be the best executive that I can be, and add as much value to the company that I work with as possible. At this stage in my career, I am in more of an operations role, but my goal is to continue to move up the ladder, making tough decisions, creating dynamic teams and maximizing what I have in front of me. I’m grateful to have the support of my co-workers as I continue to push them to network and have a greater presence in the community.

My family relocated from Chicago to St. Petersburg, Fla. in mid-2017, and without my IREM connections, my career transition would have taken much longer than it did. Because of the people I had met through IREM, I was able to secure employment—for a job that was not even posted—by making a few calls, sending a few e-mails and flying down for an interview. This industry is all about people. The more connections you make, the better off you will be. You simply never know when you will need help with a vendor, a board member, a legal situation or even a job search.
HOW DO YOU BELIEVE YOU ARE ADVANCING THE INDUSTRY?
I am advancing the industry by serving it in any way I can. I serve as president of IREM Greater Denver Chapter, instruct classes, speak on leadership panels, and lobby in Washington, D.C. and the Colorado State Capitol representing the industry against potential onerous legislations. However, I mostly enjoy the chance to mentor and inspire young and up-and-coming property managers in the industry. There is no better feeling than when I contribute to the growth of a person. I have made it mandatory for our firm’s senior executives to receive their CPM designations. I also believe I have been instrumental in inspiring women to be catapulted to executive positions.

HOW HAS IREM, AND YOUR CPM DESIGNATION, PLAYED A ROLE IN YOUR CAREER AND PERSONAL LIFE?
The CPM designation has formalized and increased my knowledge and has given me additional credibility with clients and the real estate industry. I also utilize the skills and best practices that I learned through the CPM courses I’ve completed in the last several years. I believe this has contributed to achieving excellent results for our clients.

When I formed Mission Rock Residential five years ago, I made it my mission to finish earning my CPM designation, which enabled me to finally be the captain of my own ship as a partner and president of the company. I believe it has, in part, contributed to the fast growth of our company to approximately 24,000 units in five short years. I have also made some wonderful friends and great connections that I treasure.

HAS YOUR CPM DESIGNATION BEEN A WORTHWHILE INVESTMENT?
I firmly believe so. It has allowed me to distinguish myself as having the highest professional ethics and standards that are attainable in the multifamily industry. It also allows me to access all the tools and resources offered by IREM.

WHAT ADVICE WOULD YOU GIVE UP-AND-COMING PROFESSIONALS IN THE INDUSTRY?
Never forget that we have the honor of taking care of the most important aspect of peoples’ lives: their homes, which are their sanctuaries. I believe residents are willing to pay more in rent in exchange for quality and value of their living experience. And as a bonus, we make a positive difference in their lives. Property management is a wonderful industry with a lot of opportunities for growth. Many executives started at the property level, which allows for opportunity and the understanding of basic property administration. It helps greatly to learn the most you can about each position, so you have a well-rounded knowledge of the industry as a whole. Once you possess the knowledge, be confident in your abilities, speak your mind and be passionate about your decisions. Also, pay it forward as you ascend in the business by mentoring those who come behind you.

WHAT MAKES YOU PROUD TO WIN THE 2017 REME AWARD FOR CPM OF THE YEAR?
I was very proud to win this truly global award, as IREM is now in many other countries such as Japan, Brazil, China and Korea. It is an honor to be included among the group of prestigious CPMs who were nominees and finalists—and to be recognized by IREM to our team, partners, clients, family and the Industry.

I was also proud to represent all of the awesome people that work for Mission Rock Residential, as they inspire me to do my best every day, and I would not have been able to accomplish many of the things that enabled me to win this award without them.

WHAT ARE YOUR GOALS MOVING FORWARD?
I look forward to continuing to serve and be involved with IREM, NAA and CAA to further advance the industry and to be an inspiration, mentor and example to the CPMs of the future. Our goal for our company is to manage 37,500 units by 2020—and we are well on our way to accomplishing this goal. We do not aspire to be the biggest property management company, just the best.
Once a blighted tire retreading plant, the Ice House in Orange, Calif., now has a new life as a modern mixed-use space.

By Diana Mirel

After growing up in a suburb of Cleveland, architect Susan Secoy Jensen has always been drawn to industry and industrial design. That's likely why the Ice House, a rundown tire retreading facility in the industrial area of Orange, Calif., caught her eye. She looked beyond the dirt and grime—and saw an opportunity.

“I had been living in Newport Beach, but the grit of Orange’s industrial area intrigued me; it had flavor and soul,” said Secoy Jensen, owner of Secoy Architects Inc. “At that time, I was also looking for something that made sense to buy as a live-work opportunity.”

For about the same amount she would have spent on a two bedroom condo in Newport Beach, Secoy Jensen could purchase the rundown 19,000-square-foot Ice House and convert it into her unique vision. “You can imagine people’s reaction to a single woman taking on a tire retreading facility,” she said. “It seemed pretty risky, but I was determined to make it work.”
Today, the Ice House is a mixed-use property with offices, studios and residential loft space.

**AN INDUSTRIAL LIFE**
The Ice House was originally built in 1930 as a refrigeration facility adjacent to a packing house and the city’s main rail line. In the 1960s, the building was converted into a tire retreading plant.

When Secoy Jensen came across the property, it was in a state of disrepair. “It was filthy, and there were complaints about pollutants from the residential neighbors,” she said.

She purchased the property for land value only, with plans to clean up and convert the property into a modern live-work space. She secured a loan from the U.S. Small Business Administration (SBA) to renovate the space. The terms of the SBA loan required 51 percent of the facility be occupied for her own use, while 49 percent had to be leased out.

**AN EYE FOR OPPORTUNITY**
Despite the daunting task ahead of her, Secoy Jensen was brimming with ideas to redefine the Ice House.

“The building had great bones,” she said. “It had poured-in-place concrete that gave it a good texture, and the structure had great rhythm. I saw some natural light—and opportunities to capture some of that light if I added a few more penetrations. I saw an amazing site where I could create parking, which was important because parking in this part of Orange is a big problem. And, I saw an opportunity to develop tenant space, which is something I needed to do to generate business revenue [per the SBA loan terms].”

Within three years of building out the Ice House, she generated enough income to enable her to refinance with a less restrictive loan and better finance terms.
Upstairs, Secoy Jensen created a 3,200-square-foot residential loft where she and her husband currently live.

**MAKING IT WORK**
Getting the building to where it is today was not easy. One of the first steps was waterproofing the entire facility in order to utilize the interior. "It leaked everywhere," said Secoy Jensen.

Secoy Jensen started with a new roof, which also included designing custom-built skylights that played off the historic hammered glass throughout the facility. And she put in new doors and windows throughout the entire facility.

She also needed to address drainage issues to avoid flooding during heavy rains. The property had a sump pump, but when the power went out during a major storm, all of the water flowed into the building. She removed the sump pump and worked with a civil engineer who designed a natural swale to direct rainfall away from the building and back into the natural ecosystem.

She also worked with structural, mechanical and electrical engineers to replace the building's entire infrastructure, from the HVAC to the electric.

**CONVERTING THE SPACE**
Once the exterior and infrastructure issues were resolved, Secoy Jensen built out the loft and her first-floor office. From there, she continued to design and build out the 9,200-square-foot first floor for tenants.

The first floor office and studio spaces flow together, with tenants sharing a communal kitchen and restrooms. Today, the Ice House has a wide range of tenants, including an art studio, an industrial design firm and a graphic design office. "It's a creative group of tenants," Secoy Jensen said. "That was my vision for the property: our own little creative neighborhood."
Her vision also included bringing the hidden beauty of the building to the surface.

“There were two towers on the building, which were originally designed as water towers, that are a combination of concrete and metal with a natural patina on them. I had all the doors and windows custom-designed to match the patina on those towers,” she noted.

While the Ice House is a fully functioning mixed-use property today, Secoy Jensen is constantly working on the property. She completed building out the last portion of the downstairs last year. There is still about 1,000 square feet on the upper level that she can build out as a second living space.

MAKING AN IMPACT

While the architecture and design came naturally to Secoy Jensen, learning to manage the property was new territory. “That was something I didn’t learn in architecture school,” she said. “Learning to negotiate with tenants and [all of the other property management aspects] of the job were new.”

She learned quickly that working with the right people is key. While all tenant concerns, complaints and queries come directly to her, she works with a team of contractors—including a commercial gardener, a plumber, an engineer and others—to ensure that the Ice House runs smoothly and that she meets all of her tenants’ needs.

Through this project she has also learned about how she—and the Ice House—have influenced the community. The property has received numerous awards, and it has been featured on home tours in the area.

And when someone purchased a blighted property next door to the Ice House, the buyer hired Secoy Jensen to work on the design. “That building is now an office building with a mid-century modern design,” she said. “There has been this domino effect in the area.”

If Secoy Jensen balked at converting the Ice House, it likely would have been demolished, a prospect she’s often considered: “I always think of the movie, It’s a Wonderful Life, where you ask yourself, ‘What influence have I had?’ I think the work I have put into the Ice House and the love I have for it has inspired people.”

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.
According to a 2011 study from the University of Tennessee, each $1 million of new retail sales in traditional brick-and-mortar establishments creates 3.61 jobs.

Taxing Circumstances

By IREM Government Affairs Staff

Many consumers who purchase goods online believe they are exempt from a sales tax if the seller does not add it in with the purchase. However, under current law, online buyers are generally subject to an equivalent use tax in their home state even when the seller does not collect sales tax on a purchase. Although the majority of buyers are unaware of this obligation, and very few comply, consumers who live in states with a sales tax are legally obligated to report and pay sales or use tax on all purchases made online. Conversely, brick-and-mortar retailers are required by law to collect the tax on behalf of the state. This puts stores at a tremendous disadvantage because many online retailers are not obligated to collect sales tax, which leads consumers to believe they pay less for online goods.

In a few months, the United States Supreme Court will decide whether or not states have the authority to require online retailers with no physical presence within the state to collect sales tax. The Court will review South Dakota v. Wayfair Inc., Overstock.com Inc. and Newegg Inc. In 2016, South Dakota passed a law that requires out-of-state retailers to collect sales tax. However, since being signed into law, its legality has been challenged time and time again, working its way through the court system, until finally being struck down by the South Dakota Supreme Court. In September 2017, the South Dakota Supreme Court ruled against the state, deeming the law unconstitutional as it violates current precedent set in 1992 by Quill v. North Dakota.

In Quill, the U.S. Supreme Court determined that states cannot compel out-of-state retailers to collect their sales taxes if the retailer does not have any in-state physical presence, because the burden would be a violation of the Commerce Clause of the U.S. Constitution. Since Quill was decided, online sales have grown at an exponential rate. As a result, states are unable to collect taxes on a rapidly growing portion of transactions.

In 2015, another U.S. Supreme Court case, Direct Marketing Association v. Brohl, again brought attention to the matter of collecting online sales taxes. In the decision, Justice Kennedy wrote that “Quill now harms states to a degree far greater than could have been anticipated earlier,” in response to the case establishing that stores must have a physical presence in order to collect taxes, whereas online retailers are able to sell without collecting those taxes. Justice Kennedy went on to essentially ask for a case like South Dakota v. Wayfair, saying the “legal system should find an appropriate case for this court to reexamine Quill.”

In the case that the Supreme Court chooses to uphold the current precedent,
a legislative fix would still be possible. Since Congress has the power under the Commerce Clause to regulate interstate commerce, they can create a level playing field for local merchants without Supreme Court intervention. In fact, the Supreme Court stated in the Quill decision that the problem “is not only one that Congress may be better qualified to resolve, but also one that Congress has the ultimate power to resolve.”

IREM is currently involved in a coalition of industry stakeholders working toward a legislative solution to resolve this issue. IREM, along with our coalition partners, support the Marketplace Fairness Act of 2017 (S. 976) and the Remote Transactions Parity Act of 2017 (H.R. 2193), which would give states the authority to require out-of-state retailers to collect and remit sales tax, regardless of where they are physically located. If this legislation is passed and online retailers are required to collect and pay sales taxes, a major advantage will be removed, leaving the market more competitive.

Brick-and-mortar stores have a stronger impact on our economy than do internet retailers. According to a 2011 study from the University of Tennessee, each $1 million of new retail sales in traditional brick-and-mortar establishments creates 3.61 jobs. The same $1 million in new sales at Amazon is expected to create 0.88 jobs. One out of every 11 U.S. jobs is shopping center-related.

States that are currently experiencing massive budget deficits may increase other taxes and fees, like property taxes and/or income taxes, to make up the difference in lost sales tax revenue—in fact, it is already happening in some states. The reality is that states have massive deficits and unfunded mandates they cannot finance without finding additional revenue or cutting essential services. It only makes sense to collect a tax that is already due before instituting new taxes on everyone.

IREM’s position regarding Internet sales/use taxes:

IREM supports consistent state/local sales/use taxes for economically equivalent transactions in the state or locality in which the goods are delivered.

➤ State/local sales/use tax consequences should be consistent for economically equivalent transactions.

➤ IREM supports a level playing field for local in-store retailers and remote merchants (including Internet merchants).

➤ IREM believes that local and state governments should enforce existing taxes, rather than create new taxes.

➤ IREM firmly opposes any new programs that would impose taxes on the cost of such services, such as fees and other costs associated with the purchase and ownership of real estate.

IREM opposes federal sales tax on Internet purchases.

Federal legislation should not preempt state efforts to address their own sales and use tax issues. IREM believes the key issues associated with the Internet tax debate affect state and local government revenues. Accordingly, we believe state and local legislative action is appropriate, and we encourage state legislative action that would:

➤ Provide consistent sales tax consequences for economically equivalent transactions; and

➤ Simplify state/local processes for reporting and collection of sales/use taxes.

Therefore, we do not support federal legislation that—without the consent and participation of state governments—would preempt state efforts to address their own sales and use tax issues consistent with this position.
From Husband Nurseries to Robots: Innovative Amenities in Shanghai's Mammoth Retail Complexes

By Alan Leung, CPM

It is hard to take a trip to Shanghai these days without marveling at their expansive retail complexes. While the talk in the U.S. is that the shopping mall is dead, in Shanghai, as well as other major cities in Asia, the mall is alive and well and innovating to be more attuned to the needs of today's discerning population.

But what makes these complexes in Shanghai so popular? In China, a fast-paced economy has responded quickly to the desires of its consumers and developed shopping experiences as evolved as they are. These malls boast state-of-the-art technology that works in collaboration with the services provided by the new “shared economy.” From office space to childcare, Shanghai’s retail spaces not only answer the call of what the modern Shanghai generation wants, but predicts what they will need in the future.

In this article, Alan Yeung, CPM, takes a closer look at the innovations of the modern Shanghai retail complex and offers some insight into bringing those trends to other markets.

HUSBAND NURSERY

If you look around your local mall today, you are likely to see a crowd of bored hangers-on trailing after their spouses or partners as they happily shop or complete errands. If you’re looking to increase customer satisfaction, you can start with this population, who typically don’t like to shop, by providing entertainment for them. At the end of 2016, Vanke Mall in Qiboa, Shanghai, introduced a space where these disenchanted shoppers can escape the mall environment. Dubbed the “husband nursery,” these spaces are filled with couches, pool tables, videogames, massage chairs and Wi-Fi throughout all the common areas. These trendy amenities provide a service, allowing the non-shopper to relax or catch up on work. Creating an area like this can be relatively low-cost, especially with sponsor endorsement and pay-as-you go options, and already you have extended the time the primary shopper of the family spends in the mall, thus increasing sales for your retail clients.

BUT WHAT ABOUT THE KIDS?

Childcare services are becoming essential in China. The legacy of the one-child policy, though relaxed in 2013, has created generations of only-children, who lack extended families thanks to this wide-reaching government policy. As a result, the modern middle-class Chinese parent is spending more than ever on their one child and child services. Thus, retail spaces that don’t cater to the needs of young families risk losing out on a large portion of the market. Successful retail
complexes include an equipped family room, where parents can take their child for a break or to drop them off.

AND WHAT ABOUT THE PUPS?
There is no denying that Shanghai’s pet industry is booming. The National Bureau of Statistics of China stated that at the end of 2016, China is third in the world for dog ownership and second for cat ownership. Pet care and services is a big industry, as the population in big cities is outpacing U.S. urban consumers when it comes to pet products. Retail complexes are answering the call with pet-friendly spaces and pet product and service options.

"JUST WALK OUT" TECHNOLOGY
If you look at the data, more and more shoppers make their purchases online rather than in the store, and Shanghai’s love of e-commerce continues to rise. Part of the advantage of online shopping is avoiding the long lines at check out. You can encourage patrons of your retail property to shop in person by providing an option to “just walk out.” What could be easier than scanning the barcode on the product with your phone, and paying with a tap of your finger? This technology marries the ease of online shopping with the benefit of getting to see and touch the product before making a commitment to buy. Shoppers value convenience above all else during their retail experience, so the benefit of getting to see and touch the product with your phone, and paying with a tap of your finger? This technology marries the ease of online shopping with the benefit of getting to see and touch the product before making a commitment to buy. Shoppers value convenience above all else during their retail experience, so

Robots Rising
Hand in hand with “just walk out” technology, consumers crave more automation. As robotics advance further and further every day, it is easy to see the benefit of employing these helpful devices in your retail space. From providing customer service to maintenance and restocking, robots are all about efficiency in the modern world. JD.com, one of the largest e-commerce outlets in China, is developing a drone to deliver packages. This technology, unveiled at the Asia Consumer Technology Show in June 2017, would provide speedier service to more remote places at a lower cost.

KEEPING UP WITH THE TRENDS
These trends are big hits for malls in China, but changes don’t have to be so drastic to make a noticeable impact on your property. Providing facilities for easy car parking, well-equipped play areas for families, pet-friendly areas or more indoor greenery, are all small changes that can greatly enhance the retail experience. However, without a budget that can support the implementation of new amenities, it is impossible to keep up with these emerging trends. The good news is that amenity upgrades don’t have to break the bank. With skillful negotiation, new amenities can be provided without any cost to the property manager. Involving vendors, sponsors or even creating a new partnership can allow you to reimagine your retail space without causing a financial strain, and at times, these agreements can end up completely absorbing the costs.

Branding your new space is just as important as financing the new amenities you decide to employ. Remember to utilize your marketing team to create the image you want. Every improvement you make should have a direct return and enhance your competitive edge. Involving the tenant and shopper in the process can be a great help in guiding you on your way. Survey the feedback on your new shopping experience and use it to help you keep improving.

Malls may not be what they used to be, but they certainly aren’t a thing of the past. The modern retail experience is just getting started and the future is bright.
01 / Garmin Speak
Have you been using Alexa to automate tasks, ask questions and use as a hands-free assistant in your home? How would you like to take it on the road with you? Garmin is introducing Garmin Speak, a tiny device that sits on your car's windshield and connects you to the world of Alexa. Pair it with your phone and get voice guided directions, or use it as your road companion.
Price: $149
Available now at garmin.com

02 / Noon Smart Lighting kit
Converting all your home lighting to smart bulbs might sound straightforward but could be an expensive proposition if you need to convert anything but a one-bedroom apartment. Noon's Smart Lighting kit has you covered. Not only can one switch control all of the lighting needs in a room, the switch itself can do a plethora of things—automatically detect movement at night and provide low-level lighting so that you don't stumble in the dark; mimic your lighting habits when you are away from your home in vacation mode; or even take audio cues from Alexa to turn lights on and off. The starter kit includes one master switch and two extension switches.
Price: $399
Available now at noonhome.com

03 / Amazon Key In-Home Kit
If you thought Amazon wasn't omnipresent enough, they now would like you to pay them to enter your home. Amazon is now offering the option to have delivery drivers enter your premises to deliver packages not right to your outside door, but to the inside. The driver will be authorized to enter your property and drop off packages as you watch live via the Amazon Cloud Cam. In order for you to do this, you will need to set up the Amazon Key In-Home Kit, which comes with the Amazon Cloud Cam and a compatible smart lock. Trust issues aside, some may see the value in this service if they live in a high-theft area.
Price: $249
Available now (to Amazon Prime Members only) www.amazon.com

04 / Amazon FireTV (2017 edition)
Set top streaming boxes are a dime a dozen, from AppleTV to Roku to Amazon Firestick to dozens of cheap competitors. These boxes do the same thing—stream your favorite movies, TV shows and online content—yet their average price ranges from $49.99 to $199. Amazon's revision of FireTV is pushing the envelope. Not only is it offering 4K content and resolution, HDR and Dolby Atmos output, it has a faster processor, a smaller form factor and costs a fraction of the price of the next feature-rich competitor.
Price: $69
Available now at www.amazon.com
marketing materials that will prompt interested parties to send text messages to it. Within two minutes, Ethan will respond, asking questions, providing photos and scheduling tours, and—like a good assistant—following up to confirm the appointments. You’ll also be notified upon initial contact of the lead, in case you want to join the conversation live.

www.smartalto.com

07 / Rubbermaid Spill Mop™
Rather than consisting of the standard cotton strings that make up most mops, Spill Mop by Rubbermaid Commercial Products uses a pad made of highly absorbent material that quickly soaks up liquids, traps them inside and turns them into gel, so they—along with the pad—can be easily disposed of with minimal mess. The pads come in versions suitable for either standard or biohazardous environments, and the mop handle includes a quick release lever, which means you’ll all but eliminate potential contact with whatever nasty fluids you’re cleaning up.

www.rubbermaidcommercial.com

08 / Fred O’Clock
Some of us have become very reliant on our alarm clock snooze buttons; just four—all right, eight—no, twelve more minutes! Fred O’Clock doesn’t let you off the hook so easily. It doesn’t even have a snooze button. Instead, it wakes you up by jumpstarting your brain with an engaging retro-inspired game. Once your brain is awake, the theory goes, the rest of your body will follow, and you’ll be ready to face your day with a bit more time to spare.

Price: free, with option to purchase up to five more games
Available on: iPhone, iPad and iPod
IT IS WITH GREAT PLEASURE THAT WE ANNOUNCE THE 2018 BOARD OF DIRECTORS FOR THE IREM FOUNDATION.

Seated, left to right: Dawn Daffinee, CPM; Julie Scott, CPM - Vice President; Cher Zucker-Maltese, CPM; Karen Pharr, CPM; Regina Mullins, CPM; Vera McPherson, CPM, ARM; Jo Anne Corbitt, CPM; Gail Duke, CPM. Standing, left to right: Shawn Harvey, CPM; Christopher Mellen, CPM; James Evans, CPM; Dee Headley, CPM; Donald Wilkerson, CPM; Jo D. Miller; Deborah Westphal, CPM, ARM; Mary Wilken, CPM; Malcolm Bates, CPM; Ann Reisch, CPM; Clark Lindstrom, CPM - President; O. Randall Woodbury, CPM; Walter Crumpler, CPM; Frederick Prassas, CPM
Not pictured: Cheryl Gray, CPM and Robert Cuttle, CPM

The directors of the IREM Foundation serve as great ambassadors throughout the organization and the real estate management community, sharing the Foundation's accomplishments and securing the resources for the Foundation to continue its work.

We look forward to strengthening the symbiotic relationship between the Foundation and IREM while raising awareness of the Foundation's efforts.

The directors are proud of what has been accomplished to date and are thrilled to continue moving the Foundation's legacy forward.

We honor and thank the following directors, whose terms have expired, for their immense service on the board: Gail Duke, CPM; Don Wilkerson, CPM; Shawn Harvey, CPM; and Mary Butler. We're so grateful for everything they have done and everything they continue to do in support of the IREM Foundation.

"It's an honor, privilege and blessing to be serving with these new and continuing IREM Foundation Board members. Their time and talents will further the IREM Foundation's mission to enrich the education opportunities of IREM Members and increase real estate management industry knowledge. The IREM Foundation doesn't just fund IREM scholarships and grants while promoting diversity, it also funds results and changes IREM Members' lives. We will strive to keep your IREM Foundation member-driven, chapter-supported and nationally focused with a global vision for the future."

—Clark Lindstrom, CPM, President, IREM Foundation

Kimberly Holmes (khomes@irem.org) is Manager of the IREM Foundation at IREM Headquarters in Chicago.
2017
IN MEMORIAM

Mr. James E. Butler, CPM Emeritus
Mr. Michael Cousins, CPM Emeritus
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Mr. Peter C. Read, CPM Emeritus
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Mr. Edward G. Ball, CPM Emeritus
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What Would You Do?

By Liz Walker, CPM

If you have been a property manager for any length of time, you will no doubt have come to realize that not all managers are IREM Members, and not all adhere to our ethical standards. As IREM Members, we are our industry’s leaders in professional ethics and our Code of Professional Ethics helps guide us in doing so.

DILEMMA 1

At a local chamber mixer, you strike up a conversation with another property manager. When you tell him you are a CPM, he says that he is one, too.

“Oh, great,” you reply. “What chapter are you affiliated with?”

“None,” he says. My designation expired a few years ago, but I still use the title. I mean, I earned it, right?”

Interestingly, Article 13 of the Code (which states that we each have a responsibility to provide IREM with factual information that another member may have violated this Code of Professional Ethics) does not apply here, since this person is not a member of IREM anymore and cannot be held accountable to its Code. But it is a potential trademark infringement because IREM owns the CPM, and only members who have earned the designation are permitted to use the marks. As ethical leaders in our industry, we must protect our brand and the standard that it sets by notifying IREM headquarters of any potential trademark infringements.

DILEMMA 2

A representative from a telephone service provider visits your office with brochures about their offerings. The representative tells you that she can provide you with a small “finder’s fee” for any of your tenants who sign up with their company rather than their competitor.

Article 7 states that IREM Members may not represent personal or business interests which are not the same as or which are in conflict with those of our client or employer. We are not to accept any rebate or other benefit that could be seen as a conflict. Recommending one third party provider over another for the sake of a monetary gain would be for our enrichment, and would not benefit the client or employer. The only way you can ethically do this is if your client or employer is first notified in writing of the activity, and consents to it in writing. However, even with this consent you could find yourself in violation of Article 12, which requires that you “competently manage the property of the client with due regard for the rights, responsibilities, and benefits of the tenants...” The best response to any offer of this kind is to politely decline.

IREM credentials and membership are the gold standard in real estate management, and we have a duty to our industry to maintain our ethical standards. When we uphold the reputation of our IREM affiliation, we become the de facto leaders in our field.

Liz Walker, CPM, (liz@reliablepropertymanagement.net) is a broker and owner of Reliable Property Management, Inc. in San Jose, Calif.
NEW CPM MEMBERS & AMO FIRMS

CPM MEMBERS

Mary Lou Yurkanin, CPM  
(received in June)

OCTOBER 2017

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NEW AMO FIRMS

Advance Realty Management Inc., AMO
Pennrose Management Company, AMO
CBRE, AMO, Expands its Asset Services REIT Practice Group with the Addition of Richard C. Moore II

CBRE, AMO, announced that Richard C. Moore II has been appointed to work with its REIT Practice Group for Asset Services in the Americas. The CBRE Asset Services REIT Practice Group, led by Executive Managing Director Drew Genova, is focused on creating advantage for the company’s REIT clients by providing innovative property management services and industry-leading technology solutions, and aligning the operational performance of their commercial properties with their broader investment objectives.

“In recent years, CBRE has analyzed the property management function within the REIT industry, and we are communicating the benefits of outsourcing property management and accounting services to REIT clients,” said Mary Jo Eaton, CPM, CBRE’s global president of asset services. “Rich is exactly the thought leader and voice within the REIT industry to help us share the many quantifiable financial advantages to our investor-focused clients.”

For the last 20 years, Mr. Moore has worked in REIT equity research for a variety of Wall Street firms and has gained a deep understanding of the real estate industry. Most recently, he was a managing director and senior securities analyst, advising global clients on strategic investment options based on industry trends, insights and in-depth analysis. He has presented at numerous industry conferences and has been quoted in publications such as The Wall Street Journal, Barron’s and Bloomberg Business.

Rich provides a unique set of knowledge and skills with his vast experience as an equity analyst which is truly unmatched in our industry,” said Mr. Genova. “We are excited to be working with him on this important initiative.”

FirstService Residential, AMO, Welcomes John Brea to Executive Leadership Team

FirstService Residential, AMO, has named John Brea as president of its North Region. Based out of Toronto, Brea will oversee operations and spearhead strategic growth opportunities for an intercontinental portfolio across the states of Illinois, Minnesota and Missouri, and Canadian provinces of Ontario, British Columbia and Alberta.

“John brings a track record of customer service excellence, leading change and an enthusiasm for associate development that exemplify the FirstService Residential culture,” said CEO Chuck Fallon.

As a versatile and accomplished leader who’s ready to roll up his sleeves, John is a perfect fit to strategically guide rapid expansion and service delivery in the region.”

Brea’s experience and depth of knowledge in property operations and management come from spending nearly 15 years in the retail sector. He has managed revenues of $2 billion and a $500 million operating budget in leadership roles with Walmart in Canada and Puerto Rico, and most recently served as head of operations at Kent Building Supplies in Atlantic Canada.

“FirstService Residential has a reputation for its commitment to enhancing the lives of our customers, dedication to customer service and expectation that every associate takes that extra step to truly enhance the quality of living for residents,” commented Brea. “I look forward to joining such a value-driven organization and collaborating with other members of the executive team to keep FirstService Residential at the forefront of our industry.”

IREM MEMBERS: Have you recently been promoted or changed jobs? Have you or your AMO received an award for a special achievement? Let us know about it!

Email the good news to JPM_Department@irem.org to be considered for publication in an upcoming issue.
JANUARY
1/12-1/14
Executive Committee Retreat
Location: Chicago
Visitor(s): All Officers

1/16-1/18
NMHC Conference
Location: Orlando, Fla.
Visitor(s): Brian Lozell, CPM

1/18
Southern Colorado Executive Committee Retreat
Chapter No. 53
Location: Colorado Springs, Colo.
Visitor(s): All Officers

FEBRUARY
2/5-2/6
ASAE CEO Symposium
Location: Scottsdale, Ariz.
Visitor(s): Denise Froemming, CAE, MBA, CPA
Don Wilkerson, CPM
Cheryl Gray, CPM

2/22
Tri-State Conference & Expo
Location: Atlantic City, N.J.
Visitor(s): TBD

2/20-2/22
Hawaii Chapter No. 34
Location: Honolulu, HI
Visitor(s): Ben McGrew, CPM, CCIM

2/26-3/2
IREM Officer Meeting
Location: Chicago
Visitor(s): All Officers

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Freeman Webb Company
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IREM Chapter 8
www.irem8.org
Chapter No. 53
1/18
Executive Committee Retreat
Location: Chicago
Visitor(s): All Officers

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“CustomerX innovation is the next frontier, and half of all consumer goods are likely to be directed toward improving the customer experience.”

You can imagine people’s reaction to a single woman taking on a tire retreading facility. It seemed pretty risky, but I was determined to make it work.

“We have to stay ahead of our competition to remain relevant to our community and be the best at what we do.”

Estimates are that somewhere between 54 & 63% of all property managers will be retiring over the next 10 years.
Congratulations! Patricia Hutchison CPM® of the Year

Patricia Hutchison established exceptional practices and initiatives that not only stand out in a field of her peers, but improves the quality of her work environment, client experiences, and communities at large.

The talent, ingenuity and, above all, passion demonstrated by Ms. Hutchison speaks volumes about the quality of real estate management professionals in the industry today.

Thank you for leading the IREM® Greater Denver Chapter to Excellence in 2017!

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Patricia Hutchison, CPM®
2017 IREM® Greater Denver Chapter President
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Freeman Webb Company

Has a nearly $2 billion portfolio valuation and over 450 employees that allow the firm to best serve investors, clients and residents.

Jimmy Webb and Bill Freeman of Freeman Webb Company accept the highly coveted IREM® REME Award for excellence in Real Estate Management.

Freeman Webb Company manages 15,000 units across four states and was among the first in Tennessee to receive the ACCREDITED MANAGEMENT ORGANIZATION® (AMO) designation for excellence in property and asset management.