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Journal of Property Management



2019 TAKES WING

WHAT'S IN STORE FOR PROPERTY MANAGEMENT

“

Entertainment and promotional events will continue to bring people to malls, shopping centers and retail streets, with creative ways to keep shoppers at the properties for longer periods of time.

”



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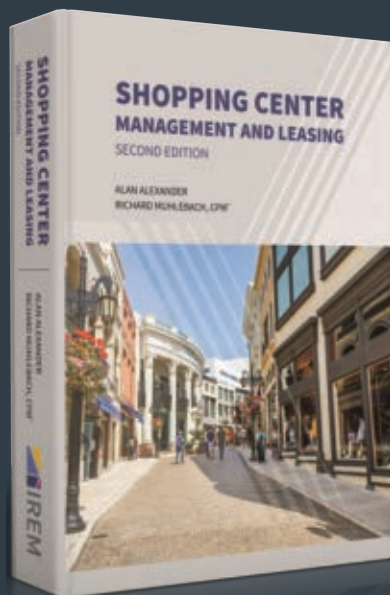
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PRESIDENT'S LETTER

It's the New Year! For me, that means buying a new calendar, cleaning out my email so I can start fresh, and making New Year's resolutions. But before doing that, it's worthwhile to reflect on all that the IREM community experienced over the past 12 months.

- As part of a major rebranding campaign, IREM embraced a new logo and a refreshed, contemporary image and committed itself to advancing the careers of “those who manage to make a difference.”
- Members who share a passion for the profession came together with other like-minded individuals at four regional meetings throughout the U.S., the Global Summit in Florida—which drew 834 attendees—and participation in IREM events in Japan and Canada.
- Indeed, expansion of the international program was a 2018 highlight, with 220 new CPM Members, our first IREM officer from outside the U.S. and the establishment of a new chapter in South Africa.
- Nary a week went without an opportunity for practitioners to accelerate their careers through online learning, thanks to the expansion of the live webinar program and launch of on-demand courses. Under the Accelerator brand, 36 live webinars drew more than 1,100 attendees, and 20 on-demand courses were available for 24/7 access by year-end.
- An education program targeted to entry-level practitioners in the commercial property sector had a successful launch. Not only did the industry newcomers who completed the program walk away with a storehouse of useful knowledge, they also fulfilled the education requirement for the ACoM certification and are postured for career growth.
- Published research and presentations on asset management in multiple venues reinforced IREM's position as a leading voice in this real estate management arena. Added to this was compelling, industry-centric content on a broad range of topics delivered through blog postings, IREM's weekly e-newsletter, media placements, and, of course, *Journal of Property Management*. And there's more valuable content coming out in 2019, starting with a new edition of *Shopping Center Management and Leasing*. See **P22** for a peek into this new publication.

➤ A major thrust last year—and continuing into 2019—was raising awareness of property management as a meaningful career choice, and IREM as a valued partner, among college students and young professionals. What this initiative looks like: a more expansive academic outreach program including HBCU schools, participation in the Communities of the World website tool with 25 other real estate-related associations, a Next Gen task force, recognition of 30 outstanding members under the age of 30, and graduation of the first class of AMO Next-Gen CPM Leaders. (To learn more about this program and see who was in that graduating class, turn to **P18**.)

➤ From a government relations perspective, 2018 was a truly exceptional year. In the midst of all that was happening in Washington, D.C., IREM conducted its first legislative briefing to draw attention to key public policy issues, expanded the Congressional in-district visit program, strengthened connections with HUD and Rural Housing, and joined in the celebration of the 50th anniversary of the Fair Housing Act. Those curious as to what might happen “inside the beltway” in 2019 should definitely go to **P28** for IREM's perspective on the mid-term elections.

In terms of what else 2019 has in store for us, I share the opinions of my colleagues interviewed for the article that begins on **P8**. Although we are facing a war for talent, disruptive technology and an economy that is giving us some angst, the property management industry is strong. I am optimistic that, with IREM leading the way, advocating for our interests and keeping us informed, we will not merely weather any storm that may arise—we will flourish in it.



WHAT'S IN A WORKSPACE—OR SHOULD BE

According to CEO John Kilroy of Kilroy Realty Corp., who recently spoke at the annual View From the Top conference in Beverly Hills, Calif., there are five equally important aspects to a workspace that make it one of high caliber for those who inhabit it:

1. Location
2. Well-designed environments
3. Experience and amenities
4. Sustainability
5. Technology

Having a quality office environment can be a valuable selling point when recruiting and keeping candidates, said Kilroy: “People want to work where they live. A great job isn’t enough anymore. People want a great life...it isn’t just about architecture. It is about people spaces.”

Source: *GlobeSt.com, Borland, Today, Office Needs a Disruptive Model*

PHOTO © ALESIA KAZANTCEVA

Looking Ahead:

From a Survey of the IREM Governing Council, Taken September 2018

THINKING ABOUT THE REAL ESTATE MARKET IN GENERAL—DO YOU THINK THAT SIX MONTHS FROM NOW BUSINESS CONDITIONS FOR PROPERTY MANAGEMENT WILL BE:

- | | | |
|--------------------------|---|-----|
| About the same | » | 58% |
| Better than they are now | » | 30% |
| Worse than they are now | » | 12% |

Being Green with Egyptian Blue

Is it possible that ancient Egyptians knew back then the practical powers of their color creation? Researchers from the U.S. Department of Energy’s Lawrence Berkeley National Laboratory in California have determined that the fluorescence of the pigment now known as Egyptian Blue, derived from calcium copper silicate and used frequently in ancient Egypt’s depictions of its gods and royalty, can be 10 times stronger than previously thought and can emit almost 100 percent as many photons as it absorbs. This reflective quality makes it a new color option for energy-efficient roof and wall cooling. It may also be possible to tint windows with the color and use it to produce solar energy.

Source: *Berkeley Lab News Center, Chao, Ancient Pigment Can Boost Energy Efficiency*

PHOTO © JOEL FILIPE

GIVE THEM AN OFFER TOO GOOD TO REFUSE

Of the residential renters surveyed for Buildium's 2018 Renters' Report who had already decided to move out, 55 percent said there was nothing to be done to change their minds. But there are seven incentives noted that 10 to 22 percent of respondents said might lure them back:

22% >>



FREE UTILITIES FOR A YEAR

A RECURRING DEAL ON RENT, SUCH AS \$50 OFF EACH MONTH FOR A YEAR

<< 14%

13% >>

A MORE FLEXIBLE LEASE, SUCH AS BEING ABLE TO MOVE OUT WITH 30 DAYS' NOTICE



HAVING THEIR ENTIRE UNIT REMODELED

<< 13%

12% >>

KEEPING THE RENT AT THE SAME RATE FOR ANOTHER YEAR



BEING ALLOWED TO HAVE A PET

<< 10%

10% >>

RECEIVING COSMETIC UPDATES TO THEIR UNIT (E.G. NEW CARPETING OR HARDWOOD FLOORS)

Source: Buildium, The 2018 Renters' Report

“The future is called ‘perhaps,’ which is the only possible thing to call the future.

And the important thing is not to allow that to scare you.”

—TENNESSEE WILLIAMS



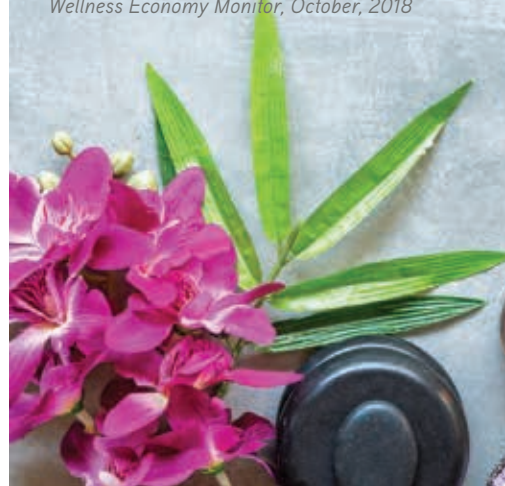
DASHBOARD

ALL WELLNESS AND GOOD

In its 2018 Global Wellness Economy Monitor report, the Global Wellness Institute has identified these emerging concepts as ones that will drive the progress of wellness lifestyle real estate and elevate the design of healthy living habitats to new heights:

- > Blurring the lines between home, work and leisure
- > Making healthy homes affordable
- > Bringing back multigenerational and diverse neighborhoods
- > Catalyzing medical industry clusters and health services to build wellness communities
- > Moving from green to regenerative living
- > Leveraging technologies to create smart-healthy homes and cities
- > Rediscovering hot springs as a wellness living anchor

Source: Global Wellness Institute, Global Wellness Economy Monitor, October, 2018





Getting Residents and Tenants to Unplug

By Todd Feist

ACCORDING TO THE U.S. DEPARTMENT OF ENERGY, plug and process loads (PPLs) account for about one-third of a typical building's energy use. A NASA study found that PPLs in high-efficiency buildings may account for more than half of their total energy consumption.

If you are trying to improve whole-building energy performance, those copiers, refrigerators and computers throughout the property remain a black hole of energy consumption—or, depending on your perspective, a new frontier that promises greater gains. You just have to get residents and tenants to unplug. Is this possible, and if so, what plug load management strategies work best?

ENGAGEMENT VS. TECHNOLOGY

Resident and tenant engagement has long been a facet of sustainability programs. As in most aspects of life and business, technology can also provide effective solutions. A research experiment put both strategies to the test.

The Institute for Market Transformation, the District of Columbia Sustainable Energy Utility, The Tower Companies and other partners worked with full-floor tenants in a D.C. office building. One floor focused on tenant engagement to encourage behavioral changes to reduce plug loads. Another floor employed Advanced Power Strips (APS), which power down equipment when not in use.

The study found that the tenant engagement strategies had no effect on energy consumption, according to data from submeters. The APS strategy—ultimately recommended as the best approach to reducing plug loads—resulted in a nine percent decrease in energy consumption.

ENERGY CHICKENS

Another strategy is gamification. A research team from Pennsylvania State University created a game called “Energy Chickens.” In this game, the health of animated chickens improves or declines depending on device-level energy consumption by



PHOTO © DOMENICO LOIA

office workers playing the game.

Average energy consumption declined by 13 percent for those study participants tending to their chickens. At the conclusion of the study, 69 percent indicated that the game helped them be more energy-conscious. A pilot is underway in an effort to commercialize Energy Chickens, but the research results indicate that gamification can be an effective tool in managing plug loads.

ENGAGEMENT TIPS

Aside from a novel approach like Energy Chickens, structure, personalization and persistence in resident or tenant engagement, along with energy-efficient equipment, have the best chance at success. ■

CONSIDER THESE TIPS TO HELP REDUCE PPL ENERGY CONSUMPTION:



Recommend and use efficient equipment and appliances, such as those with the ENERGY STAR® label.



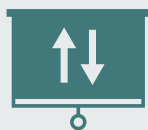
Provide information to residents or tenants about APS devices. Check with the local utility about the availability of incentives for APSs.



Think about your audience. Tenant companies may have different perspectives on energy efficiency according to industry, mission, customer base and other factors. Be aware of which tenant companies have sustainability initiatives. These companies may be more receptive to a plug load management program. Prioritize your engagement and tailor your messaging appropriately.



Select the right communication methods for the audience. Engagement methods including workshops, feedback sessions, email reminders, competitions, incentives and signage should be varied and deployed strategically.



Leverage existing resources. The IREM Certified Sustainable Property program includes templates and tools for resident and tenant engagement on energy and water efficiency, health and wellness, recycling and purchasing.



Determine if submetering by tenant spaces is possible. This will depend on space configurations, electrical infrastructure, cost and other aspects.



Plan your engagement program in advance so that you are persistent but not excessive in your messaging.



Share how management is doing its part by presenting information on the property's sustainability features and inviting residents or tenants to collaborate on your programs.



NEXT YEAR IS HERE

LOOKING TO 2019
... WITH CAUTIOUS OPTIMISM

By John Salustri

WHEN IT COMES TO THE ISSUES THAT PROPERTY MANAGERS FACE,

there's both a great diversity and unity of thought. There are issues that are unique to specific locales and those that are universal, as was made clear when we talked recently with a sampling of CPM Members from around the world about their outlooks for 2019.

The good news here is that, overall, the collective outlook is optimistic—even if sometimes it's optimism with an asterisk. Most concerns that arose seem less to do with current events, such as changes to the economic picture or legislative woes (although those were in there, too), than with the ever-advancing sophistication and maturation of the discipline.

In fact, the aging of the industry as we swing into 2019 was the most universal worry among those we interviewed. We'll do a deeper dive into that shortly. But first, some of the specific ideas that are shaping unique outlooks for the coming year:

"The property management industry as a whole is very strong," says Nancy San Pedro, CPM, who recently became an independent property consultant after years at Shapell Properties in Beverly Hills, Calif. "Unemployment is low, and if things in the market get frothy, property management becomes even more important to the owner."

San Pedro, who is president of the IREM Greater Los Angeles Chapter, does voice concern over the rising interest rate environment, one of those universal issues, and as a result, she says, "people are a little gun-shy about where things will go in the midterm."

LEGISLATION LOOMS LARGE

The other blip on her radar is more California-specific, namely, Proposition 10, which, if passed, would have repealed state restrictions on rent control policies.

Speaking before the November 6 election, when Prop 10 was on the California ballot, San Pedro told *JPM*: "There's so much anxiety as to how it will play out, both from the tenant and the landlord perspectives. We've been seeing landlords increasing rents significantly in advance of Prop 10, thinking that, if they're going to get locked into rates, they'll make them the best rates they can." That, she said at the time, has had a ripple effect from tenants and industry practitioners alike. Happily, she reported, IREM worked diligently in Sacramento, the state capital, "fighting to block its approval."



“

THERE IS A
LARGE CHANCE
THAT A LAW FOR
THE MANAGEMENT
OF RENTAL HOUSING
WILL BE PASSED
IN 2019.

—TERUO SUENAGA, CPM

”



“

AS OUR CLIENTELE AND OCCUPANTS BECOME MORE TECH SAVVY, IT'S OUR RESPONSIBILITY TO GET AHEAD OF THAT CURVE.

—SHARON HART-FANELLI, CPM, RPA

”

She was quick to explain however, that despite these potential glitches, she remained optimistic, “but cautious. We aren’t applying the brakes, just voicing a bit of concern.”

As it turned out, the measure was soundly defeated by the state’s voters, so there should be some relief to the anxiety now.

Teruo Suenaga, CPM, CEO of Amix Co., Ltd., AMO, in Tokyo, is also facing potential changes to the laws governing how properties perform. For Japanese property managers, this could ultimately be a good thing. “Japanese real estate prices peaked in 2017 and have trended downward,” he explains. “There is a large chance that a law for the management of rental housing will be passed in 2019.

“Seven years ago, the Japanese government created a registration system for rental housing managers with the goal of optimizing management,” he continues. “Currently, 4,000 management companies across Japan are registered, but this system is voluntary, so you can operate without registering. This year a management company that wasn’t part of the system went bankrupt, and this became a major issue. Now the government is considering legislating the system and requiring property management companies to register. As an industry, there’s support for requiring registration that would eliminate irresponsible managers.”

In terms of outlooks, this potential change could increase the prospects for managers in Japan...eventually. “If the rental housing law passes in 2019 and the management industry gains more recognition,” he says, “those of us in the industry would be incredibly happy. However, once the law is passed, it will be over a year until it goes into effect.”

SEXY IS AS SEXY DOES

To Nancy San Pedro, no area of real estate is sexier than property management, despite the headline-grabbing environments of other disciplines such as brokerage. “We touch on everything,” she says, **“finance, construction, leasing, development and, most important, future value.”**

When you see two buildings side by side and one is commanding 30 percent more rent, it comes down to the property management and the services they provide.

“We even have to practice psychology when it comes to our tenant relationships,” she continues.

“It’s a multifaceted industry that gets overlooked.” Nevertheless, it’s a great career that offers longevity and tons of ways to move up and over and find niches within the overall umbrella of property management.”

WORK WITH ENGINEERS TO BUILD ENERGY-EFFICIENT PROPERTIES FROM THE GROUND UP. TENANTS AND BIGGER INVESTMENT LANDLORDS WILL APPRECIATE THE EFFORT.



EAGLE-EYED

Back in this hemisphere, legislation is also on the mind of Sharon Hart-Fanelli, CPM, RPA, an account manager at Cushman & Wakefield, AMO, in Manhattan, for whom she oversees just north of two million square feet of assets for New York Life. Interestingly, the concern isn't over one or two specific local code changes as much as the need to keep constant watch over the legislative landscape for surprise changes.

"I'll give you a perfect example," says the president-elect of the IREM Greater New York Chapter. "Lighting is key to energy reduction. Years ago, most buildings just kept the lights on at all times because they didn't have staff to move through all the offices clicking off the lights. It was a huge energy drain."

Sensors came in and shortly after followed local building codes to dictate use of wattage per square foot. That example, she says, is indicative of a challenge that building managers always need to face, namely to stay on top of codes in the interest of their clients and occupants.

Cushman & Wakefield, she says, is "almost always ahead of the curve on that, particularly since we work with bigger investment landlords. But all property managers just have to be aware of potential changes."

While that's an ongoing challenge, Hart-Fanelli says that it's particularly critical now in an era when technology advances at an ever-quickening pace. It's all that a property manager can do, she says, to keep up.

Of course, embracing tech and the rapid pace of change is a choice you can't ignore. "I choose to be invigorated by the possibilities of technology such as AI," she says. "But none of us really has a choice. We're creatures of habit, and it's easy to resist change. As our clientele and occupants become more tech savvy, it's our responsibility to be ahead of that curve."

"But technology is changing so quickly that by the time we have something implemented, there's bound to be something new and better," she says. "We want to be open to implement that. We're always pushing our engineers to give us the latest and greatest."

But therein lies the rub of hitching your techno-horse to a fleeting trend, especially considering the amount of venture capital that's being thrown at real estate-related tech these days (an estimated \$5.7 billion in 2017, and still counting). "If we're looking at a new technology, we're also looking at other companies offering a comparative technology so we know there's market redundancy," Hart-Fanelli says. "We also look to work with vendors that

have a proven track record and are large enough to put in an alternative solution if need be."

Interestingly, she adds that tech to her is a sort of double-edged sword. While on one hand, it is a challenge to keep up, it is also a driver of office-market activity, and hence, her optimism for 2019.

Georges Renaud, CPM, agrees. An executive VP for Coldwell Banker Commercial in Montreal, Renaud is also president of the IREM Quebec Chapter. He says he has "great optimism," as we swing into 2019. But the advancement of technology is a concern he shares, along with the increasing sophistication of both tenants and asset management clientele. This will put greater demands on the industry, requiring more "accredited managers and operations staff."

Tenants today have a whole list of new demands, he says, "and they're much more aware of building systems, sustainability and preferred amenities. And if you don't have the proper answers, they move onto the next building."

"There was always the demand for amenities," adds Hart-Fanelli, although she agrees with Renaud that it has ramped up in recent years, driven, they both believe, by an increasingly youthful occupancy. "There was always a call for conference rooms and food services and copy centers," she says. "But there's also been an increasing demand for concierge services, for the dry cleaning and the



“

THE CHALLENGE IS TO BE COGNIZANT OF ALL THE DIFFERENT AGREEMENTS THAT ARE IN PLACE AND WHO IS RESPONSIBLE FOR WHAT.

—GEORGES RENAUD, CPM

”



“

THE INDUSTRY AS A WHOLE IS STRUGGLING TO ATTRACT NEW, YOUNG TALENT. YOU JUST DON'T HEAR PEOPLE SAY THEY WANT TO GET INTO PROPERTY MANAGEMENT.

—NANCY SAN PEDRO, CPM

”

ESPACE MONTMORENCY IS A PERFECT EXAMPLE OF MULTI-USE DESIGNS. “THE PROLIFERATION OF SUCH HIGHLY COMPLEX MIXED-USE PROJECTS BRINGS NEW CHALLENGES TO THE PROPERTY MANAGER SINCE THEY MAY NOT BE IN FULL CONTROL OF THE ASSET.”



food service beyond the cafeteria, and it's definitely a nod to a changing demographic and people wanting more.”

MIXED-USE, REMIXED

Renaud adds that complexity is being piled on top of complexity as the Quebec market trends to more multi-use assets, beyond the common rental-over-retail configurations. “You might have a hotel plus an office plus condos combined with rentals and retail,” he says. “The challenge is to be cognizant of all the different agreements that are in place and who is responsible for what.”

One recent project—the \$(US)347-million Espace Montmorency—is a perfect example of such multi-use designs. “The proliferation of such highly complex mixed-use projects brings new challenges to the property manager since they may not be in full control of the asset,” he says. “There might also be multiple owners.” Such questions as to who's responsible for a fender-bender in shared parking spaces become major headaches for all involved, he says.

ELEPHANT IN THE ROOM

Each of the four CPMs emphasized the dual needs for continuing education and the promotion of the next generation of property managers as probably the biggest concerns for the new year. Part of the problem, of course, is that property management isn't perceived as the sexiest discipline in real estate (*see sidebar on P10*).

“The industry as a whole is struggling to attract new, young talent,” says San Pedro, who is currently managing some five million square feet of industrial space for Charles Dunn Co. Inc., AMO. “You just don't hear people say they want to get into property management.” The discipline is overshadowed, she



PHOTOS © ESPACE MONTMORENCY

adds, by the allure of the high paydays and big-headline deals of brokerage or the megaprojects of national developers.

But she and the others give IREM kudos for promoting millennials in the business. “I’ve been impressed with how IREM has been handling this issue,” she says, “but this is a multi-year struggle, and we have to continue to raise the profile of the industry.”

Hart-Fanelli notes that engaging the next generation was a key topic at IREM’s Global Summit in October, and she agrees that IREM has risen to the challenge of raising the industry’s profile. But she thinks a different kind of communication might also be called for.

“IREM’s focus has always been on giving value to our members,” she says, “which means educating our members and keeping them informed on topics, and making it easy to access information

and network. We have to continue to do what we’ve always done, but with a different use of technology. We need more app-based and online education. I wouldn’t hesitate to sit in on a webinar, but somebody not of my generation might ask why there isn’t a Ted Talk on that.”

Suenaga, who manages rental units for single individuals throughout Tokyo, agrees that the profile of the industry needs to be raised continually. This is true especially given the huge population shift taking place in Japan. “The population of Japan is predicted to fall below 100 million by 2050,” he says. “In addition, that population is concentrating in major cities, causing disparities with other regions.”

Suenaga explains that a drop in population will negatively impact occupancy and, therefore, cause a drop in value. “Japanese property managers will have to make an even stronger effort than before and work very hard so that the value of the real estate they manage doesn’t fall,” he explains. “There’s a big difference in the results of properties that are managed with skill.” To that end, “I’d like IREM to promote successful case studies of rental management in areas that have lost population and publicize the CPM designation and AMO accreditation.”

More than ever, as we enter 2019, the gospel of property management and the value it brings needs to be spread. “That’s a message IREM has been working very hard on getting out,” concludes San Pedro, “making the case for property management as a career of choice and not chance.” ■

John Salustri 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 email jpm@irem.org.




A SUBTLE INJECTION
OF ENTERTAINMENT
IN A PROPERTY CAN
CREATE AN EMOTIONAL
CONNECTION.

FEEL ESTATE

**DELIVERING EXPERIENTIAL REAL ESTATE SERVICES
IN THE EXPERIENCE ECONOMY**

By Paul Klink



PASSION FOR
WORK LEADS
TO A WELCOMING
ENVIRONMENT.

PROPERTY
ENHANCEMENTS
SUCH AS A WEBSITE,
TENANT PORTAL
OR MOBILE APP ARE
SOLUTIONS FOR
COMMUNICATING
WITH TENANTS.

PHOTO © GREENHOUSE COWORK

GOODS & SERVICES

HAVE GROWN INCREASINGLY COMMODITIZED, CREATING A DYNAMIC SHIFT TOWARD BUYING AN IDEA OR EXPERIENCE OVER A PRODUCT OR SERVICE. The world's most respected customer service brands understand customer loyalty is no longer something you can purchase, but that it must be earned through consistent, positive experiences that keep customers coming back for more. These companies are capturing customer loyalty through dynamic, hospitality-centric customer experiences and good old-fashioned customer service.

Commercial real estate is no different. While high-quality products and services are still key components to success, gone are the days where a building's creative design or service offerings can differentiate an asset from its competitive set in the market. Today, successful building owners and operators understand that distinguishing perceived value of an asset and fostering tenant loyalty requires leveraging a building's products and services to create a memorable customer experience reflective of the client's goals and objectives.

KNOW YOUR CLIENTS' STRATEGIC GOALS & OBJECTIVES

Real estate is a business of vision, timing and aspiration, and a knowledge of how to integrate storytelling into a property achieves a lasting positive experience for our customers. To deliver a strong customer service experience, property managers must understand their clients' goals and objectives for their assets.

With a subtle injection of entertainment built around the design, layout and identity of the property, property managers can create an emotional connection with tenants, transforming their workplace into a destination. As our clients invest in capital improvements to boost the tenant experience, asset marketability and ROI, property managers should engage tenants as active participants in these property investments to positively affect tenant perceptions and loyalty.

You must have passion for your work, your people, your tenants and your clients' investments to create a desirable customer experience and welcoming environment. People remember how you make them feel, and your passion and storytelling can make a huge impact on people's impressions.

UNDERSTAND YOUR CUSTOMER

We expect our teams to know their tenants and what is important to them. This communicates that we are invested in our tenants' comfort and experience, and it provides insight for us to truly make a difference.

Providing quality customer experiences extends far beyond daily operations and requires cultivating meaningful relationships with tenants. Every tenant mix demands a unique experience based on their needs and preferences, such as responsiveness to requests, level of security, convenience of amenities, available property technology and sense of community and social interaction.

Technology, such as data from a tenant portal or mobile app, can also help teams gather insights and develop intelligent tenant satisfaction strategies. Active solicitation of feedback through structured surveys allows owners and managers to objectively measure tenant experiences; identify areas for improvement; and tie improvement plans to operational KPIs and goals that increase portfolio occupancy, enhance competitive positioning, compare personnel performance, prioritize capital expenditures, and improve tenant retention.

Digital tools can improve the tenant experience with multiple communication touchpoints, speed of service delivery, and customized customer experiences. Property enhancements such as a website, tenant portal or mobile app are solutions for communicating with tenants. Knowing your tenants and how they communicate and want to be communicated with helps property managers deliver the right solutions for a seamless tenant experience.

BUILD A CULTURE FROM WITHIN

According to McKinsey & Company, many companies overlook the need to transform their internal constituents, especially their support functions, into excellent customer service operations. Companies must understand and measure employee needs and drivers of satisfaction as part of their external customer-centric transformation. Every leading customer experience company has motivated employees who embody the customer and brand promise in their interactions with consumers and are empowered to do the right thing.

When hiring, we're always looking for people who understand customer service and the importance of creating an experience. If a person has no financial or property management ex-



**STORYTELLING
AND EMOTIVE
EXPERIENCES,**

**ALONG WITH CONVENIENCE
AND THEMED AMBIANCE, WILL
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OF PROPERTIES AND REAL
ESTATE BRANDS THAT
OTHERWISE OFFER THE SAME
PRODUCTS AND SERVICES AS
THEIR COMPETITORS.**



LOOK FOR
PEOPLE WHO
UNDERSTAND
CUSTOMER SERVICE
AND THE IMPORTANCE
OF CREATING AN
EXPERIENCE.



perience yet has demonstrated a knowledge of customer service, they have a strong foundation for this business and can learn the operational tasks.

Taking the time to invest in talent and mentor teams on best practices ensures the culture of customer service is truly instilled in every team member.

We constantly discuss tenant engagement strategies and provide feedback to improve our activities and tenant relationships. If we do not invest in our teams, we see the impact on performance and quality of the experience we provide for tenants.

As the experience economy continues to evolve, real estate owners and operators must think differently about competitive

advantages. Storytelling and emotive experiences, along with convenience and themed ambiance, will become key differentiators of properties and real estate brands that otherwise offer the same products and services as their competitors. It is imperative that property managers align themselves with clients' goals and objectives, understand tenants' needs, and build a customer-centric culture within their teams to create a cohesive tenant experience and enhance the value of their clients' investments. ■

Paul Klink is executive managing director of investor services at Cushman & Wakefield, AMO, in Irvine, Calif.



PHOTO © RAWPIXEL

Lessons for Tomorrow's Leaders

By Nancye J. Kirk

WANT TO HOLD ON TO YOUR TALENTED EMPLOYEES? INVEST IN THEIR CAREERS. That's the advice that can be drawn from LinkedIn's 2018 Workforce Learning Report, which found that a remarkable 93 percent of employees said they would stay at a company longer if the company invested in their careers. More and more, professional development is no longer an occasional perk or earmarked only for certain positions. Especially among younger professionals, it's an employee expectation that demonstrates whether the company appreciates its people and is committed to their success.

Several of IREM's AMO companies demonstrated commitment to their employees when they nominated members of their property management teams to take part in the initial offering of the Next-Gen CPM Leaders program. The program, available exclusively to AMO companies, is a talent management initiative that fast tracks a group of young professionals through the CPM curriculum, providing supplemental leadership training along the way, at a savings of more than 50 percent on tuitions and registrations.

The 21 students formed a cohort in which they progressed

through the CPM designation program together over a period of 18 months, kicking off with an introductory webinar, traversing through the entire CPM syllabus, and culminating with their CPM installation at the IREM Global Summit last September in Florida. Over the course of the program, they spent time together virtually through online courses and in person, both when they came together to attend the 2017 and 2018 Global Summits, and when they participated in instructor-led classroom offerings at IREM's Chicago Headquarters.

Not only did the cohort earn the CPM designation. The program also created a strong sense of community. The participants formed relationships with colleagues throughout the country, which likely will extend throughout their professional careers.

Companies that participate in this program or offer their employees similar opportunities to gain new knowledge and learn new skills also stand to gain. They benefit from increased employee loyalty, lower employee turnover and employees who have enhanced skill sets that can be immediately put to use, bringing value to the properties they manage and creating a competitive advantage for the company. ■

THE 2017-2018 AMO NEXT-GEN CPM LEADERS CLASS:

Cushman & Wakefield, Inc., AMO

Megan Druding, CPM, Phoenix
Megan Faircloth, CPM, San Diego
Erin Leahy, CPM, New York
James Lee, CPM, Los Angeles
Edina Lemo, CPM, New York
Ellie Mills, CPM, St. Louis
Carling Moore, CPM, Jacksonville, Fla.
Ryan Quick, CPM, Boston
Julie Venegas, CPM, San Francisco
Neil Werner, CPM, Alexandria, Va.

First Capital Property Group, Inc., AMO

Wm. Brady McGill, CPM, Orlando, Fla.

Flake & Kelley Commercial, Inc., AMO

Eric Varner, CPM, Little Rock, Ark.

Griswold Real Estate Management, Inc., AMO

Stephen Griswold, CPM, San Diego

HallKeen Management, Inc., AMO

Courtney Mathiowitz, CPM, ARM,
Norwood, Mass.

Income Property Management Co., AMO

Andrea Kirch, CPM, Portland, Ore.

McCreary Realty Management, Inc., AMO

Laura Wozniak, CPM, ARM, Marietta, Ga.

Polinger Shannon & Luchs Co., AMO

Jesse Martinez, CPM, Chevy Chase, Md.

Rappaport Management Company, AMO

Hayley Amey, CPM, McLean, Va.

RiverRock Real Estate Group, Inc., AMO

Maria Holsinger, CPM, Long Beach, Calif.
Brianna McHenry, CPM, Newport Beach, Calif.

Washington Holdings

Thomas Newell, CPM, Seattle
(was formerly with an AMO company)



From left to right: J. Lee, CPM, E. Lemo, CPM, S. Griswold, CPM, M. Druding, CPM, E. Varner, CPM, E. Leahy, CPM, R. Quick, CPM, A. Kirch, CPM, M. Newell, CPM, N. Werner, CPM, B. McGill, CPM, C. Moore, CPM, B. McHenry, CPM, M. Holsinger, CPM, L. Wozniak, CPM, M. Faircloth, CPM, J. Venegas, CPM, H. Amey, CPM Not pictured: J. Martinez, CPM, C. Mathiowitz, CPM, E. Mills, CPM

INVEST IN THE NEXT GENERATION

Does your AMO Firm have an employee who would make a good candidate for the AMO Next-Gen CPM Leaders program? Here's what you need to know:

An AMO Firm can nominate an employee who is not currently an IREM Member and who is 40 years old or under as of March 1 of the application year, has at least two years of real estate management experience that would qualify for CPM credit, and is willing and able to complete the program in its entirety.

The one-time per-student fee is \$5,200, a savings of over 50 percent. This covers all course and exam tuitions, registration fees, application fees and two-years of national and chapter dues. The company is responsible for travel expenses.

Nomination deadline:
March 1, 2019

www.irem.org/Next-GenProgram

Nancye J. Kirk (nkirk@irem.org) is chief strategy officer at IREM Headquarters in Chicago.



Cannabis in Canada

THE IMPLICATIONS OF LEGALIZATION ON PROPERTY MANAGEMENT

By Robert Buckler, Joel Berkovitz
and Derek Brovold

Canada became the largest country in the world to legalize recreational cannabis on October 17, 2018. Mike Farnsworth, British Columbia's minister of public safety, called the development "the largest public policy shift this country has experienced in the past five decades." Legalization will have wide-ranging effects on many aspects of Canadian society, including property management and the way Canadians live.

While cannabis use in living spaces is by no means a new phenomenon, many are concerned that with legalization, residents may now feel they are entitled to smoke or grow cannabis in their units, and this could have an adverse impact on neighbors.

As the policy goes into effect, property managers will play an important role in balancing individual rights with the regulations that help maintain community.

NEED FOR NEW POLICIES

According to an IREM Member in Manitoba, the largest takeaway from legalization is that "it's causing quite a bit of work."

Management has had to develop and implement new rules governing living arrangements and then help enforce them. "We're ensuring that we have tenant educational forums," the member said. "Lots of signage in the building. Lots of tenant

meetings. We currently have additional staff to work on a one-on-one basis with tenants to try and ensure ongoing successful tenancy and a continued safe tenancy in the building, and to create a safe work place for staff."

The key question for condominium and strata corporations is whether they have appropriate provisions in place in their governing documents to deal with cannabis. In the lead-up to legalization, many condominium corporations in Ontario took the opportunity to address both tobacco and cannabis smoking, with many moving to make their buildings entirely smoke-free. Most have also chosen to ban cannabis growing. Others have taken a more hands-off approach and have passed rules only with respect to issues such as smoking cannabis in common areas and growing more plants than are permitted by law.

Even for those corporations which have not updated their governing documents, most already have an "anti-nuisance" provision that can be enforced in the event a resident's cannabis use causes a problem for neighbors. Condominium lawyers prefer buildings with more specific rules so that residents have a clear understanding of their legal obligations, though in many cases the existing anti-nuisance provisions are sufficient.

COMPLICATIONS

Because cannabis laws vary by province, property managers will have to pay close attention to local regulations. For example, most provinces are allowing Canadians to grow four plants, but Manitoba prohibits growing cannabis entirely. Saskatchewan has a zero-tolerance policy for driving while high, and public smoking is strictly prohibited in New Brunswick.

In Ontario, condominium corporations are not landlords and can pass rules completely banning all smoking in their buildings. Many tenants who rent in these condominiums, however, misunderstand this point and believe that, because a landlord cannot prohibit smoking if it was not previously agreed to in their lease, the condominium's rules do not apply. This sometimes leads tenants into legal jeopardy.

Social housing, on the other hand, has had to rely on provincial law. Many provinces have allowed landlords to amend leases to address cannabis, but the Ontario government has no immediate plans to change landlord/tenant laws to allow for a ban.

The majority of tenants in social housing typically rent long-term, with apartments rarely turning over (sometimes as low as 1 to 2 percent of a building), which raises the concern that it could take many years to ensure all units have the new cannabis prohibitions in place. This could also be true in older buildings where many leases were signed decades ago.

In addition, there may be cases where provincial human rights codes, which is quasi-constitutional legislation, may override a condominium's governing documents. As a result, if a

resident has a disability which requires the use of cannabis for medical reasons, residences that restrict usage will have a duty to accommodate that person.

However, protection against discrimination only applies when the use of cannabis is required for a medicinal purpose. In other words, smoking recreational cannabis in your condo is not a right protected by the government.

CANNABIS IN THE WORKPLACE

It's also important to recognize that multifamily residences are places of employment for many people. Many questions arise: What if allergies to cannabis exist? How do I ensure that building staff are "fit for work?" How can maintenance staff enter an apartment where cannabis is being used?

Although it should be common sense not to enter the workplace under the influence, some building staff may be under the false impression that the legalization of cannabis allows them a "free pass" to consume it anywhere, at any time, and even grow cannabis plants within apartments provided by landlords or boards of directors. Properties with an employee conduct policy will now be forced to update their drug and alcohol policies.

Safety concerns still exist when cannabis is prescribed. Property managers will be faced with critical decisions defining what

job requirements staff will be allowed to complete if using medical marijuana.

SEEKING BALANCE

By legalizing cannabis, Canada has introduced new burdens to society at large and in particular to the property management industry, which is positioned at critical points where people's lives overlap. It is evident at this early stage that it will take time for the "smoke to clear" to understand the day-to-day impacts of legalization on Canadians, and the impacts will depend on the jurisdiction. Managers throughout the country will have to be proactive to avoid negative consequences, yet at the same time balance the protection of individual rights with reasonable and enforceable rules. ■

Joel Berkovitz is an associate in Shibley Righton LLP's condominium law and business law groups.

Derek Brovold is director of operations for non-profit housing at Greenwin Inc. in Toronto.

Robert Buckler is a licensed real estate broker with Century 21 Heritage Group Ltd., as well as a condominium consultant and licensed condominium manager in Ontario who provides a variety of services to condominium management providers and developers.

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CONDOMINIUM LAWYERS PREFER BUILDINGS WITH MORE SPECIFIC RULES SO THAT RESIDENTS HAVE A CLEAR UNDERSTANDING OF THEIR LEGAL OBLIGATIONS, THOUGH IN MANY CASES THE EXISTING ANTI-NUISANCE PROVISIONS ARE SUFFICIENT.



PHOTO © ALEXANDRE CHAMBERON

A photograph of a busy shopping mall with a large blue graphic overlay. The graphic is a stylized, abstract shape that frames the title text. The background shows a multi-level mall with a wide staircase, escalators, and many people walking. A sign for 'London Travel Information' is visible on the left side of the image.

A RETOOL OF RETAIL



PHOTO © ANNA DZIUBINSKA

MALLS MORPH FROM SHOPPING DESTINATIONS TO COMMUNITY ACTIVITY SPACES

Adapted from *Shopping Center Management and Leasing, Second Edition*

by Alan Alexander and
Richard Muhlebach, CPM

Shopping centers and malls are dynamic, ever-changing retail properties that have experienced, and continue to experience, change at a faster pace than perhaps any other property type.

Shopping essentially has always been considered a form of entertainment—an experience that stimulates the senses and often leads to a purchase. However, online retailing and same-day delivery services have entirely revolutionized the shopping experience. This is seen in a greater shift toward digital marketing efforts on behalf of retailers, shopping centers and malls. And to keep up with the pace of online retailing, more stores are creating easier and faster check-out experiences to accommodate these changing consumer needs.

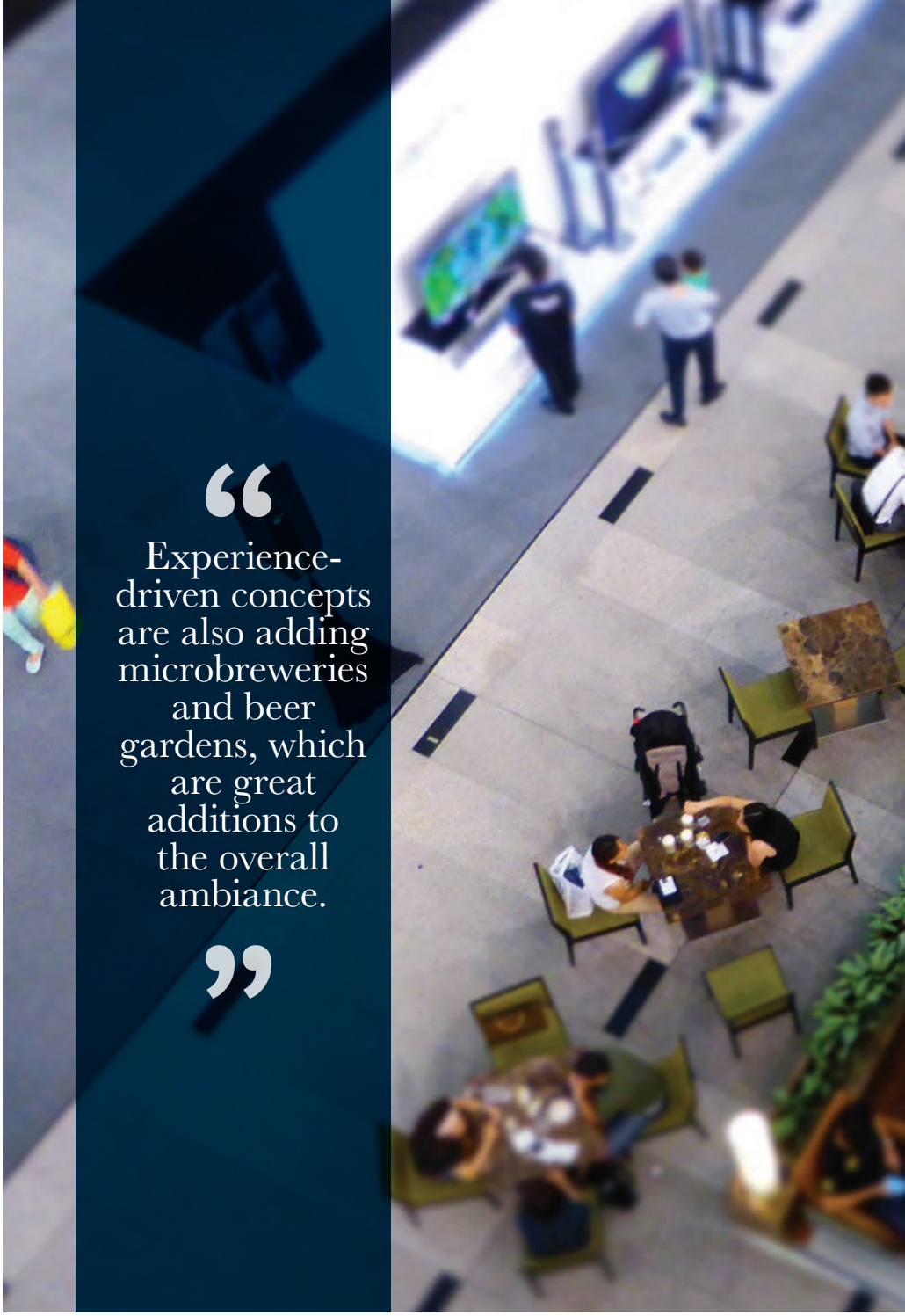
ADAPTING TO SHIFTS IN CONSUMPTION

Future shopping trends indicate that more and more department stores will continue to close, consumers will continue to spend more money on services and experiences instead of apparel, and the number of online retailers will more than double. The shopping experience at malls will continue to remain focused on selecting merchandise while also promoting opportunities for socializing, observing and participating in organized activities. Entertainment and promotional events will continue to bring people to malls, shopping centers and retail streets, with creative ways to keep shoppers at the properties for longer periods of time. At the same time, online retailers are starting to open brick-and-mortar stores in shopping centers in order to demonstrate their products to those who want to see and touch before they buy. These shops are also functioning as fulfillment centers for quick pick-up locations and easy returns of online purchases.

As consumers' wants and needs change, so do shopping preferences and the venues for purchasing merchandise. Shopping center professionals—retail developers, shopping center managers, leasing agents and marketing personnel—must respond to industry changes, new retail delivery channels, a diversified consumer population and alternative retail venues. Among these changes include the downsizing and upsizing of certain retailers, the emergence of new retail concepts, and the failures of retailers whose concepts are no longer competitive and are being rejected by their customer base.

IMPACT BY COMMERCIAL CLASS

Shopping center professionals are developing multiple strategies and tactics to compete with the trends of online retailers and take advantage of the changing retail environment. Certainly, some types of malls are being more affected than others.



“
Experience-driven concepts are also adding microbreweries and beer gardens, which are great additions to the overall ambiance.
”

Malls are typically categorized by the following three main classes:

1. Class A malls, or fortress malls, generally create the most profitable sales and have a good number of quality retailers in them. They are multi-anchored with more than one million square feet and will continue to outperform other malls, shopping centers and retail venues as they are more inclined to adapt to the changing needs, wants and shopping preferences of consumers.
2. Class B malls are typically anchored by the many department stores that have recently gone out of business. The income returns are generally mixed and are largely dependent on the regions in which they are located.



PHOTO © GERRY ROARTY

“

As consumers' wants and needs change, so do shopping preferences and the venues for purchasing merchandise. Shopping center professionals—retail developers, shopping center managers, leasing agents and marketing personnel—must respond to industry changes.

”



PHOTO © CLEM ONOJEGHUO

“
In addition to non-traditional uses, shopping centers are
dedicating more spaces for restaurants and other food purveyors.
”

3. Class C malls are those that are struggling and at risk of becoming extinct. They may contain sections of vacant spaces and may even be considered a negative draw for the region. In some of these C malls, vacant space has been filled with alternative uses (e.g., office spaces, community centers, medical office clinics or government agencies).

Trends are showing that most B and C malls will struggle to survive as they lose—or have already lost—one or multiple anchor tenants. Likely developed with the first generation of malls, their locations were once the prime retail places in their areas. Once super-regional malls appeared, the tenant mix and sales of these B and C malls were weakened and will continue to decline as more online retailers impact department store sales.

GIVING RETAIL SPACE NEW PURPOSE

According to the National Retail Federation (NRF) and data from the U.S. Census Bureau, online retail is projected to grow between eight to 12 percent, suggesting that e-commerce sales will reach between \$427 billion and \$443 billion. As the online retail growth continues to chip away at the traditional brick-and-mortar market, the class B and C malls are attempting to bring in more diverse tenants and offer experiences beyond just shopping. These malls may be redeveloped into lifestyle, entertainment, power or outlet shopping centers, which require redesigning and rebuilding all or most of the existing structure. Another alternative—especially for malls that are owned by REITs, property funds and institutional investors—is to demolish these struggling malls and build more mixed-use developments that include retail but with an emphasis on community integration.

Large stores may be subdivided into two or more stores and stores-within-stores and kiosks that can create a market square area within the mall or shopping center. Traditional anchor tenants may be replaced with service businesses and warehouses (e.g., Costco Wholesale or Sam’s Club), state-of-the-art multi-screen theaters, fitness centers and traditional or ethnic supermarkets. The new additions of these non-traditional uses—e.g., healthcare services such as optometry, dentist, physician groups and urgent care clinics—will generate greater traffic and require higher rent. In addition to these non-traditional uses, malls and other forms of shopping centers are dedicating more spaces for restaurants and other food purveyors.

Extending beyond the shopping spaces, more public and green areas are being added to existing malls and shopping centers to attract people and keep them longer.

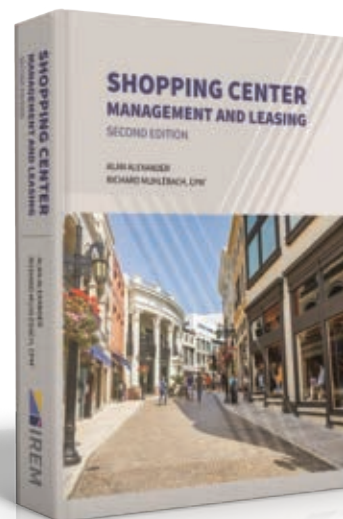
“Entertainment and promotional events will continue to bring people to malls, shopping centers and retail streets, with creative ways to keep shoppers at the properties for longer periods of time.”



PHOTO © ROBIN GARNIER

Pop-up stores, which can be good revenue generators, represent another trend that has proven to be popular among malls and other types of shopping centers. For instance, new retailers that do not want to run the risk or make the financial commitment of a five- to 10-year lease will start with a kiosk to test their retail concept or new product. In some areas, pop-up stores are so popular that cities and developers are creating pop-up villages; for example, allowing four to eight food trucks on a vacant lot. These experience-driven concepts are also adding microbreweries and beer gardens, which are great additions to the overall ambiance.

As online retailers continue to impact the future uses of shopping centers and malls, unique opportunities arise for managers to be involved in renovations, redevelopments or adaptive uses. Those shopping centers and malls positioned for success in the midst of the changing retail landscape will have a merchandising mix tailored to the local consumers and function as experience-driven destinations for entertainment and socialization within their communities. ■



Shopping Center Management and Leasing, Second Edition, is available now at www.irembooks.org.

Long-Term Implications of the Midterm Elections



A RECORD-SETTING 114 MILLION AMERICANS VOTED IN LAST NOVEMBER'S 2018 MIDTERM ELECTIONS.

The number was a midterm record high—37 percent more voters turned out than in 2014. As 2019 gets underway and political pundits, reporters and federal

legislators examine how the midterm results influence the political landscape for the next two years, IREM will also be evaluating how they might affect the real estate management industry and how the association may approach its positions on issues moving forward.

NOTEWORTHY RESULTS

Once the votes were tallied, Democrats gained 40 seats in the House and lost none, giving them a solid majority of 235 seats over the GOP's 199 (one election is still undecided). Over in the Senate, Republicans flipped 2 seats, resulting in 53 total and a majority confirmed.

Not only was the election record-breaking in terms of voting numbers, it also sent

What the Results Could Mean to the Real Estate Management Industry—and How IREM Will Stay Involved

By Ted Thurn

an unprecedented number of women to Congress. More than 100 women will serve as members of the House, surpassing last Congress' record number of 84 women. Michigan notably went above and beyond by selecting a woman for every statewide office—Governor, U.S. Senator, Attorney General and Secretary of State.

With many new legislators being sworn in, IREM and its members will need to introduce themselves to several first-term Congressional representatives in 2019 and possibly reintroduce themselves to other returning lawmakers.

LAME DUCK SESSION

Although Congress usually focuses on spending bills during the lame duck session, IREM members advocated to keep the National Flood Insurance program (NFIP) from lapsing. If the program had expired by its November 30 deadline, flood insurance would have become more costly or even unavailable.

Fortunately, another short-term extension was passed by Congress to keep the program open. It was the eighth short-term extension of the program since 2017. “Although we will continue to advocate for legislation that includes long-term NFIP reauthorization, we greatly appreciate Congress not allowing the program to lapse, which would have led to millions of citizens without flood insurance,” said Amy Hedgecock, CPM, chair of the IREM Legislative and Public Policy Committee.

FRAMING THE ISSUES FOR 2019

Since there will be a divided government over the next two years, along with ongoing and possibly new presidential investigations, the conventional wisdom predicts that major legislative initiatives will fail to move through the lawmaking process.

The ADA Education and Reform Act (H.R. 620), which addresses “drive-by” lawsuits, would fall under the major legislation category. The bill would close the loophole in the law which has unintentionally produced the drive-by ADA lawsuits. The main drivers in these lawsuits are attorneys who are forcing a monetary settlement consisting mainly of attorney’s fees that only benefit the attorney and do little to increase access for the disabled.

Passing the bill will be very challenging, as many House Democrats, who are now the majority in the House, are aligned with disability groups that oppose the legislation. However, IREM and its coalition partners are already working with Senate Democrats on a separate ADA reform proposal. Senate Democrats have indicated they are interested in developing language which would penalize lawyers who file frivolous ADA lawsuits.

Infrastructure could be one of a few areas of partnership between Democrats and Republicans, with members of both parties calling for improvements to the country’s aging bridges, roads and airports. Representative Nancy Pelosi (D-CA) has stated that House Democrats will use their new majority to seek deals with President Trump on infrastructure spending.

IREM CONTACTING MEMBERS OF CONGRESS

With many new legislators being sworn in, IREM and its members will need to introduce themselves to several first-term Congressional representatives in 2019 and possibly reintroduce themselves to other returning lawmakers. When the new Congress convenes in January, 20 percent of its members will be new. In fact, Washington, D.C.,



PHOTO © RICARDO GOMEZ ANGEL



INFRASTRUCTURE COULD BE ONE OF A FEW AREAS OF PARTNERSHIP BETWEEN DEMOCRATS AND REPUBLICANS, WITH MEMBERS OF BOTH PARTIES CALLING FOR IMPROVEMENTS TO THE COUNTRY'S AGING BRIDGES, ROADS AND AIRPORTS.

has witnessed a great deal of turnover in recent years. Since the 2010 midterms, nearly one-third of the House and two-thirds of the Senate has turned over.

"To assist our members in getting acquainted or reacquainted with federal legislators," said Debbie Prejeant, CPM, vice-chair of the Legislative and Public Policy Committee, "IREM has developed two types of letters that members can use when contacting legislators. Both outline how IREM can assist them with property management issues; one will be for communicating with new members, introducing them to IREM and congratulating them on being elected, and the other will be for reaching out to incumbents, commending them on defending their seats."

2019 INITIATIVES

Several initiatives are on the 2019 calendar to help support IREM's priorities and increase elected officials' education and awareness of commercial and multifamily real estate management.

>> IREM CAPITOL HILL FLY-IN

IREM will be returning to D.C. on March 5-6 with its Capitol Hill Fly-In. IREM President Don Wilkerson, CPM, explained why the association is planning this event: "The objective is to provide members an opportunity to personally meet with their federal legislators and advocate for issues critical to the real estate management industry." Moreover, the Fly-In "allows members to be part of something bigger than themselves while helping federal legislators understand the importance of a healthy real estate industry."

>> CONGRESSIONAL BRIEFING

IREM conducted its inaugural Congressional briefing, titled "Federal Policies and Their Impact on Real Estate," last July. The event was a great success, with IREM Members presenting to over 60 Congressional legislative staffers. The outcome was so beneficial, a second briefing is being planned for July of this year. Stay tuned to irem.org for more details about this event.

>> IN-DISTRICT MEETINGS

Even with the Fly-In, IREM still encourages members to meet with their federal legislators in their district offices. Since Congress is on recess for the entire month of August, this month is an excellent time to make appointments with legislators to discuss industry issues. Although meetings at district offices may be preferred, there are other options for connecting with representatives, should a district office meeting not be viable. Attending one of the legislator's scheduled events, like a town hall meeting, is a possibility. Or, be the host instead of the guest and invite representatives to a chapter event or to take a property tour. ■

Ted Thurn (tthurn@irem.org) is director of government affairs at IREM Headquarters in Chicago.



2019 Capitol Hill Fly-In

March 5-6, 2019
Washington, DC

IREM 2019 CAPITOL HILL FLY-IN

- » **Build relationships** with legislators that will only increase in value over time
- » **Speak directly** to the people with the power to change laws and regulations about issues that matter to you and your business
- » **Gain valuable exposure** and experience
- » **Be a part** of something bigger than yourself

TUESDAY, MARCH 5

Orientation at National Association of Realtors D.C. Headquarters

WEDNESDAY, MARCH 6

Meetings with Legislators on Capitol Hill

Learn more and register at
www.irem.org/public-policy/capitol-hill-fly-in





ADOPTION OF
TECHNOLOGY
ALLOWS PROPERTY
MANAGERS AND
REAL ESTATE
COMPANIES TO
ADDRESS NEW
USER DEMANDS.

Embracing Proptech

Real estate technology goes beyond IT
to become part of smart business practices

By Nancye J. Kirk

Whether in the U.S. or elsewhere in the world, when practitioners from the commercial real estate and technology sectors come together, similar messages prevail: Innovation and collaboration are crucial to staying competitive. Adoption of technology allows real estate companies to address new user demands. Change is

happening quickly and those who don't adapt will be left behind. And, yes, real estate continues to lag behind other industries in adopting new technology.

DON'T BRAVE THE UNKNOWN ALONE

Collaboration was the common theme at MIPIM PropTech NYC last November, specifically between real estate companies and the technology sector that is developing new products that differ from traditional real estate tools. This need for collaboration is born out in KPMG's annual global proptech survey, released last fall. Of the

PHOTO © RAWPIXEL

Innovation and collaboration are crucial to staying competitive.

270 real estate decision makers from 30 countries who responded to the survey, 93 percent agreed with the statement, “Traditional real estate organizations need to engage with proptech companies in order to adapt to the changing global environment.”

Jim Young, founder and CEO of Realcomm, speaking at the 20th anniversary Realcomm conference last summer, said that the complete real estate professional is the one who faces up to the uncertainty about the future and asks such questions as: What’s next? How do I integrate technology into my business model? How do I use technology as a competitive advantage? “We are all looking for the magic bullet,” Young noted during his address. “It is essential to collaborate and not to go on this journey alone. There are many potholes along the way to watch for.”

Hans Vrensen, head of research at AEW, likewise emphasized the need for collaboration and innovation when speaking at ExpoReal in Munich last October. “The vast majority, let’s say 80 percent of the entire real estate industry, is still working on spreadsheets,” he said, “but spreadsheets are not a great way to manage a multi-trillion-euro industry.” He went on to say that “It is really important for the proptech industry to work with the traditional investment fund managers to find solutions and alternatives to the globally integrated vertical solutions.”

“REDUCE FRICTION AND IMPROVE SERVICE”

One of the sentiments clearly expressed at PropTech NYC is that commercial real estate technology is no longer an IT



PHOTO © KALEIDICO

issue—it’s a core business issue. It’s no longer the CIO who is making technology decisions, declared Sara Shank, managing director and head of portfolio management at Beacon Capital Partners. It’s the real estate team.

Reinforcing this point was Scott Rechler, chairman and CEO of RXR Realty. In years past, he said, technology was looked at from a back-office standpoint. More recently, it is customer-focused and aimed at enhancing the level of service. The ways people live and work and are entertained have changed, said Rechler. The real product is the community and the experience, not the building. Technology is the vehicle for successfully making the transition to a service provider. “What does technology mean to me in five words? Reduce friction and improve service,” said Rechler.

“Proptech makes our clients’ lives much more efficient, and it helps us move from a brick-and-mortar industry to a service industry,” said Ric Clark, senior managing partner and chairman of Brookfield Property Group, another panelist at PropTech NYC.

This theme was reiterated by Michael Phillips, president of Jamestown, L.P., in his keynote speech at PropTech NYC that focused on his company’s integration of technology. For Jamestown, which owns and operates 25 million square feet of residential and commercial space, Phillips said that it all comes down to reducing friction for the users of the space. One example of reducing friction, said Phillips, is easing entrance into and security within a building. Simply translated, this means providing security but doing it without turnstiles or other visible and bothersome obstacles.

What’s next? How do I integrate technology into my business model? How do I use technology as a competitive advantage?



Phillips also spoke about a primary role of real estate being “to partner with the tenant to attract and retain talent.” Noting that payroll is the number one expense for most companies, it often drives corporate decisions, said Arie Barendrecht, CEO and founder of WiredScore. Real estate speaks to the issue of where a company’s people will work and how the workplace can attract and keep talent. As one of the speakers noted, “Free beer may be fun,” but it takes a lot more to keep talent, like a healthy and comfortable workplace and workspaces that both foster collaboration and provide for quiet, head-down work.

Something else employees want: connectivity. The baseline experience is access without hassle. This means minimal risk of outages and cellphones that function everywhere throughout a building so that work can be extended into all of its spaces. In older buildings especially, this can be a challenge. Looking ahead, 5G technology is being seen as the future of connectivity. According to Barendrecht, 5G will be 100 times faster, but it probably won’t work well in office buildings.

^ Something else employees want: connectivity.

What will happen is that people will get used to 5G speed outside the office and be frustrated when they can’t get it in the office. Barendrecht suggested that landlords begin preparing for a future with 5G.

SOME PROGRESS TOWARD ACCEPTANCE

At PropTech NYC, there was general agreement that acceptance of technology by the commercial real estate sector is finally being seen after years of resistance. Speaking on a panel that focused on property and asset management, Riggs Kubiak, CEO and co-founder of Honest Buildings, pointed out that an estimated 5 to 10 times as many dollars are being invested in real estate technology today than five years ago, which reflects a willingness to accept technology. John Sarokhan, PGIM Real Estate’s global investment risk director, reinforced this, noting that there is a “fear of being left out” and that the amount of capital being invested can be seen as a proxy for interest.

The result is lots of creative solutions. But as Rechler cautioned, it’s sometimes less about what the proptech companies are doing and more about whether the companies will be around. “You don’t want to introduce a product or service if the company goes out of business,” he cautioned. That having been said, it was agreed that, for those who ask about technology’s return on investment, it can be difficult if not impossible to measure. Ultimately, it’s about staying up to date or being left to die. Or, as Chris Marlin,





PHOTO © LYCS

president of Lennar International put it, “Evolve or die” because there is no protection from disruption.

At the same time, because real estate is so fragmented, implementation of technology is all the more challenging, noted Shank. Large owners are embracing technology, she said; not so with smaller owners, who either aren’t willing or able to participate financially. She went on to say that real estate isn’t necessarily broken, but technology is making it easier, better, more efficient. For smaller, Class B buildings, the need for technology isn’t as strong, at least for now. But over time, this may change.

At the end of the day, what real estate wants from technology is fewer pain points and more efficiency, to make business competitive, to support people where they live and work and play. While keeping this in mind, Jan Hein Lakeman, executive managing director of EDGE Technologies, warned against applying technology when it doesn’t make sense. “Are we trying to find a solution for a problem that doesn’t exist? It only works if it takes away friction.”

Technology should always be seen as a means to an end, not an end to a means, noted Rechler. In the near future, technology will be available to everyone. Companies won’t compete on technology; they will compete on implementation of technology. Richler posited that “The secret sauce is in the execution.” ■

Nancye J. Kirk (nkirk@irem.org) is chief strategy officer at IREM Headquarters in Chicago.

“

Proptech makes our clients’ lives much more efficient, and it helps us move from a brick-and-mortar industry to a service industry.

”

—RIC CLARK,
SENIOR MANAGING PARTNER AND CHAIRMAN
OF BROOKFIELD PROPERTY GROUP

One example of reducing friction is easing entrance into and security within a building. Simply translated, this means providing security but doing it without turnstiles or other visible and bothersome obstacles.



01 ↓



01 / Cocar Mini DLP Smart Projector

Being able to have an impromptu meeting with someone and wow them with your visual presentation has become a little easier. Cocar just put a projector into a tiny 6.2x3.1x0.7-inch box—about the size of an iPhone Plus. With its 2.5-hour battery, a 100 lumen bulb that will last up to 30,000 hours, and its Bluetooth and WiFi capabilities, the projector can wirelessly connect to your portable device and display any content you throw at it to an astounding 120-inch screen or wall. Not only does it use DLP technology, keystone correction, and a built-in Quad-Core processor, it also comes with a built-in Android 7.1 operating system, allowing you to download standalone apps and movies.

Price: \$288

amazon.com

02 ↓



02 / iPad Pro and Apple Pencil 2

If you have been waiting to upgrade your iPad to the newest version, now is the time. Apple has introduced a new iPad Pro that comes in an 11-inch and a 12.9-inch version. And gone are the days where you will be asking your friends for a lightning charger to juice it up; Apple is finally moving to a more industry-standard USB-C charger that supports a lot more devices. Plus, the charging cable can be used to charge your iPhone or other electronics right from the iPad itself. FaceID has also finally made it to iPadPro, allowing for edge-to-edge retina display, making the larger iPad

Pro a much more manageable size. The new devices come with up to 1TB solid state drives for all your documents, videos and photos. Apple also updated their Pencil to have touch capabilities and the capacity to magnetically charge and pair right on the iPad. The Pencil is crucial for applications such as the soon-to-be-available software that designers have been asking for, Adobe Photoshop CC, which will be the first full version of the software on the iPad.

Price: iPad Pro, \$799-\$999; Apple Pencil (2nd generation), \$129

apple.com

03 / Scribit

These days, the robot revolution is already well on its way. We have robots to wash our cars, robots to vacuum our houses, and soon...robots to create art for us? Introducing Scribit, a tiny robot that can hang on any surface and draw on said surface an infinite number of times. The robot uses special markers (up to four colors) that can draw and erase on any surface, like glass, white-board or plaster. It climbs the wall with the help of some guide wires while it draws anything you ask it to via an app. All you need is a couple of nails, guide wire (included with purchase) and an electrical outlet. Not only can you upload any image for it to start drawing, you can also create an image of your own, and Scribit will replicate it on the wall. Don't want it anymore? Scribit will erase it and draw you something else.

Available March 2019

Pre-Order Price: \$399

scribit.design

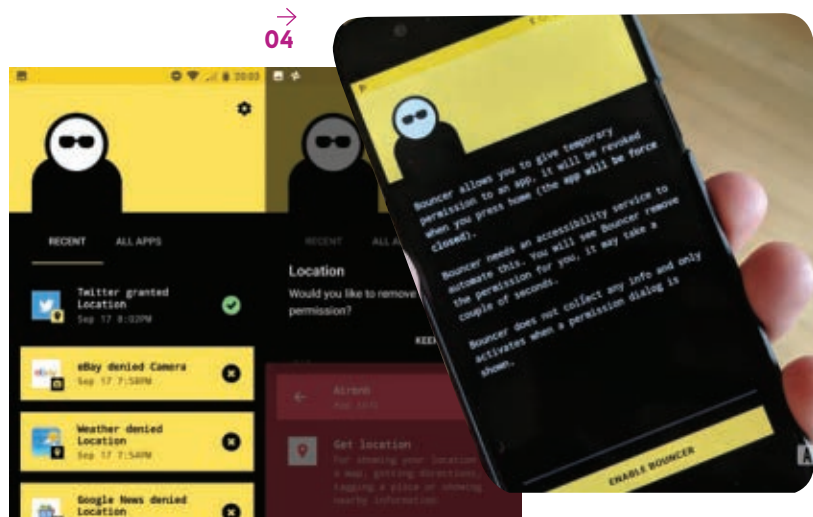


04 / Bouncer

Oftentimes with apps, it seems permissions are an all-or-nothing deal; "if you want to use our app, you have to forever more give us access to your photos, your contacts and your every keystroke (maybe not that last one...or maybe...)." But Bouncer allows you to grant temporary permissions. As soon as you exit the app you're using, Bouncer removes the permissions, increasing your security, privacy and battery life, because you won't be running apps in the background. And Bouncer doesn't ask for permissions itself—the only thing it can see is the app settings and it has no internet permission, therefore no ability to transmit any of your data anywhere.

Available for: Android (in beta as of this writing)

Price: \$0.99





↑ 05 / Formica Infiniti® ColorCore®2 Laminate

It's always a plus when a product is as pretty as it is functional. Formica Corporation has both points covered with its new line of laminate surfaces, called Infiniti® ColorCore®2. Featuring a soft super-matte finish, it's available in four colors, sure to complement any design scheme, and the color goes all the way through the core, nicely eliminating the brown edge typical of other laminates. But looks aren't everything; Infiniti® ColorCore®2 laminate is also finger-print-resistant, has thermal healing capabilities and provides antimicrobial surface protection.

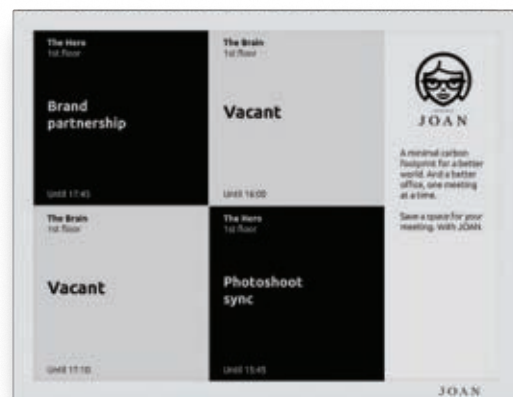
Price: \$7-\$8 per square foot, material only
formica.com

06 / Joan – e-ink Digital Display

Want to know what's going on in the conference room as you walk by? Joan e-ink displays can shed some light. By connecting to your existing network

and reading from the room calendar (Google Calendar/Microsoft Exchange/iCalendar/Office365), the Joan frames can display all the pertinent information and use barely any power doing it. It will display what's going on in the room at the moment, and it can also display upcoming and past meetings for the day. Want to use the frame to display what's going on in all the conference rooms at a glance? Joan can do that as well with a special Joan Board.

Price: \$449-\$1,199
getjoan.com



by Alex Levin (alevin@irem.org), senior director of technology and communications at IREM Headquarters in Chicago



IREM REGIONAL MEETINGS

SOUTH/SOUTHEAST

Regions 4,5,7,13

March 12-14

Nashville, Tenn.

NORTHEAST

Regions 1,2,3

April 10-12

National Harbor, Md.

WEST

Regions 8,11,12

May 29-31

Broomfield, Colo.

MIDWEST

Regions 6,9,10

June 12-14

St. Louis

ATTEND IF YOU:

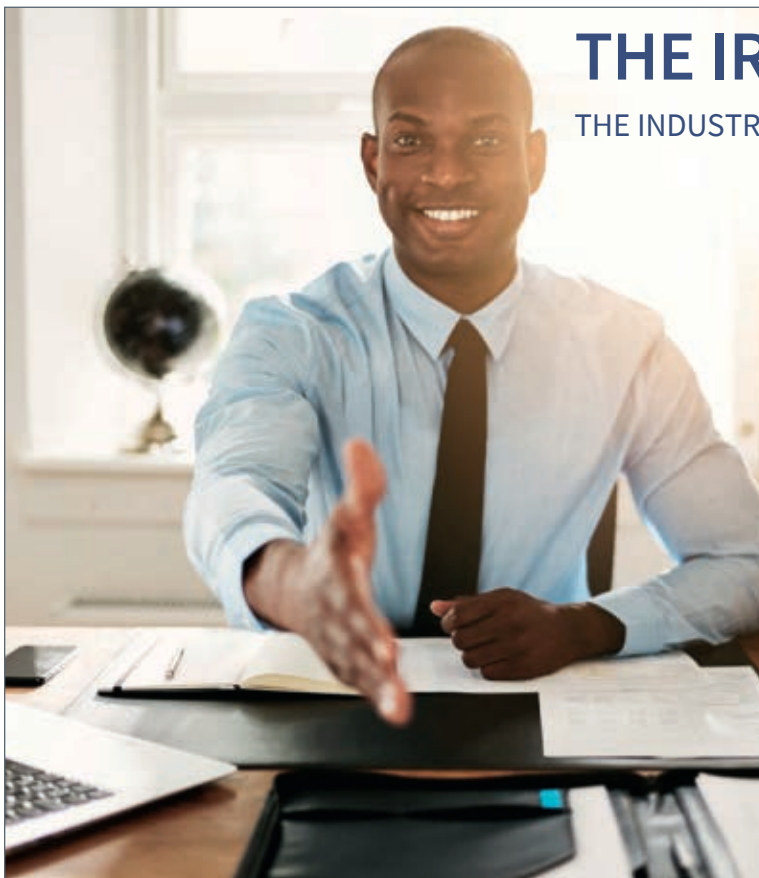
Are an IREM chapter leader or association executive

Want to grow your leadership skills to enhance your chapter role and professional life

Value collaboration and sharing ideas with other chapter leaders

Are eager to network, connect and have fun!

FIND OUT MORE AND REGISTER AT www.irem.org/events/regional-meetings



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THE INDUSTRY HOME FOR JOB SEEKERS AND EMPLOYERS

The IREM® Career Center is the premier job board for the real estate management industry and the place to go for employment connections. It provides job seekers the opportunity to build a professional profile, upload résumés, and search and apply to jobs online - and all services for job seekers are **FREE!**

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**Post
A Job**



**Career
Development**



**Employer
Resources**

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The **IREM FOUNDATION** would like to take this opportunity to thank the IREM Chapters that supported the Foundation through the 2018 Annual Chapter Giving Campaign.

**TOGETHER, WE ARE FOSTERING
THE DEVELOPMENT OF THOSE WHO
MANAGE TO MAKE A DIFFERENCE.**



PREMIER - \$2,500+

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Georgia Chapter

Michigan Chapter

Houston Chapter

Chicago Chapter

Wichita Chapter

Western Washington Chapter

South Carolina Chapter

Western North Carolina Chapter

SIGNATURE - \$1,500+

Northern Virginia Chapter

Austin Chapter

Dallas Chapter

Southern Colorado Chapter

Utah Chapter

Kansas City Chapter

San Francisco Bay Area Chapter

CHAMPION - \$750+

Central Virginia Chapter

East Tennessee Chapter

PARTNER - \$500+

Greater Rhode Island Chapter

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Indianapolis Chapter

Kentucky-West Virginia Chapter

El Paso Chapter

Greater Denver Chapter

Minnesota Chapter

St. Louis Chapter

Idaho Chapter

Oregon-Columbia River Chapter

Greater Nashville Chapter

Memphis Chapter

SUPPORTER - \$250+

Connecticut Chapter

Delaware Valley Chapter

Greater New York Chapter

New Jersey Chapter

New York Capital Region Chapter

Rochester-Western New York Chapter

Southern New Jersey Chapter

Western Pennsylvania Chapter

Greater Metropolitan Washington Chapter

Hampton Roads Virginia Chapter

West-Central Maryland Chapter

Central Florida Chapter

Florida West Coast Chapter

North Florida Chapter

South Florida Chapter

Alabama Chapter

Arkansas Chapter

Louisiana Chapter

Columbus Chapter

Greater Cincinnati & Dayton Chapter

Northern Ohio Chapter

West Michigan Chapter

Fort Worth Chapter

San Antonio Chapter

Greater Phoenix Chapter

Las Vegas Chapter

Tucson-Southern Arizona Chapter

Milwaukee Chapter

San Diego Chapter

San Joaquin Chapter

Alaska Chapter

OTHER CONTRIBUTIONS OR DONATIONS

Kentucky Chapter

Nebraska Chapter

Inland Northwest Chapter



“Like most of my colleagues, I fell into the property management world by accident. I had just graduated from the University of Texas in Austin and had vast experience in sales and customer service. When I started as a leasing agent with Roscoe Properties in 2014, I quickly learned that this was a career path that I was immensely passionate about. This career allows me to enhance our clients’ investments, create quality living environments for our tenants, and mentor and develop my teams all while operating according to the highest ethical standard. I have earned the ARM, however, my goal is to earn the CPM designation by 2020 in order to strengthen my knowledge and skill set while maintaining my personal and company’s core values. Receiving a Foundation scholarship will significantly help me obtain this goal and I am truly honored to be awarded this opportunity.”

› **MIRANDA MCARTHUR, ARM**
ROSCOE PROPERTIES
AUSTIN



“I consider myself incredibly lucky to have received a scholarship from the IREM Foundation. I have recently changed directions in my career from working in operations for the past 16 years over to asset management. I was very confident with the change until I realized that I did not know what I did not know. Having the experience of gaining my CPM designation during this transition has been essential. It has enlightened me to the pieces of the business that I was not involved with on the operations side. Receiving a Foundation scholarship allowed me to finish my classes more quickly than I originally planned, which in turn made me more successful in my position. I am very grateful and look forward to becoming a part of the exclusive CPM membership of IREM.”

› **ANDREW J. PATACCA, CPM**
37TH PARALLEL PROPERTIES INVESTMENT GROUP, LLC
RICHMOND, VA.



IREM MEMBERS

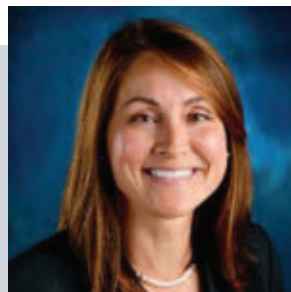
Have you recently been promoted or changed jobs?

Have you or your AMO Firm received an award for a special achievement?

EMAIL the good news to jpm@irem.org so we can share it with your colleagues through JPM®.



Minnesota-based Timberland Partners has promoted **SUNDAE CAUDLE, CPM**, to the position of regional vice president. Caudle, who joined Timberland Partners as a regional manager in 2017, is based out of the Nashville, Tenn., area and will be managing a multi-site portfolio in both Tennessee and Florida, overseeing all aspects of operations. Not only has she been an active member of the real estate industry for almost 30 years, she is also an active and award-winning member of the IREM Nashville Chapter.



THUONG "TERRI" BENSKIN, CPM, HCCP, and past president of the IREM Memphis Chapter, has been appointed executive vice president at WinnResidential. In her new role, Benskin will be responsible for a portfolio of owned and fee-managed properties located in the Southeast, Mid-Atlantic and Northeast. Said Benskin of her new assignment, which takes her to Boston after being based in Memphis, Tenn., where she served as COO for LEDIC Realty Company, "I am honored to be a part of an organization with such emphasis and energy for their residents, their clients and their employees...The lobster rolls aren't too bad either."



Industry veteran and past IREM President **JO ANN CORBITT, CPM**, has stepped into the role of executive vice president of property management at Colliers International | Nashville, an AMO firm, where she previously held the position of vice president. In the company's press release, Bert Mathews, senior partner at Colliers, said of Corbitt, "[She] is truly the

gold standard for real estate management, not just in Nashville but across the country, and we are extremely fortunate to have her serving in this leadership role at Colliers." Active in the industry and within IREM, Corbitt is a past recipient of both IREM's Lloyd D. Hanford Distinguished Faculty Award (2006) and the J. Wallace Paletou Award (2013), which recognizes significant contributions to the industry or society through the role of real estate manager.



STEVEN J. MARTENS, CPM, CCIM, SIOR, received the 2018 Real Estate Lifetime Achievement Award presented annually by The Kansas CCIM Chapter and Wichita State University. Recipients are chosen for their significant contributions over many years to the Wichita commercial real estate or development industries. In the case of Martens, CEO of the Martens Companies and NAI Martens and a third-generation commercial real estate professional, he was recognized for dedicating his career to promoting the commercial real estate industry and helping it flourish, having realized early on that commercial real estate opportunities provide the catalyst for entrepreneurial development, jobs and community growth.



The Florida Apartment Association (FAA) has installed **BONNIE SMETZER, CPM, HCCP**, as its 2019 president. Smetzer is executive vice president and a partner for JMG Realty, Inc., AMO, in Melbourne, Fla., where she directly oversees operations of a portfolio of 10,000 apartment units. Properties under her guidance have been finalists and won several industry awards, including two National Association of Home Builders Pillars of the Industry awards and the Outstanding Renovation Victor award given out by the National Apartment Association (NAA). She's also served on the board of directors for the Space Coast Apartment Association and the NAA.

2018 IN MEMORIAM

Mr. Steven Baskin, CPM

Ms. Dyanna K. Bentley, CPM

Mr. W. I. Berman, CPM

Ms. Barbara Betkis, Associate Member

Mr. Charles C. Brown, CPM

Mr. Shepard Brown, CPM

Mrs. Cheryl A. Brudvig, CPM

Mr. Matthew A. Calvano, CPM

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Mrs. Lynn D. Cassell, CPM

Mr. Dale H. Denson, CPM

Mr. Raymond C. Frye, CPM

Mr. Ronald N. Gass, CPM

Mr. Bruce K. Goodman, CPM

Ms. Jean D. Griffin, CPM

Mr. Guido A. Haug, CPM

Mr. Timothy J. Hedrick, CPM

Mr. Chester B. Heineck, CPM

Mr. Robert J. Kafarski, ARM

Mr. Roy H. Krueger, CPM

Mr. Edward S. Metzner, CPM

Ms. Courtney Ann Michal, ARM

Mr. William Alan Mudd, CPM

Mr. Joseph C. Murray, CPM

Mr. Stephen C. Peters, CPM Candidate

Mr. Robert S. Piper, CPM

Mr. George B. Rush Sr., CPM

Mr. Arthur A. Shields, CPM

Mr. Ray Stone, CPM

Mr. Sidhhaarth Umagandhi, Associate Member

Mr. Michael Van Matre, ARM

Mr. Mark L. Zeyher, ARM

NEW CPMS, AMO FIRMS & CERTIFIED SUSTAINABLE PROPERTIES

OCTOBER & NOVEMBER, 2018

NEW CPMS

ARIZONA

Whitney L. Delgado, CPM, Chandler

Jasmine C. Greene, CPM, Gilbert

McKenna C. Drummond, CPM, Phoenix

Ana L. Ramirez, CPM, Phoenix

Denise M. Trentacosta, CPM, ARM, Tucson

CALIFORNIA

Jeanie Chiu, CPM, Bakersfield

Lauren E. Prichard, CPM, Cameron Park

X. S. Alexander, CPM, Culver City

Kislaya K. Sinha, CPM, El Cerrito

Richard Resos, CPM, Irvine

Renato Vazquez, CPM, La Palma

Amy R. Wunderlich, CPM, Los Angeles

Jon A. Dolan, CPM, Pasadena

Jay M. Scheinok, CPM, San Diego

Michael D. McCamish, CPM, San Francisco

David Wilson, CPM, San Francisco

Christine M. Long, CPM, Santa Ana

DISTRICT OF COLUMBIA

Asa Ewings, CPM

FLORIDA

Sarah D. Vandagriff, CPM, Ormond Beach

ILLINOIS

Maria C. Sheehan, CPM, ARM, Bartlett

Trisha Leavitt, CPM, Chicago

Michael W. Murray, CPM, Chicago

Edward Carlson, CPM, St. Charles

INDIANA

Viki L. Hamblen, CPM, Indianapolis

LOUISIANA

Kirth M. Paciera, CPM, New Orleans

MARYLAND

Blair Petersen, CPM, Annapolis

MASSACHUSETTS

Francis X. Cevetello, CPM, Boston

Melissa Fish-Crane, CPM, Braintree

Shelagh S. Anderson, CPM, East Cambridge

NEW HAMPSHIRE

Jennifer A. Jones, CPM, ARM, Hanover

NEW JERSEY

Alpa P. Trivedi, CPM, Florham Park

NORTH CAROLINA

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Amanda DeHaarte Smith, CPM, Brooklyn

Delmy A. Ruiz, CPM, ARM, Suffern

OHIO

Sarita M. Penn, CPM, Columbus

RHODE ISLAND

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SOUTH CAROLINA

Matthew R. Smith, CPM, Greenville

TENNESSEE

Helen S. Dowty, CPM, Knoxville

Timothy C. Norwood, CPM, Memphis

VIRGINIA

Christina Vandivier, CPM, Arlington

WASHINGTON

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Chrystina Orecchio, CPM, Seattle

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David McIlveen, CPM, Calgary, Alberta

Nicole A. Daruda, CPM, Edmonton, Alberta

Ashley Blommestyn, CPM, Glenburnie, Ontario

Caitlyn Clark, CPM, Glenburnie, Ontario

Evan J. Apostol, CPM, Hamilton, Ontario

John Blanchard, CPM, Hamilton, Ontario

Lilly Tassone, CPM, Smithville, Ontario

CHINA

Entong Cao, CPM, Beijing

Suhao Yao, CPM, Beijing

Linlin Han, CPM,
Hangzhou

Hu Zhu, CPM, Linyi

Lei Guo, CPM, Shanghai

Wei Jiang, CPM,
Shanghai

Xiaoru Liu, CPM,
Shanghai

Jun Qian, CPM, Shanghai

Jinfang Qiao, CPM,
Shanghai

Zhe Wang, CPM,
Shanghai

Ting Wu, CPM, Shanghai

JAPAN

Kentaro Tada, CPM,
Hokkaido

Tomomi Matsuzaki, CPM,
Osaka

ROMANIA

Mahmoud Turkmani,
CPM, Bucharest

NEW AMO FIRMS

CALIFORNIA

Avanath Realty, Inc.,
AMO, Irvine

ILLINOIS

33 Management, AMO,
Chicago

OHIO

PSF Management
Company, LLC Db
Playhouse Square Real
Estate, AMO, Cleveland

NEW CERTIFIED SUSTAINABLE PROPERTIES

CALIFORNIA

Madera Valley
Apartments, Corte
Madera

The Garey Building,
Los Angeles



JAN

1/17-20

Executive Committee
Retreat

Location: Chicago

Visitor(s):

All Officers

2/1-5

IREM Foundation
Strategic Planning
Retreat

Location: Chicago

Visitor(s):

Chip Watts, CPM

FEB

2/1-5

ASAE CEO Symposium

Location: San Diego

Visitor(s):

Cheryl Gray, CPM

Chip Watts, CPM

Denise Froemming

2/5-7

IREM South Africa
Gauteng Chapter
Inaugural Meeting

Location: Johannesburg

Visitor(s): Don Wilkerson,
CPM

2/25-3/1

Officer & RVP Meeting

Location: Chicago

Visitor(s):

All Officers

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2



A Deeper Meaning Behind Ethics

AMO Firm R. E. Management, Inc. is named a finalist for a local ethics award

By Jennifer Jeck

THE INTRODUCTION TO THE IREM AMO CODE OF PROFESSIONAL ETHICS READS, “The Institute of Real Estate Management (IREM) and its Members intend that this Code and performance pursuant to its provisions will be beneficial to the general public and will contribute to the continued development of a mutually beneficial relationship among ACCREDITED MANAGEMENT ORGANIZATION (AMO) Member Firms (AMO Firms), and other Members, national and international professional real estate associations and organizations, clients, employers and the public.”

The ways in which R. E. Management, Inc. (REMI), an AMO Firm in Green Bay, Wis., takes IREM’s slogan, “For Those Who Manage to Make a Difference” to heart is a very practical example of what upholding that statement in the AMO Code looks like. For their efforts, they were recently recognized as a finalist for the annual Ethics in Business Awards, presented by local organization Foundations Health & Wholeness (in partnership with founding sponsors Green Bay Packaging and the George Kress Foundation). REMI was the only real estate management firm to be named to the top three finalists; looking at its approach to affordable housing, and the mutually beneficial relationships it fosters, it is easy to see why.

Executive CPM, Victoria Parmentier, says, “REMI is committed to guaranteeing that at-risk populations in Green Bay are successfully housed. For the five affordable apartment complexes (354 units) it manages, REMI has adopted the Housing First approach. This approach, approved by our owners and investors, removes the preconditions and barriers to entry that individuals and families facing homelessness often encounter, such as sobriety, treatment or service participation requirements.”

REMI’s Housing First work has been mutually beneficial for all involved. They have fully committed to their residents, and it has been noticed by the public.



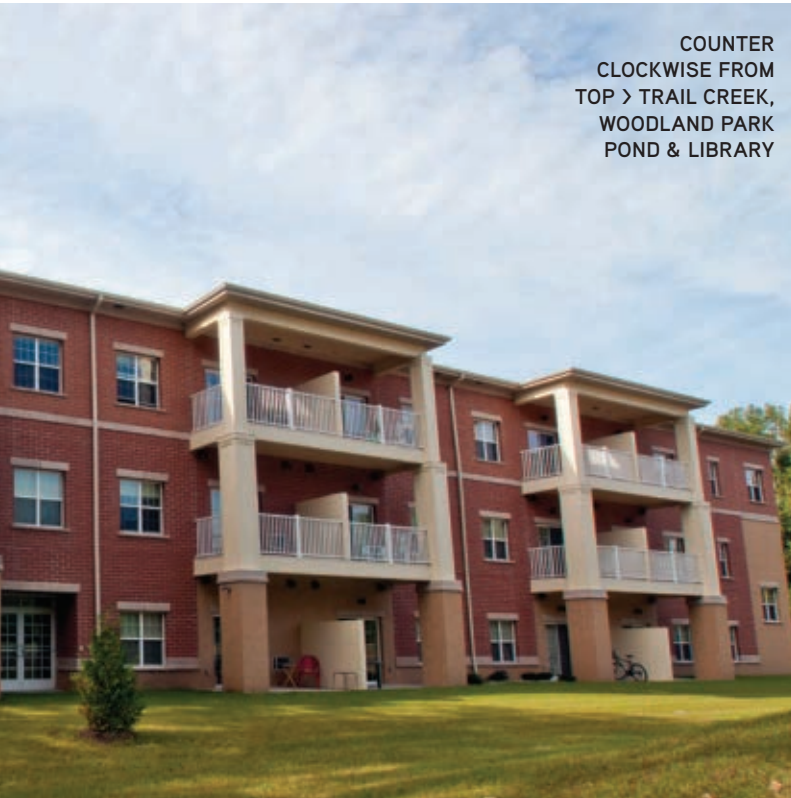
“If we apply our management skills in changing the way at-risk individuals think, they will have the beliefs to create their own success rather than rely on society.”

— VICTORIA PARMENTIER
EXECUTIVE CPM



PHOTO © KIM KLEIN

COUNTER
CLOCKWISE FROM
TOP > TRAIL CREEK,
WOODLAND PARK
POND & LIBRARY



HOUSING FIRST ROI FOR RESIDENTS:

- › Increased employment of residents by 27 percent since 2014
- › Provided housing for 54 chronically homeless individuals for over 5 years
- › Increased resident engagement in the community through volunteering and participation in neighborhood associations
- › Increased parent/child interaction through cooking and yoga classes

HOUSING FIRST ROI FOR INVESTORS, GOVERNMENT AND COMMUNITY:

- › Investors: Increased profits due to less turnover
- › Local government: Reduced costs related to homelessness
- › Community: Reduced homeless population and increased resident engagement

HOUSING FIRST ROI FOR REMI:

- › Established as the “go-to” company with agencies as it relates to affordable housing
- › Is the only property management company on the Brown County Housing and Homeless Coalition, which connects at-risk individuals to housing resources and support services
- › Provides office space at two of their buildings for Catholic Charities to meet with residents for financial counseling



Notes Parmentier, “Just as IREM invests in its membership, so should we, its members, invest in our communities...if we apply our management skills in changing the way at-risk individuals think, they will have the beliefs to create their own success rather than rely on society. As does IREM, we believe that good management matters, that good management translates into value, and that well-managed properties improve the quality of life for those in our communities. You must have a positive mindset to give more than is expected to other people, which in turn creates value.” ■

Jennifer Jeck, IOM (jjeck@irem.org), is manager of customer and member services at IREM Headquarters in Chicago.



Average
energy consumption
declined by


13 percent

for those study participants
tending to their chickens.

(P6)

...THE COLLECTIVE OUTLOOK IS
OPTIMISTIC—EVEN IF SOMETIMES IT'S
OPTIMISM WITH AN ASTERISK.

(P8)



**“
YOU MUST HAVE
A POSITIVE
MINDSET TO GIVE
MORE THAN IS
EXPECTED TO
OTHER PEOPLE,
WHICH IN TURN
CREATES VALUE.”**

(P46)



**“
SPREADSHEETS
ARE NOT A GREAT
WAY TO MANAGE
A MULTI-TRILLION-
EURO INDUSTRY.”**

(P32)



Smoking
recreational
cannabis

in your condo is not a right protected by the government.”

(P20)

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- Get hives at the sight of a calculator ever since freshman algebra? ***Commercial Real Estate Math for Real Estate Managers*** has the cure.

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