

# Jpm<sup>®</sup>

JOURNAL OF PROPERTY MANAGEMENT  
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> Giving Your Future Leaders Room to Soar / P 18



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MICHAEL T. LANNING, CPM ([PRESIDENT@IREM.ORG](mailto:PRESIDENT@IREM.ORG)), IS SENIOR VICE PRESIDENT AND CITY LEADER FOR CUSHMAN & WAKEFIELD, AMO, IN KANSAS CITY, MO.

As I enthusiastically step into the role as President of IREM for 2017, it's appropriate that the theme of this issue of *JPM* is centered on leadership.

Irrespective of whether you think leaders are born or made, no one questions the importance of leadership development in maximizing productivity, promoting performance and shaping culture. For many companies, building a strong bench through a solid leadership development plan is part of their "secret sauce," as Shannon Alter suggests in her article that starts on [page 18](#).

Organizations can also be leaders: IREM is a case in point, having been named as the first professional association—as well as the first project in Chicago—to earn the WELL Building Standard<sup>®</sup>. Find out more about what this means starting on [page 34](#).

IREM acknowledges leaders through its REME Awards, four of whom are featured in this issue. Turn to [page 40](#) to learn the stories behind those recognized as our 2016 CPM, ARM and AMO of the Year winners.

And if you want to learn more about me, my leadership style and what I hope to accomplish over the next 12 months, don't miss the profile by John Salustri that begins on [page 44](#). If anything you read resonates with you, or you want to share your thoughts about IREM and the profession we are a part of, please reach out. You can readily reach me at [president@irem.org](mailto:president@irem.org). Because one thing I know for sure: Leaders listen.

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## MALLS CONSIDER NEW WAYS TO PROTECT THEIR SHOPPERS

*Associated Press*

Customers feeling unnerved by recent attacks at U.S. shopping malls may not notice huge changes, but the nation's mall operators are putting in place new technologies and other measures to offer shoppers greater protection without intruding too much on their retail and leisure time. Mall executives say shoppers have been adamantly opposed to airport security tactics like metal detectors. So they're trying other things like more sophisticated cameras and even security robots. Others are increasingly using mass notifications that let them send text and e-mail alerts to tenants within seconds in case of a crisis. Lisa LaBruno, a senior vice president at the Retail Industry Leaders Association trade group, confirmed that mall owners "are committed to reassessing the situation and identifying ways in which they can mitigate risks." Still, she and other industry experts concede that operators don't have much control over actually stopping any incident from happening. Moving forward, the key will be to minimize any threat and focus on keeping people safe. For years, malls have been working with the Department of Homeland Security on plans for first responders entering retail centers to try and stop active shooters, rather than wait for backup as had been the practice. In the past two years, more and more malls have been offering enhanced training for workers. At the Macy's department chain, active shooter training has been a requirement for all employees since 2014. Mall management staffs are also running more evacuation drills and are collaborating with local police departments that may train at malls when they're closed.



## SHINE A LIGHT ON MULTIFAMILY WITH THE LATEST LIGHTING TRENDS

*Property Management Insider, Blackwell*

Innovations in light-emitting diode (LED) lighting are having an effect on apartment community interiors and exteriors. The lighting industry's most sophisticated LED products are nearly 10 times more energy-efficient than conventional incandescent lighting. They also last more than 25 times longer, reports the U.S. Department of Energy. Indeed, greater movement to LEDs is casting new light on how apartment property managers can leverage the latest styles to both spruce up existing apartment properties and meet the changing tastes of renters. Lower costs are also factoring in. LED lights emerged as an option to compact fluorescents (CFLs), which got negative reviews from consumers and failed to meet government standards. LEDs, though, were much more expensive. Then, in 2015, two of the biggest light bulb manufacturers, General Electric and Philips, rolled out less expensive LEDs to help cost-conscious consumers move away from CFLs.

In recent years, meanwhile, trends are moving away from traditional light fixtures to more modern, industrial, rustic and even vintage styles. The five-bulb chandelier is quickly becoming a thing of the past, replaced by geometric designs and metal finishes. Outdoors, LEDs are emerging as a smarter choice since they burn longer and require far less maintenance. After all, the last thing a property management team wants to do is climb two or three stories with any frequency to replace light bulbs. With lower pricing and greater availability of LED lighting, apartment owners and managers have an opportunity to transition from the traditional and cost-driven standardization from one property to the next. "Different form factors have become more popular than standard three-, four- and five-light fixtures," Clay Brice, a merchant in Home Depot's lighting division, concluded. "Those fixtures are probably the backbone to most multifamily establishments."

# SIX

## WAYS BUILDINGS CAN PROMOTE WELLNESS



*Buildings, Penny*

Building owners and operators can encourage their occupants to lead healthier lives with these six tips.



# 1

### Encourage more walking.

Indeed, a handful of simple low- or no-cost improvements can encourage occupants to walk more, such as moving communal equipment like printers and copiers to a central space. For a more formal walking initiative, consider starting a prize competition and have occupants wear fitness monitors to track how many steps they take during a day.

# 2

### Promote stairs, not elevators.

To be sure, an existing building has fewer opportunities than a new construction project to make stairs an appealing amenity, but it can be done.

# 3

### Trim the fat from your building's food-service options.

Whether the building has a couple of vending machines or a full cafeteria, offering appealing but healthy options can be accomplished by talking to and working with your foodservice vendor.

# 4

### Place greater emphasis on fitness centers.

Such facilities should be made more front and center, more accessible, more visible and closer to an outdoor space if possible, so that occupants have the option of running or walking outdoors and coming back to the gym.

# 5

### Facilitate access to green space.

Buildings of any size can incorporate some view of plant life even without a beautiful view from expansive windows.

# 6

### Be sure to provide variety with breakout spaces.

A change of pace can help boost productivity and get people more active. Best of all, creating breakout spaces can afford management the opportunity to turn some of a building's underused or unattractive spaces into real assets.



## sound bites

A satisfied customer is the best business strategy of all.

—MICHAEL LEBOEUF

The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint to keep from meddling with them while they do it.

—THEODORE ROOSEVELT

He who has learned to disagree without being disagreeable has discovered the most valuable secret of a diplomat.

—ROBERT ESTABROOK

The most common way people give up their power is by thinking they don't have any.

—ALICE WALKER

It is better to lead from behind and to put others in front, especially when you celebrate victory when nice things occur. You take the front line when there is danger. Then people will appreciate your leadership.

—NELSON MANDELA

It is essential to employ, trust and reward those whose perspective, ability and judgment are radically different from yours. It is also rare, for it requires uncommon humility, tolerance and wisdom.

—DEE HOCK

# HIGH-END AMENITIES NO LONGER JUST FOR OFFICE BUILDINGS & APARTMENT TOWERS

## INDUSTRIAL SPACES OFFERING THE PERKS, TOO

*REJournals.com, Rafter*

More and more warehouses and industrial facilities are starting to offer the kind of high-end amenities seen in top-flight office buildings and apartment communities. Frederick Regnery, principal in the Chicago office of Colliers International, AMO, explained, “It is all driven by the need to be competitive on the labor side. It’s about branding your facility as a good place to work.” Regnery observed that a growing number of developers are focusing on the importance of providing spacious lunchrooms, designing work areas bathed in natural light and aiming for LEED certification. Some things are still a given. Warehouses and distribution centers still have to be located off of major railroad and highway hubs. In addition, they must still be situated near dense population markets.

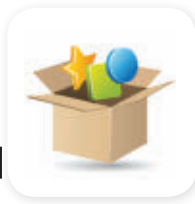
However, once end users find these ideal locations, they more often select warehouses boasting higher-end amenities that entice the best of today’s workers.

“The smart companies have done a nice job of branding even warehouse locations as a good place to work,” Regnery remarked. “Less than 10 years ago heck, even less than six years ago—the workplace environment and amenities in a warehouse building were not usually part of the conversation. Now you have a lot of thoughtful discussion around the work environment.” In particular, the striving to attain LEED certification is especially prevalent, because workers consider green buildings healthier places at which to work.

:: BUZZ

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## ITEMS & STORAGE

Stuff. Most people have it—lots of it, all kinds of it. Managing it can be overwhelming, and Items & Storage can help. It gives you a way to catalog, organize and take inventory of your possessions, allowing you to take photos of them, store their associated bar codes and record such details as what they cost, where to find them (down to which shelf they're on) and to whom you last lent them.

Available on: *iPhone and iPad*  
Price: *\$4.99*



## TRIPIT

Travel can be a stressful affair, especially when it comes to keeping tabs on all the pertinent details of your journey. TripIt makes orderly sense of the particulars and maintains a master itinerary for you, which you can sync automatically to your calendar and share with others. It also stores all of your travel document details and contact information for the people you most need to have access to—spouses, sitters, doctors—while you're on the road.

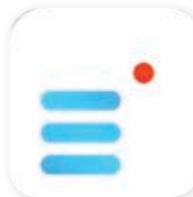
Available on: *Android, iOS, Windows 7 and Blackberry*  
Price: *Free - \$0.99, with option to upgrade*



## CAMCARD

Afraid of losing all those business cards you worked so hard to collect at your last conference? Let CamCard ease that fear. Snap a photo of the card, and CamCard will not only identify the contact information so it can be saved on your phone, it will also allow you to organize and add notes about each contact. It's multilingual too, having the ability to recognize 17 different languages, aiding you in your foreign relations.

Available on: *Android, iPhone, iPad, Windows, Blackberry, Outlook*  
Price: *Free - \$0.99, with additional options for team and business subscriptions*



## EASILYDO

Deceptively quick tasks have a way of stealthily accumulating and chipping away at your valuable time. EasilyDo is a mighty mobile assistant that relieves that burden by automating activities like Facebook birthday wishes and brief texts to let your client know you're almost to the restaurant where you're meeting him for lunch. It also performs functions such as managing contact lists and e-mail accounts, sending reminders about appointments in your calendar, tracking shipments and monitoring traffic to make sure you get to that important meeting on schedule.

Available on: *Android and iOS*  
Price: *Free, with options to upgrade*

# FAST FACTS

A building or ROOM WHERE QUIET IS IMPOSED, such as a library or study room, IS CALLED A SILENTIUM.



Want to clean up the oil slick in your swimming pool that can be the result of accumulated suntan lotions and sun blocks? TENNIS BALLS TOSSED INTO THE POOL AND ALLOWED TO FLOAT AROUND WILL SOAK UP THE EXCESS GRIME.



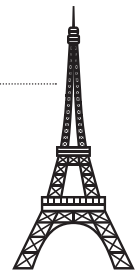
In July of 1811, CHARLES BULFINCH, architect of both the Massachusetts State House and the first completed dome of the U.S. Capitol, was IMPRISONED IN A JAIL OF HIS OWN DESIGN FOR A MONTH, due to unpaid debts.



Keeping a refrigerator pulled one inch away from the wall behind it can REDUCE THE ENERGY USAGE OF THE REFRIGERATOR BY AS MUCH AS 40 PERCENT.



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# ETHICS OF PRINCIPAL- TO-PRINCIPAL RELATIONSHIPS

“Integrity must be proven by a commitment to ethical values and a history of quality performance by each party.”

The dictionary defines a principal party as a person of high rank or authority, who takes a leading position and is responsible for meeting an obligation. As a property manager today, and every business day, you are responsible for making choices that not only affect you and your organization but also impact the safety and success of your clients and residents. Likewise, we can only be successful in business if others choose us to lead and manage. I would say that our judgments and values are on display every day and are the foundation of our reputation.

Think about the last time you were applying for a job or meeting prospective owners or clients to ask for their business. You likely took time in advance to learn what you could about them. What is their history? What do others say about them? How do their buildings look? Do they seem to have persons of quality around them? You are asking because you know that a relationship is only successful if both parties trust each other and believe that the other will consider the interest of both parties.

How do we assure that the relationship between principal parties is maintained in an ethical manner? A good policy with any business arrangement is to establish a written contract that clearly states what both parties will be responsible for and have authority over. An agreement between principals should also include a clear understanding of how ethics is incorporated into employee and contractor oversight.

Here are some suggestions that a principal should consider adding to a business agreement:

- Nothing less than full compliance with laws and regulations is acceptable by any employee, vendor or subcontractor.

- Honesty, integrity and moral quality are expected as much as job competency by each employee for success and advancement.
- Protection of physical and monetary assets will be maintained, and all employees will be held accountable for the handling and reporting of financial records with accuracy, honesty, diligence and confidentiality.
- Company policies will be developed and must be followed without exception unless directed otherwise by a supervisor. Such policies shall forbid any employee or party to the agreement from accepting compensation—including fees, kickbacks, bribes, services, personal items or commissions—without written approval.
- Employees will be expected to report any impropriety or policy violation directly to top company leadership.
- If one does not exist, a company ethics statement that spells out corporate values will be established.

Of course, choosing to do business with an IREM Member such as an AMO, ACoM, CPM or ARM goes a long way to ensure that ethical conduct will exist in all activities they are responsible for, because all IREM Members are required to uphold the IREM Code of Professional Ethics. A complete review by both parties of the pledge and articles included in the IREM Code of Professional Ethics ([www.irem.org/ethics](http://www.irem.org/ethics)) is a great way to build a foundation of trust.

In short, success between two parties requires trust by each and cannot be achieved by just words. Integrity must be proven by a commitment to ethical values and a history of quality performance by each party. ■



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BY JEFFREY S. LAPIN, CPM

# FOR SAFETY'S SAKE

**A REASONABLE  
STANDARD OF CARE  
FOR COMMERCIAL  
PROPERTIES**



Tenants, visitors and vendors who enter upon public commercial properties (office buildings, retail centers, apartment communities, industrial buildings, etc.) are entitled to the presumption of safety.

They should and do expect that the owner of that property, by making it accessible to the public, maintains the property—including parking areas, lobbies, hallways, grounds, pools and the walkways that connect these elements—to a reasonable standard of care.

Landlords who own and operate commercial properties need to be aware of the fact that there is a direct correlation between proper maintenance and risk management procedures and the risk of physical injury. In other words, poor maintenance practices increase the likelihood that someone will be injured on our properties. Good maintenance practices reduce that risk.

A reasonable standard of care needs

to exist for any given commercial property, and it all starts with a proactive, written property maintenance and risk management plan.

#### **PLANNED MAINTENANCE IS PROACTIVE MAINTENANCE**

IREM teaches property managers that proactive maintenance (maintenance designed to anticipate likely future repairs and servicing needs) is the cornerstone of achieving a reasonable standard of care for their properties. A foundation of proactive maintenance and risk management procedures is the written property maintenance and risk management plan. Every commercial property manager should have an updated, detailed, customized property maintenance and risk management plan for every property.

Such a plan details each element at the property that must be maintained, who will be responsible for maintaining it, how often it will be maintained and the specific maintenance protocols for that item. An example would be exterior parking lot lighting. If no plan exists for regularly scheduled inspections and maintenance of such lighting, it is likely that lights will fail and go unrepaired. This leads to one of the highest risk situations at a commercial property—poorly lit, unsafe parking lots.

But who is responsible for regularly surveying the parking lot to note any burned-out bulbs or missing fixtures or those that are likely to fail soon? That duty must be

assigned in the property maintenance and risk management plan for the property. Properly created and administered, the customized property maintenance and risk management plan ensures that regularly scheduled cleaning and repair of a property's equipment and common areas will occur before a problem exists.

### **INSPECTIONS AND FOLLOW-UP**

It is not sufficient to have a proactive property maintenance and risk management plan that sits on a shelf and gathers dust. To be an effective tool, the property manager must use that plan to guide maintenance and risk management operations on a daily basis. The proactive property manager will perform regular inspections, note deficiencies, assign work to be completed and then follow up to ensure that corrections were made. Failing to perform regular, documented inspections of the property and then follow up with those responsible for carrying out the items in the maintenance plan is no better off than the manager who never does inspections. In fact, the knowledge of the existence of a dangerous or improperly maintained property element, and the subsequent failure by the owner or property manager to take appropriate and reasonable action to mitigate or eliminate the hazard, can often be worse than a total lack of awareness of the condition.

Whether the property owner or manager has chosen to hire in-house maintenance personnel to perform regular cleaning and maintenance of the common areas of a property, or these services have been outsourced to a qualified third party contractor, there is a reasonable expectation by the visit-

Continued on Next Page ▾

## **PAY CLOSE ATTENTION TO SWIMMING POOL MAINTENANCE**

Another example of an item that is often the target of successful liability injury claims is the apartment complex swimming pool. Many multi-unit housing complexes have a swimming pool or spa as a valuable amenity requiring a whole host of precautionary measures by the owner or manager to ensure safety.

### **FENCING AND SIGNAGE**

First, because such amenities are a magnet to young people, most areas of the country require a fence around the pool or spa with a self-closing gate to keep curious, unattended youngsters out of the water. Tragic consequences often occur when such simple precautions are not taken. And the responsibility for the safety of such amenities doesn't end with the installation of such a fence and gate.

The fencing and gates must be regularly inspected and maintained as needed to ensure that these items work as intended. This too goes for the signage that should be posted in obvious places, warning people that no lifeguard is on duty, advising of the depth of the pool and providing other important safety information. What about life preservers? If required, these items must also be inspected and repaired or replaced as needed. And again, such inspections and maintenance must be properly documented, creating a paper trail that evidences the reasonable and industry standard procedures that are regularly occurring.

### **REGULAR, DOCUMENTED INSPECTIONS**

The performance of regular, documented inspections by a trained eye is first and foremost in the process of effectively managing risk. IREM's course, Managing Maintenance Operations and Property Risk – MNT402, taught as part of the CPM curriculum, stresses that the first responsibility of property management and maintenance professionals is to perform regular, comprehensive inspections of the property and

to document those inspections with written checklists. Check for such items as burned-out lights; a wet or slippery floor; trip hazards such as potholes or broken bumper stops; missing warning signs; or objects left in the path of travel that can and should be addressed in a reasonable period of time. These items should be noted on the inspection reports, and action should be taken immediately to remove the hazard or warn pedestrians to avoid it. Regular, documented inspections are the mainstay of any good property maintenance and risk management program.

### **PROACTIVE MEASURES**

The key is the proactive nature of such policies and procedures. Trained property managers do not wait for an accident to happen or a system to fail before taking action. Rather, they anticipate what can reasonably be expected to happen, based on experience and training, and they take action in advance to prevent an unfortunate outcome.

For instance, if an inspection reveals a concrete walkway with a lifted edge (common when tree roots or ground settlement raises one edge of a concrete pad), the proactive manager will immediately cordon off that area with a highly visible barrier, warning pedestrians of the hazard. They will then document that hazard and the actions taken and then, very shortly thereafter, get someone to fix the hazard before someone trips on it. They will also take steps to make sure that until the hazard is removed, the barrier is inspected often and someone verifies that it remains in place and protects against accidents.

There is a reasonable expectation by the visiting public and tenants that such maintenance is occurring regularly and that public areas are safe.

ing public and tenants that such maintenance is occurring regularly and that public areas are safe.

For instance, the policies for maintenance of a stone floor in the public lobby of an office building should state that the floor will be inspected at the beginning of each shift and then again each hour. Any spills discovered should be immediately cordoned off to block pedestrian access and then cleaned up using proper tools, leaving a dry, non-slippery surface. Such inspections should be documented, including conditions found and corrective actions taken.

#### **PERFORMING DETAILED MAINTENANCE PROCEDURES**

The policy should state that the building's janitorial provider or in-house cleaner must prevent items from being left on the floor that might present a slip-and-fall or trip-and-fall hazard. If such hazards cannot be immediately eliminated, precautions must be taken to keep people from that area and prevent accidents. The specific maintenance procedures for this floor should include the routine application of a non-slip floor finish to make it safer. A periodic test to indicate the slip resistance of a particular floor surface (known as the Coefficient of Friction, or COF) is a recommended best practice in our industry.



#### **DOCUMENTING MAINTENANCE**

All such policies, procedures and maintenance should be properly documented in sufficient detail to allow a third party (including the trier of fact in a court of law) to easily verify that the property manager is taking satisfactory and appropriate measures to prevent an injury.

A reasonable standard of care for any commercial property is all about having a proactive approach to maintenance and risk management. Those property owners and managers that follow such an approach—one that includes having a written, property-specific plan for inspecting and maintaining every element of the property and for following up immediately when hazards are discovered—are the ones least likely to be on the wrong end of a liability judgement. ■

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A HAPPY COMPANY IS A SMART COMPANY BECAUSE THEY PUT THEIR PEOPLE FIRST, AND PROFITS COME AS A RESULT OF THAT PRACTICE.

## NO PROFIT WITHOUT PFT

("PEOPLE FIRST" THINKING)



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Recently, while visiting one of our properties, I was stopped by a maintenance technician who wanted to chat with me about his personal path to progress. He had been in his current position for about two years, and although he had recently received a pay increase, he was interested in becoming a supervisor. When asked why, a big grin registered on his face. "That's easy, Nick," he said, "the money!"

### FOCUS ON CRAFT, NOT CURRENCY

Sure, I understood where he was coming from. Who doesn't want to earn more money to better provide for their family? But with this employee—and with many looking to climb into management ranks—there exists a significant disconnect between what leadership *is* and what leadership *does*. A true supervisor is a leader, and a true leader is not made with a title and compensation; rather, he or she is often recognized with compensation as a result of the fruits of their labor and service efforts. The focus should instead be on one's craft and not on currency.

### QUALITY CONTROL IS A MINDSET, NOT A JOB DESCRIPTION

While speaking with the employee referenced above, I made it a point to outline the supervisor role and what it requires. We talked about leadership and how crucial strong leadership skills are,

not just to the success of the individual supervisor, but also to the success of all those employees working with and for him. We were able to revisit some feedback shared by his immediate supervisor, who had expressed concern over this employee's failure to pick up trash from a common area, citing the employee's questioning of whether or not it was in his job description. This, I pointed out, is not how leaders think. Quality control is not a line item in a job description. It is a mindset that successful people of all walks of life utilize to do and become better.

### DON'T STEAL!

An ill-equipped or incapable supervisor can wreak havoc on operations. Rather than see performance and profits increase, things like staff turnover and expenses will rise. A supervisor with poor leadership skills is not only stealing a paycheck from their employer, but also robbing their subordinates of being able to benefit from coaching and development opportunities that are so critical to professional growth.

Real estate is a people business, which means that satisfied customers, co-workers and colleagues translate to happy companies. A happy company is a smart company because they put their people first, and profits come as a result of that practice. Remember, you can't spell profit with out PFT! ■





# UN-LEASH THE LEASE:



## TRANSITIONING TO A PET-FRIENDLY OFFICE

*By Joseph Dobrian*

**Owners and managers of residential properties have long known that pet owners tend to be desirable tenants; now it appears that commercial buildings are getting the message.**

A recent survey by the Society for Human Resource Management (SHRM) reports that 8 percent of companies in the U.S. now allow pets in the workplace—a jump from 5 percent three years ago. Employees are increasingly drawn to companies that allow them to bring their dogs to work, and owners of commercial property seem to be more

open to that possibility, at least on a case-by-case basis, as a way of attracting steady long-term tenants.

### **HARNESSING PETS AS A MARKETING TOOL**

Many commercial real estate owners and managers look for guidance to policies put in place at multifamily

residential properties—and are paying attention as those policies evolve. Lee Porter, CPM, president of Birch Management, AMO, in Greensboro, N.C., said his company went to a pet-positive policy two years ago in response to consumer demand. Statistics clearly show that allowing pets is a good way to attract and keep tenants.

“Vacancy is your number-one cost, and we’ve found that pet owners tend to be a bit more responsible and stay longer,” he said. “Our commercial

properties are mainly single-tenant, so the pet policies there are up to the tenant. Insurance companies will have a lot to say about what pets you can or can't allow. Some dog breeds get bad press, but in practice we haven't found that one breed is worse than another."

At Lemman Property Management in Peoria, Ill., vice president Drew Lemman, CPM, said a pet-friendly policy is a strong marketing tool on the residential side. On the commercial side, he manages some supermarkets and pet stores—some of which are part of supermarkets—that have dog-washing stations, trimming areas and so on.

"It's not common for us to market commercial space as pet-friendly," he said, "but it depends on the tenant. We charge an extra \$200 per-pet deposit, and a pet rental rate of around 5 percent above market rent to protect us from damage to carpets and doorways. We allow most dog breeds; we disallow some breeds that might give concern to other residents for safety reasons and we have weight restrictions depending on the property. We've had all kinds of different requests, sometimes for animals we would not have considered to be pets. We consider them on a case-by-case basis, and we have to have an understanding of what the pet is like.

"We would cut off a major portion of our market if we said 'no pets,' but we want to be sure it won't pose a risk or hazard to the community."

### CONSIDER ALLOWING ONE ANIMAL TYPE

Predictably enough, the Humane Society of the United States is one of the country's most prominent pet-friendly employers. For many years, this was no

problem, since they owned their offices in the Washington, D.C. area. But they've just moved into a rental facility in downtown Washington, where they had to do a little negotiating with the owner to maintain their pro-pet policy. Their solution, as part of a 15-year lease with Carr Properties for 23,000 sq. ft., includes various provisions that might serve as a starting point for property managers whose tenants want animal companions in the workplace.

"We established a clear path of travel for the pets and their owners that significantly decreases interaction within the common areas," explained Ellen K. Wyviorka, CPM, senior property manager at Carr Properties in Washington. "Pet owners are required to submit registration forms—including pictures—that are kept on file with the management office and the security guard. The dogs also have special tags they must wear at all times.

"For our situation, 'dogs only' is the best policy. This is our first time dealing with pets, and keeping it to one type of animal ensures a smoother transition and better ability to maintain the policy. Once we have a better understanding of how pets coexist in the commercial building setting, introducing other animals may be a possibility."

Wyviorka conceded that registering the dogs entailed additional paperwork, and developing the travel path took considerable time and consideration.

"We performed an indoor air quality test prior to their move-in to establish a base reading," she added. "We want to ensure the air is staying clean and void of dander and will conduct these tests on an annual basis. The few tenants in the buildings who had major concerns

had no idea the dogs had already been in the building for a few weeks. So that is a good sign."

Paul Graham, senior vice president of the D.C. region for Colliers International, AMO, who helped put together the deal, noted that office buildings that allow pets are much in demand, especially in hypercompetitive markets where owners might offer perks such as a fitness center, a state-of-the-art conference area or rooftop recreational space. Employers, too, are finding that they can attract dedicated talent by welcoming pets.

"The main problem was that we only wanted 23,000 square feet," he said. "If we'd wanted 100,000, landlords might have given us more consideration. Another consideration was fear of the unknown. But the Humane Society has a tried and true pet policy that will become the gold standard for other landlords."

Graham explained that the building owner didn't want pets coming through the main lobby, so the tenant arranged for pets to come in via another entrance and take the freight elevator to the office.

"When a manager first has her internal meeting with the other tenants about this new pet-friendly tenant, she's prepared for an uproar," he said. "Once she explains it, they're all, 'When can we bring our pets to the office?'"

The Society agreed to a dogs-only policy, but got rid of breed restrictions. (Some landlords object to dog breeds with a reputation for being hard to handle, such as Dobermans, Rottweilers and Pit Bulls; others invoke a weight limit.)

"One employee wanted to bring in his ferrets," Graham says. "The landlord asked, 'What's the life expectancy of a ferret, and how old are these two?' So they were grandfathered in, but from now on it'll be dogs only."

The Society has a committee that decides which specific animals are ready to be admitted to the workplace.

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**NOT EVERY LANDLORD OR MANAGER WILL BE ON BOARD WITH A PET-FRIENDLY POLICY. But allowing pets will be a nice separator for the landlord moving forward in a hypercompetitive market.**

## ESTABLISH FIRM PET POLICIES

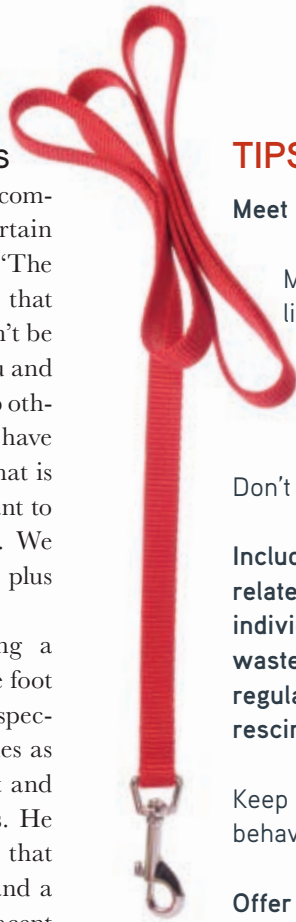
“A pet-friendly policy would be a complete failure if you didn’t follow certain procedures,” Graham conceded. “The dogs have to be so well-behaved that they’re almost not there. They can’t be the kinds of dogs that jump on you and lick you; they can’t be dogs that nip other dogs or humans. You have to have a ‘strike’ policy and determine what is considered a strike. You might want to allow a specific number of dogs. We came up with a maximum of 18, plus five ‘floater passes’ for visitors.”

Graham warned that allowing a certain number of pets per square foot can be problematic if a new prospective tenant wants to rent four times as much space as an existing tenant and bring in four times as many pets. He also advised landlords to ensure that there’s a dog park not far away and a relief area somewhere in or adjacent to the building. In this case, the landlord provided an area in the parking garage, fitting it with artificial turf and a drainage system.

“Not every landlord or manager will be on board with a pet-friendly policy,” he admits. “Some of them will decide they don’t need the headache. But allowing pets will be a nice separator for the landlord moving forward in a hyper-competitive market. Once this program is seen to work, it will become standard.”

LindaMarie Santiago, MCR, director of real estate and workplace (REW) at VMware (Palo Alto, Calif.), said that on any given day, up to 50 dogs can be found roaming the company’s campus. This year, she added, the company held an exclusive Friday afternoon “Dog Days of Summer Bash” for dogs and their owners.

“The pet-friendly policy originated with the REW team based on feedback from our people,” she said. “Many organizations in the Bay Area also have dog-friendly environments. REW first drafted and socialized the policy in 2014,



## TIPS FOR A PET-FRIENDLY BUILDING

**Meet and approve of each pet your tenant wants to bring in.**

Make sure the pet complies with all local laws about licensing, vaccinations, spaying/neutering.

**Consider requiring a refundable pet deposit, or increased rent to cover damage.**

Don’t allow outdoor tethering of pets.

**Include a section in the lease agreement covering all pet-related rules, or create a side letter doing the same for an individual pet. These should cover indemnification, insurance, waste disposal, controlling the pet and compliance with outside regulations. They should also include the landlord’s right to rescind permission.**

Keep in mind that size and breed type are not predictors of bad behavior in dogs.

**Offer easy-to-clean “relief areas” where dogs can be taken to do their business.**

Enforce your pet policies fairly, firmly and consistently.

and we enacted it shortly thereafter.

“The REW team manages the policy, which requires that an employee bring in the dog’s current vaccination record and agree to adhere to the rules of bringing a dog to work. Dogs are restricted to certain areas of campus, and relief stations are provided throughout it. Allowing dogs on campus provides stress reduction, exercise and work/life balance—and we use it as a recruitment tool.”

The policy isn’t without challenges, Santiago admitted. Most of these are associated with administering the policy and ensuring that all pet-owners are treated equally and that the non-dog-loving population’s rights are respected—plus general clean-up of the

campus. “With more than 157 registered dog owners,” she said, “we need constant communication to make sure everyone is following the policy at all times. For example, we must communicate the importance of keeping each pet’s vaccinations current.”

VMware has addressed hazards to the physical plant by creating a map, outlining all approved areas for dogs to visit, including where they should relieve themselves. VMware has a solid security team patrolling the campus to ensure dog owners are following the policy.

“We benchmarked our policy against a variety of similar policies in the Bay Area,” she said. “Looking at universities and businesses helped us build a good foundation on basic principles.” ■

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# BUILDING A STRONG BENCH

Your Leadership  
Development  
Plan is Your  
“Secret Sauce”

SHANNON ALTER, CPM

## What do In-N-Out Burger and McDonald's have in common?

If you're a Californian, burger chain In-N-Out needs no introduction—this cult fast-food favorite gives McDonald's a run for its money. Both chains had it all: a passionately loyal customer base, astronomical reach and dynamic CEOs. McDonald's CEO Jim Cantalupo was a fixture there; In-N-Out's Rich Snyder literally grew up in his family's business. Until, that is, these dynamic chief executives died suddenly, throwing their respective chains into a different sort of lime-light. Now both firms faced unexpected changes in management and control, and customers wondered who would take over the helm. Their ability to provide new, yet proven leaders was put to the test by the untimely deaths of each of their CEOs. McDonald's situation was particularly challenging—replacement CEO Charlie Bell also passed away nine months into the job.

Fortunately, each company had its own secret sauce to seamlessly weather the storm: a strong management bench. Snyder had carefully crafted his management team with succession in mind; McDonald's legendary management retention pipeline included numerous top executives who started their careers at ground level.

### THIS COULD BE YOU

Imagine this scenario: It's been a Monday. You haven't even had your coffee yet and you just want to put your head in your hands. On your way in, one of your managers in another city called to say she just fired her assistant—via text. And this is the third departure in as many weeks. As you make your way toward your desk, you overhear two managers in a verbal tussle. Immediately, you spy an email from Accounting—another missed deadline. Before you can pick up your coffee cup, one of your best customers is on the phone with—you guessed it—a problem. All you can do is sigh.

You begin to panic a little. After all, you *know* your company has a leadership talent gap. And you also know that you haven't figured out how to fill it yet. You feel as though you're constantly faced with holes. What will you do if that stellar new manager you recently aced from your biggest competitor just as suddenly departs?

### ISSUE NUMBER ONE

Pure and simple, the first issue is leadership. In the survey, *Global Human Capital Trends*, consulting firm Deloitte cites the

biggest issue in business today as leadership (or lack thereof) at all levels, globally. It's clear that our best leaders are continually put to the test. We know that having—and keeping—a great team is paramount. If we don't have the right leaders in place, we can't get results and drive behaviors. In short, we aren't set up for success.

What's the problem then? Check out the statistics to the right from consulting firm Deloitte's 2014 report, where they surveyed over 2500 business and human resource leaders in 94 countries.

It's safe to say that as leaders, we all face many of the same challenges: We're bombarded by ever-changing demands, expanding pain points and 24/7 technology. We're dealing with multi-generational leaders and developing millennials. There's even a whole raft of new disciplines and fields that didn't exist 10 years ago, including Sustainability Expert and Chief Listening Officer. It's no surprise that if we don't have the right leaders in place, our competition certainly will.

## LEADERSHIP DEVELOPMENT SYSTEMS: WHY DO YOU NEED ONE?

Here's why: developing great talent and identifying future leaders often *sounds* easy. There are lots of great leadership classes to help train our teams, but it's often difficult to fill all of the gaps. As executives, we face many common issues: Our talent pool is shallow, we're not sure what we need and our managers often need better hiring skills. Sometimes, there's no clear development path, and turnover is high.

It can be tough to effectively expand your leadership pipeline: You want to have a supply of leaders available at the right time, and you want to give them ample time to practice. To do that, you need a strong and deep bench.

## YOU'VE GOTTA HAVE A PLAN

### > What's the problem?

In many organizations, solid bench strength—our ability to move ready, prepared successors into key leadership positions—is limited, or even missing. The challenge is to build organization-wide capacity with the critical competencies that best suit your company. And if your team includes millennials, Deloitte cites that providing them with clear and even accelerated development opportunities is the name of the game. More than two-thirds of those surveyed believe management should provide these opportunities.

# ARE YOU READY?

**86 PERCENT** rate leadership as urgent/important BUT

**14 PERCENT** say their pipeline is ready AND

**13 PERCENT** do an excellent job in developing leaders.

### > How do I start?

You've got to have a plan. These are your future leaders, after all, so it's time to break out the white board and identify what you're looking for. Think about who's ready now, who can or will be ready with development and who isn't ready.

Start with a blank slate and these five questions:

## 1 What's your purpose?

A good plan includes both performance improvement for existing talent and succession plan implementation, and it covers all critical positions.

## 2 Who needs development?

Consider what kinds of leaders are needed today, and who can help you implement strategic changes. Always think two positions down the line.

## 3 What leadership competencies are critical?

Take a good hard look at what you have and assess what success profile fits your company. What do your very best leaders look like?

## 4 Does your company climate truly support leadership development?

Here's the news: It comes from the top. Top management needs to be able to demonstrate both a commitment to a plan and the ability to effectively communicate and implement it. This is the time to walk the walk.

## 5 What are your resources?

Contemplate what you have at your disposal. Formal live training and self-development in the form of online publications and resources are important components. Can you use a 360-degree feedback model to provide feedback on key behaviors, offer peer learning projects or exposure to senior execs?

## WHAT'S YOUR PURPOSE?

“My job is not to be easy on people. My job is to take these great people we have and to push them and make them even better.”

—STEVE JOBS

### DETERMINE WHERE THE GAP (GRIPE) IS

Studies say 66 percent of executives believe they are weak in their own ability to develop millennial leaders, and only 8 percent believe they have an excellent program in place that will help rising leaders build critical skills. When you're working on your whiteboard, bring out the markers and decide what attributes, characteristics and skills really matter to your company.

It's critical to decide on core leadership competencies early in the game. Dallas-based Associa, a community management firm with more than 10,000 employees in over 150 offices worldwide, created their list of attributes for up-and-coming high potential leaders. Key to the list are interpersonal, leadership and business management skills including integrity, compelling communication, customer focus and the ability to build talent and coach and develop others.

“People are our largest investment area and critical to our service delivery model. Our goal is to have a multi-year leadership development plan to build the type of bench strength needed in our business world today and tomorrow,” said Patrick Brensinger, Associa's president and Chief Operating Officer. He added, “If we don't take that investment seriously and understand the importance of genuine servant leadership, we will ultimately fail the customers and employees we serve.” When you're creating your own list of desired attributes for your future leaders, be sure to also consider the following:

- Emotional intelligence (EQ)
- Learning agility
- Financial acumen
- Ability to delegate effectively
- Adaptability to internal and external change
- Capacity to achieve presence

### HOW WILL YOU MEASURE IT?

You've put your program in place. Now it's time to determine how well it's working. Below are some leadership metrics you can use back in your office.

One great tool to help you along the way is IREM's Leader Development System Checklist, provided on the next page. It offers an excellent guideline for setting and implementing the goals, components and resources for your company's leadership development plan.

### CONSIDER YOUR BUSINESS DRIVERS

What makes your business tick? The best leaders recognize that fostering employee engagement creates a work environment and a climate where employees feel compelled to go above and beyond. Do your leaders and their potential successors truly cultivate a customer-focused, high-performance culture? Consider what you want your business to look like in a certain time period (choose one, three or five years), and determine how putting your leadership development system in place now will help your business build and drive excellence and sustained growth.

### TIME TO GET BUILDING

When you get back to your office, pull this article out and decide what actions you can take to get your leadership development plan in place. Think about these six steps:

- Develop operational competencies through peer training and subject matter experts (SMEs).
- Implement feedback and assessment processes.
- Create problem-solving and roundtable groups.
- Monitor with a development action planner.
- Provide self-development opportunities.
- Expose participants to senior leadership.

### NOW, PUT YOUR PIPELINE TO THE TEST.

## MEASURING SUCCESS

### QUANTITY

- Percentage of high-potential employees
- Number of employees who are ready
- Number of key positions ID'd (current and future)

### QUALITIES

- Percentage of internally filled positions
- Demographics of high-potential employees

### SKILLS & ABILITIES

- Percentage of leaders meeting goals

### CULTURAL IMPACT

- Surveys
- Reputation ratings

## LEADER DEVELOPMENT SYSTEM CHECKLIST

	Goals of Leader Development System	Yes, this is one of our goals	No, not a goal	Don't know, need to consider
Performance Improvement	Transition people to new positions			
	Performance management			
	Instilling corporate values			
	Providing career development			
Succession Planning	Develop bench strength			
	Prepare specific leaders			
Organization Change	Support strategic initiatives			
	Adapt to external change			
	Assessment Resources	Yes, we have this information	No, we don't need this information	May need it (or revise what we have)
Strategic Plan	Written plan identifying current and future strategies			
Succession Plan	Written plan for top executives			
	Written plan for all critical positions			
Organizational Assessment Tools	Leader Competency Models			
	Leadership Metrics			
	Leadership Review Processes			
	Leader Development System Components	Yes, we have this	No, we don't need	May need it (or add to what we have)
Feedback/ Assessment Processes	360-degree evaluation			
	Behavioral Assessments			
	Performance Appraisals			
	Formal Feedback Intensive Program			
Mentoring/ Coaching	For top executives and high potential			
	For all levels, as needed			
	Peer groups/social networks			
On-the-job Development	Lateral job moves			
	Job rotations			
	Temporary assignments/ projects			
Formal Training	In-house training programs			
	External/public programs employees allowed to attend			
Self-Development Resources	Online training programs (internal or external)			
	Publications			
	Trade shows, professional conferences employees are allowed to attend			
	Leader Development Climate Builders	Yes, we have this	No, we don't Need	May need it (or add to what we have)
Top management support for leader development				
Communication systems promoting the vision and process				
Recognition systems for rewarding leadership practices and individual performance				
Hiring, promoting, and onboarding processes that promote the leadership vision				
Leadership metrics used to evaluate team and individual performance				

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# ARE LEADERSHIP AND VULNERABILITY AT ODDS?



When identifying leadership traits, the list most certainly includes tough attributes:

A leader should be strong, certain, steadfast and confident. Yet, gentle attributes are cited as well: A leader should be tender, questioning, flexible and humble—all aspects of vulnerability. How can these contrasting qualities coexist?

Some believe a leader should portray an image of perfection. To the contrary, a façade of invincible strength and omnipotence distances you from others. Such an image is often perceived as arrogance or showmanship, resulting in lack of trust and reducing others' desire to follow you as a leader.

Vulnerability is not sharing every emotion, concern and doubt with everyone you meet; it's not being emotionally fragile. It is being open to ideas other than your own, accepting uncertain states and recognizing your own limitations. The hurdle to jump is believing that vulnerability is a weakness. Leaders should instead work to be authentic, allowing their gentler attributes to show.

## MAKING A CASE FOR A GENTLER APPROACH

Brené Brown, Ph.D., a research professor at the University of Houston Graduate College of Social Work, studies vulnerability and found it is at the root of social connection. That connection creates the desire to follow a leader, which can eventually deepen into loyalty.

A world-renowned leader who exemplified the strength of showing a gentle side was Nelson Mandela (1918–2013). Groomed for leadership from birth, he rose to be a man of great power among South Africa's citizens. You know the story: A threat to the government, he was imprisoned, released, became South Africa's president and brought about change beyond measure. His strength, combined with vulnerability, created

loyal followers. People stood in line up to three days to vote for him when he ran for office.

## BALANCING STRENGTH WITH EXPOSURE

Leadership is situational, and the finest leaders have the wisdom to know when they should display confidence and decisiveness, and when to show openness and allow others to take control. Acknowledge the power of vulnerability, and incorporate these positive vulnerability traits into your leadership practices.

- Ask for and accept advice and help. People are more comfortable sharing ideas and thoughts when you show this trait. Presenting your intelligence as infinite won't allow others to open up or admit mistakes. Requesting help is not a sign of incompetence; in fact, competence means knowing your limitations.
- Admit and act when uncertain. Admitting doubt in the face of uncertainty, and the fear that often comes with it, demonstrates strength. Courage is acting even when afraid.
- Accept mistakes from others. Show forgiveness, and use their gaffes as learning tools. This compassionate response is a show of support and ultimately improves employees' performances.
- Acknowledge and be accountable for your mistakes, then move on to make necessary corrections when possible. Apologize. Done well, it will garner respect, not disdain.

Sigmund Freud once said, "Out of your vulnerabilities will come your strength." Do not fear showing your vulnerability because it takes strength, not weakness, to express gentleness. Doing so gains loyal followers and allows a connection with people in ways impossible to obtain otherwise. ■



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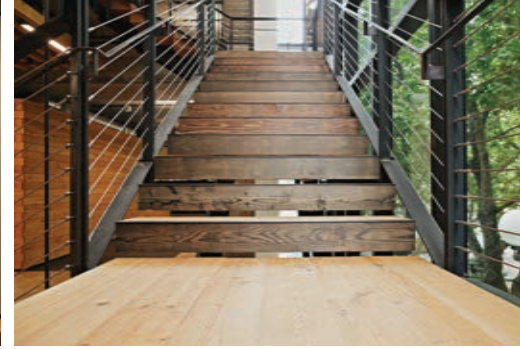
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AVAILABLE AT [IREMBOOKS.ORG](http://IREMBOOKS.ORG).

# PLANTING NEW ROOTS



New World Headquarters of Timber Powerhouse Weyerhaeuser is Making Its Mark in Downtown Seattle. By Diana Mirel



When state of Washington-based Weyerhaeuser, one of the world's largest private owners of timberlands, was looking to move its world headquarters from its wooded suburban setting into bustling downtown Seattle, the company found a perfect fit in the city's Pioneer Square neighborhood.

The company's new headquarters opened its doors at 200 Occidental in the fall of 2016. Adjacent to the building is Occidental Park, which boasts lush trees, woodcarvings and nearby European-style outdoor cafes. This new location allows Weyerhaeuser to embrace modern corporate surroundings while remaining connected to its natural, forestry roots.

Weyerhaeuser recognized a strategic opportunity in relocating to Pioneer Square: a chance to recruit and retain a wider pool of young talent looking to live and work downtown.

#### HISTORIC NEIGHBORHOOD

Known as Seattle's first neighborhood, Pioneer Square is located in southwest downtown Seattle. Historic brownstones and Renaissance Revival architecture help define the area. Like most historic neighborhoods, it has seen its share of ups and downs through its storied history.

In recent years, a number of tech companies, trendy restaurants and boutiques have moved into the neighborhood. Seattle-based real estate developer Urban Visions recognized Pioneer Square's potential for growth and had its eye on the area for several years. The right opportunity arrived in 2012, and work on 200 Occidental began. The company envisioned a modern, sustainable Class-A office building that would help further define the neighborhood. When Weyerhaeuser signed on to lease office space in 2014, the vision became reality.

#### INNOVATIVE DESIGN

Today, the innovative property is the tallest office building in the area, and 17,000 square feet of retail space wraps around the entire building. Custom-designed sliding glass storefronts open up to park land, complementing the overall pedestrian experience.

"The challenge was creating something that honors the neighborhood without mimicking it," said Broderick Smith, Vice President of Urban Visions, which also owns and manages the building.

Urban Visions rose to that challenge, creating a modern building that seamlessly blends with the neighborhood while providing a modern twist. The eight-floor building has brick and timber on three sides, and the fourth side is a high-perfor-

mance glass curtain wall facing Occidental Park.

"The reason this design works is that the fourth wall of the building reflects the trees in the park; it's like another dimension of the park," said Smith.

#### PERSONALIZED SPACE

For Weyerhaeuser, 200 Occidental offered a unique opportunity to build out the interior office space with its own design vision and philosophy.

"The interior of the building speaks to Weyerhaeuser's design theme: raw, industrial and natural," said Smith. This theme is obvious immediately upon entering the treehouse-like headquarters. The lobby offers an impressive homage to Weyerhaeuser's deep roots in the timber industry. One wall displays an oversized digital mural with high-definition photos of forests and employees working the land. Another wall welcomes visitors by acknowledging the company's rich history and commitment to sustainability, with concrete panels that feature a quote from company founder Frederick Weyerhaeuser: "This is not for us, not for our children, but for our grandchildren."

Weyerhaeuser worked with design firm Mithun to create the warm, natural interiors. Mithun utilized sustainable wood products throughout the building, incorporating wood panels in the elevators and Douglas fir beams lining the hallways. Even the furniture is influenced by Weyerhaeuser products,



RENDERING COURTESY OF URBAN VISIONS/MITHUN/MIR

including a dining table made of a 35-foot wood slab.

One of the most noteworthy features of the building is a grand six-floor wood stairway that connects almost all floors in the building. The stairs are the visual centerpiece of the space and were designed to help encourage employees to enjoy their surroundings by taking the stairs — which have expansive windows that offer sweeping views of the trees of Occidental Park.

#### MODERN WORKSPACES

Weyerhaeuser was inspired by the modern, amenity-rich design approach adopted by many tech companies in the area. For instance, the eighth floor of the building boasts a green rooftop garden and patio reminiscent of a northwestern meadow. Employees can gather at the tables and chairs and play ping pong, all while taking in panoramic views of the city's skyline, Elliott Bay and the canopy of trees below.

The building also has 12-foot-tall ceilings and floor-to-ceiling operable windows, allowing natural light to flood into every workspace throughout the building. Furthermore, the windows work closely with the building's HVAC system. When the ambient temperature is between 68 and 82 degrees Fahrenheit, an automatic email is sent

out to employees, alerting them that they can open the windows. This natural ventilation setup not only helps increase system efficiency but also gives employees some control over the temperature in their workspace—a major employee satisfier.

#### COMMITTED TO SUSTAINABILITY

Urban Visions, Weyerhaeuser and Mithun all place high value in sustainability. Initially, they planned to aim for obtaining LEED Gold certification for 200 Occidental, but as the project evolved, they pursued—and ultimately achieved—LEED Platinum, the highest level of certification from the U.S. Green Building Council. With the help of efficient irrigation and stormwater filtration systems, it's anticipated that water consumption in the building will be reduced by 40 percent compared to conventional properties. The building also has impressive energy efficiency, thanks to the operable windows, a highly efficient HVAC system, an abundance of natural light, high-performance glazing, LED lighting and effective insulation. Additionally, 90 solar panels on the roof produce one percent of the building's energy usage.

#### SMOOTH PROCESS

With 200 Occidental having just one office tenant and all brand new apparatus, managing it has been smooth thus far, according to Smith. Everything is connected to the building engineer's primary system, and monitoring is accomplished via the management team's Smartphones and computers.

At press time, Urban Visions had leased 10,000 square feet of retail space and was working to lease the remaining 7,000.

From design to construction to management, this property has thrived. The collective vision and commitment to sustainability among the building's owner, management, designer and tenant is just one of the reasons for its success.

"We had a world-class team working on this building ... and we finished it on time and on budget," said Smith. "It was all very collaborative and transparent. We planned well, met often and shared a vision. It was a great project." ■

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DIANA MIREL IS A CONTRIBUTING WRITER FOR *JPM*®. IF YOU HAVE QUESTIONS REGARDING THIS ARTICLE OR YOU ARE AN IREM MEMBER INTERESTED IN WRITING FOR *JPM*®, PLEASE E-MAIL MARIANA TOSCAS AT [MTOSCAS@IREM.ORG](mailto:MTOSCAS@IREM.ORG).



# GO FOR THE HOME RUN:

## 3 TACTICS TO MARKET SMARTER

If you want to make a home run when it comes to marketing your company and your properties in 2017, first you've got to find a way to get around the bases. You can start by pulling out all of your marketing messages for your company, or your properties, from over the last year. These messages are what you can use to create your "playbook," your guide for reaching those bases. When you're reviewing its content, consider consistency. Are the right tools in place each and every time? How are you tailoring your marketing moves to fit your audience and outpace your competition? Then, try these three tactics:

out your proposal and see if it pushes or pulls your prospect.

### SECOND BASE: CHECK YOUR (CUSTOMER SERVICE) CONNECTION

**Try this today:** Whether you're at work with clients or in a team meeting, make it your goal to establish eye contact with everyone you meet for the entire day. Here's the challenge—try to remember the eye color of each customer you see during the day. It's a great way to keep your focus, stay with the conversation and really fix your attention on your customers.



SHANNON ALTER, CPM, (SALTER@ASSOCIAONLINE.COM) IS REGIONAL VICE PRESIDENT FOR ASSOCIA IN SANTA ANA, CALIF.

### FIRST BASE: PULL VS. PUSH

Have you ever been greeted by a fragrance salesperson in a department store trying to "push" a product on you, or entice you to buy? "Push" often shows up in the way we present our management proposals. Recently, a former client asked me to assist with her company's management proposal to a potential customer. It was pretty hefty and chock-full of information. Only it was all about—you guessed it—my client, not about the prospective customer.

### THIRD BASE: CONSIDER WHAT'S STICKY

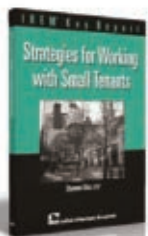
I don't know about you, but whenever I use plastic wrap, it inevitably winds up in a sticky mess, like taffy or cotton candy. It's one of the mysteries of the universe. Usually, it means I have to re-evaluate my options.

**When you visit a property for the first time, what sticks in your mind?**

Not long ago, a former boss asked me to work with him on bringing some properties back up to par. Checking out each property for the first time, my most immediate impression was that they just didn't look sharp. Tenant relations needed repair. Some services were nonexistent. Chances are prospective tenants saw that too. Could I solve his problem? Definitely. You can do it too. In less than two minutes, think about what sticks.

How did we turn it around? By considering the "pull." We took the same solid information and flipped it inside out. We honed in on how we could help that owner gain a competitive advantage in the marketplace and made the proposal all about the owner. In our world, this play could be how we'll attract more, or different, types of tenants to the property, or how we can reduce expenses. The good news: My client won the assignment. Want to see if this will work for you? Go ahead, pull

So don't wait. When it comes to marketing in 2017, strengthen your playbook and go for the home run. ■



MS. ALTER IS ALSO THE AUTHOR OF STRATEGIES FOR WORKING WITH SMALL TENANTS.

AVAILABLE AT IREMBOOKS.ORG.

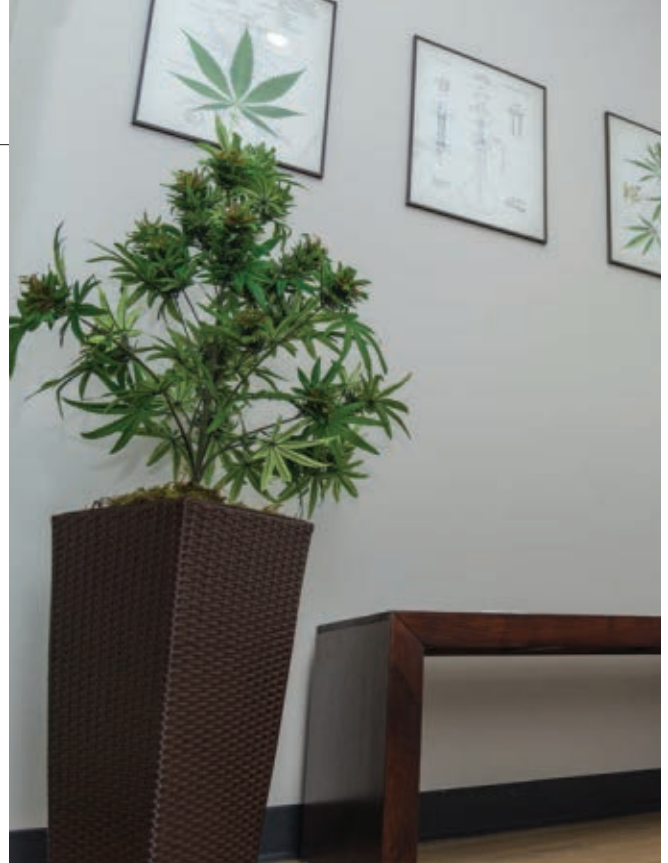
# AS STATES LEGALIZE MARIJUANA, LAWS REMAIN MURKY

On November 8, 2016, American voters reshaped the political landscape by electing a new—and in many cases not so new—Congress, president and, by proxy, U.S. Supreme Court Justice. While national races tended to steal the spotlight, important decisions were made at the state level, too. Marijuana was a hot topic, with several states voting to legalize the drug for either medicinal or recreational uses.

The legalization of marijuana at the state level has gained momentum since California first legalized medical marijuana in 1996. According to a recent Gallup poll, the number of adults that report being current marijuana users has almost doubled from 7 percent in 2013 to 13 percent in 2016. Over 60 percent of Americans now support the decriminalization of marijuana. As of this writing, a total of eight states have legalized recreational marijuana, while 28 states, plus the District of Columbia, have legalized medical marijuana.

Though property owners and managers may have mixed opinions on legalization, some have embraced it as a means to increase commercial and residential property values. Strict zoning laws and significant infrastructure modifications mean tenants tend to stay longer. Still, some look at it as carrying too much risk. Property managers have voiced concerns associated with increased crime from having so much cash on hand, the possibility of mold growth, fire hazards associated with lighting equipment and complications with the high amount of electricity needed for growing marijuana indoors.

Regardless of one's personal feelings on the issue, it is hard to imagine the trend reversing anytime soon. It is important to remember, however, that under federal law marijuana is still classified as a Schedule I controlled substance. This classification creates complications with banking, taxation and other federal regulations. Some federal agencies have issued statements saying they would not go after marijuana-related businesses that are legal under their state's laws. However, this has done little to comfort those businesses, as an informal statement does not carry the same assurance as legislation and can be changed at any time.



PHOTOS © FRED MARCINIAK

There are calls for Congress to decriminalize marijuana. In August 2016, the National Conference of State Legislatures (NCSL), a bipartisan organization comprised of state legislators and their staff, adopted a resolution urging the federal government to amend its laws to explicitly allow states to set their own marijuana policies without federal interference. The NCSL does not support or oppose legalization but supports the state's ability to make that determination. In February 2015, Colorado Congressman Jared Polis introduced the "Regulate Marijuana Like Alcohol Act" (H.R. 1014), to remove marijuana from the Controlled Substances Act and transfer its oversight from the Drug Enforcement Agency to the Bureau of Alcohol, Tobacco, Firearms, and Explosives. H.R. 1014 was referred to the Subcommittee on Trade on March 27, 2015, and was not moved.

One of the business functions most affected by the current classification is banking. Banks are prohibited from accepting money tied to illegal activity. This has forced marijuana-related businesses to be almost entirely cash-based. Some businesses use temporary workarounds such as private banks catering exclusively to marijuana businesses. Using these banks is not ideal as they do not carry benefits associated with being federally regulated, such as FDIC insurance. They also tend to be costly. In Illinois, there are two banks catering to marijuana businesses; one charges \$350 per deposit, and the other charges \$1,000 per month plus an additional \$50 per deposit. Other businesses gamble on using traditional banks by opening accounts under the guise of non-marijuana-based businesses. While this may work for a



## ADVOCATE FOR POLICIES THAT BENEFIT YOUR BUSINESS

Visit IREM's new State and Federal Action Centers at [www.IREM.org/public-policy](http://www.IREM.org/public-policy) to advocate for issues that help your business succeed. Be a citizen lobbyist with a click of a button!

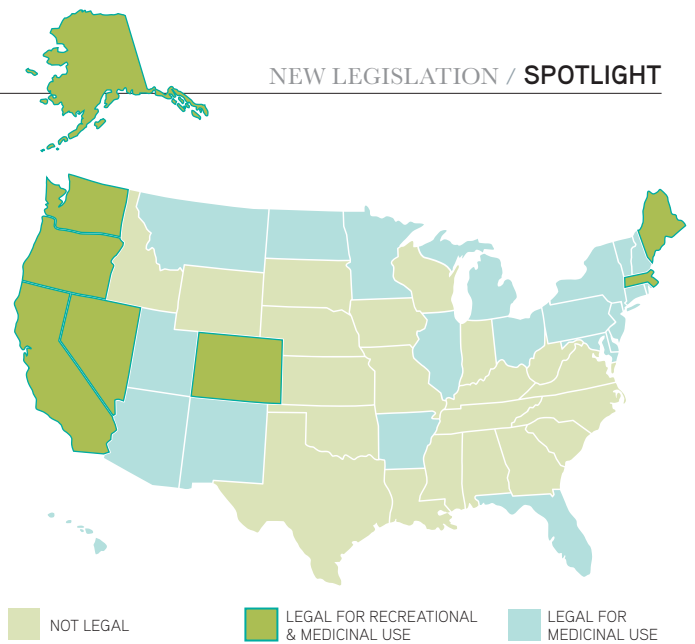
period of time, the bank may close an account if it discovers the true nature of the business.

Even when the business secures some form of banking, only deposits are protected. Credit and debit card networks are also federally regulated, forcing daily transactions to still be made in cash. With large quantities of cash kept on premises, dispensaries must invest heavily in security as employee theft, burglary and loss are high risks.

The Midwest Compassion Center ([www.midwestcompassion.org](http://www.midwestcompassion.org)) is one of the first medicinal marijuana dispensaries to open in Illinois. According to Nicole Van Rensburg, Partner at Midwest Compassion Center (MCC), security was their largest expense by a considerable margin. MCC spent around \$400,000 modifying the space they are renting, and half of that money was used on security features. Some of the modifications Van Rensburg noted include: a room turned into a walk-in safe by reinforcing the walls, floor and ceiling; vibration sensors that are tied into the alarm system; and a network of cameras accessible by state and local police.

Security is not the only problem. Taxes are also a point of contention. States cite issues with collecting taxes on cash transactions, which are difficult to track. Businesses have run into their own tax problems. In the 1980s several drug dealers successfully claimed tax deductions for "business expenses" like yachts, apartments, phones and cars. In response, Section 280E of the Internal Revenue Code was created, making business expenses incurred by marijuana-related businesses non-deductible. With typical business expense deductions such as wages, rent and equipment unavailable to dispensaries and growers, the resulting effective tax rate can range from 50 to 75 percent.

For more information on additional considerations, check out IREM's newly updated white paper, "Marijuana in Property Management," on the Public Policy page at [www.IREM.org/public-policy](http://www.IREM.org/public-policy). ■



## Where Is It Legal Now?

Through ballot initiatives that took place during the November 2016 elections, seven states—\*noted with asterisks below—joined the growing number of jurisdictions that have legalized marijuana for recreational and medicinal uses.

<b>LEGAL FOR RECREATIONAL USE</b>	Hawaii
Alaska	Illinois
California*	Maine
Colorado	Maryland
Oregon	Massachusetts
Maine*	Michigan
Massachusetts*	Minnesota
Nevada*	Montana
Washington	Nevada
	New Hampshire
	New Jersey
	New Mexico
<b>LEGAL FOR MEDICINAL USE</b>	New York
Alaska	North Dakota*
Arizona**	Ohio
Arkansas*	Oregon
California	Pennsylvania
Colorado	Rhode Island
Connecticut	Vermont
Delaware	Washington
District of Columbia	
Florida*	

\* New legislation through November 2016 ballot initiatives

\*\* During the November 2016 election, Arizona attempted to also legalize marijuana for recreational use, but the initiative failed by 4 percent

IF YOU OR YOUR CHAPTER WOULD LIKE MORE INFORMATION, PLEASE CONTACT THE IREM GOVERNMENT AFFAIRS COORDINATOR, ANDREW LOMO, AT [ALOMO@IREM.ORG](mailto:ALOMO@IREM.ORG)



# TROUBLED TENANTS IN POLAND



**The Polish property management industry is very young.** Legislation recognizing the profession of property management only came about roughly 15 years ago. At that time, a state license was required to pursue real estate management as an occupation, although only the business manager or a single designated employee was required to be licensed—other administrators didn't need a license. In 2013, that law was changed, and now no formal education or experience is required to pursue property management.

There lies a very clear distinction between the commercial and residential property management industries in Poland. For example:

- The typical clients for the commercial industry are funds, banks and businesses, whereas residential clients tend to be municipalities, communities and the like.
- There isn't much transfer of staff between the two groups because of different experiences.
- There's a large financial imbalance between employees of each group.

My personal experience has been on the commercial end, mainly managing shopping centers. Currently in Poland, approximately 670,000 square meters (7,200,000 square feet) of retail space is being constructed. Over 80 percent of this space is located in major metropolitan areas through the construction of several large-scale shopping malls, in excess of 60,000 sq. meters (646,000 square feet) each. Increasing competition in the commercial market has encouraged owners of older buildings to adapt to trends by modernizing existing centers and introducing new types of clients representing the entertainment and gastronomy industries.

Property management generally involves performing the same set of operations in a particular period of time. The only things that can vary when managing similar properties are the details and some unusual situations. To illustrate, here are a few stories describing my experiences with troubled tenants. In fact, tenants with debts were the majority of the problems I had as a property manager, so I've had the opportunity to learn some lessons about this issue.



### **LESSON ONE: DO NOT ALLOW THE OWNER TO MEET ALONE WITH ANY DEBTOR.**

In 2010, I took over management of a portfolio of buildings rented by a well-known fitness center with dozens of locations across the country. Despite the very low rent, the tenant debt reached 500,000 zloty (\$125,800). I made efforts to reduce the debt but very quickly realized that without transfer of the case to the court, little could be done. Since such action exceeded my powers, I recommended the necessary steps to the property owner.

Unfortunately, the owner did not approve. For many weeks, both my supervisor and I repeatedly suggested to refer the case to court, but the property owner met with representatives of the debtor and believed his explanation.

After seven months, the debt amounted to more than 1.2 million zloty. Suddenly, the property owner agreed to our recommendations. Unfortunately, it turned out that the previous day the tenant had filed an application for bankruptcy, and in our case we were unable to recover any of the debt.

For me, a young property manager, this was a great lesson. I should not have allowed the owner to meet alone with debtors, and I needed to change my behavior in such situations.

### **LESSON TWO: INVESTIGATE.**

When I start managing a new property, I always try to meet with the troubled tenants and find out what the chances are of recovering the debt. This was the case of a florist tenant of mine. At the meeting, we were able to negotiate a repayment schedule, and when I received the first payment the following day, it seemed like everything was going in the right direction. Unfortunately, the next scheduled payment was not received; the debtor, in tears, spoke of a car accident in which his car was destroyed. Its sale was to pay off the entire remaining debt. That same day, the on-site manager noticed the “destroyed” car looking completely well and the debtor using it. I immediately sent to the owner my recommendation to go to court and terminate the contract. I got approval on the same day.

Sometimes, in order to obtain payments, there is no need to go to court. According to the procedure in Poland, first you need to send a formal request for payment, followed by a final formal request with a term of 30 days. After that, typically, the issue is referred to lawyers.

Increasing competition in the commercial market has encouraged owners of older buildings to adapt to trends by modernizing existing centers and introducing new types of clients representing the entertainment and gastronomy industries.

Such was the case of a manufacturer of pots who was a tenant in a local retail park in Warsaw.

I sent a request for payment—no response. I sent a final request which, again, went unanswered. When the law firm sent a request for payment independently, the tenant settled all arrears within 24 hours. As you can see, the issue was not the money but willingness to pay.

Another interesting example was a tenant I had in a small shopping center in Szczecin. He signed a lease agreement after short negotiations and then opened for business. The first few months, there were no problems. Later, we had payments coming a few days late, but nothing really bad. One day, we found the shop boarded up and the telephone number disconnected, as debts began to grow. Together with local administrators, we started the debt collection action in accordance with the procedure. A few weeks later, we learned from a law firm that our tenant was wanted on an international arrest warrant. His debt remains uncollectible to this day. In this case, a more thorough background check may have helped.

### **LESSON THREE: BE PREPARED FOR ANYTHING.**

Throughout my career, I also encountered one case of attempted bribery. In a retail park, one of the tenants—a regional producer of meats and sausages—continuously asked for a reduction in rent, despite the fact that their turnover was at a high level. Because I repeatedly refused their requests, they decided to come to my office in Warsaw and ask for a meeting. In the conference room, they set out a huge tray brimming with various meats. I refused their request and their tray, but they left the tray behind anyway.

I asked my supervisors for advice on what to do, and the company decision was to share the entire contents of the tray with the employees of the property management firm. The attempt of bribery may not have been the biggest, and not illegal in this case, but the discomfort was present. ■

PIOTR CZERWINSKI, CPM, IS A COMMERCIAL PROPERTY MANAGER BASED IN WARSAW, POLAND.



## ZIPP SPEAKER

Having an MP3 collection on your home network or Smartphone is so 2005. Streaming any music you want from an online service is now and the future. But streaming from your phone through a Bluetooth speaker can be such a battery drain. Libratone has the solution: the Zipp speaker. Not only does Zipp have superb 360 degree sound that will fill any room, it connects to and streams directly from the cloud-based service of your choice via your WiFi network, eliminating the need to keep your Smartphone nearby. Just a few taps on your phone at set-up, and you can reserve your phone battery for more important tasks. Get a few of these wireless speakers and daisy-chain them from room to room or office to office, and bring the same music to multiple places. Zipp's come in two sizes and seven colors to compliment any space.

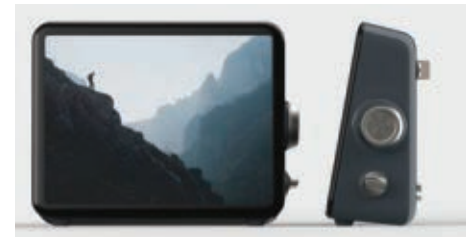
→ **Retails at: Zipp Mini - \$199, Zipp - \$249, [www.libratone.com](http://www.libratone.com)**

## MACBOOK PRO TOUCH BAR

Apple is rewarding its many loyal followers with a Macbook Pro that introduces a new feature sure to appeal to the masses. Called the Touch Bar, it's the next best thing to a touch screen. Replacing the function keys in the top row of the keyboard, the Touch Bar creates a space where you can customize any shortcut key or function within any application in a new and visual way. Editing a movie? Place your timeline on the Touch Bar and naturally scroll through it. Looking through your photos? Place a carousel of them on the Touch Bar and quickly swipe through to get to the one you want. Drag and drop new keys onto the Touch Bar at will to make the program work how you want without going to the top menu. The possibilities are endless, and YOU are in control.



→ **Retails at: \$1499 and up, [www.apple.com](http://www.apple.com)**



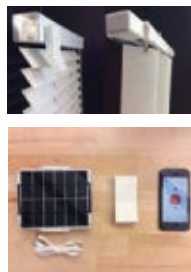
## LOOP

It looks like a retro television, and at first glance it seems like one of those old-school digital picture frames, but Loop takes advantage of newer technology to move the idea of personal image display forward. It uses your WiFi or Bluetooth connection to access your photo and video collections and gives you a place to exhibit them. From there, you can organize content into channels and share it with others. It doesn't stop there in its looking forward; the hope is for the built-in camera and microphone to eventually lend itself to video conferencing applications.

**Retails at: \$199 [www.joinloop.com](http://www.joinloop.com)** ←

## FLIPFLIC

Would you like to save 18 percent in energy costs? A California-based startup would like to help you realize that goal with the help of their product, FlipFlic, a light-sensitive, solar-powered motorized device that attaches to your window blinds and flips them up or down based on preferences—such as time of day or room temperature—you set in your Smartphone. An added bonus: Scheduling the blinds to move while you're away provides extra home security by giving the appearance that your house is occupied. The device is in its second prototype phase on Kickstarter, and shipping is expected to commence in early 2017.



→ **Preorder Now: \$89, [flipflic.com](http://flipflic.com)**

## OVAL BRAND FIRE PRODUCTS SLIM FIRE EXTINGUISHERS

Sometimes, a simple change in design makes all the difference. Such is the case with these slender fire extinguishers from Oval Fire. Available in three models, they measure less than 3.5 inches deep. Therefore, in addition to offering an aesthetically pleasing appearance, when properly mounted they comply with the Americans with Disabilities Act (ADA) and protruding object laws that require extinguishers to jut out less than 4 inches. But they're more than just good-looking and compliant—they can also be cost savers, because their narrow construction eliminates the need to build out walls just to accommodate fire extinguisher cabinets.

→ *Get more information at [ovalfireproducts.com](http://ovalfireproducts.com); \$375-\$400*



KEEP A SHARP EYE ON YOUR PROPERTY—INDOORS AND OUT—WITH TWO NEW CAMERAS FROM JOHN DEERE.



## LIGHTSTAR 80

Lightstar 80 has a number of features that align with many other penlights on the market. Water resistant? Check. Handy pocket clip? Also check. The emission of light that casts a bluish, dim glow on your subject? Not so fast. Unlike other penlights, this one illuminates in full color, thanks to a high CRI (Color Rendering Index) LED. A durable design helps it withstand abuse, and it comes with an extra strong clip if you want to securely attach it to your cap. The Lightstar 80 also has a rubber BiteGrip, which keeps both your hands free to tackle more important tasks.

→ *Get more information at [lightstarproducts.com](http://lightstarproducts.com); \$29.99*



## JOHN DEERE WI-FI CAMERAS (100 AND 120W)

Keep a sharp eye on your property—indoors and out—with two new cameras from John Deere. With the help of the free iSecurity+ app, available for iOS and Android devices, you'll be able to receive real-time motion-triggered alerts, store up to 24 hours of high-quality high-definition video for playback, and thanks to the use of infrared technology, take advantage of powerful night-vision display. Both models are also equipped with a Wi-Fi extender so your network coverage will reach farther. The indoor model (100) offers crisp, clear 2-way audio, and the outdoor model (120W) is built to withstand all forms of weather conditions.

→ *Get more information at [connectedproperty.com](http://connectedproperty.com)*

# ALL IS WELL AT IREM HEADQUARTERS

BY TODD FEIST

## IREM HAS ACHIEVED THE WELL BUILDING STANDARD®-INTERIORS FOR ITS HEADQUARTERS OFFICE—THE FIRST PROFESSIONAL ASSOCIATION TO ACHIEVE THIS RECOGNITION, AS WELL AS THE FIRST PROJECT OF ITS KIND IN CHICAGO.

The WELL Building Standard® is a certification program at the cutting edge of sustainable real estate that is quickly gaining traction as the next sustainability certification to have a major impact on the real estate industry. For IREM, WELL certification follows LEED ID+C: Commercial Interiors Gold certification, which the IREM office achieved in June of 2016.

The WELL Building Standard is a performance-based certification system that marries best practices in design and construction with evidence-based medical and scientific research. IREM headquarters earned the Silver level rating based on high levels of performance across seven categories of building performance—air, water, light, nourishment, fitness, comfort and mind.

“In both design and operation, real estate exteriors and interiors have a direct impact on people’s lives and well-being.

IREM embraces the WELL Building Standard as an extension of our values,” states Christopher Mellen, CPM, ARM and 2016 IREM President. “We see this certification as a way to ensure our headquarters office plays a positive role on employees and members.”

Working in conjunction with the building’s management company, GNP Realty Partners, AMO, IREM achieved its WELL Certified™ Silver rating, in part, by incorporating the following office technologies and project features:

- Specially tuned LED ceiling ambient lighting, optimized at 4000k color temperature for the truest, most comfortable natural light—a feature critical to maintaining the human circadian system while reducing space energy costs.
- Ergonomically crafted work areas with the ability to alternate occupants from sitting to standing positions, providing

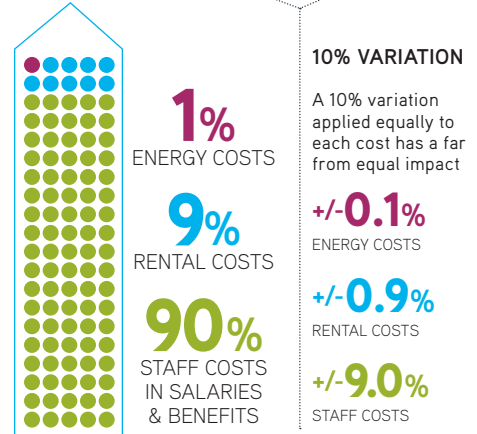
people with greater flexibility throughout the work day.

- A demand-controlled air delivery system that utilizes carbon dioxide detection sensors to optimize fresh air for all occupants.
- ENERGY STAR®, ergonomically adjustable and dimmable LED task lighting at all workstations and offices, providing additional ambient lighting to occupants on demand.
- WattStopper occupancy sensors that utilize passive infrared technology to provide energy-efficient control of lighting and plug loads.
- Knowledge-based environmental cues that encourage occupants to consume whole, natural foods and cuisines.
- ENERGY STAR kitchen appliances.
- ENERGY STAR computers, monitors, printers and server equipment.

“Workplace well-being is an exploding industry, and we’re excited to be one of the first in the industry to embrace the standard, but more importantly, to execute it,” says John Gagliardo, GNP’s vice president of Project Management & De-



## TYPICAL BUSINESS OPERATING COSTS



COURTESY OF WORLD GREEN BUILDING COUNCIL

velopment. “While we have been heavily involved in LEED certification, which focuses on green building efficiencies, WELL is all about the people within a building. It’s a model we believe is the future of the real estate industry and are very pleased to have been a partner with IREM in this important endeavor.”

To be awarded WELL Certification, IREM headquarters underwent rigorous testing and a final evaluation conducted by Green Business Certification Inc. (GBCI), the third-party certification body for WELL, to ensure it met all performance requirements. The IREM headquarters office is in the REALTOR® Building on Michigan Avenue in Chicago. The REALTOR Building is LEED O&M: Existing Buildings Gold, ENERGY STAR certified, and an IREM Certified Sustainable Property.

Speaking on behalf of the National Association of REALTORS®, NAR CEO Dale Stinton said, “Our organizations share a similar commitment to improving workplace well-being through environmental sustainability, and the WELL Certification is a gold standard in healthy

building performance. The market for green buildings is growing and today’s consumers want work and living spaces that are healthier, more resource-efficient and sensitive to their environment.”

According to the World Green Building Council, staff costs can account for up to 90 percent of business operating expenses, so even a 2 or 3 percent difference in these costs is likely to grab the attention of a CFO. Combined with the cost savings from resource efficiency and branding advantages usually associated with sustainability, health and productivity benefits—and the expense reductions that go along with them—have the potential to motivate tenant companies around the world to green their office operations.

IREM headquarters also demonstrates that designs for resource efficiency and wellness are compatible. WELL must not impede other sustainability goals if the certification is to advance green building to the next level and continue to drive value in real estate markets, as it has the potential to do. IREM’s energy expenses

have decreased by over 30 percent in the new office space. Potable water use has decreased by over 40 percent. Over 30 percent of project materials were manufactured with recycled and low-emitting materials. Such accomplishments, along with the successful LEED and WELL certifications, demonstrate that efficiency and wellness go hand-in-hand.

“We invite you to visit your IREM headquarters the next time you are in Chicago so that you can explore its features and learn more about the link between wellness and sustainability,” says Michael T. Lanning, CPM, and 2017 IREM President. “You will not see anything extravagant or avant-garde—just a healthy, efficient and aesthetically appealing space where your IREM staff partners collaborate with you on advancing ethical and professional real estate management.”

Look a little closer, though, and you will see CO2 detectors to maintain indoor air quality, highly efficient LED lighting that meets WELL specifications, task lighting that promotes natural sleep cycles, ENERGY STAR equipment and appliances, ergonomic office furniture and healthy food and beverage options in the office café, among other features. You will see forward-thinking but tested design methods and technologies. Above all, you will see a space that is “manageable.” ■

TODD FEIST, (TFEIST@IREM.ORG) IS SUSTAINABILITY PROGRAM MANAGER AT IREM HEADQUARTERS IN CHICAGO.

# 30 UNDER thirty

Recognizing the next generation  
of real estate management leaders



Are you an IREM® member under the age of 30 who is actively engaged in property or asset management?

Do you know a rising star who is making a unique and significant contribution to the profession?

IREM® is looking for up-and-comer's who have demonstrated career success, professional leadership, and community involvement!

**Nominate yourself or a colleague by February 28, 2017!**

Nominees will be announced in the July/August issue of *JPM*®



Visit [www.irem.org/30under30](http://www.irem.org/30under30)  
to learn more and submit a nomination



IREM VOLUNTEERS PARTICIPATE IN THE STOP HUNGER NOW EVENT AT THE 2016 FALL CONFERENCE IN SAN DIEGO.



## GIVE BACK & GROW WITH CSR

One of my favorite moments from the 2016 IREM Fall Conference in San Diego was participating in the IREM Community Service Project with the organization Stop Hunger Now. IREM Members, staff and even employees of host hotel Hilton San Diego Bayfront worked together to package 10,000 nutritious meals for the world's food-deprived populations. Volunteers became acquainted or reconnected over boxes of rice, dehydrated vegetables and soy. It was rewarding to take time out from the busy conference proceedings to give something back to those in need.

The IREM Community Service Project reminded me that volunteering can do wonders for team-building and group morale. No wonder, then, that volunteering and community service are key components of a successful Corporate Social Responsibility (CSR) program.

Formal CSR programs typically include internal and customer-facing sustainability initiatives, in addition to workforce diversity, supplier relations and community involvement efforts tailored to each particular organization. The best CSR is wholly supported by leadership and tied to the mission, values and profitability of the company.

CSR can provide benefits beyond strict intangibles such as brand reputation and positive PR. For example, volunteering activities related to CSR may improve employee health and productivity. Several studies have found that volunteering at least 100 hours per year correlated to lower blood pressure and less depression. Sustainability programs reduce operating expenses and improve marketability. CSR helps with employee recruitment, retention and engagement; a recent Gallup study found that companies with high employee engagement were 44 percent more profitable.

CSR is growing in importance, indicated by investors placing priority on Environmental, Social

and Governance (ESG) issues. Bloomberg terminals, which provide equity analysis tools for investment professionals, began publishing ESG data on companies in 2009. Use of that data grew by almost 700 percent through 2015. Signatories to the Principles for Responsible Investment, which allow institutional investors to incorporate ESG issues into their investment practices, have grown to almost 1,500, representing \$60 trillion in assets. The Sustainability Disclosure Database from the Global Reporting Initiative (GRI), an international standard for non-financial disclosures, has over 36,000 CSR reports, all available for public access. Participation in the Global Real Estate Sustainability Benchmark (GRESB), which assesses the ESG performance of investment real estate portfolios, grew to over 750 entities this year, representing \$2.8 trillion in asset value.

Starting your company's CSR program involves more than organizing a charity drive. Get the buy-in and participation of leadership and employees. Develop a long-term strategy with measurable short-term goals, and develop a program that reflects your core principles and values. Examine the real estate management industry to determine what constituents need help and what new markets your company can enter responsibly.

Finally, choose good partners. Stop Hunger Now demonstrated the importance of strong, committed organizations at your side. The project in San Diego was well-organized, with the components of the meals laid out in assembly-line fashion and groups of volunteers assigned discrete, achievable tasks. Competent staff provided materials, clear direction and encouragement. Perhaps most importantly, the organization receives high marks in accountability and transparency from Charity Navigator, a non-profit that evaluates philanthropic organizations. ■

### FOR RESOURCES & INSPIRATION

as you build your CSR program, visit

[CSRwire.com](http://CSRwire.com),

GRI at

[globalreporting.org](http://globalreporting.org),

GRESB at

[gresb.com](http://gresb.com) and

the Principles for Responsible Investment at

[unpri.org](http://unpri.org).

And for help with initiating your sustainability programs, visit [www.irem.org/gogreen](http://www.irem.org/gogreen).

TODD FEIST, (TFEIST@IREM.ORG) IS SUSTAINABILITY PROGRAM MANAGER AT IREM HEADQUARTERS IN CHICAGO.

PROFILE & COMPENSATION STUDIES:

# Who Are IREM Members?



IREM's CPM Members, CPM Candidates and ARM Members have seen steady increases in their compensation since the recent recession, according to IREM's recently released *Profile and Compensation Studies*.

IREM periodically conducts surveys of its members to gather useful data on compensation, management portfolios and various demographic characteristics. The results of the most recent data collection are published in the 2016 editions of the *Profile and Compensation Studies*—one version for CPM and CPM Candidate Members and one version for ARM Members. The 2016 editions also include results for both the U.S. and Canada.

Following are some highlights from the U.S. results. The full reports are available for purchase at [www.irem.org/resources/store](http://www.irem.org/resources/store).

## CPM & CPM CANDIDATE MEMBERS

The average CPM is  
**52 YEARS OLD**

**54 PERCENT**  
of CPM Members are women.

**66 PERCENT**  
of CPM Candidates are women.

**70 PERCENT**  
of CPM Members and  
**58 PERCENT**  
of CPM Candidates hold  
at least an undergraduate degree.

**Office buildings & conventionally financed apartments** are the property types that account for the largest share of portfolios managed by CPM and CPM Candidate Members.

CPM Members typically hold **executive, property management or supervisory roles** and oversee a staff of **56 employees**.

### *Compensation & Benefits*

CPM Members earn a median total compensation of \$123,025, which includes a base salary for property management and additional real estate income from sales and leasing commissions. CPM and CPM Candidate Members in the Northeast, Mid-Atlantic and Pacific states earn the highest total compensation. CPM Members have mostly experienced steady growth in compensation.

Salary typically increases with years of experience, level of education and age. CPM and CPM Candidates who are presidents, CEOs, owners, partners, officers, directors or vice presidents receive greater compensation than others. In addition, CPM Members who work for investment companies, REITs or privately-owned companies typically receive higher compensation than those who work for other types of employers. Numerous employee benefits were reported and most frequently include medical and dental insurance, holidays, vacation days, sick days, 401(k), cell phone and life insurance.



## ARM MEMBERS

The average ARM is  
**46 YEARS OLD**

**77 PERCENT**  
of ARM Members are women.

**59 PERCENT**  
work for  
property management firms.

**44 PERCENT**  
of ARM Members manage  
conventionally financed apartments,  
with another

**24 PERCENT**  
responsible for affordable or  
federally assisted properties.

**91 PERCENT**  
have supervisory responsibilities  
and manage a median staff  
of five employees.

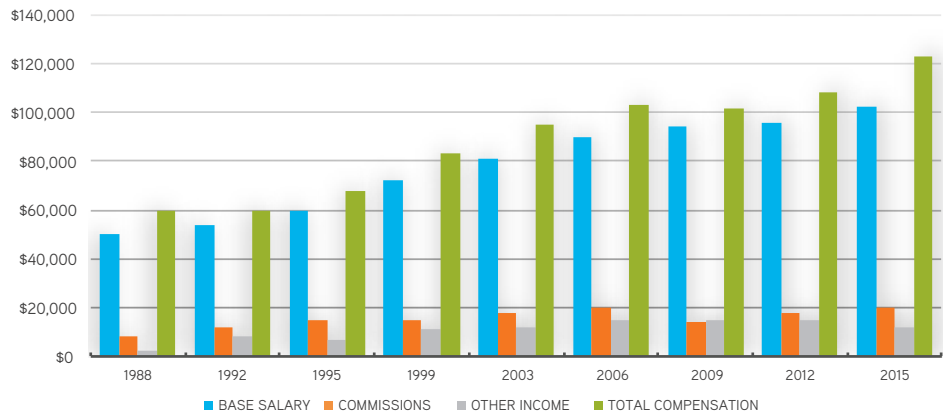
### Compensation & Benefits

The average total annual compensation for an ARM is \$67,451, which includes an average base salary of \$58,956, plus rental discounts and other real estate-related income. The majority of ARM Members saw their salary increase by 1 to 5 percent from 2015 to 2016. Compensation levels are highest among those in the Pacific region.

Compensation generally increases with experience, larger portfolio size and number of employees managed. Compensation is highest among ARM Members who manage luxury housing units. When comparing compensation by company type, those working for REITs have the highest average total compensation.

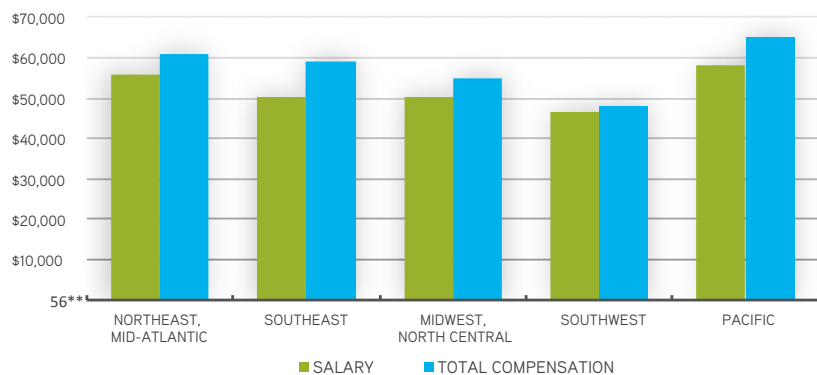


GROWTH IN MEDIAN COMPENSATION OF CPM MEMBERS



< CPM COMPENSATION & BENEFITS DETAILS ON OPPOSITE PAGE

MEDIAN COMPENSATION BY REGION OF ARM MEMBERS



GO TO [IREM.ORG](http://IREM.ORG) TO PURCHASE THE CPM OR ARM PROFILE AND COMPENSATION STUDY by January 31st, and save 20 percent! For the CPM Edition, use promo code 20OFFCPM. For the ARM Edition, use promo code 20OFFARM.

## BLANTON TURNER

Building Relationships  
Inside the Company and  
Within the Community

### HOW DOES BLANTON TURNER DELIVER SERVICE AND VALUE?

We have two mantras: “One Property at a Time,” meaning that every property we manage is unique and has a unique set of circumstances. And “One Community at a Time,” meaning that if we are going to do business in a community, we are going to engage and be an active, contributing member of that community.

### WHAT INITIATIVES ARE YOU MOST PROUD OF?

**BT Goodness:** An employee-led initiative that promotes and supports our people’s efforts to make the world a better place. The efforts come in many forms, including volunteerism, food drives, supporting organizations that our people are involved in, community engagement, fundraising activities and more.

**BTU (Blanton Turner University):** In addition to IREM education, licensing education or other educational offerings, in-house educational offerings help train our people to do what they do better.

Working “with” people instead of working “for” people: When deciding which management opportunities to pursue, we always consider whether the client is looking for a firm to work *for* them or *with* them, and we make our decisions predicated on whether we can ultimately work *with* the client.



### AMO OF THE YEAR

Blanton Turner, AMO  
Seattle  
[blantonturner.com](http://blantonturner.com)  
Executive CPM: Barry  
G. Blanton, CPM

◀ Blanton Turner colleagues accept the AMO’s REME Award during IREM’s Fall Leadership Conference. From L to R: 2016 IREM President Chris Mellen, CPM, ARM; Chasten Fulbright, CPM; Heidi Turner, CPM; Barry Blanton, CPM; Michele Forman of ABM (REME Awards Founding Sponsor).

**End User Experience:** Not everyone will end up leasing an apartment or commercial space from us. Our goal is to ensure everyone has a great experience, whether we end up doing business together or not.

Our people are our “brand”: Each person we employ (our Blanturnians!) becomes an integral part of our brand. The more diverse we are, the more interesting we will be as an organization.

### WHAT MAKES YOU PROUD TO WIN THE 2016 REME AWARD FOR AMO OF THE YEAR?

We started Blanton Turner in 2011 as kind of an experiment. Our approach is to challenge the status quo by embracing creativity and celebrating diversity. We wanted to create a working environment and culture that would help us attract the brightest talent. IREM, and becoming an AMO Firm, was a big part of this goal, and we attained the AMO accreditation three years and four days after we opened. IREM membership is part of the Blanton Turner culture, and IREM provides us with a great educational framework. Our REME Awards submission was completed by our people, not our marketing department. We are a relatively new, small boutique management firm and are far from the “norm” in the industry, so for IREM to recognize us as AMO of the Year is way cool!!

### WHAT ARE YOUR GOALS MOVING FORWARD?

We want to . . .

- › Retain the agility of a boutique firm with the horsepower of larger firms.
- › Nurture the culture we’ve established and continue to help it grow.
- › Continue to draw new, bright and talented people into the industry.
- › Continue to be innovative, creative and ever-changing to meet current and future expectations of our clients, residents, tenants, employees and all of the stakeholders we interact with.
- › Most importantly, continue to have a blast while we do these things! ■

## MICHAELS MANAGEMENT Serves Those Who Serve our Country

### HOW DOES MICHAELS MANAGEMENT DELIVER SERVICE AND VALUE?

Michaels Management Services' (MMS) top priorities are resident satisfaction and professional performance. From a resident's perspective, this means that living in on-post housing is the best experience possible. This includes maintaining pristine community conditions, responding to maintenance requests in a timely and effective manner, and, most importantly, helping connect residents through social programs designed for military families. Our Community Connections program helps them become friends with their neighbors and become familiar with the benefits and services available on post and in the community. Much appreciated is the Deployed Spouses Program, which provides support and extra services to families who experience deployment while living in our housing.

As for our owners, we are devoted to best practices and responsive service, committed to cost control while providing excellent service. This is a challenging time for managers of privatized military housing, as troop drawdowns impact occupancy levels. MMS has developed new marketing strategies to counter difficult marketing and economic conditions that include Department of Defense downsizing and reductions in Basic Allowance for Housing (BAH). In response, MMS has enhanced its marketing beyond



### AMO OF THE YEAR

Michaels Management Services, Inc., AMO  
Marlton, N.J.  
[themichaelsorg.com/  
michaels-management-services](http://themichaelsorg.com/michaels-management-services)  
Executive CPM: Heather L. Plummer, CPM

Ron Hansen of The Michaels Organization (c.) represents REME Award Winner Michaels Management Services at IREM's Fall Leadership Conference, with 2016 IREM President Chris Mellen, CPM, ARM (I.) and Michele Forman of ABM, REME Awards Founding Sponsor (r.)

current active duty military personnel. Six of our properties now have programs to expand leasing to other eligible tenants as a result of new strategic marketing approaches and expansion of resident services programs to appeal to this market.

### WHAT INITIATIVES IMPLEMENTED AT MICHAELS MANAGEMENT SERVICES ARE YOU MOST PROUD OF?

On two occasions, MMS assumed operations for large military housing projects over a weekend with little notice. We leveraged the resources of our parent organization and our entire team came together to make these no-notice transitions a stunning success.

We are also very proud of our educational scholarship program, offered to all residents of our managed properties. Scholarships range from \$500 to \$5,000 and can be used toward educational expenses at any accredited college, university or vocational training school in the nation. A tremendous number of residents have applied for these scholarships—military service personnel as well as their spouses and children. We have provided 212 scholarships, totaling \$645,500, since we started managing military properties in 2006. These success stories can be seen at <https://themichaelsorg.com/foundation/success-stories>

### WHAT VALUE DO YOU SEE IN IREM AND THE REME AWARDS?

Education has been paramount in our success. MMS is proud of our AMO status. Additionally, the more educated the employee base, the better your portfolio will perform. From marketing courses that help with hard-to-rent assets, to financial courses that teach the tools of understanding budgets and profit and loss statements, IREM offers something for everyone on our staff. All employees are encouraged to pursue IREM credentials and be involved with IREM locally. We are so proud of all our employees who work every day to do a great job. To be recognized for all of their achievements and dedication with a REME Award is very special. ■



REME Award Winner Rita Hernandez, CPM, (c.), with 2016 IREM President Chris Mellen, CPM, ARM (l.) and Michele Forman of ABM, REME Awards Founding Sponsor (r.), at the IREM Fall Leadership Conference.

## NURTURING DIVERSITY IN PROPERTY MANAGEMENT

RITA HERNANDEZ,  
2016 CPM OF THE YEAR

### HOW DO YOU BELIEVE YOU ARE ADVANCING THE INDUSTRY?

I am passionate about diversity and promoting it within our industry. I founded an Annual Diversity Luncheon Program which ran for 14 years and featured prominent speakers addressing subjects such as the Americans with Disabilities Act, religion, gender and age, through personal or business-related stories. I also recently started a social media campaign to expand awareness of our industry. This initiative includes a “CPMz Rule” YouTube channel, which features interviews with CPM members and other IREM event attendees.

### HOW HAS YOUR CPM DESIGNATION PLAYED A ROLE IN YOUR CAREER AND PERSONAL LIFE?

Participating in IREM committees and attending IREM events enabled me to increase the pace of my learning trajectory during my formative years, because I was working alongside professionals who were more experienced than me and willing to teach me. As I gained experience, I slowly moved up the IREM ladder to Chapter President and discovered that my colleagues became my friends. We’ve shared moments of success and failure together that have bonded us forever. IREM is an important part of my life because in addition to friendships, I discovered and now exercise my passion for diversity through mentoring and advocacy.

tion to friendships, I discovered and now exercise my passion for diversity through mentoring and advocacy.

### WHAT ADVICE WOULD YOU GIVE UP-AND-COMING PROFESSIONALS IN THE INDUSTRY?

I tell them my story. My story is about working for a small company that allows me to make decisions, make mistakes and be innovative. My work is diverse in its description so it’s interesting, not mundane. I wear many hats as I adapt to the needs of my owners, tenants and vendors. I make thoughtful career choices to be able to be with my young children, and I participate in IREM local and national committees, where I get to learn from and befriend people that are smarter than me. IREM guided me throughout my career and still does. That’s incredibly valuable to me and I recommend they consider what is valuable to them.

### WHAT THREE THINGS MAKE YOU PROUD TO WIN THE 2016 REME AWARD FOR CPM OF THE YEAR?

- > I’m proud to be part of a group of people who are unique to the management industry.
- > I’m able to be a role model for the Latino community.
- > I can leverage this new status to speak about the management industry and benefits of IREM.

### WHAT ARE YOUR GOALS MOVING FORWARD?

Similar to other baby boomers, I am looking to transition to a new chapter (semi-retired) in about five years. I will certainly be active in the real estate industry but in what way, I’m not sure. Whether it’s consulting as a real estate expert witness, becoming an IREM instructor or managing a small portfolio, I can work flexible hours, so I can enjoy life even more. I do know that the vast network of contacts and friends I have developed through IREM will help tremendously in those efforts. I’m sure technology will continue to provide easy access and remote work options, but a face-to-face connection is essential for me. I plan on keeping my CPM designation, even at my own cost—I know the importance of investing in me! ■



# ARM OF THE YEAR



## FOR THE LOVE OF THE INDUSTRY NICOLE HELTON, 2016 ARM OF THE YEAR

REME Award Winner Nicole Helton, ARM (c.), with 2016 IREM President Chris Mellen, CPM, ARM (l.), and Michele Forman of ABM, REME Awards Founding Sponsor (r.), at the 2016 IREM Fall Leadership Conference.

### WHAT INITIATIVE(S) ARE YOU PROUD TO HAVE IMPLEMENTED OR BEEN A PART OF?

At my company, I am a “Certified Coach,” which means I am a mentor to new associates who need additional assistance. My mentoring is very personal, as each relationship is different. Through effective mentoring, my staff has been recognized on both regional and national levels. I also recently implemented a weekly “Position Swap” challenge for a month, where we had one office and one maintenance associate change positions for the day. In doing this, my team gained a better understanding of what their teammates do on a daily basis. Since then, I have seen tremendous growth in their respect and appreciation for one another—not to mention, it was fun! Our residents loved it, too, and often ask if we will do it again.

### HOW HAS ACHIEVING THE ARM CERTIFICATION HELPED YOUR CAREER?

Before the ARM training and certification, I had tunnel vision and only saw the

multifamily side of my profession; the ARM education helped open my eyes by putting myself in the shoes of different roles within real estate management. Since achieving my ARM certification, I have been contacted by corporate officials in my company for my thoughts on how we can get more managers involved in the certification process and what can be done to make the process more streamlined. I was also invited to join the Southern California Inland Empire Chapter board.

### WHAT ADVICE WOULD YOU GIVE UP-AND-COMING PROFESSIONALS IN THE INDUSTRY?

I feel that if you are up-and-coming in this industry, you **must** have a passion for helping people or it just won’t work out. Raise your hand to help, get involved, get out of your office and meet the people who can benefit you and vice versa. You will feel so empowered to know what is going on around you, and you will also open up countless doors to your career.

### WHAT QUALITIES DO YOU THINK MAKE A SUCCESSFUL REAL ESTATE MANAGEMENT PROFESSIONAL?

You have to be passionate! You of course need to be an honest, hardworking and trustworthy individual. You will make connections with people from all walks of life on a daily basis and need to possess a level of empathy that some people struggle with. Having personal drive and motivation is also necessary. There are so many avenues within real estate management that you have to be able to recognize an opportunity when you see one and go after it!

### WHAT ARE YOUR GOALS MOVING FORWARD?

Once I achieve a goal, I look for the next one to meet. Winning ARM of the Year still has me in shock as it was completely unexpected, and the more I think about what just happened for me, the more motivated I get. I have decided to go for my CPM designation, get my real estate license and return to college to earn a degree. With everything I have going for me this year, I do not want my momentum to slow down. What will I end up doing? I’m not sure, but I have a **PASSION** for training others to do what I do, so I think I will start there. ■



# UP CLOSE

WITH IREM PRESIDENT  
MIKE LANNING

BY JOHN SALUSTRI

To say the past few years have been interesting for Michael T. Lanning, CPM, would be an understatement. After a 25-year stint at CBRE—most of those in asset services and office brokerage—he moved to Cassidy Turley four years ago, where he had a front-row seat in the Tinker-to-Evers-to-Chance series of mergers that brought Cassidy Turley to DTZ and ultimately, DTZ to Cushman & Wakefield, AMO. Today, he is senior vice president and asset services leader of the Kansas City, Mo., market for C&W.

And if that were not enough, for the past few years he has been moving up the ranks at IREM, building up to this point, as his year begins as 2017 IREM President. We had the opportunity to catch up with Lanning late last year to get his view on how he expected 2017 to shape up for the Institute. **HERE'S WHAT HE HAD TO SAY.**

**JPM:** *In your year as president-elect, did both the opportunities and challenges you'd face as president become increasingly clear?*

**MICHAEL T. LANNING:** That really starts when you hear from the nominating committee that you have been selected to become secretary/treasurer. So there's really a three-year learning and transition period in advance of becoming president, and there's a lot of training that takes place in that time. Along the way, the officer team worked very closely with the excellent IREM staff as they helped prepare us. There's a lot of great prep work in advance of coming in as president and as a result, very few surprises.

**JPM:** *How do you compare your style of leadership with that of Chris Mellen, who led IREM as president in 2016?*

**LANNING:** Chris and I have worked together very closely for years. We were senior vice presidents together in addition to both serving on IREM's officer leadership team. Our styles are very similar. We're both bottom-line and results driven. Both of us avoid politics to focus on those results. And growth has been a theme for both of us.

Our backgrounds are different in that Chris works for a large family-owned company that owns all of its real estate, and my background is in a large third-party property management firm where we're managing exclusively for multiple investor clients. So it provides us different perspectives on industry trends. But our management traits are similar, and we've been closely aligned while working together the past few years.

**JPM:** *What is the most important issue or suite of issues facing property managers today?*

**LANNING:** Education remains very important in any industry, and it's essential to stay abreast of constantly changing trends, whether they're in technology, operations, legislation or human resources within our industry. It's vital that we continue to sharpen our saw and address the changing times we live in.

**JPM:** *What do you want to accomplish as president?*

**LANNING:** There are several things, and I understand how tricky it might be to accomplish everything. It's only a year, and as some past presidents have told me, you blink and the year is over, and you have to ask yourself about what you accomplished. But membership growth continues to be first and foremost. We want to serve our current members, of course, but we also want to grow our industry membership.

We have some exciting new programs for 2017. We're going to a new super-regional conference format aimed at strengthening chapter leadership and industry knowledge. They'll be held in five cities throughout North America. We're very excited about that new format. We think targeted programs in millennial markets will be very important to us in both office and apartment sectors.

We're going to be repositioning and rebranding in terms of our credentials and looking at repositioning IREM overall. We want to provide clear and consistent branding, to make sure our value proposition resonates with members and target markets. We also want to focus on thought leadership

MIKE  
CELEBRATES  
HIS  
INAUGURATION  
WITH SON  
JACK (L.) AND  
DAUGHTER  
ALEX (R.)  
AT IREM'S  
2016 FALL  
CONFERENCE.



with special attention on asset management and technology, and we have to make sure we have compelling and valuable content for the industry. We'll have some AMO program enhancements, and we'll be reaching out to our AMO firms and corporate clients to enhance their understanding of the benefits we provide and why their professionals are, or need to be, engaged in IREM.

**JPM:** *In terms of membership, where will the bigger push be: nationally or internationally?*

**LANNING:** Both. There are a lot of models internationally; some have been successful, some not as much. We've found it's a lot easier to partner with an organization in those target countries that will help promote our organization's education and training. So really, we have to look at international growth country by country and partner by partner. Domestically, we're looking for growth throughout our 80 chapters across the US.

**JPM:** *What programs work when it comes to membership growth?*

**LANNING:** Chris Mellen started a CPM Sponsor program last fall and we've added a number of CPM Candidates as a result, so we'll continue that program in 2017. I mentioned partnerships, and last year we also held our first Commercial Summit, where we engaged a select group of professionals from asset management firms and large third-party property-management firms. It was a good opportunity not only to share ideas about the dynamics of the industry but to also raise awareness of IREM and to network.

There's a void of representation for the asset manager sector, and that opens an opportunity to expand our educational programs and attract asset management professionals. So a second Summit is certainly on the calendar. Obviously, this sort of outreach also reinforces our branding.

**JPM:** *So there's a clear intent to expand IREM's reach beyond a sole focus on property management.*

**LANNING:** That's accurate. Asset managers understand our business, but they're at a 30,000-foot level. To really understand the financial and operational performance of a property, they need to rely on their onsite property manager or teams. If they have a better understanding of what the property manager does, it helps them become more effective asset managers.

**JPM:** *What about forging a career path from property to asset management?*

**LANNING:** Obviously, institutional asset management firms either outsource their property management functions to third-party providers, or they maintain both functions in-house. Grooming property managers to become asset managers is easier in those cases.

**JPM:** *How do you balance what is now essentially two full-time jobs? And what does it mean for your support staff at C&W?*

**LANNING:** When I was at Cassidy Turley four years ago, I said to my leadership [and head of C&W's asset services group], Marla Maloney, also a CPM, that there was a chance I would become IREM president. She said she thought it would be great exposure for both me and for the firm. So they're very supportive of the role.

We brought in a vice president of operations a little more than a year ago, and she handles a lot of the operational issues within our Kansas City market portfolio. But, you know, we all stay connected. We're all connected with smart phones and laptops and iPads—even when we're on vacation. Everybody is always working. There's never a reason to be completely disengaged from IREM or from Cushman & Wakefield business activities.

**JPM:** *What advice do you have for property managers, especially younger property managers building their careers?*

**LANNING:** Stay ahead of trends in the industry, especially what's going on with technology. That's very important. Also, make sure you volunteer and take on new assignments. Finally, and probably most important, speak up and express your opinions to the industry. Your opinions matter. ■

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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 E-MAIL MARIANA TOSCAS AT [MTOSCAS@IREM.ORG](mailto:MTOSCAS@IREM.ORG).



Mike Lanning will not be flying solo in leading IREM. He's joined by a team of 19 other industry professionals supporting him as members of the IREM Executive Committee.

[TOP] **J. BENJAMIN MCGREW, CPM, CCIM**  
2017 President-elect  
MANAGEWEST, Inc. / Sacramento, Calif.

[BOTTOM] **DONALD B. WILKERSON, CPM**  
2017 Secretary/Treasurer  
Gaston and Wilkerson Management Group, AMO  
Reno, Nev.



[TOP] **GREGORY A. CICHY, CPM**  
Senior Vice President  
Colliers International, AMO / Vienna, Va.

[BOTTOM] **CHERYL A. GRAY, CPM**  
Senior Vice President  
Bentall Kennedy / Toronto

[TOP] **ANNE-MARIE N. NIKLAUS, CPM, ARM**  
Senior Vice President  
Balfour Beatty Communities, LLC, AMO / Malvern, Pa.

[BOTTOM] **RENEE M. SAVAGE, CPM, CCIM**  
Senior Vice President  
Capital Growth Properties, Inc., AMO / La Jolla, Calif.



[TOP] **MICHAEL BROWN, CPM, ARM**  
At-Large Member  
Camden Property Trust, AMO / Mission Viejo, Calif.

[BOTTOM] **GEORGE D. GRIFFIN III, CPM**  
At-Large Member  
Houston Housing Authority, AMO / Houston

[TOP] **CHIP WATTS, CPM, CCIM**  
Senior Vice President  
Watts Realty Co., Inc., AMO / Birmingham, Ala.

[BOTTOM] **BRANDEN BARKER, CPM**  
At-Large Member  
Trademark Property Company / Baton Rouge, La.



[TOP] **JAMES HESEL JR., CPM**  
At-Large Member  
Hesel, Incorporated, Realtors / Camp Hill, Pa.

[BOTTOM] **ANNE LEMON, CPM, ARM**  
At-Large Member  
Kessinger/Hunter & Company, LLC / Kansas City, Mo.

[TOP] **WARREN G. LIZIO, CPM, ARM**  
At-Large Member  
The Simon Companies, L.P. / Braintree, Mass.

[BOTTOM] **DEBBIE SANTANO, CPM**  
At-Large Member  
Brandywine Realty Trust / McLean, Va.

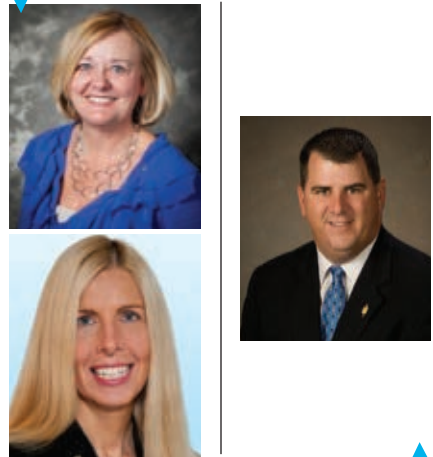


[TOP] **CHRISTOPHER MELLEN, CPM, ARM**  
Immediate Past President  
The Simon Companies, L.P. / Braintree, Mass.

[BOTTOM] **MARY WILKEN, CPM**  
IREM Foundation President  
Insite Properties, LLC / Charlotte, N.C.

[TOP] **LORI TILLIS, CPM**  
At-Large Member  
Ohio Capital Corporation for Housing / Columbus, Ohio

[BOTTOM] **KAREN WHITT, CPM, CRE, RPA**  
At-Large Member  
Colliers International, AMO / Washington, D.C.



**JAMES A. EVANS, CPM**  
IREM Representative to NAR  
Bruce G. Pollock & Associates / Grand Blanc, Mich.

# IREM Foundation Welcomes Three New Members to 2017 Board of Directors

Three new IREM members—Malcolm Bates, CPM, Christopher Mellen, CPM, and John Windsor, CPM—have been selected to serve on the board of directors of the IREM Foundation. They will join the 17 sitting directors in upholding the Foundation’s mission to attract, develop and retain individuals for careers in real estate management. The board of directors, along with IREM Officers, strives to promote this mission throughout the organization and beyond, reaching deep into the real estate community.

The Foundation is dedicated to supporting IREM initiatives that strengthen diversity and real estate management knowledge within the industry, and encourages those considering a career in real estate to explore the benefits such a calling has to offer. These endeavors are vital to cultivating growth in the industry, and the board of directors lays the groundwork for them by establishing strategic direction, overseeing operations, ensuring regulatory compliance and keeping the organization financially healthy. The leadership and guidance of the board play a crucial role in the success of the many activities supported by the Foundation.



**PRESIDENT** MARY W. WILKEN, CPM  
INSITE PROPERTIES, LLC / CHARLOTTE, N.C.

I am thrilled to welcome these new members to our board of directors. We are grateful and excited to have them join the board and bring their unique talents, expertise and perspectives to the work of the Foundation in order to further our mission. They share with us a desire to serve the people who make up the real estate business and provide opportunities for them to learn and flourish.”

—MARY WILKEN, CPM AND IREM FOUNDATION PRESIDENT

Learn more about the IREM Foundation and its good works by visiting our website [www.iremfoundation.org](http://www.iremfoundation.org) or contacting us at [foundation@irem.org](mailto:foundation@irem.org).



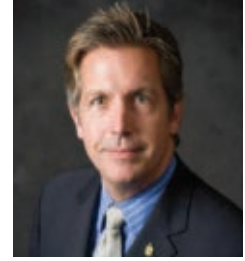
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CLARK F. LINDSTROM, JR., CPM  
THE PETERSON COMPANIES / WICHITA, KAN.



[LEFT TO RIGHT]  
MALCOLM W. BATES, CPM  
COLLIERS INTERNATIONAL, AMO / RICHMOND, VA.

CHRISTOPHER E. MELLEN, CPM  
THE SIMON COMPANIES / BRAINTREE, MASS.

JOHN H. WINDSOR, III, CPM  
BROWARD COUNTY-PORT EVERGLADES / FORT LAUDERDALE, FLA.



[LEFT TO RIGHT]  
WALTER J. CRUMPLER, JR., CPM  
WELLTOWER, INC. / CHARLOTTE, N.C.

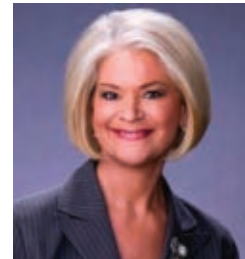
DONALD B. WILKERSON, CPM  
GASTON & WILKERSON MANAGEMENT GROUP, AMO / RENO, NEV.

KAREN L. PHARR, CPM  
HIETT, PHARR & ASSOCIATES, LLC, AMO / EL PASO, TEXAS

[LEFT TO RIGHT]  
DAWN E. DAFFINEE, CPM / HAWTHORNE, N.J.

VERA C. MCPHERSON, CPM, ARM  
W.H.H. TRICE & CO. / WILLIAMSBURG, VA.

MARY BUTLER SUMMY, CPM  
CHARLESTON, S.C.



[LEFT TO RIGHT]  
GAIL P. DUKE, CPM  
NYL INVESTORS / NEW YORK

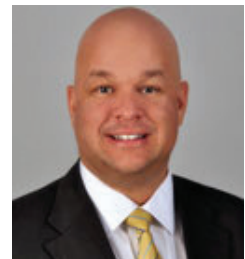
JULIE L. MUIR, CPM  
NEWMARK GRUBB KNIGHT FRANK / PORTLAND, ORE.

DEBORAH D. WESTPHAL, CPM, ARM  
FORT MILL, S.C.

[LEFT TO RIGHT]  
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COLLIERS INTERNATIONAL, AMO / NASHVILLE, TENN.

O. RANDALL WOODBURY, CPM  
WOODBURY CORPORATION / SALT LAKE CITY

SHAWN P. HARVEY, CPM  
GRIFFIN PARTNERS, INC. / HOUSTON



[LEFT TO RIGHT]  
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CAREFREE, ARIZ.

JAMES A. EVANS, CPM  
BRUCE G. POLLOCK & ASSOCIATES, INC. / GRAND BLANC, MICH.

REGINA TAYLOR MULLINS, CPM  
CUSHMAN & WAKEFIELD, INC., AMO / ARLINGTON, VA.



# ON THE ROAD

**JANUARY****1/11 – 1/12**

IREM Commercial Summit

**Location:** Chicago**Visitor(s):** All Officers**1/13 – 1/15**Executive Committee  
Retreat**Location:** Chicago**Visitor(s):** All Officers**1/20**Greater Phoenix Chapter  
No. 47 IREM/CCIM  
Economic Forecast Event**Location:** Chandler, Ariz.**Visitor(s):** J. Benjamin  
McGrew, CPM**1/24**Tucson-Southern Arizona  
Chapter No. 73 IREM/  
BOMA Tucson Economic  
Forecast Event**Location:** Tucson, Ariz.**Visitor(s):**  
Don Wilkerson, CPM**1/24 – 1/26**

NMHC Conference

**Location:** San Diego, Calif.**Visitor(s):** Brian Lozell**1/26**Greater New York Chapter  
No. 26 Annual Awards  
Dinner**Location:** New York**Visitor(s):** Michael T.  
Lanning, CPM**FEBRUARY****2/6 – 2/8**Hawaii Chapter No. 34  
Mid-Pacific Forum**Location:** Honolulu**Visitor(s):** Michael T.  
Lanning, CPM**2/9**San Antonio Chapter No.  
48 Chapter Luncheon**Location:** San Antonio**Visitor(s):** Anne-Marie  
Niklaus, CPM, ARM**2/9 – 2/10**

ASAE CEO Symposium

**Location:** Coronado, Calif.**Visitor(s):** J. Benjamin  
McGrew, CPM,  
Don Wilkerson, CPM,  
Lynn Disbrow**2/23**Tri-State Conference  
& Expo**Location:**  
Atlantic City, N.J.**Visitor(s):** Michael T.  
Lanning, CPM,  
Lynn Disbrow**2/23 – 2/24**Indianapolis Chapter No.  
24 "Take Our Future to  
Lunch" Event**Location:** Indianapolis**Visitor(s):** J. Benjamin  
McGrew, CPM

## AD INDEX

IREM 30 Under 30 Call for Nominations  
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[www.rentmanager.com](http://www.rentmanager.com) Inside Front Cover

## 2016 IN MEMORIAM

Ms. Christine Bachtel, CPM  
 Ms. Sally J. Bailey, ARM  
 Jody Bartlett, CPM Candidate  
 Ms. Deborah R. Bruckner, CPM  
 Mr. Edmond W. Carlson, CPM  
 Mr. Aaron W. Dodek, CPM  
 Mr. Sam Feldt, CPM  
 Mr. John Goodman, CPM  
 Mr. Robert F. Gutches, CPM  
 Mrs. Rebecca Hannon, CPM Candidate  
 Mr. E. Preston Hawkins Sr., CPM  
 Ms. Barbara A. Howe, CPM  
 Mr. Marshall Karr, CPM  
 Mrs. Kerry Janel Klenzendorf, CPM  
 Mr. Fredric M. Lynn, CPM  
 Mr. Brendan McKenna, CPM  
 Mr. Paul G. Miller, CPM  
 Mr. J. Steve Morgan, CPM  
 Mr. Alfred O. Ojejinmi, CPM  
 Mr. Michael L. Reid, CPM  
 Mr. Thomas J. Russell, CPM  
 Mr. Robert E. Sampson, CPM  
 Mr. Ralph A. Schiefke, CPM  
 Mr. Winfree H. Slater, CPM  
 Mr. Jeffrey V. Thon, CPM  
 Mr. Milton A. Washington, CPM  
 Mrs. Sharen A. Welsh, ARM  
 Mrs. Michele (Miki) Wilson, CPM  
 Ms. Mollie M. Wood, CPM  
 Ms. Christine L. Ziegler, CPM  
 Mr. Scott M. Ziegler, CPM

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# NEW CPM MEMBERS

## OCTOBER 2016

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Louis Capannelli, CPM

Amanda R. Cox, CPM, ARM

Benjamin A. Crane, CPM

Christopher J. Croft, CPM, ACoM

Frederick T. Difusco, CPM, ARM

Mark A. Foraker, CPM

Julia A. Fowler, CPM

Susan L. Glancy, CPM

Jason S. Hagenow, CPM

Maria R. Hawthorne, CPM

Leigh Ann Hendricks, CPM

Mary E. Herington, CPM

Kenneth T. Holman, CPM

Matthew D. Hozza, CPM

Jason J. Jackson, CPM, ARM

Yuwei Jin, CPM

Ying Lu, CPM

Ryan T. Middleton, CPM, ARM

Gregory A. Morehead, CPM

Russell J. Petralia, CPM

Courtney D. Pogue, CPM

Robert F. Sawyer, CPM

Liang Tang, CPM

Haitao Wang, CPM

Xijing Wang, CPM

Sha Wang, CPM

Yun Wei, CPM

David C. Weinstein, CPM

William S. Woodward, CPM, ARM

Chen Zhu, CPM

## NOVEMBER 2016

Tanya M. Anderson, CPM

Jason J. Bernheimer, CPM

Nathan C. Borne, CPM, ARM

Zachary L. Brenner, CPM, ACoM

Lisa M. Campbell, CPM

Jerome A. Champion, CPM

Shayna L. Cox, CPM

Sherri L. Daley, CPM

Tina M. Emert, CPM

Andre Gerasimov, CPM

Kelly L. Gray, CPM

Amanda L. Gray, CPM

Tammy C. Harper, CPM

Sara E. Hassell, CPM

Jae Young Jeong, CPM

Jacob W. Johnson, CPM

Dianna J. Jones, CPM

Charles M. Karl, CPM

April S. Kelly, CPM

Diana M. Kirsch, CPM

Elizabeth E. Lane, CPM

Albion E. Liburd, CPM

Tawnya N. Metzler, CPM

Stacy L. Miller, CPM

Mary J. Millsap, CPM

Bianca M. Nunez, CPM

Steve D. Osmond, CPM, ARM

Shannon R. Purcell, CPM

Stacie L. Rahm, CPM

Al-Tariq W. Robinson, CPM

Pamela B. Sines, CPM, ARM

Jeffrey P. Spratt, CPM

Drew D. Strohmeyer, CPM

Henry J. Thomas, CPM

Diane C. Totten, CPM

Jia Qiang Wang, CPM

Felecia L. Washington, CPM

Joel Weathersbee, CPM

Daniel R. Wiarda, CPM

David M. Zimmerman, CPM



Sector	Q3 2016 Asking Rent	Q3 2015 Asking Rent	% Change Asking Rent	Q3 2016 Vacancy Rate
Apartment	\$2,150	\$2,073	3.7%	4.9%
Office	\$41.26	\$40.18	2.7%	11.8%
Retail	\$23.67	\$23.27	1.7%	6.4%

Source: Reis Inc.

When you see the cranes dotting the skyline of Boston, you know that the economy is chugging along and doing pretty well. The colleges are doing their own expansions, and bio-sciences are really expanding their commercial presence in the market as well. Although employment is low and it is tough to find people, salaries have been basically flat related to the cost of living. But it is amazing how well the economy is doing even with flat wage growth.

PETER LEWIS, CPM, VICE PRESIDENT OF PROPERTY MANAGEMENT  
THE SCHOCHET COMPANIES, BRAintree, MASS.

## WASHINGTON

OUR NATION'S CAPITAL

Sector	Q3 2016 Asking Rent	Q3 2015 Asking Rent	% Change Asking Rent	Q3 2016 Vacancy Rate
Apartment	\$1,722	\$1,671	3.1%	5.8%
Office	\$53.58	\$52.29	2.5%	9.4%

Source: Reis Inc.

### D.C. RETAIL RENTS

Location	Mid-year 2016 Rents (PSF/YR)	YOY Change
Georgetown	\$165	1.8%
Dupont Circle	\$105	2.8%
Chevy Chase	\$85	2.6%

Source: Cushman & Wakefield

The District of Columbia is one of those classic high-barriers-to-entry and supply-constrained markets like Manhattan and San Francisco. The height limits put a natural regulator on the amount of office space that can be developed, and the availability of land in the urban core is scarce. However, we are entering an upcycle in terms of development that will be different from past cycles in two major ways:

- More ground-up development is migrating to emerging submarkets like NoMA, the Capitol Riverfront and Southwest.
- More redevelopment of older buildings constructed in the '70s and '80s is taking place in the urban core. This is notable because, while there is a record amount of development set to take place, the net new supply that will hit the market from 2017 through 2020 is much less because we are removing old inventory.

WILLIAM A. GRILLO, CPM, RPA, SENIOR MANAGING DIRECTOR  
BENJAMIN A. COMM, CPM, SENIOR MANAGING DIRECTOR  
CUSHMAN & WAKEFIELD, WASHINGTON, D.C.



Sector	Q3 2016 Asking Rent	Q3 2015 Asking Rent	% Change Asking Rent	Q3 2016 Vacancy Rate
Apartment	\$3,499	\$3,479	0.6%	4.0%
Office	\$69.44	\$66.97	3.7%	9.1%

Source: Reis Inc.

### MANHATTAN RETAIL RENTS

Location	Q3 2016 Asking Rent	YOY Change
Times Square	\$2,104	-18.1%
Madison Avenue	\$1,422	-11.5%
SoHo	\$523	-2.2%

Source: Cushman & Wakefield

The New York City multifamily rental market has seen some slowing. The high end of the market has taken the brunt of this decline. Concessions have increased to account for this downturn as new developments are looking to fill units. Ultimately, this is attributed to an increasing supply of units at a time when demand has peaked. We recently learned that the New York unemployment rate has increased for the first time since 2011. It remains to be seen if this movement will fuel a continuing trend of downward pricing over the year to come.

MARC POLLACK, CPM, ASSOCIATE  
REALTY OPERATIONS GROUP, NEW YORK



Sector	Q3 2016 Asking Rent	Q3 2015 Asking Rent	% Change Asking Rent	Q3 2016 Vacancy Rate
Apartment	\$987	\$962	2.7%	4.6%
Office	\$21.84	\$21.44	1.9%	16.3%
Retail	\$17.35	\$16.90	2.7%	8.2%

Source: Reis Inc.

Pittsburgh is not a market that generally has any really big ups or downs. Historically, it has been a slower rising market at 2 to 3 percent per year. Although that increase is not always great, it has been excellent growth over the last few years. We also have had a high demand for investment property and, like a lot of areas, a lack of available properties on the for-sale market.

JERRY Y. SPEER, CPM, PRESIDENT AND BROKER OF RECORD  
EQUITY REAL ESTATE SERVICES INC., PITTSBURGH

BETH MATTSON-TEIG IS A CONTRIBUTING WRITER FOR JPM®. IF YOU HAVE QUESTIONS REGARDING THIS ARTICLE OR YOU ARE AN IREM MEMBER INTERESTED IN WRITING FOR JPM®, PLEASE E-MAIL MARIANA TOSCAS AT [MTOSCAS@IREM.ORG](mailto:MTOSCAS@IREM.ORG).

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**West Regional Meeting**  
Costa Mesa, CA  
May 9-11, 2017

**Midwest Regional Meeting**  
Minneapolis, MN  
June 6-8, 2017

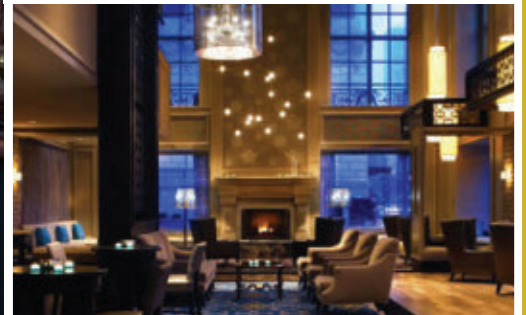
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