

JPM[®]

JOURNAL OF PROPERTY MANAGEMENT
MAR. APR 2009

THE GLOBAL LINK FOR REAL ESTATE PROFESSIONALS

RENT RESOLUTIONS FOR
A WEAK ECONOMY p32

MANAGING MIXED-INCOME
COMMUNITIES p36

IREM MEMBER SHARES INSIGHTS
FROM CAPITOL HILL VISITS p42

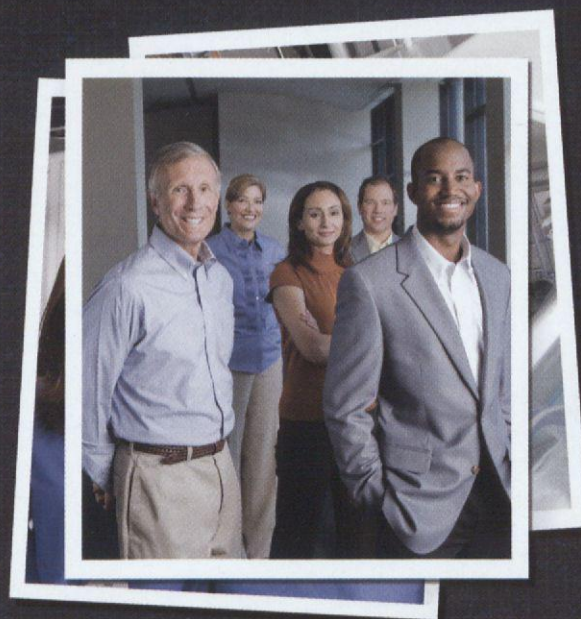
CURB APPEAL

MAKING A GOOD FIRST IMPRESSION IS MORE
IMPORTANT THAN EVER IN TODAY'S ECONOMY p22



IREM Institute of Real Estate Management

“We pledge to be there for you when disaster strikes, to stand by you and guide you through your claim. And the first thing we’ll do is put that in writing.”



There are thousands of Trusted Choice[®] agents across the country. Go to www.trustedchoice.com to find one near you.

As Trusted Choice[®] agents, we pledge to be there for the big things, like staying with you all the way through the claims process, and all the other things, like promptly answering your questions and calls. That's what makes us so different. Your hope is that you never need your insurance. Our promise is that it will be a very different experience if you do. Home, auto, business, life.

You need an independent insurance agent.SM



CONTENTS

JOURNAL OF PROPERTY MANAGEMENT
MAR. APR 2009

features

22 CURB APPEAL ON A BUDGET:

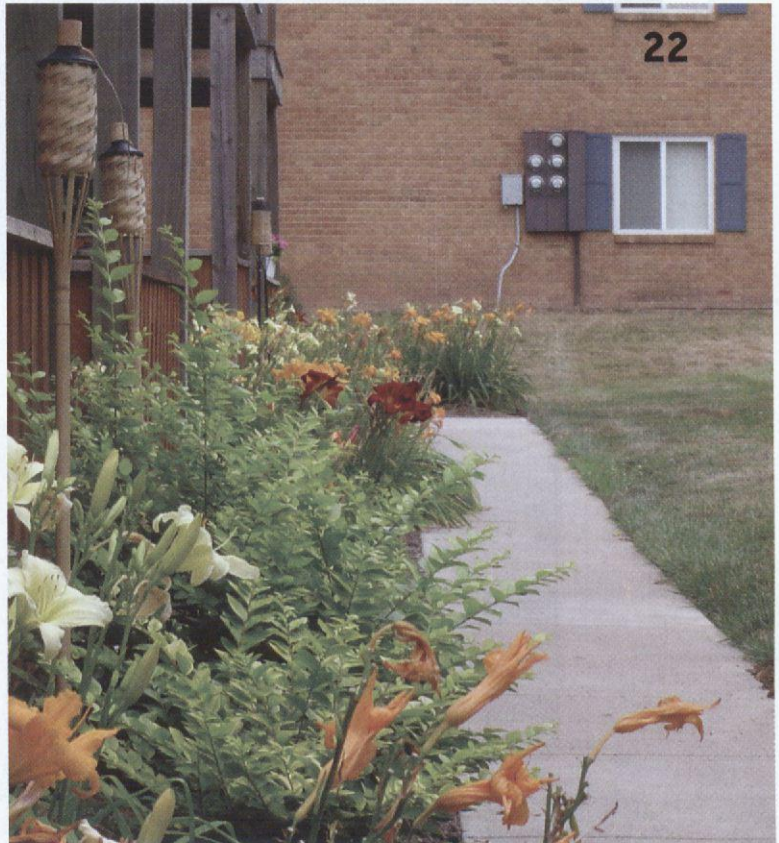
Creative Landscaping Solutions can Boost a Property's Appeal Without Breaking the Bank *by Diana Mirel*

28 MINORITY REPORT: U.S. Population Shift Spurs Increased Cultural Awareness from Property Managers *by Janice Rosenberg*

32 RENT RESOLUTIONS FOR A WEAK ECONOMY: IREM Member Reveals Ways to Work with Commercial Tenants in Hard Times *by Richard Muhlebach, CPM®*

36 IN THE MIX: Versatile Management of Mixed-Income Communities Can Revitalize Neighborhoods *by Claire Bushey*

42 CAPITOL INVESTMENT: IREM Member Shares Rewards and Insights from Her Capitol Hill Visit Days *by Linda Jackson, CPM, RPA*



32



Together, we're a force to do business with.

Amtech Lighting Services has merged with SYLVANIA Lighting Services, combining the talent and expertise of two of the nation's leaders into one comprehensive lighting service organization. Our combined state-of-the-art lighting products, energy management and electrical solutions include a broad offering of turnkey design, installation and maintenance programs for interior, exterior and sign lighting applications. Together we now meet the demands of more industries, more markets, more applications and more customers like you.

For a free energy audit, call 1-800-323-0572 or visit www.sylvania.com/sls.



columns

10 HIGHER GROUND Juggling Act: Maintain diligence when managing projects and properties

12 MARKETING SOLUTIONS Stay On Message: Focus marketing efforts by knowing your target audience

14 GREEN SCENE Dialing For Dollars: Controlling thermostats and temperatures produces low-cost energy savings

departments

6 INDUSTRY NEWS & NOTES Foreclosure filings up a record 81 percent in 2008; Commercial developers seek bailout; Survey indicates drop in apartment demand; New sustainability standard approved for multifamily properties

16 IN SESSION IREM Members prepare for the 2009 Capitol Hill Visit Day; Stimulus proposals take aim at climate change; 2009 Legislative outlook: taxes and energy conservation

18 FAMOUS PROPERTIES Jewel of the Desert: Distinct history and architecture make the Biltmore Resort an icon in Arizona

20 REGIONAL OUTLOOK Tropical Opportunities: Hawaii still a bright spot despite overall economic downturn

47 GADGETS Spotlight on PDAs

48 INSIDE IREM AMO spotlight on Transwestern Denver; 2010 national officers and RVPs nominated; Know your IREM Code of Professional Ethics, JPM articles translated for international members

57 IREM FOUNDATION NEWS Real Estate Management Center succeeds at Saint Augustine's College

58 NEW PRODUCTS Product information about beam smoke detectors, hydrogen sulfide gas sensors, cabinet task lights and electric meter bars

59 AD INDEX

60 CAN YOU TOP THIS? Spirited Away



[CLOCKWISE FROM BOTTOM LEFT] P20 HAWAII OFFERS PROPERTY MANAGERS OPPORTUNITIES IN TROUBLED TIMES. P18 BILTMORE RESORT SHINES IN ARIZONA. P16 IREM MEMBERS PREPARE FOR CAPITOL HILL VISIT DAY. P47 SPOTLIGHT ON PDAS

LOOK FOR THESE ICONS THROUGHOUT THIS ISSUE OF *JPM*. EACH ONE POINTS YOU TO ADDITIONAL IREM RESOURCES!



PUBLICATION SOURCE



ON THE WEB



INTERNATIONAL



EDUCATION



IREM FIRST

JPM

VOLUME 74, NUMBER 2 MAR. APR 2009

PRESIDENT | Pamela W. Monroe, CPM®

PRESIDENT-ELECT | O. Randall Woodbury, CPM®

SECRETARY/TREASURER | Ronald Goss, CPM®

EXECUTIVE VICE PRESIDENT AND CEO
Russell C. Salzman, CAE, IOM | rsalzman@irem.org

EDITORIAL DIRECTOR
Tulie O'Connor | toconnor@irem.org

ASSOCIATE EDITOR
Markisan Naso | mnaso@irem.org

EDITOR
Amanda Hellenthal | ahellenthal@irem.org

CIRCULATION
Diane Cole | dcole@irem.org

EDITORIAL ADVISORY BOARD

Sue Lewis, CPM®, ARM®, Chair
Deb Kast, ARM®, CPM® Candidate, Vice Chair
Jennifer Baiamonte, CPM®
Natalie Brecher, CPM®
Norma Brownfield, CPM®
Jordan Debes, CPM®
Leo Fischer, CPM®
David Fortune, CPM®
Laurie Gral, CPM®
Bob Hendricks, CPM®
Kristin Hielt, CAE
Babita Khurana, CPM®
Greg Martin, CPM®
Kim Mitchell, CPM®, PhD
Richard Muhlebach, CPM®
Patricia Nooney, CPM®
Claribel Shavers, ARM®
Brad Toothaker, CPM®
Paul White, CPM®
Kathy Whitman, CPM®, ARM®
Tiger Yamamoto, CPM®

ART DIRECTION, GRAPHIC DESIGN
Whitney R. Larson, Injagar, Inc.

ADVERTISING SALES | Adinfo.jpm@foxrep.com

JPM, Journal of Property Management (JPM ISSN 0022-3905) is published bi-monthly by the Institute of Real Estate Management, 430 N. Michigan Ave., Chicago, IL 60611. Internet: www.irem.org. This publication is provided as a medium for the expression of individual opinion concerning management practices and procedures. The articles and advertisements printed herein do not necessarily represent the endorsement of the Institute of Real Estate Management or of the majority of its members excepting such statements that are so designated. The editors exercise only a general supervision of the material and assume no responsibility for claims made in advertisements or for opinions and statements expressed in articles. IREM®, CPM® AMO®, ARM®, CERTIFIED PROPERTY MANAGER®, ACCREDITED MANAGEMENT ORGANIZATION®, ACCREDITED RESIDENTIAL MANAGER® and JPM® are federally registered marks of the Institute of Real Estate Management.

Reprints: Material in this publication may not be reproduced in any form without written permission of the publisher. For volume reprints or e-prints, contact Advertising sales, sales@irem.org.

Copyright © 2009 by the Institute of Real Estate Management. All rights reserved. Periodical postage paid at Chicago, Illinois and at additional mailing offices. Subscription rates: \$56.95 for one year; single copy \$7.50. Remittances, undeliverable copies and subscription orders should be sent to the JPM offices. **Postmaster:** send address changes to JPM, *Journal of Property Management*, P. O. Box 109025, Chicago, IL 60610-9025. Printed in U.S.A.

Institute of Real Estate Management Diversity Statement | IREM encourages diversity. We welcome individuals of all races, genders, creeds, ages, sexual orientations, national origins, and individuals with disabilities. Our organization strives to provide an equal opportunity environment among its members, vendors, and staff. Adopted October 2008

Institute of Real Estate Management Sustainability Statement | The Institute of Real Estate Management (IREM) is dedicated to supporting real estate management strategies that advance an environmentally sustainable and economically prosperous future.

COMING SOON!

CHAPTER LEADERSHIP CONFERENCE

July 29-31, 2009
The Palmer House Hilton
Chicago, Illinois

Watch for more information at
www.irem.org/conferences!

PUT SPRING IN YOUR STEP

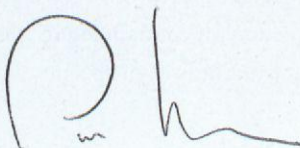
SPRING IS FINALLY JUST AROUND THE CORNER, BUT AS WE PREPARE TO LEAVE THE WINTER WEATHER BEHIND US, THE ECONOMIC "WINTER" CONTINUES. Many of us are navigating through the frosty storms of professional and personal challenges that accompany this crisis. The current financial market and corresponding company budget cuts can have a severe impact on our professional organization. Yet this is not the time to cut services or reduce programs. IREM leadership is committed, now more than ever, to strengthening and enhancing your member benefits.

Our foundation of core values is essential in this time of turmoil. We are steadfastly member-focused more than ever before. We will continue to create new applications and avenues for knowledge exchange, executing programs and services with excellence, and delivering the best possible products to our members. It is critical that you partner with us to weather these difficult times together. We are here for you.

Along these lines, I hope you can join us at the IREM Leadership and Legislative Summit in April as we travel to Capitol Hill. In 2008 we claimed significant legislative victories for IREM Members, including alternative minimum tax (AMT) relief and the extension of the energy efficiency tax credit for commercial buildings. This year we will again meet face-to-face with our representatives to impact professional real estate issues and to say that CPMs and ARMs make a difference in correcting troubled properties.

Springtime also presents a good occasion for marking the importance of sustainability in our current economy. The "Green Scene" column in this edition of *JPM* once again provides a valuable resource for staying abreast of the many sustainability issues that are an inseparable part of our daily lives as property managers. Have you seen www.iremfirst.org lately? Our Web site now has an entire "Knowledge Center" devoted to the subject of sustainability, with another Knowledge Center dedicated to the vital issues related to troubled properties. Through these forums—as well as a myriad of additional resources, such as the enlightening Webinars offered to all IREM Members free of charge—we can turn to each other to overcome the challenges that our industry is facing.

At the Institute we are dedicated to building on our existing foundation by providing tools and resources that will increase your knowledge and expertise to outlast this economic rollercoaster ride. All is not bleak. This is the time when your IREM Membership is more meaningful and critical than ever. I look forward to sharing the days of springtime ahead with all of you.



Pamela W. Monroe, CPM®
2009 IREM President



PAM MONROE, CPM®
(PMONROE@COMMUNITYREALTYMANAGEMENT.COM), IREM 2009 PRESIDENT, IS SENIOR VICE PRESIDENT AT COMMUNITY REALTY MANAGEMENT, INC., PLEASANTVILLE, N.J..

FIRST NON-VEGETATIVE GREEN ROOF COMPLETED IN WASHINGTON, D.C.

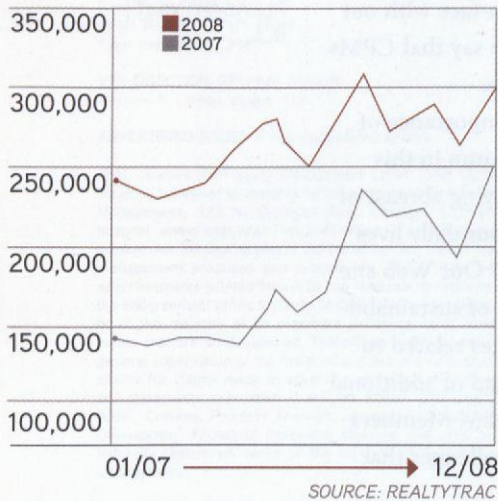
The first non-vegetative green roof in Washington, D.C. was recently unveiled on Bon Wit Plaza, an apartment building which rents 70 percent of its units to George Washington University students. The new roof, constructed by NV Roofing, features a sustainable design made from recycled materials, which reduce energy costs and mitigate stormwater runoff. This green-roof system is designed to outlast conventional roofs by 20 to 30 years and can be recycled at the end of its life cycle.

The non-vegetative roofing system utilizes a coal tar-based waterproofing membrane and environmentally friendly insulation to achieve optimum performance and sustainability.



NON-VEGETATIVE GREEN ROOF ATOP BON WIT PLAZA IN WASHINGTON, D.C.

MONTHLY FORECLOSURES



foreclosure filings up a record 81 percent in 2008

U.S. foreclosures rose by more than 81 percent in 2008, a record, according to a RealtyTrac report released in January. More than 3.1 million foreclosure filings (or one out of every 54 households) were issued a notice in 2008. A total of 861,664 families lost their homes to foreclosure, up 225 percent compared with 2006.

Nevada, Florida and Arizona were hit hardest by foreclosure in 2008. In Nevada, 7 percent of homes received a foreclosure filing, up 126 percent from 2007. Florida filings increased 133 percent and Arizona filings spiked 203 percent. California's 523,624 filings were the highest total number for any state, more than double its 2007 levels.

To view the report visit www.realtytrac.com.

COMMERCIAL DEVELOPERS SEEK BAILOUT

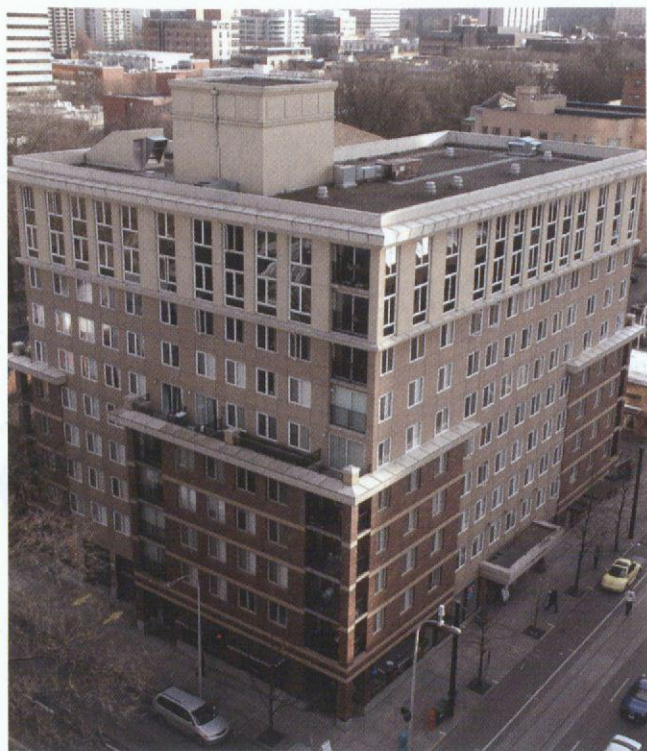
The *Wall Street Journal* reported in early January that a dozen of the country's largest commercial real estate developers sent a letter to then U.S. Treasury Secretary Henry Paulson seeking assistance through a \$200 billion loan program intended to support the market for student loans, credit card debt and car loans. The firms are reportedly concerned about a research report from Foresight Analytics LLC that finds \$530 billion in commercial mortgages will come due for refinancing in the next three years. With credit hard to come by, the developers worry that hundreds of properties could face foreclosure and bankruptcy.

For more information visit <http://online.wsj.com>.

SURVEY INDICATES DROP IN APARTMENT DEMAND

According to the latest Quarterly Survey of Apartment Market Conditions by the National Multi Housing Council (NMHC), job loss and the recession have reduced demand for apartments. The survey noted that the Market Tightness Index, which measures changes in occupancy rates and/or rents, declined sharply in the last quarter from 24 to 11. This is the third lowest result on record, and the sixth straight quarter that the index has been below 50. A reading below 50 indicates that conditions are getting worse; a reading above 50 indicates conditions are improving; and a reading of 50 indicates that conditions are unchanged. The survey said 81 percent of respondents said markets were worse, compared with only four percent who said markets were improving. Fifteen percent reported unchanged market conditions from the prior quarter.

Visit www.nmhc.org for more information.



ST. JAMES APARTMENTS IN DOWNTOWN PORTLAND, ORE.
PHOTOGRAPHY © GSL PROPERTIES, INC.

QUOTABLES

“One man’s theology is another man’s belly laugh.”

—ROBERT A. HEINLEIN, AMERICAN WRITER

“The length of a film should be directly related to the endurance of the human bladder.”

—ALFRED HITCHCOCK, ENGLISH DIRECTOR

“Be kind whenever possible. It is always possible.”

—TENZIN GYATSO, THE 14TH DALAI LAMA, TIBETAN LEADER

“Praise out of season, or tactlessly bestowed, can freeze the heart as much as blame.”

—PEARL S. BUCK, AMERICAN NOVELIST

“Boredom: the desire for desires.”

—LEO TOLSTOY, RUSSIAN NOVELIST

“A great many people think that polysyllables are a sign of intelligence.”

—BARBARA WALTERS, AMERICAN JOURNALIST

“So it’s been kind of a long road, but it was a good journey altogether.”

—SIDNEY POITIER, AMERICAN ACTOR

“I believe in the greatness of our democracy.”

—CHEN SHUIBIAN, FORMER TAIWANESE PRESIDENT

“Long stormy spring-time, wet contentious April, winter chilling the lap of very May; but at length the season of summer does come.”

—THOMAS CARLYLE, SCOTTISH PHILOSOPHER



PRENTICE WOMEN'S HOSPITAL IN CHICAGO, DESIGNED AS A JOINT VENTURE BY THE VOA ASSOCIATES INCORPORATED + OWP/P DESIGN COLLABORATIVE, OPENED IN OCTOBER 2007 AND RECENTLY ACHIEVED LEED NC-SILVER CERTIFICATION.



PHOTO © STEINKAMP PHOTOGRAPHY

NEW SUSTAINABILITY STANDARD APPROVED FOR MULTIFAMILY PROPERTIES

The American National Standards Institute (ANSI) approved a new National Green Building Standard (NGBS) on Jan. 9, 2009. It is the first, and only, ANSI approved standard for multifamily residential properties.

Originally co-sponsored by the National Home Builders Association (NHBA) and International Code Council for one- and two-family dwellings, the standard was expanded to include multifamily properties at the request of the National Multi Housing Council (NMHC).

Similar to the USGBC LEED certification process, NGBS allows projects to earn points towards achieving a Silver, Bronze or Gold certification. However, the NGBS is compatible with International Code Council building codes, and was designed to be administered through the local building code process, eliminating the time and expense that may be required in other third-party certification approval programs.

For more information on NGBS, visit www.nahbgreen.org/Guidelines.

new survey says green building programs are on the rise

Since 2003, the number of counties with green-building programs has risen from eight to 39, according to a study by the American Institute of Architects (AIA). The trade group's study, "Local Leaders in Sustainability: Green Counties," examined the 200 most populous counties in the country in 2008, which represent about 169 million Americans, or a little more than half of the U.S. population. Working with the National Association of Counties, AIA representatives spoke to planners, building officials and "sustainability managers" across the country.

The report offers key findings and recommendations for county governments.

Visit www.aia.org/walkthewalk for more information.

search me

www.waterwiser.org

Waterwiser.org is a comprehensive resource on water conservation, efficiency and management. The Web site provides news, information, research results, discussion forums, references, a calendar of events, searchable information, databases, and other resources devoted to water management.

www.dsireusa.org

The Database of State Incentives for Renewables & Efficiency (DSIRE) is a comprehensive source of information on state, local, utility, and federal incentives that promote renewable energy and energy efficiency. You can run a search on two databases—renewable energy or energy efficiency. The site also offers summary tables that provide an overview of incentives available in each state and maps that show the availability of selected financial and regulatory incentives across the United States.

www.worldproperties.com

Worldproperties.com is the official Web site of the international consortium of Real Estate Associations (ICREA) an organization that sets standards for international real estate practice and facilitates worldwide real estate transactions through its Web site. The site offers news headlines from around the world, a commercial supplier directory, and information on the real estate business practices and market data of other countries.

www.afire.org

The Association of Foreign Investors in Real Estate (AFIRE) is a not-for-profit organization that represents the interests of nearly 200 real estate investing organizations from 21 different countries. Its Web site provides an environment to exchange information through regularly scheduled meetings in the United States, Europe and key cities around the world. *Afire.org* also provides updates on legislation and tax regulations, and publications serving foreign and domestic investors.

fast facts

There are **THREE GOLF BALLS** sitting on the **MOON**.

In Holland, you can be fined for not using a **SHOPPING BASKET** at a grocery store.



CHILDREN grow faster in the **SPRINGTIME** than any other season during the year.

The city of Las Vegas has the **MOST HOTEL ROOMS** in the world.



In Haiti, only **1 OUT OF EVERY 200** people own a car.



FROZEN LOBSTERS can come back to life when thawed!

The **NUMBER OF BIRTHS** that occur in India each year is higher than the entire population of Australia.

In a year, the average person walks **FOUR MILES** to make his or her bed.



New Zealand was the first country to allow **WOMEN** to **VOTE**.

The **SAGUARO CACTUS**, found in the Southwestern United States, does not grow branches until it is **75 years** old.

JUGGLING ACT Maintain diligence when managing projects and properties



KAREN PHARR
(KAREN@HIETT-ASSOCIATES.COM), CPM®, IS VICE PRESIDENT OF HIETT & ASSOCIATES PROPERTY MANAGEMENT IN EL PASO, TEXAS.

AS PROPERTY MANAGERS, WE ARE OFTEN PULLED IN MANY DIRECTIONS AND ARE REQUIRED TO WEAR MANY HATS—PROJECT MANAGER, COUNSELOR, FINANCIAL CONSULTANT, MARKETING DIRECTOR...THE LIST GOES ON. MANAGING SEVERAL PROJECTS AS WE DO CAN BE A JUGGLING ACT THAT WOULD PUT BARNUM & BAILEY TO SHAME ON THEIR BEST DAY.

As we attempt to keep as many balls in the air as possible, it's easy to brush other items to the side—that pesky tenant who reports problem after problem, or the daunting report that's overdue to the owner. Allowing these balls to fall while you juggle “more pressing issues” can have far-reaching negative effects, not only for you but for your employer as well.

This juggling act truly requires focus and discipline. In my experience the number one cause of dropping the ball is procrastination. As IREM Members we have all taken the pledge to be diligent not only when it comes to our education and professional development, but also when handling the affairs of those we represent. This notion is expressed over and over again in the IREM Code of Professional Ethics.

In Article 1. Loyalty to Client, Firm, and/or Employer, the code states that “A MEMBER shall be *diligent* in the maintenance and protection of the interests and property of the employer, and of the client.” In Article 4. Protection of Funds, the code states, “A MEMBER shall at all times exert

due *diligence* for the maintenance and protection of the client's funds against all reasonably foreseeable contingencies and losses.” And again in Article 8. Managing the Assets of the Client, “A MEMBER shall exercise due *diligence* in the maintenance and management of the client's assets and shall make all reasonable efforts to protect it against all reasonably foreseeable contingencies and losses.”

By its very definition, procrastination is the opposite of what we have pledged to do. Yes, there are certainly times when things should be set aside for a while, but that decision should be made with a clear focus. Prioritization is a diligent act that will not only allow you to juggle projects, it will help clarify the size, type and number of projects you will need to juggle at one time.

In your career you have more than likely attended a seminar or two on prioritizing or you may have even attended a course on how to juggle multiple projects. In fact, IREM offers these seminars and tools at their conferences. Make sure you use them. You should also revisit your task list daily to keep tabs on your projects. Use ticklers and calendars, or even the old standby of a rubber band around your wrist, to remind you of when things absolutely need to be done.

By using the tools afforded to you, keeping a clear focus, and exercising diligence in the management of assets you have been charged with, you will know which balls to keep in the air. ■



TO VIEW THE IREM ETHICS PAGE VISIT WWW.IREM.ORG/ETHICS

The New York Times recommends BuildingLink.com as an inexpensive way to upgrade your building....

8

THE NEW YORK TIMES, SUNDAY, AUGUST 31, 2008

Thrifty Ways to Upgrade a Building

"IN the current belt-tightening climate, co-op and condominium owners may understandably feel reluctant to open their hearts and pocketbooks to ambitious building-improvement projects that would rely on special assessments. The landscaped roof deck and children's playroom will simply need to wait alongside the European vacation and the twice-a-week personal trainer ..."

"... Fortunately, however, there are plenty of opportunities for cut-rate quality-of-life enhancements ..."

"... For \$13 per apartment per year, an online service called BuildingLink.com enables residents to talk to staff members, property managers and board members online; place work requests and track them; receive e-mail notification of package deliveries and important announcements; and communicate, like an internal Craigslist, with neighbors who might, for instance, know of a good housekeeper."

Designed by Emil Choski for BuildingLink.com

.... and so do over 500 of the best managed residential properties in the world.



Front Desk Operations Management • Maintenance and Repair Operations • Emergency Broadcast Service
Tenant Public Display for Packages • Concierge/Vendor Services • Resident Postings Area

Quoted from the New York Times August 31st, 2008 Sunday edition from the article "Thrifty Ways to Upgrade a Building" by Teri Karush Rogers

STAY ON MESSAGE Focus marketing efforts by knowing your target audience



SHANNON ALTER
(SHANNON.
ALTER1@GMAIL.
COM), CPM®, IS
A REAL ESTATE
CONSULTANT IN
SANTA ANA, CALIF.

ONE KEY ASPECT OF YOUR JOB AS A REAL ESTATE MANAGER IS TO ATTRACT TENANTS TO YOUR COMMERCIAL BUILDING, RETAIL CENTER OR APARTMENT SITE. TO DO THAT, YOU MUST FOCUS YOUR MESSAGE FOR YOUR TARGET MARKET. But first, make sure you already have a clear understanding of where your property sits in its marketplace relative to the competition, and who your customers (and prospective tenants) are. Here are a few tips I've learned along the way:

Brand your building: Your brand says it all, and so does repetition of your message. Branding is the key ingredient to positioning your property in the consumer's mind. Do you have a new trophy building in the central building district (CBD), or is your property an older building on the edge of town? Decide what unique aspects of your property will appeal to your target market, and then reinforce it throughout your marketing effort.

Hire a professional: Find a professional who can help you step outside your own perspective and provide you with advice on maintaining the branding message you have created. Paying for this advice will surely be worth it.

Create the experience: Ever been to Disneyland or a Four Seasons Hotel? Before you even set foot on their properties, these organizations ensure you know what your experience will be and they work hard to carry it out. Know what experience you need to create to attract the best

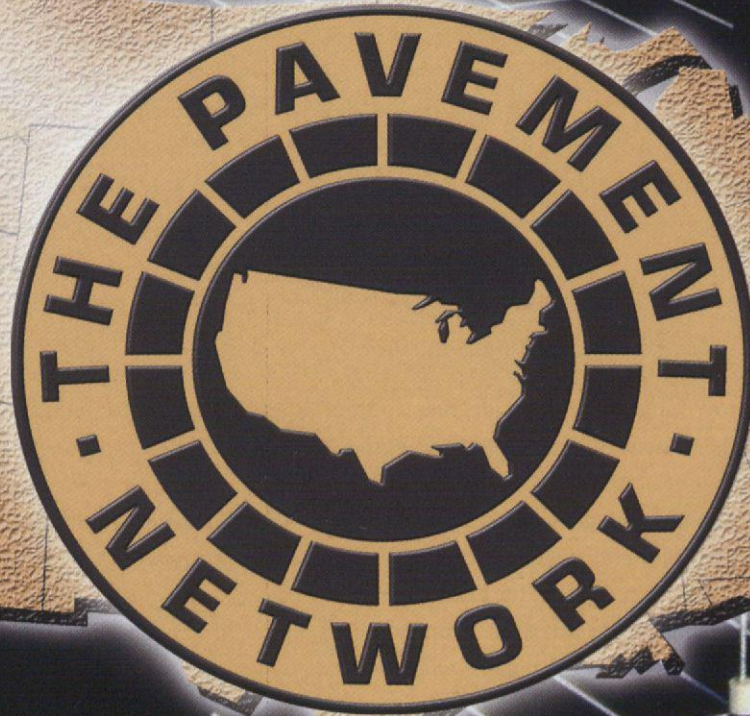
tenants or residents to your properties.

Consider offbeat advertising: Instead of putting your entire advertising budget in one place, be creative—try a new avenue like *Craigslist.com* to better reach your target audience. Now worldwide, the site is the hot channel for real estate. Best of all, it's free for most ads! Reconsider traditionally expensive venues, like billboard ads, which may be on sale now. And of course, don't forget the powerful effect of property signage, the most effective way to attract tenants.

Everyone likes a freebie: We all know that offering free rent ultimately affects the value of our properties. That doesn't change the fact that people in our newly bargain-conscious society still like to get something for free. Troy Mikell of Mikell & Co. Ad + Design in Woodland Hills, Calif., suggests offering a goodie like an iPod with a Bose docking station, or a gift certificate to a favorite local restaurant upon signing an apartment or office lease.

Finally, take advantage of opportunities. In trying times, some buildings and some landlords will go out of business or otherwise fall off the marketing landscape. But remember that residents, business owners and consumers will still need places to live, work and shop, and that tough times will eventually turn around. Apply these techniques to focus your attention on your property's target market, add some common sense, and you'll have a solid recipe for marketing success. ■

LOCAL EXPERTISE NATIONAL COVERAGE



EXPERT ASPHALT AND CONCRETE CONTRACTORS ACROSS THE NATION

Exclusive Network of Highly Qualified Contractors
The Trusted Source for Your Coast-to-Coast Pavement Needs
Simple Repair and Maintenance to Complete Reconstruction
Nationwide Consistency and Extended Warranties
Complimentary Project Consultation
Quality • Integrity • Service
Guaranteed

Give us a call today
800.894.6317

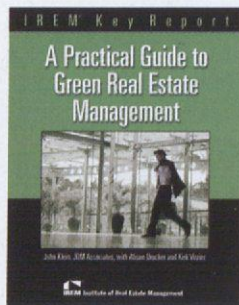
www.pavementnetwork.com

DIALING FOR DOLLARS Controlling thermostats and temperatures produces low-cost energy savings



JOHN KLEIN (JKLEIN@JDMGMT.COM) IS THE PRINCIPAL OF JDM ASSOCIATES. HE CO-AUTHORED THE NEW IREM KEY REPORT, *A PRACTICAL GUIDE TO GREEN REAL ESTATE MANAGEMENT* WITH JDM'S ALISON DRUCKER AND KIRK VIZZIER.

PURCHASE A COPY OF THE IREM KEY REPORT *A PRACTICAL GUIDE TO GREEN REAL ESTATE MANAGEMENT* AT WWW.IREM.ORG.



JUST A SINGLE DEGREE CHANGE CAN SHARPLY AFFECT THE AMOUNT OF ENERGY YOU USE

and the dollars you spend. Your buildings can experience energy savings between 2 to 4 percent, per degree by which set temperature points are raised or lowered during the cooling and heating seasons, respectively, (depending on location, equipment efficiencies and other factors).

Throughout the real estate industry, a very narrow range around 72 degrees Fahrenheit is typically the standard set point in both summer and winter. In practice, optimal temperatures vary, based on geographic locations, personal preferences, and even clothing styles. During the summer in Miami, for example, you may be able to raise your set point temperature as high as 76 degrees because tenants will be dressed for the hot weather outside. In colder climates—Chicago in the winter—you may be able to set the temperature at 68 degrees since tenants will bundle up against the snow and wind.

Experiment with adjusting set points one degree at a time, but remember, you won't please everyone. Aim for the set point that makes the majority of tenants comfortable *and* achieves energy management goals.

Be sure to lock or remove thermostats in publicly accessible spaces to prevent unauthorized adjustments. Evidence shows if the chief engineer controls the temperature, overall energy performance and tenant satisfaction will be greater than if tenants make frequent adjustments. Energy costs can be all over the map in the latter case and systems will work harder—increasing wear and tear. If you do allow tenants to control thermostats, reset them to the optimal set point each night so tenants' overrides are only temporary.

Another good practice is to calibrate thermostats periodically, ensuring that they are measuring the true temperature. The U.S. Environmental Protection Agency (EPA) estimates calibrating thermostats can produce whole-building energy savings of up to 3 percent. You can purchase an inexpensive temperature gauge, measure the temperature at each thermostat, compare the two readings, and if necessary, adjust the thermostat reading. Further, encourage building engineers to verify that actual temperature readings in the building match the temperatures represented in the energy management system (EMS) or building automation system (BAS).

Make sure thermostats are properly placed in areas you want to condition. Thermostats located near doorways, for example, can give a misleading picture of the temperature in tenant spaces and cause HVAC systems to work harder for no reason. Additionally, thermostat locations sometimes change as a result of space reconfigurations that happen during tenant improvements.

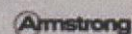
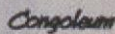
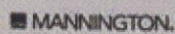
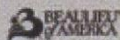
If you can control temperature set-backs with an EMS, optimize your HVAC schedule according to tenants' hours of occupancy. In general, during unoccupied hours, set temperatures back a minimum of 10 degrees (without going below 55 degrees during the heating season and above 88 degrees during the cooling season).

You'll find you can squeeze out energy savings just by managing temperatures. Keeping a sharp eye on energy efficiency, along with educating tenants, will reward you with more than an improved bottom line—tenant retention, a higher environmental consciousness and a reputation for progressive property management.

The only flooring source
backed by a 48-hour turn, reliable
installation, national availability
and outstanding customer service.



See your local Sherwin-Williams Floorcovering Center or call 800-524-5979 for the location nearest you.
sherwin-williams.com



IREM MEMBERS PREPARE FOR THE 2009 CAPITOL HILL VISIT DAY

CAPITOL HILL VISIT DAY WILL TAKE PLACE ON APRIL 22, 2009, IN CONJUNCTION WITH THE IREM LEADERSHIP AND LEGISLATIVE SUMMIT. IREM and CCIM Institute Members will have the opportunity to meet with their congressional leaders to increase awareness of and generate support for several issues pertinent to the real estate industry. Your elected officials count on you to let them know what issues are important to you and how to best serve you in Washington.

During the 2008 Capitol Hill Visit, over 275 IREM and CCIM Institute Members participated in over 225 meetings with their representatives and senators. Their efforts resulted in two major victories for the commercial real estate industry—the extension of the commercial buildings energy-efficient tax credit and an extension of the 15-year cost recovery period for leasehold improvements.

To prepare attendees for meetings with legislators this

April, an orientation will be held on April 21 at the J.W. Marriott Hotel in Washington, D.C. Staff from IREM, the CCIM Institute and the National Association of REALTORS (NAR®) will brief participants on public policy issues relating to the commercial real estate industry, as well as what to expect when meeting with members of Congress and their staff. Additionally, participants will receive useful resources, including an orientation manual, voting records and the *2009 NAR Congressional Directory* to better prepare attendees for meeting their legislators. Participants will also have the opportunity to meet with the other members of their state delegations following the orientation.

This is a critical time for all real estate professionals to make their voices heard. We hope you will join us on the Hill this spring! For more information on the Capitol Hill Visit Day, or to register for the event, visit www.irem.org/capitolhill.

TURN TO
PAGE 42 TO
READ ABOUT
A MEMBER'S
EXPERIENCES
WITH CAPITOL
HILL VISIT DAY.



STIMULUS PROPOSALS TAKE AIM AT CLIMATE CHANGE

An issue that has gained traction in Congress and attention from President Obama is climate change. Although this issue was recently put on the back burner due to the current financial crisis, curbing greenhouse gas emissions will still be a priority for the Democratic-controlled Congress and President Obama. Obama and his team are currently laying out the groundwork for a major stimulus plan, with a substantial focus on green energy. The President's plan, along with the election of carbon emissions reduction supporter, Henry Waxman, to the Chairmanship of the House Committee on Energy and Commerce, will likely usher in a groundswell of energy proposals aimed at reducing emissions. Such legislation could affect the cost of constructing new buildings and retrofitting existing buildings, as well as the cost of operating multifamily and commercial structures.

One proposal aimed at fighting climate change, which gained support in late 2008 from President Obama and many prominent members of Congress, is a program called emissions trading or "cap and trade." This type of program provides economic incentives to achieve reductions in emissions. Under this approach, regulated industries can buy and sell what are, in effect, permits to pollute.

This idea is a response to strong science showing that carbon emissions contribute to global warming. However, there is no science that can accurately predict how much economic hardship will be caused as a result of this proposal. Since 2005, the European Union has required various industries (real estate exempt) to cut the amount of carbon emissions they produce or buy pollution credits in the open market. In this type of program, governments set emission caps, and companies emitting less than their quota can sell, at a profit, their unused credits to companies that overshoot their caps.

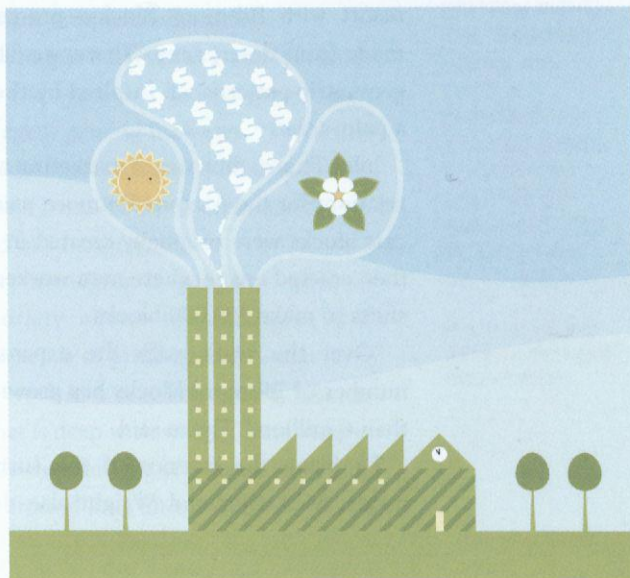
Although there have been studies by the U.S. Environmental Protection Agency (EPA) and the former Bush Administration showing that a cap and trade program in the United States may not have a significant impact on economic growth, it is unknown how this type of program will affect the commercial real estate industry.

IREM supports federal funding of a cost/benefit analysis and research into the feasibility of an emissions trading program, including the participation and input from IREM, for the real estate industry. Recognizing the serious concerns of global warming, IREM supports the development of voluntary standards for reducing greenhouse emissions as well as economic incentives in the form of tax credits that would encourage efficiency improvements and assist in paying for those upgrades.

2009 Legislative Outlook: Taxes and Energy Conservation

Climate change and green buildings legislation are expected to be high on the agenda of the 111th Congress and the new administration. IREM will continue to push for market-driven incentives, rather than mandates, to encourage energy-efficient upgrades.

In the tax area, IREM will work with National Association of REALTORS (NAR) to retain current capital gains rules as they apply to appreciated property, like-kind exchanges and carried interest, in particular by keeping capital gains tax rates at the existing 15 percent while suspending passive loss rules. Also of importance is to improve the depreciation, depreciation recapture and leasehold improvement rules without triggering the Alternative Minimum Tax. IREM will also work to attract new investment in existing real estate by providing higher income limits and expenditure limits to the so called "small investor" provisions of the passive loss rules.



Jewel of the Desert Distinct history and architecture make the Biltmore Resort an icon in Arizona

DIANA MIREL IS A CONTRIBUTING WRITER TO JPM. SEND QUESTIONS REGARDING THIS ARTICLE TO MARKISAN NASO AT MNASO@IREM.ORG.

With a rich history and one-of-a-kind artistry, the Arizona Biltmore Resort and Spa in Phoenix offers guests more than golf courses and pools. The resort is, in fact, a tribute to Frank Lloyd Wright, one of America's most illustrious architects. Every inch of the 80-year-old resort showcases Wright's influence.

Wright's student, Albert Chase McArthur, built and designed the Arizona Biltmore in 1929. The Arizona Biltmore was McArthur's first hotel project, and the property still remains the only existing hotel in the world with a Wright-inspired design.

ICONIC ARCHITECTURE

Referred to early on as the "Jewel of the Desert," the Arizona Biltmore's design complements its awe-inspiring desert surroundings. Wright advocated "organic architecture," a concept that dictates all parts of a design should relate to the whole. He applied this concept by adopting indigenous materials and influences to make his structures become part of the landscape rather than dominate it.

McArthur applied Wright's organic vision to the resort by constructing each building of the resort with Biltmore Blocks—pre-cast blocks made from desert sand. There are 34 different geometric patterns, all inspired by the trunk of a palm tree.

Julia Thorn, director of marketing and public relations for the Arizona Biltmore, said the pre-cast blocks were originally created in a factory, then erected onsite where men worked 10-hour shifts to make 250,000 blocks.

"Over the years, with the expansions, the number of Biltmore Blocks has grown to more than 6 million," Thorn said.

To bring the essence of the surroundings inside, McArthur and Wright also designed a

gold-leaf ceiling in the lobby that still remains the second largest gold-leafed ceiling in the world, second to the Taj Mahal.

"The ceiling is comprised of 36,000 square feet of individual four-inch squares that were hand-applied by artisans on scaffolding," said Thorn.

Management staff at the resort have maintained the ceiling over the years. After a fire in the 1970s, the original ceiling artist was brought in to train people in restoration and preservation of a gold-leaf ceiling.

PART ART MUSEUM

Along with its architectural beauty, the historic artwork scattered throughout the resort transforms the property into an art museum of sorts. The "Saguaro Forms and Cactus Flowers" stained-glass window by Wright sits prominently in the lobby welcoming guests.

Throughout the resort's gardens sit the Biltmore Sprites, some of the most eminent pieces on the grounds. These slender statues of ethereal spirits are often referred to as the "lost children of Frank Lloyd Wright." They were conceived in 1914 by sculptor Alfonso Iannelli for a project Wright was working on in Chicago. In 1985, six of the sprites found a new home at the Arizona Biltmore when Wright's wife donated them to the resort.

PRESERVATION AND EVOLUTION

Safeguarding the property's history while staying with the times, is a constant balancing act for the Arizona Biltmore.

"It has been challenging with so many expansions and enhancements over the years," said Thorn. "Preserving the history and design is very important to us; it is our heritage. But, we also have to keep pace with the ever-evolving,

discriminating guests that we have.”

As one of the Historic Hotels of America, certain historic aspects of the interior and exterior of the property are protected and the resort owners are responsible for ensuring all historical elements remain intact. Out of respect for the architecture, Biltmore Blocks are still used whenever the resort adds new wings and buildings, and new furnishings are always consistent with Wright’s decorative style.

At the same time, the Arizona Biltmore is in line with today’s most luxurious resorts, complete with a spa, fine dining and upscale shops. The resort has also continued to grow and evolve. Recently, the pools and pool surfaces were reworked and a highly upgraded Arizona wing of rooms was opened, along with upgrades in other areas.

UBIQUITOUS INFLUENCE

By respecting its past and embracing its future, the Arizona Biltmore has maintained its status as an oasis of luxury, both locally and nationally. When the resort opened in 1929, it was owned by the Wrigley family until 1970. Throughout those first 40 years, guests had to be invited to stay at the Jewel of the Desert. The resort quickly became world renowned as a preferred luxury oasis for celebrities, heads of state and captains of industry. In fact, every U.S. president since Herbert Hoover has stayed at the Arizona Biltmore. Most recently, Senator John McCain held his election night party at the resort.

Since changing ownership in the 1970s, the Arizona Biltmore is no longer invitation-only, yet it still remains an exclusive getaway for many high-profile guests.

“The Arizona Biltmore has been very influential,” said Thorn. “It is an international icon.”

KEEPING IT RUNNING

Of course, maintaining such a high-profile property takes a strong and organized management team. With 739 guest rooms located on an amenity-filled, 39-acre property, the team has many responsibilities. And managing a historic



[TOP] THE ARIZONA BILTMORE RESORT WAS CONSTRUCTED FROM BLOCKS MADE OF DESERT SAND IN 1929.

[BOTTOM LEFT] THE BILTMORE SPRITES CAN BE FOUND THROUGHOUT THE RESORT’S GARDENS.

[BOTTOM RIGHT] THE “SAGUARO FORMS AND CACTUS FLOWERS” STAINED-GLASS WINDOW WAS CREATED BY ARCHITECT AND ARTIST FRANK LLOYD WRIGHT.

property poses unique challenges.

“The building is 80 years old and has been remodeled and expanded several times,” said Andrew Stegen, general manager. “There are many different materials and methods of construction, and some of those materials are no longer used or in existence.”

However, managing a property with so much notoriety allows the managers and associates a sense of pride in their work.

“I get to work in a very interesting, historic property that is deep with stories,” said Stegen. “I get to ride the coattails of a legend that will, frankly, be around long after I will.” ■

PHOTOGRAPHY © ARIZONA BILTMORE RESORT & SPA

TROPICAL OPPORTUNITIES Hawaii still a bright spot despite overall U.S. economic downturn

DARNELL LITTLE IS A CONTRIBUTING WRITER FOR JPM. SEND QUESTIONS ABOUT THIS ARTICLE TO MARKISAN NASO AT MNASO@IREM.ORG.

Hawaii, America's 50th state, has long been blessed with gorgeous weather and beautiful scenery. But as the U.S. economy plunges into a deep recession, Hawaii is showing off yet another attractive feature—a surprising resiliency to the country's economic woes.

There's no doubt Hawaii is feeling effects from the current financial crisis. Unemployment is up. Tourism, Hawaii's biggest industry, is down more than 5 percent, with greater drops expected in 2009. And foreclosures rose steadily throughout 2008. But Hawaii's real estate market has been largely insulated from many of the worst problems haunting the mainland markets. The foreclosure rate is rising, but it is still lower than most states. The raw, total number of foreclosures in Hawaii also remains smaller than most other areas.

For the most part, Hawaii's banks also were not swept up in the subprime loan fiasco, so credit is not nearly as tight as in most mainland markets: Banks are still lending money for development projects. Residential, office and retail development is still occurring on the islands while the markets are shutting down in many mainland states.

"A lot of developers are still doing quite well here," said Phyllis Kacher, CPM®, a vice president at Hawaiiana Management Company, AMO®, in Honolulu. Her company manages properties such as Hokua Luxury Condominiums and is the managing agent for the new Trump International Hotel & Tower, now under construction on Waikiki Beach.

The Trump Tower in Waikiki is currently on schedule and estimated to be completed by September 2009. The 38-story building will fea-

ture studio, one-, two- and three- story luxury bedroom suites. Kacher points to developments like these to show that real estate development in Hawaii is still strong despite the current recession.

"It's not all roses out here," Kacher said, "but loans are still being made on primary units. These are challenging times in our business, but we're still doing well. The core business is solid."

MARKET STABILITY

CB Richard Ellis, AMO, reports that retailers are still signing leases and planning to open stores in new retail centers in Waikiki, Kona and Kapolei. And many of Hawaii's largest retailers, Costco, Walmart and Lowe's, are not reducing the number of stores in Hawaii as they are on the mainland.

That points to continuing opportunities for experienced property managers working in the sector, especially those seasoned with years of dealing with the needs of major retailers operating in malls, mixed-use buildings and various retailing centers.

"Third-party management companies always have a shot at market share of everything from value centers to luxury centers," said Kimberly Lord, a managing director at CB Richard Ellis.

While retail vacancy rates are shooting up across the mainland, Hawaii's vacancy rates are showing more stability. Hawaii was never considered a "hyper-market" in the retailing industry. While many other states were experiencing huge retail growth earlier this decade, Hawaii's market grew at a much more modest rate.

However, many of those mainland markets



JOIN FELLOW IREM MEMBERS IN HAWAII THIS FALL! THE CCIM & IREM 2009 SUCCESS SERIES WILL BE HELD IN HAWAII, OCTOBER 16-17 AT THE HILTON HAWAIIAN VILLAGE IN HONOLULU. TO FIND OUT MORE ABOUT SUCCESS SERIES 2009 VISIT WWW.CCIMIREMSUCCESSSERIES.COM.

are now seeing drastic retrenchment in their real estate markets. Hawaii, on the other hand, is not experiencing the same amount of retreat in its retail market.

Lord believes that restrictions in land use, which limit property expansion for developers, stopped Hawaii from experiencing over-development in its retail market. That lack of over-development is paying dividends to the state now.

"Hawaii is physically a small market," Lord said. "There was simply less development, less growth. This same thing that insulated us from growth also insulated us from the downturn."

COMPETITIVE NATURE

Meanwhile, office and residential landlords in Hawaii are vigorously pursuing renewals, often using incentives such as free or discounted rents and enhanced tenant services, to tenants who are looking to reduce budgets and overhead.

Also, the rising number of foreclosures is forcing some lenders to seek help with pursuing opportunities in managing properties instead of selling them.

Both situations call for savvy property managers who can leverage properties for the maximum profit, said Steven Sofos, CPM, president of Sofos Realty Co. in Honolulu. He believes Hawaii's economy will be down from 10 to 20 percent in 2009, while vacancies will increase and delinquencies in loans will hurt cash flow on the condominium market.

"Residential property management is already competitive, and it just became even more competitive," said Sofos. "Property managers who can help lenders squeeze profits out of these properties they are stuck with will find some golden opportunities to thrive in this down market."

TIMESHARES & TOURISM

Tourism, Hawaii's biggest industry, is bracing for a big hit in 2009. Airfares are lower, hotels are dropping prices, but tourists just aren't showing up.

Hawaii's tourism industry is still feeling the

pain of losing ATA airlines, which used Honolulu as a focus destination, and Hawaii-based Aloha airlines. Recently, Norwegian Cruise Line America pulled two ships out of Hawaii.

"In a recession, people don't travel," said Ronald Kawahara, CPM, president of the property management company, Destination Maui, AMO. But Kawahara has noticed that timesharing in Hawaii has not been greatly affected by the drop in tourism.

Timeshare properties usually are resort condominium units and Hawaii has always been a choice timeshare location. Despite the recent drop in tourism, Kawahara still sees a lot of strength in the timeshare market.

"It's the one bright spot in real estate here," he said. "It's kind of recession proof."

Kawahara sees the homeowner association market still providing many opportunities for property managers.

"Timesharing is strong," Kawahara said. "A lot of condo development that was already under construction is continuing, with many of the units pre-sold. The condo market here is not as bad as in the mainland, and the market still needs good property managers to oversee them." ■

WINDWARD ESTATES, A PROPERTY MANAGED BY HAWAIIANA MANAGEMENT COMPANY, AMO, WAS NAMED IREM HAWAII CHAPTER 2007 BUILDING OF THE YEAR.

PHOTOGRAPHY © HAWAIIANA MANAGEMENT COMPANY





curb appeal
ON A BUDGET

CREATIVE LANDSCAPING SOLUTIONS CAN BOOST A PROPERTY'S APPEAL WITHOUT BREAKING THE BANK *by Diana Mirel*



PHOTO © GANNON MANAGEMENT

e

veryone knows that you shouldn't judge a book by its cover. However, property managers know first impressions are important: A property's physical appearance—its “cover”—is what initially draws tenants to a property and patrons to those tenants. Yes, curb appeal matters—and in today's turbulent economic times, it matters more than ever.

But curb appeal is much more than planting a few flowers. Investing in and focusing on curb appeal through sophisticated landscaping is simply smart business.

“In a competitive market where you are fighting to maintain your existing tenant base and hopefully secure some other tenants, you want to have every advantage possible, and an attractive and inviting environment helps,” said William McCarthy, CPM®, president and owner of WPJ McCarthy & Company Ltd. in Burnaby, British Columbia.

However, with the U.S. economy in the midst of the worst recession since the 1980s, all aspects of operating budgets, including landscaping, are being hit hard.

Add to that, when gas prices went through the roof last summer, fertilizer prices followed suit—and unlike gasoline, fertilizer costs have remained high. As a result, the landscaping industry has struggled with operating costs, which ultimately impact property managers' landscaping budgets.

Despite the economic crunch property managers and owners are feeling today, landscaping needs should not be dismissed. Instead, unique solutions and a renewed understanding of landscaping options can help maintain curb appeal without breaking the bank.

GETTING CREATIVE

Although budgets are tighter, abandoning landscaping completely is counterproductive. When a property appears run-down and neglected on the outside, tenants will not be attracted to the property, and vacan-

cies will remain, regardless of what is inside.

"In challenging economic times, properties that maintain attractive landscapes are stating that they have stability," said McCarthy. "Those properties that see their landscaping declining are sending a negative message to prospective tenants, and existing tenants and their patrons."

With labor and maintenance creating some of the highest landscaping costs, many companies are exploring low-maintenance solutions. Gannon Management Companies in St. Louis, Mo., for example, has cut its maintenance time by about 50 percent by doing mass plantings.

"We use larger numbers of fewer varieties," said Jerry Pence, vice president of design management and horticulture at Gannon Management. "If we have five to six [plants] blooming, it would be okay, but if we have 25 to 30 of them, it has a much bigger impact. We do the same thing with our annuals. We use a couple of different types of annuals, but we use a lot of them. That way our beds are big and full."

Another way to lower maintenance costs is by allowing hedges to grow more naturally, rather than sheering them into more formalized shapes.

"Sheering hedges takes a lot of fuel and time," said Barry Troutman, vice president of technical services at ValleyCrest Landscape Companies. "But if you can allow plants to grow to their natural shape and prune selectively with hand-pruners, you will prune them less often. It takes fewer hours to prune and you create less debris."

Sheering hedges also makes sense from a horticulture standpoint.

"Whenever you cut the tip off a plant, the buds right below that cut sprout,"

VALLEYCREST INCORPORATED NATIVE PLANTS INTO THIS PROPERTY IN FLORIDA TO ENSURE HARMONY WITH THE ENVIRONMENT AND TO PROVIDE LONG-LASTING BEAUTY FOR TENANTS, EMPLOYEES AND VISITORS. PHOTO COURTESY OF VALLEYCREST, INC. © JAY GRAHAM, GRAHAM PHOTOGRAPHY



explained Troutman. "When you cut one stem off, you will have two sprouts. Every time you shear a hedge, you create a bunch of new growth that will grow out quickly. But once you have established the shape you want, if there is a branch sticking above that shape, you can reach down in the plant and remove that single branch below the level of the canopy. That way the new growth won't shoot out through that canopy and you don't produce this huge burst of bud. If you do that, it takes less time to prune, you create less debris and you still have a very attractive form. That can be huge dollar savings on a property."

PLANT & TREE MAKEOVERS

In the past, many properties utilized four-season color beds, but today's managers are switching from annuals to perennials to help boost a property's landscaping budget without skimping on aesthetics. Perennials offer plenty of pop at a fraction of the effort.

"On our properties we had a significant number of annuals, so we're replacing those with perennials because they require less water and maintenance," said Mike McConnell, CPM and property manager with Colonial Properties. "You have to change annuals four times a year and even though perennials are not always completely perennial, you don't have to change them out every three or four months, so that cuts down on maintenance costs."

Other properties are incorporating native plants with color beds or simply replacing seasonal color beds entirely with native plantings.

"In the long run, I think native plants are more cost effective," said Sandi Scott, CPM, CSM, vice president/director of training at Cencor Realty Services in Dallas. "It's about taking a look at the overall long-term maintenance and care of the plants. We still want our contractors out at the [shopping] centers cleaning up, trimming plants, cleaning trash out of the landscape beds and doing irrigation checks on a regular basis. But, hopefully through the use of native plant materials, the maintenance can be scaled back so it won't take them as long on the property."

Trees can also make a big impact on any property. Lush evergreens and deciduous trees will provide color and softness to a landscape with minimal effort.

"You can get decades out of a tree," McCarthy said. "They are cost effective and if you do it right the first time, you'll be saving money yearly on your upkeep."

IT'S GOOD TO BE GREEN

Sustainable landscaping solutions continue to gain popularity both for their economic and environmental benefits. As their popularity and availability grows, native plants, organic soils, fertilizers and xeriscaping have become more affordable and are competitively priced with conventional plantings and materials. An added bonus is that sustainable plants and materials often require significantly less maintenance and water, which translates into savings for property managers.

Gannon Management, for example, has saved about 20 to 25 percent in landscaping and maintenance costs since installing native plants, ornamental

grasses and heartier perennials at their properties.

"Sustainable options require [fewer] man-hours, less water and less fertilizer," Pence said. "And we're not putting nearly the amount of chemicals in the ground."

Additionally, using organic materials may result in needing less landscaping materials overall.

"If you use good materials upfront, you don't have to keep amending the landscaping with costly fertilizers because the soil itself is a nutrient," McCarthy said. "It is when you start with weak or lower grade materials that you have to pump in costly fertilizers."

Furthermore, in today's environmentally conscious society, sustainable solutions can attract tenants.

"Sustainable landscaping is used as a selling point," said McCarthy. "A lot of people started doing it just for good business practice and to be cost effective. But, now it is a selling point because putting 'green' or 'environmentally sustainable' on anything is a good selling point for any product, including buildings."

REDUCE, REUSE, RECYCLE

Going green via landscaping extends beyond plantings and materials. In fact, Gatski Commercial Real Estate Services in Las Vegas recently switched from using plastic refuse bags for landscaping debris to reusable fabric burlap sacks. This move was not only more environmentally friendly, but it also saved the company \$12,000 a year in landscaping costs.

Many companies utilize chippers and the like to transform landscaping debris into nutrient-rich mulch. ValleyCrest, for instance, used to pull



AT HEATHER RIDGE IN CREVE COVEUR, MO., MASS PLANTINGS OF ANNUALS—SUN COLEUS AND PURPLE HEART—WERE PLANTED AT THE ENTRANCE AND MIXED WITH JUNIPERS AND LOCUST. PHOTO COURTESY OF GANNON MANAGEMENT

out weeds, trim branches, remove leaves, edge and mow its landscapes and then haul the debris off the property. But recently they have been recycling the debris instead.

“We’ve found that if we do that detailing first we can toss it all onto the lawn and then mow a lot of that would-be landscape waste back into the turf,” said Troutman. “That way we capture the nutrients in [the debris] and we save the expense and time of pulling that stuff out, and paying someone to haul it to a landfill.”

GOOD-BYE GRASS

Turf maintenance often drives up landscaping costs due to the water use, fuel costs for mowers and the labor associated with constant mowing. To miti-

gate these costs, many companies are launching turf-conversion programs that cut costs and maintenance by incorporating more sustainable and low-maintenance landscaping solutions.

Gannon Management has a goal to reduce turf areas on all of its properties as a way to decrease maintenance and save water. The company is replacing turf with ground covers that maintain the look but lower the maintenance. The program has cut turf applications by 20 percent, and has cut maintenance by pruning ground covers only two or three times a year versus mowing turf a minimum of 28 times per year, according to Pence.

Gatski Commercial’s turf-conversion program is also designed to save time and water, a valuable resource in the Nevada desert. The company is removing much of the grass at its property, and replacing it with drought-tolerant plants and trees native to the Las Vegas soil. Rather than simply tearing out the grass and throwing in a few drought-tolerant shrubs, the landscaping team maps out a design to ensure an aesthetically impressive landscape.

“We still have that beautiful curb appeal,” said Robert Strehlow, vice president of landscaping and building maintenance at Gatski. “We’ll often use two or three different sizes of rock to accent different areas; we leave in some grass, and we place plants, trees, shrubs and boulders throughout the area. We also may create dry riverbeds that we hollow out and fill with river rocks, and then we have plants running down the side of each river bed.”

Not only do these turf conversions

recreate the feel of a property, they significantly decrease maintenance.

"The only maintenance we have now is trimming the shrubs and raking the rocks that have poured onto the sidewalk," said Strehlow. "Now, we're just trimming about four times a year, picking up the trash and cutting the small area of grass we've kept. What once took us four hours a week, now takes an hour-and-a-half to two hours a week."

WATER WORKS

One of the driving trends in landscaping today is water management. While areas like California, Nevada and parts of the Southeast are facing water shortages and increasing water costs, other areas like Texas, much of the Midwest and Northeast are not. Despite these differences, water management is quickly become a rising landscaping concern across the country.

"You have to think about designing your landscape to use less water," said Troutman. "There is going to be more pressure to improve water efficiencies than ever before."

While many properties have rain sensors that will turn off irrigation when it is raining, today's irrigation systems are growing significantly more advanced, like having sensors in the ground to indicate whether turf needs watering.

Today's turbulent economic environment, however, has stymied some property managers' ability to invest in sophisticated irrigation systems. But, it is something that will likely take off as the economy turns around.

A MASS PLANTING OF DROUGHT-TOLERANT RUDBECKIA AND VERBENA AT SUSON PINES IN ST. LOUIS REQUIRES NO IRRIGATION IN THIS BED. PHOTO COURTESY OF GANNON MANAGEMENT



"I think it will be the standard soon to have software to control your irrigation that creates optimal time and optimal delivery schedule," said McConnell, whose company is considering investing in these solutions down the road.

For now, Gannon Management utilizes a drip system at 85 percent of its properties to save a minimum of 50 percent in water usage. Drip system lines run under the mulch and water drips out of the system. According to Pence, drip efficiency is 90 percent compared to overhead spraying efficiency at 75 percent.

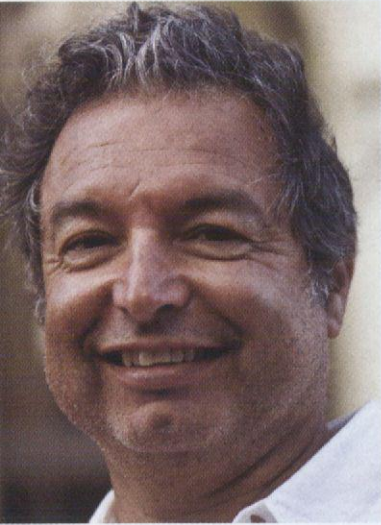
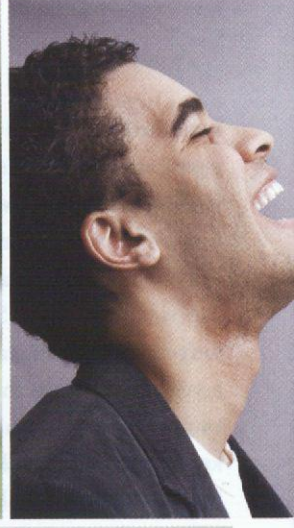
"It is an easier type of system to install and it is a much more efficient way to water, especially when paired with the [native-type] plants we use," said Pence. "There are times when we only need to run the system once a week compared to three or four times a week with a more conventional irrigation system that waters from the top. With a drip system, we're under the mulch so we get the water right to the roots and the mulch on top keeps the moisture in."

KNOWLEDGE IS POWER

Current economic conditions have created plenty of uncertainty in all aspects of the business world. However, property managers can still take control of their properties by spending the time and energy needed to understand landscaping needs. Maintaining good relations with landscape contractors and/or in-house landscaping managers can help keep landscape budgets under control.

"Landscaping and ground maintenance are part of the operating costs of properties," said McCarthy. "A property manager should have an understanding of every line item budget within those operating costs. The more information you have, the more control you will have of the process."

Diana Mirel is a contributing writer to *JPM*. Send questions regarding this article to Markisan Naso at mnaso@irem.org.



MINORITY REPORT

U.S. population shift spurs increased cultural awareness from property managers *by Janice Rosenberg*

IN 1977 when Barbara Holland, CPM® and president of H&L Realty and Management Co. in Las Vegas, began working as a property manager in that Nevada town, English served her everyday needs. Lately she often finds herself looking for a translator.

And for good reason. According to the U.S. Census Bureau's "2006 American Community Survey Data Profile Highlights," Hispanics and Latinos currently make up 30.6 percent of the Las Vegas population, up from 23.6 percent in 2000.

"If I don't have at least a maintenance technician or one of the office staff—either on-site or in the corporate office—who speaks Spanish, I'm in trouble," Holland said.

Throughout the United States huge demographic changes have occurred over the past 30 years. According to a 2008 "Population Brief" published by the Western Rural Development Center—one of four regional centers funded by U.S. Department of Agriculture—the population of Nevada was 83.4 percent White in 1980; by 2000 the figure had declined to 67 percent.

ON-SITE PERSONNEL WHO SPEAK LANGUAGES OTHER THAN ENGLISH CAN HELP MANAGERS COMMUNICATE WITH HIRED CONTRACTORS, SUCH AS LANDSCAPERS, WHOSE FIRST LANGUAGE MAY NOT BE ENGLISH.

This change was the result of a dramatic increase in Nevada's minority population. Between 1980 and 2000, the Hispanic population grew by 627 percent, the Asian population by 509.9 percent and the Black population increased by 155.7 percent.

Figures for Nevada reflect demographic changes underway across the United States. The Census Bureau predicts the country's Hispanic and Asian populations will more than double between 2010 and 2040, with Hispanic numbers rising from 49.7 million in 2010, to 66.4 million in 2020.

In nearly every state, newly arrived members of various ethnic groups influence everything from vegetables in supermarket produce aisles to programming on local access cable channels. It's no wonder that immigrants are having an increasingly greater impact on the everyday interactions and long-term success of property management professionals.

"Non-English speakers are a growing part of our business," said Pamela Monroe, CPM, IREM 2009 President and senior vice president at Community Realty Management in Pleasantville, N.J. "We need to be aware of what our demographics are and adjust our management styles accordingly to make it an easier process for a new person moving into a property who doesn't speak English to adjust to the style of living in the United States."

BIG NUMBERS

Not every area of the country is affected equally by the growing immigrant population, said Mark Mather, a demographer with the Population Reference Bureau, a Washington, D.C.-based organization that informs people around the world about population, health and the environment. States in the Midwest such as the Dakotas have experienced overall population loss, and those in the Southwest and Sunbelt have exploded in population over the last 20 to 30 years.

Currently in the United States, about half of all children under age five are members of racial or ethnic minorities, Mather said.

"If you project that forward 15 or 20 years, you can see that it won't be long before the next generation of workers will be mostly Latino, African American or Asian," Mather said. "They will be adults, going out on their own

and looking for places to live, and quite possibly they will have different preferences than people have right now."

Characteristics common to immigrant populations can have a positive effect on property managers over the next few years for several reasons. This is particularly true for those who specialize in multifamily properties consisting of larger units.

First, members of immigrant communities tend to have larger families and are more likely to live in multigenerational households, Mather said.

Given the hardships of establishing first generations in a new country, shared housing and pooled resources give new immigrants a place to go when they first arrive. Second and third generation members of these communities may seek having fewer members in their households, but the constant turnover of new immigrants means there is always a wave of young people coming into the country, continuing the same types of living arrangements and requiring larger housing units.

Many members of ethnic groups also work blue collar jobs in industries negatively affected by the current economic downturn. That, coupled with the mortgage meltdown, should lead to increased demand for multifamily units, said David Hargrove, CPM, president/partner at Greystone Asset Management in Houston and president of the Texas Apartment Association. Affordable housing will continue to be a major element in filling that need, he predicted.

In response to immigrants' needs, developers are building housing that includes three-and-four-bedroom rental units. Many of these fall into the Section 42 affordable housing category.

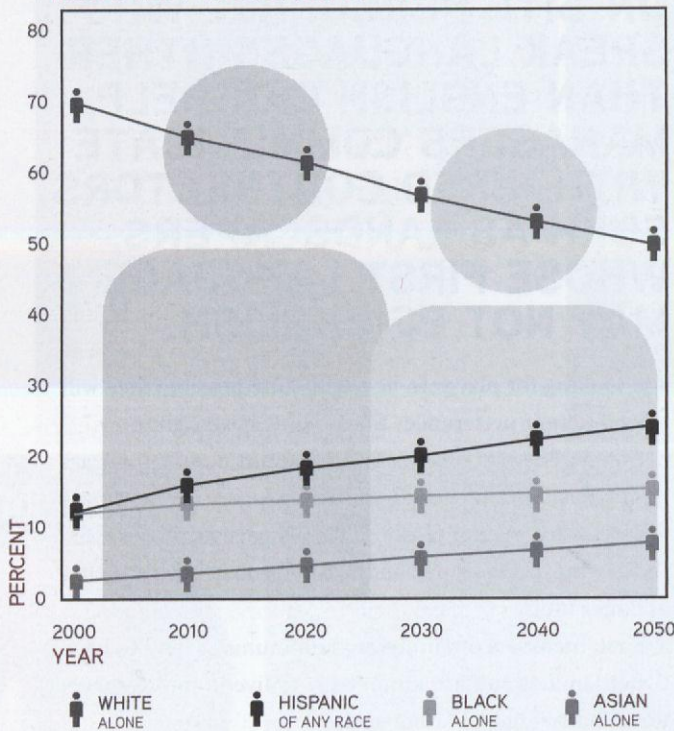
But it's not all smooth sailing for property managers with high numbers of immigrant residents. For instance, immi-



TO REGISTER FOR THE IREM SEMINAR "FAIR HOUSING AND BEYOND" VISIT

WWW.IREM.ORG/EDUCATION

PROJECTED POPULATION OF THE U.S.: 2000 TO 2050



Source: U.S. Department of Commerce, Census Bureau, Statistical Abstract of the United States: Projected Population of the United States, by Race and Hispanic Origin: 2000 to 2050.

Visit www.census.gov/population for more information.

grants who tend toward multigenerational living arrangements also are likely to sublease to a friend, said Clifford A. Hockley, CPM, president of Bluestone & Hockley Real Estate Services in Portland, Ore. Laws in each state govern how many people may live in variously sized units. Extra residents need to be screened by on-site managers, but when on-site managers feel pressured to fill units, they may rent to a greater number of individuals per unit than is provided by the property's occupancy guidelines.

"Or you'll have two residents, maybe a couple with a kid or two, and they'll sub-rent to another worker or two," Hockley said. "To prevent this, it's important to be visible on-site. If you walk through a property and see heavy-duty locks on bedroom doors, you know this is happening."

Other problems occur when some members of multigenerational living groups are discovered by their employers to have immigrated illegally. When they lose their jobs, entire families are likely to move to another state, said Jodi Sheahan, co-owner, MEB Management Services in Phoenix.

"Even if they just live near each other in the same community and not in the same unit, they may leave," Sheahan said. "That has had some devastating impacts on occu-

pancy in our communities."

Legal immigrants, too, have found themselves suddenly unemployed, and not all of them stay put. For instance, thousands of long-term residents have lost their jobs in the Las Vegas construction industry and have left the state, causing a swift rise in residential vacancies, Holland said.

Similarly, in Phoenix, as a result of high unemployment, vacancies in the Class C rental housing market—consisting of multifamily communities of 50 units or more—rose from 7 percent in the fourth quarter of 2006 to 22 percent a year later, said Pete Te Kampe, vice president of investments at Marcus & Millichap in Phoenix.

Another recent economic problem—home foreclosures that send families into the rental market—might appear at first glance to be a boon for managers; however, that's not always the case, said Sheahan, whose company manages mostly high-end A, gently aged B and renovated C products.

"Someone who has lived in a home wants to maintain that image," Sheahan said. "In the Phoenix area there are 120,000 single-family homes and condos for rent now. We used to call rental homes and condos a shadow market, but it's not a shadow anymore."

Companies that manage rentals in single-family home communities match concessions offered by apartment managers. They can lower rental prices on homes to make deals more attractive. Also, people who want to live together as groups perceive single-family homes as ideal as opposed to apartments where the number of occupants may be restricted.

"This has had a very large impact on our occupancies," Sheahan said.

ATTRACTING IMMIGRANTS

Despite possible problems, attracting immigrants is essential in markets where they comprise large portions of the available renter pool.

"I'm not one to focus on peoples' differences," Te Kampe said. "I focus on what's similar. I don't care to know how many minorities live in my places, just how many people. But some market trends indicate that by catering to certain types, while keeping in mind fair housing and non-discrimination, you can take advantage of some incredible opportunities in this marketplace."

Communicating in languages other than English can help managers approach potential non-English-speaking

THE CENSUS BUREAU PREDICTS THE COUNTRY'S HISPANIC AND ASIAN POPULATIONS WILL MORE THAN DOUBLE BETWEEN 2010 AND 2040.

residents. Monroe's company reaches out by placing Spanish language advertisements in Latino publications. The company also translates forms and offers its brochures in Spanish at some properties.

Holland's company translates informational signs into Spanish. She suggests making certain the person who translates event notices—such as the scheduled arrival of the exterminator—is familiar with the written as well as the spoken language, and with local idioms.

In addition to creating marketing materials in various languages, leases, applications and some management forms may need to be prepared in other languages to facilitate understanding, Hargrove said. Before translating any materials, it is important to familiarize yourself with any state laws that may apply. In some states, like California, if a contract is negotiated in a language other than English, all subsequent communications are then required to be translated into that language.

To encourage immigrant retention, residents need to be made comfortable with on-site management, Holland said. "Especially when they are dealing with a problem; people feel more comfortable if the person they are talking to speaks their language," she said.

Immigrants have a lot of adjustments to make, Hockley said. They may be encountering baseboard heat, ovens and even staircases for the first time. It is important that on-site managers show them how to use appliances such as dishwashers.

On-site personnel who speak languages other than English can help managers communicate with hired contractors, such as landscapers, whose first language may not be English. This saves time for on-site managers who might otherwise need to call a management company's main office for translation help.

"It's increasingly very, very valuable to be bilingual," Sheahan said. "We need to remember in Arizona that at some point in the next 10 years, the Latino population will be the majority. They are great residents and a great market for us."

SPECIAL SERVICES

Offering services specifically aimed at attracting immigrant markets can help fill spaces. For instance, Te Kampe

said, at some developments, owners are replacing tennis courts with soccer fields, appealing to Latino families whose kids enjoy the game.

Amenities such as English classes and GED courses, plus children's activities, after-school programs and tutoring also help draw immigrant families to housing communities, Sheahan said. Her company has taken the time to determine colors and styles that appeal to members of various ethnic groups and has redecorated on-site offices and clubhouses to be more resident friendly.

But catering to immigrant tastes isn't always possible. Russian immigrants living in the northeastern United States tend to prefer colored draperies over the plain white mini-blinds required in some of the buildings that her company manages, Monroe said. In an apartment community where Russians are the largest group of residents, she might consider allowing colored draperies. But when Russians are renting units within condominium communities, they are required to conform to the community board's rules.

LOOKING AHEAD

Immigrants from around the world will be part of the country's property management scene for the foreseeable future. To bring new management professionals up to speed, students in the residential property management program at Ball State University in Muncie, Ind.—one of only five or six such college-level programs in the country—are learning to be aware of immigrants and their needs.

"We make them aware of the need to be culturally sensitive in their dealings with people, whether they are talking to them on the office telephone or in person," said Howard L. Campbell, CPM, assistant professor of residential property management at Ball State. "We teach our students that immigrants will fuel the next growth demand in housing." ■

Janice Rosenberg is a contributing writer for *JPM*. Send questions regarding this article to Markisan Naso at mnaso@irem.org.



rent resolutions for a weak economy

IREM MEMBER REVEALS WAYS TO WORK WITH COMMERCIAL TENANTS IN HARD TIMES by Richard Muhlebach, CPM®

m

any commercial tenants encounter financial challenges during a weak economy and some will have trouble keeping their rent current. Retail tenants are among the first businesses to suffer when the economy becomes fragile, as most people typically reduce their expenditures on just about everything except for essentials. National retailers will develop a



plan to survive a weak economy and often come out of it stronger by shedding poor performing stores, refocusing on their core cliental and cutting costs.

During an economic crisis, some national retailers will announce store closures and a few will file for bankruptcy. Local retailers, who make up a large percentage of the tenants in unanchored and anchored strip shopping centers, face additional challenges. They usually have one store, so the success of that store determines their fate. Because each retailer contributes to the success of a shopping center, if one is failing and eventually goes out of business it can cast a poor image on the shopping center. In a good economy this tenant is usually replaced in a few months and the shopping center continues to do well. However, in a poor economy, vacancies take much longer to lease and are often lease at reduced rents.

As property managers, our typical response to tenants

who cannot pay rent on time is to work with them for a only short period of time. If the problem persists, it may be easiest to replace the tenant. However, a weak economy can often make it difficult to replace tenants, so in these challenging times, property managers and property owners must find non-traditional solutions to the problem.

Some of the solutions provided below will sound distasteful to many property owners, but in extenuating circumstances they may be the only ways to save tenants and the rental stream the tenant spaces provide. Before considering any of these solutions, you should analyze the impact of vacancies on your properties, especially shopping centers.

MARKET FACTORS

The most important factor to consider is the financial status of the property and possibly the property ownership. Can the property absorb additional vacancies and loss of income? For how long? The next factor is the condition of the leasing market. How long will it take to re-lease a space? What will it cost in lost rent, rental concessions, tenant improvements and other leasing costs to replace tenants? If the property is a shopping center, what impact will additional vacancies have on the traffic to the shopping center, the image of the shopping center, and the morale of existing tenants and tenant prospects' perceptions of the shopping center?

As the property manager, if you determine the cost to replace a tenant who is experiencing financial difficulties to be too high or want to save a tenant who has been an asset

Retail tenants are among the first businesses to suffer when the economy becomes fragile, as most people typically reduce their expenditures on just about everything except for essentials.

to the property for several years, you may consider the solutions below.

DETECTING POTENTIAL PROBLEM TENANTS

The most obvious sign of a tenant with a potential financial problem is late rent payment. Other signs include declining sales, low inventory, old merchandise on the shelves, changes in the store hours and staffing, and a reduction in store advertising. A good rapport with your tenants will give them the confidence to be open about any financial problems they foresee or are experiencing.

A tenant who has serious financial problems is likely to ask for help, usually in the form of a rent concession. Before suggesting solutions to the property owner, you should obtain the tenant's current financial statement. If the tenant has multiple stores or businesses, the financial statement should be obtained for each. These additional businesses may generate enough cash flow to support the struggling store.

The tenant's personal financial statement should also be obtained. The net worth of the tenant may not justify any of the solutions suggested below. With this data you can recom-

mend to the property owner a discussion, and possibly an offer, of any of the following solutions to the tenant.

POSSIBLE SOLUTIONS

As a property manager, you can develop non-direct monetary and direct monetary solutions for tenants who are struggling during a weak economy and a depressed leasing market. The non-direct monetary solutions are usually permanent while the direct monetary solutions are typically temporary. Some of these solutions are primarily for retail tenants while others apply to all commercial tenants.

NON-DIRECT MONETARY SOLUTIONS Tenants may have more space than they need or may not be able to afford all the space they occupy. Reducing tenants' square footage will reduce occupancy costs. Base rent and pass-through charges will also go down. If tenants are in a shopping center, utility costs will be reduced as well. Smaller stores may also determine that they can operate with fewer employees and cut labor costs.

Relocating a tenant to either a smaller space or a space with a lower rent is another non-direct monetary solution. The factors that determine whether or not this is a viable option are the tenant costs to relocate and the availability of smaller spaces.

It may also be beneficial to expand a retailers' use provisions to allow them to sell additional merchandise. However, you must be certain this will not have a negative effect on the tenant mix at the shopping center, or on the sales of other retailers.

Many local retailers do not have the resources for training, so you may wish to consider hiring consultants to present mini seminars and one-on-one consulting sessions for your tenants. These programs should not be motivational, but provide retailers with insight into developing a merchandising plan, markdown policies, in-store signage, window and in-store displays, budgeting and selling techniques. The goal is to help retailers become more successful merchants. Retailing consultants typically charge \$1,500 to \$3,000 per day. Three two-hour seminars with 15 hours of consulting time for 10 merchants could cost between \$4,500 and \$9,000, plus travel expenses.

If an owner of a shopping center is considering whether or not such a program is worthwhile, you can tell the



FOR NEWS AND DISCUSSION ON TROUBLED PROPERTIES

GO TO WWW.IREMFIRST.ORG

owner that the expenditure is an investment into the shopping center's most important assets—its tenants. Many regional malls have implemented these programs during weak and strong economies.

A mutual lease cancellation is another option. The property owner should expect a lease cancellation fee from the tenant. There is no rule of thumb for what a lease cancellation fee should be. A lease cancellation eliminates a problem tenant, but it also creates a vacancy.

DIRECT MONETARY SOLUTIONS Offering a tenant any form of direct monetary relief is a very unappealing solution to property owners; however, this is sometimes the only way of saving a tenant, avoiding a vacancy and collecting some rent. Listed below are different forms of rent relief:

Deferred Rent • The tenant's current delinquency and some future rent, possibly the next six months rent, is deferred and paid back during a later period such as the last 12 months of the lease. The entire monthly rent or a portion of each month's rent can be deferred for six to 12 months. Some property owners want to charge interest on the deferred amount, but the total interest amount is insignificant. Why add that burden to a struggling business?

Percentage Rent Only • Most retail tenants pay more than their minimum rent or rent based on a percentage of their sales. Merchants whose stores are underperforming will often pay minimum rent and no percentage rent because of low sales. A tenant's lease can be amended so the tenant pays only percentage rent for a specific period, such as one year. The percentage rate can be the current rate in the tenant's lease or it can be increased a few points. When the year is over, the rent returns to the minimum rent versus rent based on a percentage of sales.

Rent Forgiveness • This is the most difficult form of direct monetary relief for property owners to accept. All or a portion of each month's rent for a specific period is waived and not paid back. Again, the purpose is to help the tenant survive and to collect full rent again in the future.

The property owner may require that a percentage of the rent forgiven be used for additional advertising by the tenant or for new merchandise.

Security Deposit • All or a portion of the security deposit may be applied to rent owned or future rent. The property owner is not giving up anything since the security deposit would be used to partially cover the tenant's monetary default if the tenant is evicted for nonpayment, or if he vacates the premises owing rent.

RENEGOTIATING THE LEASE

If a rental concession is offered, you should review the lease for any onerous lease provisions. These lease provisions can be renegotiated or eliminated as a concession to providing direct monetary relief. Any concession should be documented in a lease addendum. The addendum should also include a confidentiality provision stating that if the tenant discloses the concession, the agreement is immediately cancelled, and the rent and other charges revert back to what they were. It is rare for a tenant to tell neighboring tenants his business is doing so poorly that he requires rent relief from the landlord. The addendum should also state that the tenant has no claims against the landlord.

Although non-direct monetary solutions, and especially direct monetary rent relief are not advocated in every situation, they do offer temporary solutions to immediate problems in a difficult economy. In some cases rent relief may be the only solution. ■



RICHARD MUHLEBACH, CPM, WILL HOST A WEBINAR BASED ON THIS ARTICLE ON THURSDAY, MARCH 26 AT 1:00 PM CENTRAL. VISIT WWW.IREM.ORG/WEBINARS FOR MORE INFORMATION.

Richard Muhlebach, CPM (rmuhlebach@comcast.net), is a real estate consultant in Woodinville, Wash. and has been involved in commercial real estate for almost 40 years. He has co-authored 17 books on commercial real estate, including two new IREM publications—*The Leasing Process: Landlord and Tenant Perspectives* and *Managing and Leasing Commercial Properties*.





• in the mix •

VERSATILE MANAGEMENT OF MIXED-INCOME
COMMUNITIES CAN REVITALIZE NEIGHBORHOODS

• BY CLAIRE BUSHEY

IT WAS ELECTION DAY AND PROPERTY MANAGER MICHELE HITE'S OFFICE AT CHANNELWOOD VILLAGE WAS FIELDING CALL AFTER CALL FROM PEOPLE ASKING WHERE TO VOTE.

In previous years, Channelwood had a polling place on site. Located in Akron, Ohio, the Alpha Phi Alpha Homes development contains a mix of townhouses and garden apartments with some residents receiving government subsidies and others paying market-rate rents. Hite, her assistant and the receptionist spent much of their day referring people to the county Board of Elections to figure out their new polling place.

Hite's to-do list was long that day. She worked on a review for "one of the *many* government agencies" keeping tabs on the development, distributed 12 three-day eviction notices, collected rents, checked billing discrepancies and performed an internal apartment inspection (a supplement to the five conducted annually by outside agencies).

It was a fairly normal day.

Managing a mixed-income property is not for the faint of heart. Hite said that if she could give one piece of advice to a new manager at such a property it would be, "Take a deep breath and hold on."

It's not just that some developments require a company be certified by the U.S. Department of Housing and Urban Development (HUD) in order to run them. It's that property managers at mixed-income communities handle all the same tasks as their colleagues at standard residential developments, plus a host of additional responsibilities that call for exceptional versatility and skill. They must possess the tact of a diplomat, the understanding of a social worker and a bureaucrat's ability to wrestle paperwork to the ground. It also helps to have lots of energy.

Not everyone is suited for it, said Gayle Epp, a consultant at EJP Consulting Group and an expert on housing issues.

"There are some who love to do this work, and others who wouldn't touch it," she said.

MODEL MIX

The first mixed-income communities opened their doors in the 1970s. The properties can be structured in many ways. Units reserved for low-income residents can go to people with income as high as 80 percent of the area median income, or to former residents of public housing,

depending on the development. They can be financed with municipal, state or federal money, and sometimes the dollars come as tax credits or low-interest loans. But despite the variety of set-ups, most mixed-income developments share a common purpose—they are designed to counter the concentration of troubled, low-income households within certain urban neighborhoods by providing quality housing for poor and working-class people alongside homes occupied by more affluent neighbors.

The mixed-income model, coupled with rent subsidies for use in the private market, came to dominate national housing policy in the 1990s. Congress created the HOPE VI program in 1992 to respond to the needs of public housing residents who lived in dilapidated apartments in neighborhoods oppressed by drugs and gang violence. The program offered money to housing authorities around the country that wanted to demolish broken-down public housing units and rebuild. HUD distributed \$5.8 billion among 166 cities between 1993 and 2005, and in many cases they used it to build mixed-income communities.

DUTY AND DEMOGRAPHICS

The managers charged with tending these mixed-income communities share many duties with managers at market rate residential buildings. Their first responsibility is leasing the property's units. But the fact that they're targeting at least two, and sometimes three different economic groups, changes their approach.

Sandra Cipollone, CPM®, is a senior vice president at Interstate Realty Management, AMO®, a New Jersey-



A QUARTER OF THE 162 APARTMENTS AT WELCH PLAZA IN SEATTLE ARE RESERVED FOR PEOPLE WHO MAKE LESS THAN 80 PERCENT OF SEATTLE'S MEDIAN INCOME.

PHOTOGRAPHY © LORIG MANAGEMENT SERVICES, AMO®

based company with more than 200 residential properties across the country, including between 15 and 20 mixed-income communities. Cipollone's 45-property portfolio includes six HOPE VI sites. Finding low-income residents is easy, she said. The local housing authority maintains a waiting list. As she gets vacancies, they send her people to fill them.

Attracting market-rate renters can be more difficult. She advertises in the local newspaper, displays "For Rent" banners on the site and makes brochures available. But not everyone who can afford to pay market rates wants to live next door to someone who can't.

Property managers must decide how much to emphasize the community's mixed demographics, but it's important that market-rate renters and homeowners understand the community's character before they move in, or they may not stay long, Cipollone said.

The maintenance of mixed-income communities, whether routine, preventive or emergency, also falls to property managers, as it would anywhere. Mixed-income properties don't have any special maintenance needs per se, but they often do have additional amenities which require care. Developers often add pools and gyms to help attract market-rate residents, or there might be a neighborhood center or computer lab to benefit low-income residents.

PAPER TRAIL

The difference between managing a mixed-income community and managing a market-rate building is the amount of paperwork required.

Welch Plaza, a Seattle project operated by Lorig Management Services, AMO, comprises 162 apartments, a quarter of which are reserved for people who make less than 80 percent of Seattle's median income. Seven apartments go to residents who make less than half the median income.

To build those affordable units, Seattle's Office of Housing gave Lorig's development arm a 10-year property tax abatement and a low-interest loan. The office wants to ensure the money is used to house people who need help, so Lorig must document the income of residents living in affordable units and furnish it to the city, along with a rent schedule. The rents themselves fluctuate so they never exceed one third of a resident's income. And as residents move in and out, the property manager must make sure

COMMUNITIES CAN BE BUILT
BY CLAIRE BOY

that at all times the mix of residents at Welch Plaza meets the terms of the property's tax abatement and loan.

"There's a lot not to forget," said Barry Blanton, CPM, and president of Lorig Management Services.

In addition to running the usual credit and criminal background checks conducted at any residential building, managers at mixed-income sites must certify applicants' income. Often when people change jobs, they must be recertified to ensure they are still eligible to live in the development. At Channelwood Village, Hite processes an average of 50 income recertifications a month. Annual recertifications in the late fall push it as high as 80 a month.

Sometimes the government agency overseeing the project prefers the information electronically, even if there's no way to transfer it easily, Cipollone said. In those cases property managers enter residents' information into their own systems and then key it into the agency's system, effectively doubling their work load.

On top of the paperwork there are the inspections. Channelwood Village hosts inspectors each year from HUD's Real Estate Assessment Center, the Assisted Housing Services Corporation, Ohio Finance Housing Agency, Ohio Capital Corporation for Housing and the city of Akron. Cipollone deals with three or four inspections a year at her properties. Since each can take 30 days to prepare for, her site managers spend between a third and a quarter of the year prepping. She likes to dream about the agencies developing a single, universally accepted inspection process.

SOCIAL SCENE

Mixed-income communities often provide social services that wouldn't be available at a standard development. McCormack Baron Ragan in St. Louis manages mixed-income properties in 19 states, and the company's Vice President, Claudia Brodie, said it is important for property managers to meet with owners before signing a contract to establish the owner's expectations for the site, and then square them with the reality of the budget.

Ideally, mixed-income communities generate enough rent that, after paying rent, utilities and payroll, there's enough left over to hire a social services coordinator, Brodie said. A social services coordinator can organize after-school programs for neighborhood children, train low-income residents to use computers, help people find childcare—whatever residents need.

It's imperative that everyone is treated the same. A person can't tell from the curb which home cost the market rate and which home is subsidized.

—BARRY BLANTON, CPM®

If there's not enough money for an on-site coordinator, property managers refer residents to nonprofits in the community. They also partner with local players. At a McCormack Baron Ragan property in St. Louis, for example, students from Washington University's social work school do internships at the site.

"We in the property management business don't see ourselves as social service providers," Brodie said. "We want to hook up with someone [else] who does it."

Property managers are generally responsible for enforcing social norms, such as ensuring apartments are cared for. Hite said she's had to teach a few people about cleaning their stoves, as "grease and open flames don't get along," for example. Punitive measures can be used, but Brodie said they try to temper those measures by offering help. For example, if a teenager is dealing drugs from a grandparent's home, the manager might write up the violation but also link the grandparent to a social worker who could help resolve the situation.

"We make sure that we're working it from both ends," Brodie said.

Because they are on site every day, property managers can alert own-



FOR MORE
INFORMATION
ON MANAGING
AFFORDABLE
HOUSING VISIT
[WWW.IREM
FIRST.ORG/](http://WWW.IREM
FIRST.ORG/)
KNOWLEDGE
CENTER/
AFFORDABLE
HOUSING



MANAGERS AT MIXED-INCOME SITES MUST CERTIFY APPLICANTS' INCOMES. CHANNELWOOD VILLAGE AVERAGES 50 INCOME RECERTIFICATIONS A MONTH. PHOTOGRAPHY © ALPHA PHI ALPHA HOMES, INC.

ers to potential problems. Brodie cited the problem of seniors aging. If men and women who moved into an apartment at age 65 are, a decade later, starting to fall in their apartments or suffering from loneliness following their spouses' deaths, a property manager might recommend hiring a senior services coordinator to address these issues, thus heading off turnover and vacancies.

Property managers also can help prevent crime with innovative ideas like the one used at Peters Colony in Carrollton, Texas. Management volunteered to host a police substation on site, despite having no problems with crime. The on-duty manager stocks the substation with snacks and drinks to encourage officers to use it to do their paperwork. Thus there's a regular police presence at Peters Colony to act as a deterrent to crime.

COMMUNITY ORGANIZERS

The most important part of a property manager's job at a mixed-income site doesn't involve solving problems

or doing paperwork or connecting people to services. They help set the tone that enables residents to create not just a collection of homes, but a neighborhood.

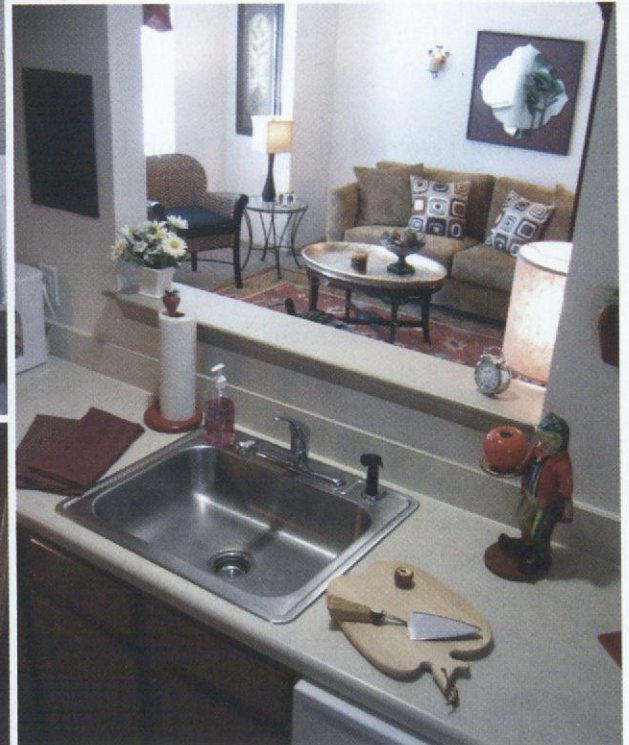
It's imperative that everyone is treated the same. A person can't tell from the curb which home cost the market rate and which home is subsidized, and property managers need to ensure an "us versus them" environment never arises, Blanton said.

"The first challenge is to not have any stigma," he said. "No one likes to be thought of differently."

Property managers may find themselves spending more of their budget on social events to make sure neighbors meet each other and interact. They are helped by the fact that many developers design common areas for the community, adding pools, courtyards or gyms, which become natural gathering places for people of different socioeconomic backgrounds. Gyms, in particular, are popular.

"People of all ages, people of all incomes, people of all shapes—when they're stripped down to their workout clothes, all class is gone, and everyone's just trying to stay healthy," Epp said.

Developing a feeling of community takes time, Epp said, and everyone involved in a mixed-income community, from the owner to the property manager to the residents, needs patience. Hite said it took two years after Channelwood Village was rehabbed for residents to settle into their new homes and get to know each other. Now she knows of instances where neighbors who don't work



INTERSTATE REALTY MANAGEMENT, AMO, OVERSEES MORE THAN 200 RESIDENTIAL PROPERTIES ACROSS THE COUNTRY. PHOTOGRAPHY © INTERSTATE REALTY MANAGEMENT

watch the children of those who do.

It's impossible to know what effect a housing policy that favors mixed-income communities will have over the next few decades, but the first results are encouraging. Mixed-income properties can revitalize blighted neighborhoods, Blanton said. Welch Plaza was the first new private construction in its section of Seattle in years, despite overlooking downtown and Elliot Bay.

More importantly, mixed-income communities can revitalize the lives of those who live there. Sue Popkin, a housing expert at the Urban Institute in Washington, D.C., studies public housing, and she has found the HOPE VI largely beneficial to those who used it.

"We were all surprised at how positive the findings were," she said in an Urban Institute Web site interview in 2004. "The neighborhoods where people now live are dramatically better than where they started. They are much safer."

Hite has seen it firsthand, and that's what makes her job

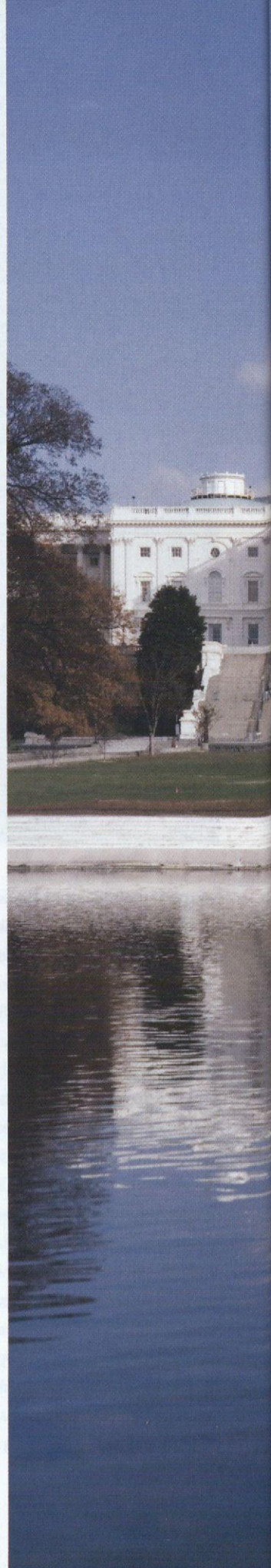
so rewarding. She has seen a young woman who moved in 18 months ago go from being barely able to care for her apartment and children to a responsible member of the community. She's watched refugees from bad relationships blossom in their new home. Children who grew up in the neighborhood now have graduated from high school, and some have gone to college. It's nice, she said, to see them do so much with their lives.

Hite believes mixed-income communities are good places to live. She paid Channelwood Village what might be a property manager's highest compliment: "If I didn't work here, I wouldn't mind living here." ■

Claire Bushey is a contributing writer for *JPM*. Send questions regarding this article to Markisan Naso at mnaso@irem.org.

CAPITOL INVESTMENT

IREM Member shares rewards &
insights from her Capitol Hill Visit Days
by **linda Jackson, CPM[®], RPA**





I don't know about you right at this moment, but I'm contemplating what shoes I'm going to take to Capitol Hill Visit Day with IREM in April!

Yes, I really am. And do you know why? Quite simply because it is *just that important*.

If you have been to the IREM Leadership and Legislative Summit (LLS) in Washington, D.C., you know about the shoes. And if you haven't been to the Summit and plan to make the visit this year, do put comfortable shoes *high* on your list of things to pack (and believe me, this applies to all you men, too!).

This spring marks the ninth consecutive year that I have attended our LLS conference. Each year has been decidedly different and has brought new experiences, new learning, new friends and new fun. Don't worry—I am not going to go through all eight years, but let me touch on a few highlights from those trips.

I smile as I remember that first year. Admittedly, I was more than a bit timid on that trek up the Hill. It was during the first year's meetings that it seemed at a moment's notice some of our group announced their departure to catch planes! Oh dear. This meant a fellow member and I had to go on a few appointments by ourselves. And *that* meant I would have to step up and discuss at least half of our issues on my own. The terror! But the terror soon dissolved: The IREM leadership team had prepared us well, as did Chuck Achilles, IREM Vice President, Legislation and Research, and his team before our day on the Hill.

[RIGHT] IINDA JACKSON, CPM®, ENJOYS HER TIME IN THE CAPITOL BUILDING.

[OPPOSITE PAGE] IREM DALLAS CHAPTER 14 MEMBERS STRIKE A POSE AT THE 2007 LEADERSHIP AND LEGISLATIVE SUMMIT. PICTURED FROM LEFT TO RIGHT IS: JIM SEAL, CPM; GREG WINGATE, CPM; KRISTIN HIETT, CAE; DEBBIE LISTER, CPM; IINDA JACKSON, CPM; AND JACK GARDNER, CPM.



ROLE OF A LIFETIME

Preparation for Capitol Hill Visit Day starts a few weeks, even months, before it all begins. You will receive the legislative issues, background and our IREM position well before arriving in D.C. You will have time to review everything and perhaps come up with examples that pertain to the issues from your own property management experiences and portfolios. You will also attend a very in-depth and informative briefing session at the conference. During this session everyone is provided with additional insights and details. And, we are allowed time to actually role play and practice discussing the issues. Finally, you meet with your chapter and decide who is going to which appointments and what topics you personally will present at your Hill meetings the very next day.

So, yes, we are well prepared for when the day arrives (I'm actually getting goose bumps as I write this). Truly, be ready to absorb it all. Just to walk around the Hill is exciting.

People are bustling here and there, and you are soon caught up in that highly charged atmosphere.

When you step inside the first building, you quickly realize that it is a place where so many others have walked, hundreds of years before you. It is an awesome, awesome feeling. Throughout the day, take the time to reflect on what has gone on in those halls, on those steps, in those offices and in the various meeting rooms you'll pass by.

When you are waiting for your first appointment, the anticipation of representing IREM, your chapter and your state will almost take your breath away. But, breathe you must, as you introduce yourself and proudly take on the role of an American! You are now part of the process! There is nothing more rewarding than that on the Hill.

SURPRISES AROUND EVERY CORNER

Be aware that anything might happen on your first day. For example,

fellow IREM Member Greg Wingate, CPM, and I tried to get an appointment with a certain representative but her schedule simply would not allow it. Although we had never met with her personally, we had previously met with one of her aides. That day Greg and I were standing at the elevator and suddenly the same representative makes her way toward us. Imagine our surprise! No, she probably didn't recognize us from years past, BUT, she noticed our IREM badges. She asked us what issues we were bringing to the Hill. We told her why we were there and what our IREM position was on each issue. It was incredible...and what a stroke of good luck!

Meeting with the actual senator or representative is a huge thrill, but make no mistake, every meeting you have is just as important and just as meaningful. You will be amazed by the intellectual level of all the people you meet. They know everything about every issue. They listen intently, provide comments and promise



REGISTER FOR THE 2009 IREM LLS SUMMIT AT

WWW.IREM.ORG/CONFERENCES



to take our positions to particular senators or representatives. The successes IREM has had over the past years have proven that this is most assuredly the case. We do make a difference. And you can be a big part of making that difference.

ENJOYABLE EXPERIENCES

One year in D.C., our chapter discovered that one of the Capitol police officers was the son-in-law of one of our members. Our chapter member and his son-in-law arranged a very special private tour of the Capitol building after hours. We went places a typical tour would not allow and it was simply an amazing evening. We will be forever grateful for that experience. I'm not ashamed to admit that parts of the tour were very moving (it was a six-Kleenex tour for me as I recall).

Our chapter also has been fortunate in that we've developed a close relationship with one of our state representatives. He has spoken at our chapter luncheons. In addition, Representative Pete Sessions (R-Texas) provided us with an unbelievable experience by also taking us on an after-hours tour of the Capitol building. The very best part of that evening was not the tour, however. As we all gathered around on the steps of the Capitol building, Representative Sessions stood outside with us for hours and just talked. He was informative, witty and fun. It was such a thrill for all of us and I feel he enjoyed it just as much as we did.

So, it's time. Go ahead—be proactive! Participate in the annual IREM Leadership and Legislative Summit in Washington, D.C., this year and

The 2009
IREM
Leadership
& Legislative
Summit,
featuring IREM
Capitol Hill
Visit Day, will
be held on
April 18-22.

every year. Participate in your government and cultivate a relationship with your senators and representatives. They are, after all, there for you!

The experiences and rewards of being part of the IREM Capitol Hill Visit Day are many. The memories and sights will hold a special place in your mind and in your heart.

You will end your day on the Hill feeling decidedly fulfilled...and walking a bit taller.

And speaking of walking, be sure to go to your hotel room and put your feet up!

Linda Jackson, CPM, RPA (linda@texasroof.com), is the business development director for Texas Roof Management, Inc.



NEW FROM IREM!

SUSTAINABLE REAL ESTATE MANAGEMENT COURSE COMING IN MAY 2009

Are your owners, tenants, and residents asking questions about going green?

This new course from IREM® has answers!

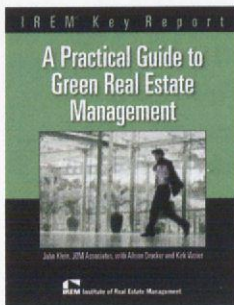
Learn *cost-effective, common sense* solutions related to:

- Sustainable Property Operations
- Increasing Energy Efficiency
- Increasing Water Efficiency
- Improving Indoor Environmental Quality
- How to Reduce, Reuse, and Recycle
- The Sustainable Real Estate Management Company

* This course also provides elective credit toward:



Watch for information on www.irem.org!



Another Green Resource from IREM®!

A Practical Guide to Green Real Estate Management

Written by:

John Klein, JDM Associates, with Alison Drucker and Kirk Vizzier

"Every manager should have a copy - not in their bookcase, but on their desk!"

— Steven M. Ring, CPM®, LEED AP
Cushman and Wakefield, AMO®
San Francisco, California

Get yours today at www.irembooks.org!

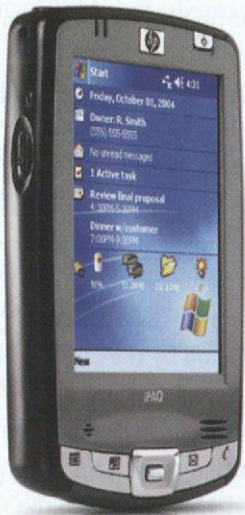
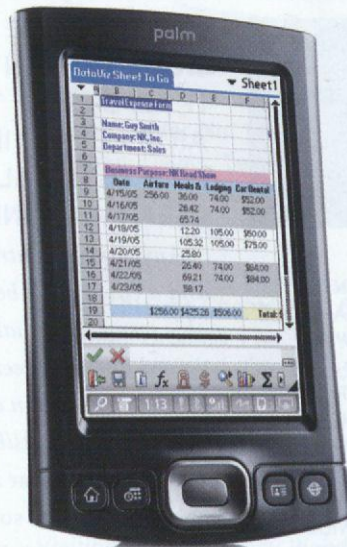


IREM Institute of Real Estate Management

PDAS ARE EXCELLENT TOOLS FOR REAL ESTATE MANAGEMENT PROFESSIONALS WHO WANT TO ORGANIZE THEIR CALENDARS, APPOINTMENTS AND CONTACTS. THESE HANDHELD DEVICES ALSO ALLOW USERS TO BROWSE THE WEB, CHECK E-MAIL, AND PLAY MUSIC AND VIDEO. HERE ARE THREE WELL-REVIEWED PDAS CURRENTLY AVAILABLE:

PALM TX The Palm TX is a sleek device that offers built-in Wi-Fi and Bluetooth technology, and a 4-inch screen, making it easy for you to view documents, Web sites, e-mail or multimedia content. Powered by a 312 MHz Intel processor, the Palm TX also comes with 128 MB non-volatile flash memory that will protect your information from being lost should the power run out. The TX also accepts up to 2 GB Secure Digital (SD) cards for additional memory, which are great for playing music files or video. Like all Palm PDAs, the Palm TX works with both Windows and Mac systems.

Price \$299 // Buy www.palm.com/us/products

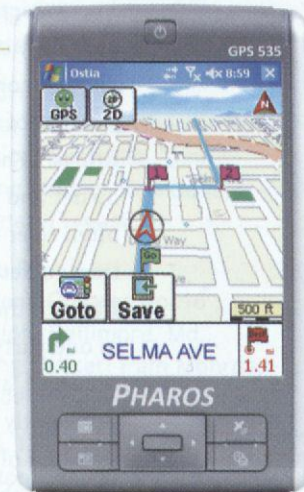


HEWLETT PACKARD IPAQ HX2750 The HP iPAQ hx2750 is a powerful PDA featuring a fast, Intel 624MHz processor with Wireless SpeedStep and Wireless MMX technology to optimize battery life and performance. With 192MB of memory, this device offers ample storage for music, photos, documents and calendar appointments. Wi-Fi and Bluetooth wireless technology allows easy access to the Web. The iPAQ hx2795 also comes with a removable flip cover for display screen protection and features a biometric fingerprint reader for security.

Price \$499 // www.shopping.hp.com

PHAROS TRAVELER GPS 535V The Pharos Traveler GPS 535v is a compact, Windows Mobile-based PDA with a 3.5 inch display screen. Its 624 MHz processor speeds through tasks, while built-in Wi-Fi, Bluetooth and Windows Mobile Office allow you to surf the Internet and edit your documents on-the-go. The Pharos Traveler GPS 535v can also become a navigational tool with its embedded GPS receiver. Because it is Windows Mobile based, the Pharos Traveler GPS 535v offers users the flexibility to add applications for more productivity and fun.

Price \$429 // www.pharosgps.com/products



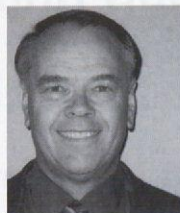
TO FIND OUT WHAT CPMS THINK ABOUT PDAs, READ THE MAY/JUNE 2008 JPM ARTICLE, "PDA APPEAL" AT

WWW.IREM.ORG/JPM





KNOW YOUR IREM CODE OF PROFESSIONAL ETHICS *Article 6. Contracts*



LARRY BAIAMONTE, CPM® (BAIAMOLA@NATIONWIDE.COM), IS A SENIOR INVESTMENT PROFESSIONAL, REAL ESTATE EQUITIES, WITH NATIONWIDE INSURANCE IN COLUMBUS, OHIO.

JUST LIKE THE LANGUAGE IN A WELL-WRITTEN CONTRACT THAT IT REFERS TO, THE LANGUAGE IN ARTICLE 6 OF IREM'S CODE OF PROFESSIONAL ETHICS IS VERY CLEAR AND UNDERSTANDABLE:

Any written contract between a MEMBER and a client shall be in clear and understandable terms, and shall set forth the specific terms agreed upon between the parties, including a general description of the services to be provided by and the responsibilities of the MEMBER.

But what is clear and understandable to one party may not be so clear and understandable to the other party. Disputes over the language in contracts arise all the time, despite the best intentions of the parties when drafting the language. When negotiating contracts, the wise property manager will be aware of how contract language could be misunderstood by others and will endeavor to eliminate vague or unclear language.

Most contract disputes are legal issues, rather than ethics issues. IREM does not intercede in contractual disputes. Violations of Article 6 are rarely cited separately, but are most often cited in combination with violations of other Articles of the IREM Code of Professional Ethics. When there is an issue between an owner and a property manager, the parties will often refer to the property management contract to determine what the contract language states. If the issue is severe enough to result in one party claiming an ethics violation has occurred, and the management contract is not sufficiently clear and understandable, a possible violation of Article 6 may have occurred. In addition, there may be a violation of additional

Articles in the Code of Professional Ethics.

An actual complaint, brought before the Ethics Hearing Board, involved a property manager who was commingling multiple clients' funds into a single interest-bearing account and then crediting the interest earned to the management company. The property manager argued that, had the accounts been kept separately, none of them on their own would have been large enough to earn interest, and therefore the management company should be entitled to the interest. The Ethics Hearing Board ruled that a violation of Article 1. Fiduciary Obligation to Clients and Article 3. Accounting and Reporting had occurred, in addition to a violation of Article 6. Contracts.

Basically, the language in a property management contract should spell out, in sufficient detail, the full understanding between the property management company and the owner. That way, the property management company can rest assured that its rights, duties and obligations under the property management contract are fully understood by the owner and that as long as the property management company's actions are consistent with the contract language, any issue or misunderstanding can be readily resolved by simply referring to the management contract.

Of course, contract disputes are not limited to just property management contracts. The wise property manager will endeavor to make sure that any contract the property manager signs is clear, understandable, and provides a sufficiently detailed description of the property management company's services and responsibilities.



VISIT WWW.IREM.ORG/ETHICS

TO VIEW THE IREM ETHICS PAGE

ETHICS BOARDS ACTIVE AT IREM 2008 FALL MEETINGS

The Board of Ethical Inquiry reviewed two new complaints. While the party filing the first complaint decided to withdraw it, the Board reviewed the complaint as required by the Statement of Policies to determine that a violation of the Code of Ethics had not occurred, and dismissed the complaint. In the second complaint, an outside party cited a CPM® for negligence when his condo was flooded and the CPM's firm did not act quickly enough to clean and dry the unit. The matter will be investigated to determine if there is cause to forward for hearing.

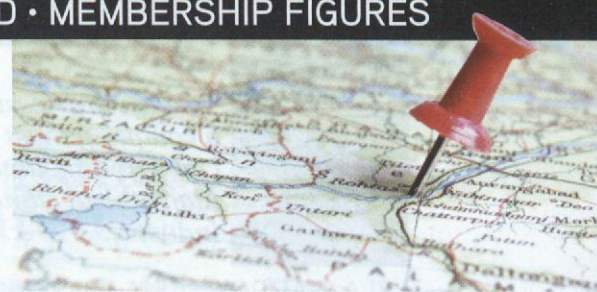
The Ethics Hearing and Discipline Board conducted a "show-cause" hearing. A show-cause hearing can be requested by an IREM Member who has been suspended or terminated by the Ethics Inquiry Board for cause. Sufficient cause can be a violation of the bylaws, policies or Code of Ethics. In a show-cause hearing, the member appears before the hearing board and has the opportunity to show cause why membership should not be suspended or terminated. In this particular case, David Barber, CPM, did not disclose a 1983 felony conviction on his 2001 CPM application. Part of Barber's defense was that IREM staff advised not to disclose a conviction over 10 years old.

The Board found that Barber had misrepresented information on the CPM application and voted to suspend his membership for three years. A successful completion of the Ethics 800 course within six months is required. Failure to complete the Ethics 800 course within six months will result in Barber's termination.

Note: This is an updated version of the Ethics Board Activity news from the Jan/Feb 2009 issue.

Membership Figures

HERE ARE THE YEAR-END MEMBERSHIP NUMBERS, FOR 2008, INCLUDING ALL MEMBERSHIP TYPES FOR THE UNITED STATES AND INTERNATIONAL CHAPTERS:



ON THE ROAD

MARCH 5

Dallas Chapter No. 14
Location: Dallas, Texas
Visiting Officer: Ron Goss,
Secretary/Treasurer

MARCH 10

Central Florida Chapter No. 60
Location: Orlando, Fla.
Visiting Officer: Randy Woodbury,
President-Elect

MARCH 11

South Florida Chapter No. 19
Location: Ft. Lauderdale, Fla.
Visiting Officer: Randy Woodbury,
President-Elect

MARCH 18

Greater New York Chapter No. 26
Location: New York, N.Y.
Visiting Officer: Pam Monroe,
President

MARCH 18

Western North Carolina Chapter
No. 40
Location: Charlotte, N.C.
Visiting Officer: Ron Goss,
Secretary/Treasurer

MARCH 19

Greater Nashville Chapter No. 71
Location: Nashville, Tenn.
Visiting Officer: Ron Goss,
Secretary/Treasurer

APRIL 8

Maryland Chapter No. 16
Location: Baltimore, Md.
Visiting Officer: Pam Monroe,
President

APRIL 13

Houston Chapter No. 28
Location: Houston, Texas
Visiting Officer: Pam Monroe,
President



To earn the ACCREDITED MANAGEMENT ORGANIZATION® (AMO) designation from IREM, a company must demonstrate a high level of performance, experience and financial stability, and have a CPM® in an executive position. AMO firms must meet high ethical standards and other stringent requirements, proving their value to the industry.

LYLA GAMBOW, CPM, IS SENIOR VICE PRESIDENT OF MANAGEMENT SERVICES FOR TRANSWESTERN'S DENVER OFFICE. Transwestern is an AMO firm that offers fully integrated real estate services for a broad range of property types, including office, industrial, retail, healthcare and multifamily.

Gambow directs Transwestern's Mountain region property management operations, overseeing more than 8 million square feet of Transwestern's property management portfolio and developing new business in Metropolitan Denver and Salt Lake City.

JPM talked to Gambow about Transwestern.

HOW DID YOU COME TO WORK FOR TRANSWESTERN?

In 1998, I was looking for a firm that truly believed in its people and had a strong corporate culture. I signed up with Transwestern over 10 years ago and I am still very proud of that decision to join.

WHAT ARE THE STRENGTHS OF YOUR COMPANY?

Transwestern's corporate culture is a huge strength and is one of teamwork, honesty and integrity. We have a mission, a purpose and goals that are readily defined and achievable. Transwestern's concept of "team" is evident throughout the entire company. Another strength is that Transwestern is, and will remain, a privately held company. This empowers our team members to freely focus on clients and goals.

TRANSWESTERN IS COMMITTED TO GREEN EFFORTS. WHY IS SUSTAINABILITY IMPORTANT?

Transwestern is a very proactive company and has been involved in energy management and efficiency efforts since the late 1990s. Office buildings use 70 percent of the nation's electricity, generate 65 percent of our waste out-

put and use 12 percent of our water. Given the impact of those statistics, Transwestern is taking action to reduce its environmental footprint by educating our team members and providing our clients with sustainable, energy-efficient solutions. Since 2002, our energy-management practices—including low-to no-cost operational adjustments, capital improvements and energy procurement—have consistently reduced operating costs by 20 to 30 percent.

WHAT ARE THE BENEFITS OF BEING ASSOCIATED WITH IREM?

The benefits of belonging to IREM and being an AMO accredited firm are very important to Transwestern. Our philosophy has always been to participate in our community and the best way to participate in the real estate community is by belonging to organizations like IREM.

HOW DO YOU THINK THE ECONOMIC DOWNTURN WILL AFFECT YOUR COMPANY IN 2009?

The year ahead will indeed be a challenging one as we face a national recession and try to head off challenges within our own industry; however, Transwestern has weathered difficult national economies throughout our 30-year history. We have found that strong client relationships, a team of seasoned professionals, an ability to act quickly and a great track record are the tools needed to survive any economic climate.

Transwestern is debt-free and that is very important given today's economy. We realize the way we did business yesterday will not be the way we do business today. We need to understand our clients' needs and be proactive to the changes that they are experiencing. We need to partner with them more than ever as we work on continually lowering operating expenses and discovering new ways to increase revenues.



TRANSWESTERN[®]
The Performance Advantage in Real Estate

COMPANY HEADQUARTERS LOCATION Houston, Texas

NUMBER OF EMPLOYEES 1500

DATE THE COMPANY BECAME AN AMO FIRM June 1, 1989

2010 national officers & regional vice presidents nominees slated

THE IREM NOMINATING COMMITTEE HAS ANNOUNCED ITS SLATE OF NOMINEES FOR 2010 NATIONAL OFFICERS TO SERVE WITH 2010 PRESIDENT O. RANDALL WOODBURY, CPM®, OF SALT LAKE CITY. THEY ARE:

President-elect • Ronald L. Goss, CPM, Little Rock, Ark.
Secretary/Treasurer • James A. Evans, CPM, Grand Blanc, Mich.

THE NOMINATING COMMITTEE ALSO SUBMITS THE FOLLOWING NOMINATIONS FOR REGIONAL VICE PRESIDENTS FOR THE 2010-2011 TERM.

REGION	NOMINEE	STATES IN REGION
1	Robert Winder Nordblom, CPM	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
4	Kevin S. Grail, CPM	Florida, Georgia
7	Jeffrey I. Burck, CPM	Oklahoma, Texas
9	Deborah J. Ho-Beckstrom, CPM	Illinois, Minnesota, Wisconsin
10	To Be Determined	Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota

The election will take place during the IREM Governing Council meeting on **Tuesday, April 21, 2009 at 8:00 a.m. at the JW Marriott Hotel in Washington, D.C.** IREM bylaws provide for additional nominations for officer and regional vice president positions. Any additional nominations must be made by a petition signed by at least 15 members of the Governing Council delivered to the Executive Vice President at least 10 days in advance of the date set for the election.

IN MEMORIAM: RICHARD (SMOKEY) TURNER LUESING, SR., CPM®



Richard (Smokey) Turner Luesing, Sr., CPM, 63, passed away December 1, 2008. Luesing was co-founder and principal of Primus Realty Advisers in Louisville, Ky., with his wife Janet. He was a 37-year real estate management veteran who had a real passion for the industry and for IREM. An active member, Luesing served as past president of IREM Kentucky Chapter No. 59 and IREM Georgia Chapter No. 67, IREM Region 4 Vice President, as well as Chairman of the IREM Ethics Hearing & Discipline Board. He was also the recipient of four "CPM of the Year" awards.

Richard's numerous contributions to IREM and the real estate management industry will not be forgotten.



SHANNON ALTER, CPM, WILL HOST A WEBINAR BASED ON HER *JPM* ARTICLE, "MANAGING PROPERTIES IN A FAST-PACED WORLD" ON WED., APRIL 29 AT 1:00 PM. FOR MORE INFORMATION VISIT WWW.IREM.ORG/WEBINARS.



INSIDE IREM COURSE LISTINGS

MARCH

ASM603	March 2-3	Cincinnati
ASM603	March 2-3	Baltimore
ASM604	March 4-5	Cincinnati
ASM604	March 4-5	Baltimore
RES201	March 5-7, 12-14	Kirkland, Wash.
ETH800	March 6	Quincy, Mass.
ASM605	March 6	Cincinnati
ASM605	March 6	Baltimore
ASM603	March 9-10	Charlotte, N.C.
FIN402	March 9-10	Omaha, Neb.
FIN402	March 9-10	Houston
MPSAXM	March 9-12	Indianapolis
RES201	March 9-14	Homestead, Pa.
FIN402	March 10-11	Kansas City, Mo.
ASM604	March 11-12	Charlotte, N.C.
MNT402	March 11-12	Omaha, Neb.
MNT402	March 11-12	Houston
RES201	March 11-12, 18-19, 25-26	Oak Brook, Ill.
MKL404	March 12-13	Cleveland
MNT402	March 12-13	Quincy, Mass.
RES201	March 12-13, 19-20, 26-27	Southfield, Mich.
ASM605	March 13	Charlotte, N.C.
CPM001	March 13	Indianapolis
CPMEXM	March 13	Indianapolis
RES201	March 13-14, 20-21, 27-28	Tucson, Ariz.
HRS402	March 14-15	Cleveland
ASM603	March 16-17	Salt Lake City
ASM603	March 16-17	Minneapolis
MKL405	March 16-17	Orlando, Fla.
MKL406	March 16-17	Orlando, Fla.
RES201	March 16-21	Sacramento, Calif.
MKL405	March 17-18	Portland, Ore.
ASM604	March 18-19	Salt Lake City
ASM604	March 18-19	Minneapolis
FIN402	March 18-19	Orlando, Fla.
RES201	March 18-20, 25-27	Exton, Pa.
ETH800	March 19	Dallas
ASM605	March 20	Salt Lake City
ASM605	March 20	Minneapolis
HRS402	March 20-21	Orlando, Fla.
ASM603	March 23-24	San Diego
ASM603	March 23-24	New York
MKL405	March 23-24	Denver
MPSAXM	March 23-26	East Windsor, N.J.
RES201	March 23-28	Nashville, Tenn.

RES201	March 23-28	Rockwell, Md.
MNT402	March 24-25	Atlanta
ETH800	March 25	Los Angeles
ASM604	March 25-26	San Diego
ASM604	March 25-26	New York
ETH800	March 26	Jacksonville, Fla.
FIN402	March 26-27	Atlanta
ASM605	March 27	San Diego
ASM605	March 27	New York
CPM001	March 27	East Windsor, N.J.
CPMEXM	March 27	East Windsor, N.J.
MKL404	March 30-31	Dublin, Ohio
MPSAXM	March 30-April 2	Glen Allen, Va.

APRIL

MKL405	April 1-2	Dublin, Ohio
MKL405	April 2-3	Quincy, Mass.
CPM001	April 3	Glen Allen, Va.
CPMEXM	April 3	Glen Allen, Va.
MKL406	April 6-7	Kirkland, Wash.
MNT402	April 6-7	Scottsdale, Ariz.
FIN402	April 8-9	Scottsdale, Ariz.
HRS402	April 8-9	Kirkland, Wash.
RES201	April 13-18	Kansas City, Mo.
RES201	April 13-18	Knoxville, Tenn.
MKL405	April 14-15	Alexandria, Va.
MKL406	April 14-15	Alexandria, Va.
MKL404	April 15-16	Minneapolis
HRS402	April 16-17	Alexandria, Va.
RES201	April 16-21	Anchorage, Alaska
ETH800	April 24	Charlotte, N.C.
ETH800	April 24	Pine Hill, N.J.
HRS402	April 27-28	Denver
MKL406	April 27-28	Las Vegas
MNT402	April 27-28	San Francisco
MNT402	April 27-28	Orange County, Calif.
FIN402	April 29-30	San Francisco
FIN402	April 29-30	Portland, Ore.
FIN402	April 29-30	Orange County, Calif.
HRS402	April 29-30	Las Vegas

INTERNATIONAL

HRS402	March 2-3	Moscow, Russia
ETH800	March 4	Moscow, Russia
FIN402	March 9-10	Warsaw, Poland

ASM603	March 11-12	Shanghai, China	MNT402	April 13-14	Moscow, Russia
MKL406	March 12-13	Warsaw, Poland	ASM603	April 23-24	Moscow, Russia
ASM604	March 13-14	Shanghai, China	ASM604	April 25-26	Moscow, Russia
ASM605	March 15	Shanghai, China	ASM605	April 27	Moscow, Russia
FIN402	April 11-12	Moscow, Russia			



FOR THE MOST UP-TO-DATE COURSE LISTINGS, PLEASE VISIT WWW.IREM.ORG/EDUCATION.

COURSE CODES KEY

- ARMEXM // ARM Certification Exam
- ASM603 // Investment Real Estate Financing and Valuation - Part One
- ASM604 // Investment Real Estate Financing and Valuation - Part Two
- ASM605 // Investment Real Estate Financing and Valuation - Part Three
- BDM601 // Maximizing Profit: Growth Strategies for Real Estate Management Companies
- BDM602 // Property Management Plans: The IREM Model (international only)
- CPMEXM // CPM Certification Exam
- CPM001 // CPM Certification Exam Preparation Seminar
- ETH800 // Ethics for the Real Estate Manager
- EE800 // Real Estate Professional Ethics (international only)
- FIN402 // Investment Real Estate: Financial Tools
- HCPEXM // HCCP Exam
- HRS402 // Human Resource Essentials for Real Estate Managers
- LTC401 // Housing Credits: Compliance Challenges and Solutions
- MKL404 // Marketing and Leasing: Retail Properties
- MKL405 // Marketing and Leasing: Multifamily Properties
- MKL406 // Marketing and Leasing: Office Buildings
- MNT402 // Property Maintenance and Risk Management
- MPSAXM // Management Plan Skills Assessment
- RES201 // Successful Site Management

awards & recognition



ROSE EVANS, CPM® and vice president of property management for Levin, received the Community Service Award from IREM New Jersey Chapter No. 1, an honor bestowed only twice in IREM's history. The

award reflects Evans' extraordinary commitment to community service and to the real estate management industry. An active IREM Member, she currently serves on the IREM Ethics Appeal Board and the Ethics and Discipline Committee.

The Chamberlin, an independent living facility managed by DRUCKER & FALK, LLC, AMO®, recently received the Award of Excellence and was named Best Renovated/Historic Rehabilitation Project for 2008 by the Hampton Roads Association for Commercial Real Estate (HRACRE). Originally a nine-story hotel built in 1928, the Chamberlin was transformed into a resort-like facility for seniors. Rehabilitating the building included many challenges, such as replacing the sprinkler, plumbing and electrical systems, while maintaining the historic integrity of the building.

career moves



CHUCK BEYMER, CPM has joined the Beedie Group in Burnaby, British Columbia, Canada, as director of operations. He now manages a commercial and industrial portfolio of over 100 properties comprising approximately 6 million square feet of space with more than 250 tenants.

JPM ARTICLES TRANSLATED FOR INTERNATIONAL MEMBERS

IREM translates one article from each issue of *Journal of Property Management* into multiple languages to serve our members throughout the world. You can find the translations of the article "Navigating Through Turbulent Times," by Janice Rosenberg from the January/February 2009 issue of *JPM*, on the foreign language pages of the Web at www.irem.org.



español (Spanish)

Si desea la versión traducida al español del artículo "Cómo navegar en la tormenta" por Janice Rosenberg, del número de enero/febrero de 2009 del *JPM*, visite la página en español del sitio web del IREM, www.irem.org/international/spanish/intro.cfm.



français (French)

Vous trouverez une traduction de l'article "Tirer profit d'une période tumultueuse," de Janice Rosenberg tiré du numéro de janvier/février 2009 de *JPM* sur la page française du site Web de l'IREM à l'adresse: www.irem.org/international/french/index.cfm.



Русский (Russian)

Перевод на русский язык статьи "Пилотаж в зоне турбулентности экономики" («автор Дженис Розенберг») из выпуска Журнала по управлению недвижимостью (*JPM*) за Январь-Февраль 2009 года вы можете найти на русскоязычной странице интернет-сайта IREM по адресу: www.irem.org/international/russian/index.cfm.



wersja polska (Polish)

Polskie tłumaczenie artykułu "Nawigowanie w trudnych czasach" Janice Rosenberg ze styczniowo-lutowego wydania *JPM* (2009) znaleźć można na polskich stronach internetowego serwisu IREM: www.irem.org/international/polish/index.cfm.



portugués (Portuguese)

Você pode encontrar a tradução do artigo "Passando por Tempos Turbulentos" de Janice Rosenberg referente a edição de Janeiro/ Fevereiro 2009 do *JPM* na página de Português do IREM www.irem.org/international/Portuguese/index.cfm. Gerenciando Propriedades num Mundo em Constante Mudanças.



한국어/ 조선말 (Korean)

JPM 2009년 1/2월 호에 게재된 Janice Rosenberg 씨의 "격동기를 헤쳐나가는 항해(Navigating Through Turbulent Times)" 기사를 IREM 웹사이트, www.irem.org/international/korean/index.cfm 의 한국어 웹 페이지에서 한국어로 검색하실 수 있습니다.



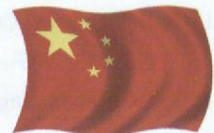
日本語 (Japanese)

JPM 2009年12月号の荒れ狂う時代の舵取り著、ジャニス・ローゼンバーグ著の日本語訳は IREMウェブサイト www.irem.org/international/japanese/index.cfm の日本語ページでご覧になれます。



中文 (Chinese)

进入IREM网站 www.irem.org/international/Chinese/index.cfm 的中文网页, 您可以在《资产管理期刊》(*JPM*) 2009年1-2月号上找到“穿越风浪颠簸之时”(作者:简尼斯·罗森伯格)一文的中文翻译。



Landing the Deals

DIVARIS REAL ESTATE IN VIRGINIA BEACH, VA., WHICH COMPRISES DIVARIS MANAGEMENT CORP., AMO®, MADE THE FOLLOWING TRANSACTIONS:

- It leased 5,792 square feet of office space in Hampton Roads Research Quad I at 100 Exploration Way in Hampton, Va.
- It renewed a lease with American Systems for 3,642 square feet of space at the Interstate Corporate Center in Norfolk, Va.
- It renewed a lease with Hurt and Proffitt, Inc. for 3,300 square feet of space at the Interstate Corporate Center in Norfolk, Va.
- It renewed a lease with FlaxPlus, Inc. for 2,305 square feet of space at the Interstate Corporate Center in Norfolk, Va.

C.B. RICHARD ELLIS, AMO, MADE THE FOLLOWING BUSINESS TRANSACTIONS:

- It has been selected to exclusively lease 9606 Newby's Bridge Road, a 6,000 square foot retail building in Chesterfield, Va.
- It has been selected to exclusively lease the Bank of America Center, a 540,201 square-foot building in Richmond, Va.

LEVIN MANAGEMENT CORP., AMO, MADE THE FOLLOWING BUSINESS TRANSACTIONS:

- It leased 1,376 square feet of space to We the People on South Ocean Avenue in Patchogue, N.Y.
- It announced that seven new stores—Calico Home, BLC, Silver Shop, Hip², Princeton Art Gallery, Tre Bar and Ruth's Chris Steak House—have opened at Princeton Forrestal Village, a 770,000 square foot mixed-use center exclusively managed by Levin Management in Princeton, N.J.
- It announced that Kay Jewelers has expanded its space from 800 square feet to 1200 square feet at Fairlane Village Mall in Pottsville, Pa.

BLOCK & CO., AMO, HAS BEEN SELECTED to exclusively manage, lease and develop the Great Mall of the Great Plains, a 100 acres structure in Olathe, Kan.

CUSHMAN & WAKEFIELD, AMO, HAS BEEN SELECTED to exclusively lease 27,000 square feet of retail space within EnV, a 29-story high-rise apartment project in Chicago. EnV is expected to be one of the city's first LEED-certified mixed-use developments.

IREM CHARTS NEW COURSE IN SUSTAINABILITY

In May 2009 IREM will offer a new Sustainable Real Estate Management course that will teach attendees cost-effective, common sense solutions for increasing energy and water efficiency, recycling and improving indoor environmental quality, as well as how to attract and retain tenants and residents who need or desire green space.

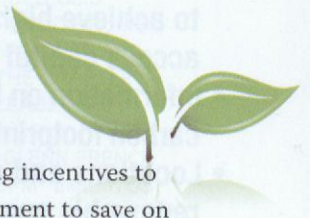
Today, owners, tenants and residents are demanding green space in greater numbers and in more markets. From New York to Indiana to Washington State, green building codes and regulations are either in place or in development. In January, the American National Standards Institute (ANSI) approved the National Green Building Standard (NGBS) for all residential construction, which includes apartments, condominiums, land development and single-family homes, as well as remodeling and renovation. Along with new regulations, states,

municipalities and utilities are also offering incentives to companies that use energy-efficient equipment to save on operating expenses.

In a recent development meeting for the new IREM course, CPM® Members and experts in green real estate management repeatedly emphasized that sustainability can be achieved through cost-effective and sensible methods that will improve a property's bottom line and protect the environment.

"The buildings we work with demonstrate that sustainable real estate management is not just good for the environment, it's also good for business," said Craig Sheehy, CPM, LEED AP. Sheehy is president and CEO of Envision Realty Services, LLC, a LEED consulting firm, and a member of the course development team.

For more information on the upcoming Sustainable Real Estate Management course, visit www.irem.org.





2009 NAA GREEN Conference & Exposition

April 28-29

Phoenix Convention Center (LEED Certified)
Sheraton Phoenix Downtown Hotel
Phoenix, Ariz.

NAA Presents the First Annual Green Conference & Exposition

Ask yourself this:

How many of these issues can you honestly say you wouldn't benefit from knowing more about?

- Utility and government incentive programs and packages for green building and management practices that will save money
- Positioning green property assets to achieve higher appraisals and access capital
- Information on how to measure your carbon footprint and attract business
- Locations and availability of renewable energy

SPONSORED BY



SHERWIN-WILLIAMS.



VALET WASTE
Waste and Recycling Resources
for Multifamily Communities



SCHEDULE OF EVENTS

Tuesday, April 28

9 a.m. – 10:30 a.m. Opening General Session



Does Green Make Sense for You?

Nate Kredich

Vice President

of Residential Market Development

U.S. Green Building Council

10:45 a.m. – Noon Morning Education Sessions

Noon – 2 p.m. Trade show/Luncheon

2:15 p.m. – 5 p.m. Afternoon Education Sessions

6 p.m. – 7 p.m. Welcome Reception
The Sheraton Phoenix Downtown Hotel

Wednesday, April 29

9 a.m. – Noon Morning Education Sessions

Noon – 2 p.m. Trade show/Luncheon

2:15 p.m. – 3:45 p.m. Closing General Session



The Present and Future Greening
of the Multifamily Industry

James S. Brew

Principal Architect

Rocky Mountain Institute

For session descriptions, hotel information and to register online, visit www.naahq.org/events/green
For information on exhibit space and sponsorship opportunities please contact Justin Barker at 703/797-0614

REAL ESTATE MANAGEMENT CENTER SUCCEEDS AT SAINT AUGUSTINE'S COLLEGE

IN 2003, SAINT AUGUSTINE'S COLLEGE ESTABLISHED A CENTER FOR REAL ESTATE MANAGEMENT TO PREPARE STUDENTS FOR LEADERSHIP ROLES IN THE COMPLEX, DIVERSE AND RAPIDLY CHANGING FIELD OF REAL ESTATE MANAGEMENT. Located in Raleigh, N.C., Saint Augustine's is a four-year liberal arts institution, recognized by the United States government as a Historically Black College and University.

The IREM Foundation provided initial support for the center by contributing 52 books, as well as other publications, to establish a real estate management resource library. Additional funding was also provided to purchase two computers and software for the center.

In 2006, the IREM Foundation awarded Saint Augustine's College a grant of \$22,600 over four years that enabled the institution to fund scholarships, internships and administrative support for the center. Approximately 330 students have enrolled in the IREM-prepared courses since the program's inception. The college will establish a real estate major, beginning with the fall 2009 semester.

These courses form the basis for the center's motto: *Knowledge, Credentials and Experience*. The college also recognizes CPM® qualification courses for degree credit.

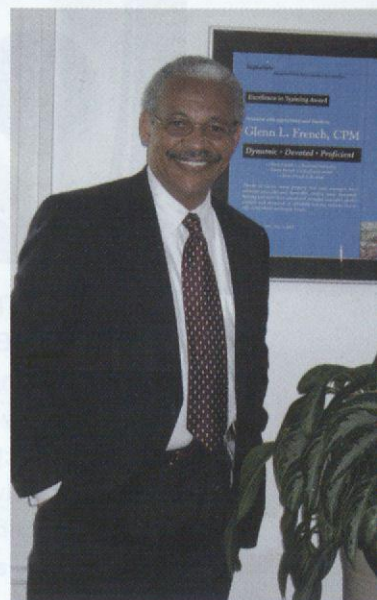
Working in close association with the IREM Greater Raleigh-Durham Chapter No. 105, the center has established an excellent curriculum that relies exclusively on CPM Members as adjunct faculty. The chapter's association with Saint Augustine's has been so successful that Bonnie Moser, CPM and 2009 chapter president, is looking to expand student membership with other local colleges and universities.

The following Raleigh-based chapter leaders provide ongoing support as faculty:

- NORA NEILSON, CPM, director of property management, Spectrum Properties Management Co., AMO®
- CRYSTAL HALL, CPM, senior real estate manager, CB Richard Ellis, AMO
- JEFF WEATHERSPOON, CPM, vice president/principal, Colliers Pinkard, AMO
- EDMOND BATCHELOR, CPM, Trademark Residential Properties
- TRACEY JOHNSON, CPM, regional manager, Drucker & Falk, AMO

Johnson, a 1991 graduate of the college, teaches REM 201, ensuring that new students receive a positive and empathetic welcome. The center is supervised by Glenn French, CPM Emeritus, (who also serves on the faculty), and his administrative assistant, Jamillah Scott-Branch.

Support for Saint Augustine's Center for Real Estate Management and Development embodies the IREM Foundation's mission to attract, develop and retain individuals for careers in real estate management, as well as IREM diversity outreach goals. As additional funds become available, the Foundation looks forward to expanding this type of program.



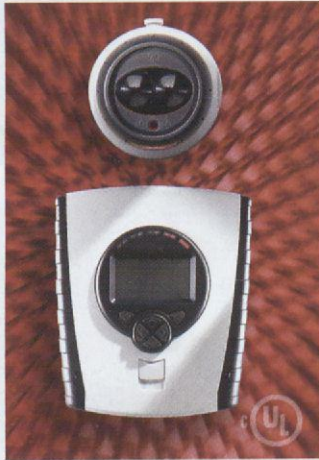
"THIS EFFECTIVE ALLIANCE OWES IT SUCCESS TO THE SUPPORT GIVEN BY THE COLLEGE'S PRESIDENT, IREM NATIONAL AND THE CHAPTER'S LEADERSHIP."

-GLENN FRENCH, CPM® EMERITUS

THE CENTER FOR REAL ESTATE MANAGEMENT AND DEVELOPMENT CURRICULUM'S CORE COURSES ARE:

- REM 201 Introduction to Real Estate Management
- REM 202 Introduction to Apartment Management
- REM 203 Professional Management of Affordable Housing
- REM 204 Introduction to Office Building Management
- REM 205 Real Estate Internship
- REM 206 Successful Site Management
- REM 300 NC Broker Pre-licensing Course

NEW PRODUCTS



FIREFIGHTER The Fireray 5000 Auto Alignment Beam Detector from Fire Fighting Enterprises is the first and only motorized, auto align, self correcting beam smoke detector to receive approval from Underwriters Laboratory Inc. (UL), and Canadian Underwriters Laboratories Inc. (ULC).

Designed to provide wide-area smoke detection in large indoor spaces, the Fireray 5000 incorporates automatic gain compensation (AGC) to monitor and react to environmental changes such as dust accumulation. Its Auto-Optimize feature automatically self corrects, even in the event of gradual building movement. The beam can be fully adjusted, controlled and annually tested from the low-level system controller. For more information visit www.jfeuk.com.

GOOD SENSE The NTMOS hydrogen sulfide (H₂S) gas sensor by Detector Electronics detects low hydrogen sulfide (H₂S) gas concentrations in five seconds or less while tolerating extreme temperature or humidity conditions that could harm electrochemical and a standard multi-beam optical sensor (MOS). The sensor is packaged in a rugged housing, protected by a sintered stainless steel flame arrestor, and can be installed as a stand-alone sensor or combined with a display for local indication. For more information visit ntmos.det-tronics.com.



LET THERE BE LIGHT Solaris is a uniquely elegant, low-profile under-cabinet task light that effectively illuminates any size or shape work surface. Its slender, sleek design makes it nearly invisible when mounted to the underside of cabinets or shelves. Ideally suited

for environments such as offices, libraries, laboratories, storage areas and classrooms, Solaris features a combination of reflectors and diffusers that yield a stronger, wider light output and eliminate any unwanted glare.

Housed in lightweight, aluminum, Solaris is finished in white, sand, black or light gray. It also features a 9-foot power cord and is available for T8 and T5 fluorescent bulbs. For more information visit www.luxous.com.

FEED THE METER The Multi-Maxx is a patented electric meter bar designed to lock off banks of ringless-type electric meter enclosures found in apartment and multi-family complexes. The Multi-Maxx is made of weather resistant, hardened carbon steel that makes tampering or drilling virtually impossible. The Multi-Maxx has an inner rod that telescopes to accommodate from two to six ganged meters, typical of most apartment complex meter banks. It also features an articulating arm, a patented design that allows mounting the bar on the side or bottom of meter enclosures, depending on the ganged meter configuration. The Multi-Maxx is engineered for easy and convenient installation, and is available in two sizes. For more information please visit www.highfield-mfg.com.



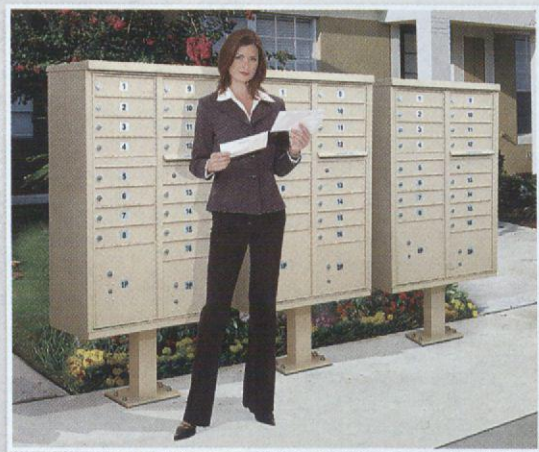
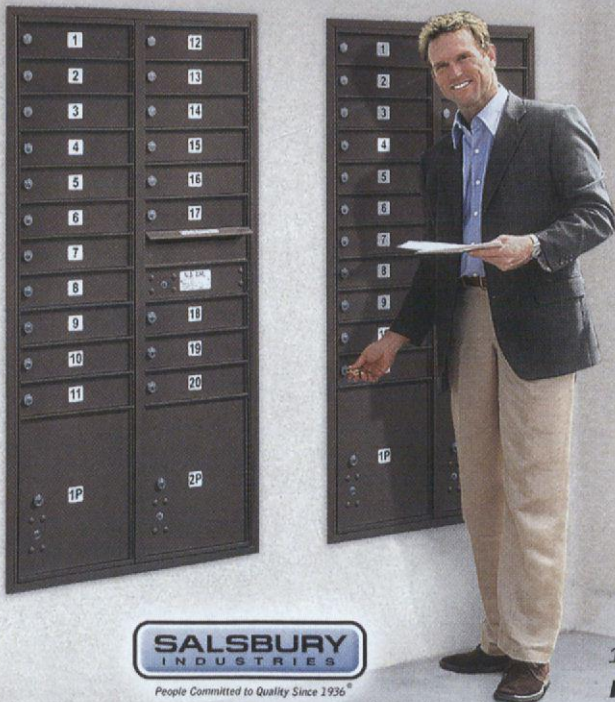
ADVERTISERS INDEX

ADVERTISER	WEB SITE	PAGE
BuildingLink	www.buildinglink.com	11
Duro-Last Roofing	www.duro-last.com	BC
IREM Chapter Leadership Conference	www.irem.org/conferences	4
IREM Sustainable Real Estate Management Course	www.irem.org	46
National Apartment Association	www.naaq.org	56
Pavement Network	www.pavementnetwork.com	13
Salsbury Industries	www.mailboxes.com	59
Sherwin-Williams	www.sherwin-williams.com	15
Sylvania	www.sylvania.com	2
Trusted Choice	www.trustedchoice.com	IFC
Yardi	www.yardi.com	IBC

Mailboxes

mailboxes.com
1-800-MAILBOX

Order factory direct!



**Contact us for a free
quote or catalog!**



1010 East 62nd Street, Los Angeles, CA 90001-1598

Phone: 1-800-624-5269 • Fax: 1-800-624-5299

CAN YOU TOP THIS?

Unbelievable or outrageous true stories about everyday experiences in real estate management

BY BARBARA HOLLAND, CPM® | ILLUSTRATIONS BY JIMMY WATKINS



BARBARA L. HOLLAND, CPM, IS PRESIDENT AND PRINCIPAL OWNER OF H&L REALTY & MANAGEMENT COMPANY IN LAS VEGAS.

SPIRITED AWAY

Being a former Massachusetts resident, I always thought respectable ghosts and evil spirits only resided in old Tudor homes and dilapidated Victorian mansions. I never dreamed I would find them in my Spanish-style, Las Vegas luxury apartment building. But my mind was irrevocably changed one New Year's Eve in Vegas, after a series of frantic calls came in to the on-site residential manager.

The unsuspecting residents—an upscale, professionally employed couple—said a cool draft they felt around their patio sliding glass doors and windows proved the Earth had shifted, opening a door “between life and death.” In the mirrors of their apartment, they said they saw the faces of anguished souls.

The manager quickly came to the rescue, finding the residents crying out for help. They had not slept since midnight. The manager, unable to calm the couple, called the police. After the situation was explained to the police, only one officer was brave enough to enter the apartment (apparently, not all officers are trained in the apprehension of derelict ghosts and spirits).

Inside, the wife yelled as she pointed to the carpet floor, screaming, “Look, you can see them!” The officer immediately raised his foot and stomped on “them.” The wife told the police officer that the stomping did not work and that the spirits had just moved to another spot in the living room by the sliding glass door. She ran to the door telling the officer to feel the coolness. No one mentioned to her that it was 3:30 a.m. in the dead of winter.

After a thorough search of the apartment, the officer told the residents nothing more could be done. He recommended that the couple spend the night at the wife's mother's house. Unfortunately for the next three

weeks, endless re-visitations occurred, followed by a spate of phone calls from the residents demanding the manager resolve the problem.

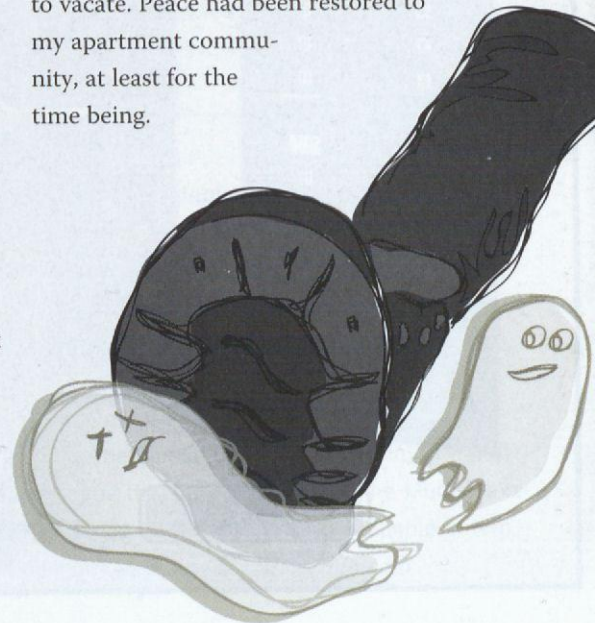
The crisis escalated. The spirits soon began leaving the apartment and following the residents to work and to their mother's home. The mother called me at the management company's office, demanding I solve the problem or allow her daughter to prematurely break her lease agreement. When I told the mother what actions would be involved if her daughter broke her lease, she became enraged at my insensitivity.

Next, I received a call from the mother's attorney who threatened to settle the matter in court. Finally, because these ghostly affairs were interrupting my staff's normal work schedule and frightening other residents, I agreed to let the afflicted residents move out of the community without any penalty, as long as they vacated within 30 days.

Strangely enough, for no apparent reason, the earth shifted and the restless souls of days past once again found themselves back in their own world and the residents decided not to vacate. Peace had been restored to my apartment community, at least for the time being.



»» THINK YOU CAN TOP THIS TALE? SEND YOUR TRUE STORIES TO MARKISAN NASO AT MNASO@IREM.ORG.



YARDI PORTAL™

CONNECTS You with Prospects & Residents

Woodmark, a J Street Company



Greystar



Fairfield Residential



Legacy Partners



Sheraton Real Estate Management



Beacon Communities



Korman Communities



Brymarc Management Company



LCOR



Online Marketing of Properties and Unit Availability
 Online Applications and Leasing
 Resident Portals and Online Payments
 Data Integrity with Seamless Voyager Integration
 Rapid Deployment

Boost your web presence, offer online services, reduce operating costs, increase your competitive edge. Learn more at yardi.com or call 800-866-1144.





WHITE GREEN

Sustainable Roofing Is Just A Short Hop Away...

...When You Install The Environmentally-Responsible Duro-Last® Cool Zone® Roofing System.

The highly-reflective Cool Zone membrane helps reduce energy consumption across North America. Strategically-located manufacturing facilities and the membrane's light weight mean less fuel is needed to get it to your job site. The Cool Zone system can often be installed over your existing roof, eliminating a costly tear-off and reducing landfill waste.

Our tightly-controlled manufacturing process recycles scrap back into roofing membrane and other products. When your time is right for a photovoltaic system, the Cool Zone system is solar-ready. And after its useful life on your rooftop, the membrane is recyclable.

A Cool Zone roof can help in obtaining credits toward LEED and LEED-EB certification. Another plus: Cool Zone roofs can help lessen the urban heat island effect.

**The Cool Zone roofing system:
The best sustainable roofing
choice – by leaps and bounds.**



To find out more, call us or visit
www.white-equals-green.com
and request our free brochure.

800-248-0280



"Duro-Last", "Cool Zone", and the "World's Best Roof" are registered marks owned by Duro-Last Roofing, Inc.