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JOURNAL OF PROPERTY MANAGEMENT
JAN.FEB 2010

SOCIAL MEDIA: THE OPPORTUNITIES
& PITFALLS p24

INSPIRE YOUR STAFF THROUGH
LEADERSHIP & MOTIVATION p28

THE FUTURE OF MEDICAL
OFFICE BUILDINGS p38

SOLAR POWER

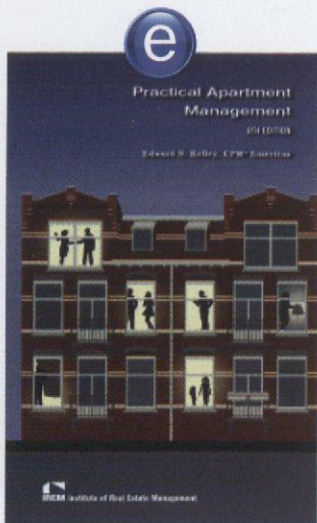
INVESTING IN
THE SUN
CAN OFFER
LONG-TERM
SAVINGS p32



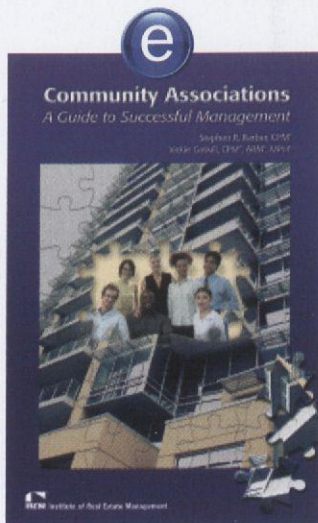
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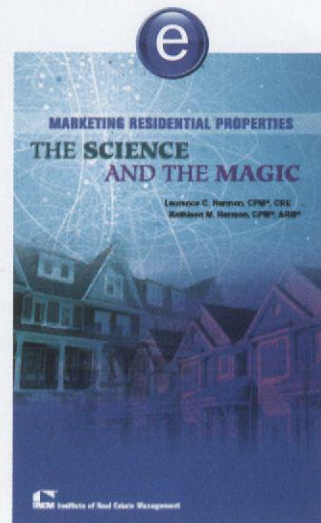
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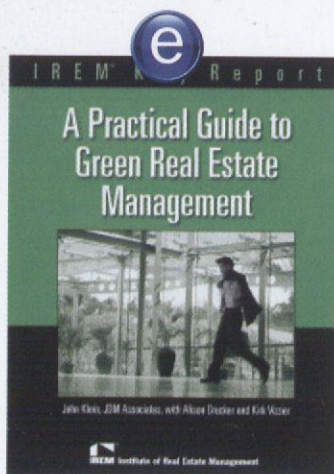
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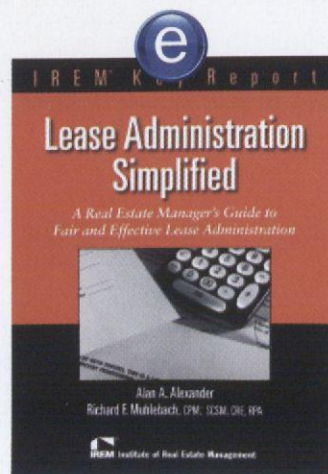
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CONTENTS

JOURNAL OF PROPERTY MANAGEMENT

JAN.FEB 2010

features

24 ALL ATWITTER: Experts & IREM Members

Discuss the Opportunities & Pitfalls of Social Media Networking by *Claire Bushey*

28 TAKE YOUR TEAM TO THE TOP:

Inspire Staff to Succeed Through Leadership & Motivation by *Nicholas Dunlap, CPM®*

32 CAPTURING THE SUN: Solar Power

Investments Can Offer Long-Term Savings in Energy Costs by *Diana Mirel*

38 MEDICAL DIAGNOSIS: CPM Shares His

Vision for the Future of Medical Office Building Designs & Use by *James M. Lennox, CPM®*

42 PERMANENT FIXTURES: Take the

Long-Term Value Perspective with Faucets for Multifamily Properties by *Shawn Hardy, Cleveland Faucet Group*

42



38



32



columns

5 PRESIDENT'S INSIGHTS Bracing for the Year Ahead

10 HIGHER GROUND Discuss Amongst Yourselves:
Avoid unnecessary complaints by improving communication

12 MARKETING SOLUTIONS Staying Power: Always
keep clients aware of your marketing message and expertise

14 GREEN SCENE The Right Stuff: Does your property
management team have what it takes to be green?

16 GOOD TO GREAT Words Speak Louder Than
Actions: Proper grammar and word usage will strengthen
communication

departments

6 INDUSTRY NEWS & NOTES Homebuyer tax cred-
its are extended and expanded; EPA tests environmentally
friendly parking lots; Toxic commercial loans threaten
small banks

18 IN SESSION Energy and climate change reform are
priorities for Congress; Lawmakers under pressure seek
new revenue sources; Treasury guidance on REMIC gives
owners more flexibility

20 FAMOUS PROPERTIES Shop By Size: The Mall
of America has transformed the shopping experience and
catapulted Minnesota into the Spotlight

22 REGIONAL OUTLOOK Recession Effects Along
the Great Lakes: Part Two—Michigan, Ohio, Pennsylvania
and New York

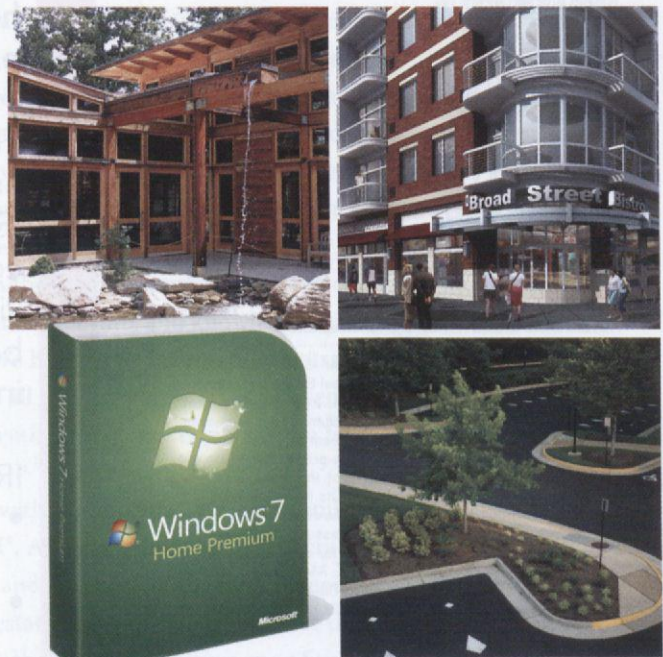
44 INSIDE IREM New IREM leaders announced for
2010; How an IREM Member becomes IREM President;
IREM iLearn program wins NAR game changer challenge;
IREM develops Best Practices for real estate management
companies

60 GADGETS Window Treatments: Microsoft Windows
7 offers new features and greater usability

62 NEW PRODUCTS Product information about key
management software, portable air conditioners, wall
coverings and flush conversion kits

63 AD INDEX

64 CAN YOU TOP THIS? Pipe Dreams



[CLOCKWISE FROM BOTTOM LEFT] P60 MICROSOFT WINDOWS 7 OFFERS USERS NEW FEATURES. P8 EPA NAMES GREEN BUILDING CHALLENGE WINNERS. P22 GREAT LAKES STATES SPOTLIGHTED IN REGIONAL OUTLOOK. P6 PARKING LOTS TESTED FOR ENVIRONMENTAL CONCERNS.

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



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Russell C. Salzman, CAE, IOM | rsalzman@irem.org

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

ASSOCIATE EDITOR
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CIRCULATION
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 **IREM Institute of Real Estate Management**

BRACING FOR THE YEAR AHEAD

A year ago, many were predicting we'd be out of the worst that the economic downturn would hand to us and yet, perhaps like you, I still see uncertainty ahead. Yes, real estate is cyclical, and we will come through these troubled times, but nonetheless, we must still set realistic goals for the year ahead.

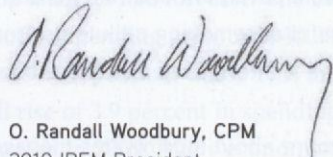
At IREM, your leaders and staff are working hand-in-hand to share information, tools and resources with you as quickly and efficiently as possible. We start the year with continued dedicated resources to all core areas where IREM serves you best.

In particular, in this issue of *JPM*, we can gain insights from a fellow member through his article, "Take Your Team to the Top, on p. 28." As you'll see, it's the little things that go a long way toward keeping staff motivated, and even more so, keeping our tenants and residents happy. In addition, we continue the discussion about social media, with a new slant—what you need to know to stay on top of what your customers, clients, tenants and residents may be saying about you. See "All Atwitter" on p. 24.

As we look to making our way through the winter months ahead, I encourage you to share your questions, information, insights and knowledge through our member focused site, IREMFIRST. We have some wonderful discussion forums taking place and I encourage you all to get involved. If you haven't set up a personal profile yet, please do at www.iremfirst.org. It only takes a few minutes.

While I must start my leadership role with the Institute at an economically trying time, I know that we as CPM®, ARM® and ACoM® Members are in the best position to offer our services and expertise to those who need us most—the owners and investors of real estate. You can be assured that IREM will strive to get the word out, now more than ever, that hiring one of us will no doubt mean a property can meet its optimal performance and maximize return on investment.

This a great time of year to truly set new goals, and not just the same clichéd "New Year's Resolutions." I encourage you all to think about how you can bring out the best of your talents and skills, and make them known to those who need your services.



O. Randall Woodbury, CPM
2010 IREM President



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HOME BUYER TAX CREDITS ARE EXTENDED & EXPANDED

In November 2009, President Obama signed a new bill to extend and expand the first-time homebuyer tax credit. First-time homebuyers have been getting tax credits of up to \$8,000 since January 2009 as part of the economic stimulus package enacted in early 2009. Originally scheduled to end on November 30, 2009, the extension will give homebuyers an additional five months to apply for the credit.

The tax credit has also been expanded to include many buyers who already own homes. Buyers who have owned their current homes at least five years would be eligible for tax credits of up to \$6,500. To qualify for the credit, buyers in both groups have to sign a purchase agreement by April 30, 2010, and close by June 30.

The real estate industry pushed to extend and expand the housing tax credit. About 1.4 million first-time homebuyers qualified for the credit through August 2009. The National Association of REALTORS® (NAR) estimated that 350,000 of them would not have purchased their homes without the credit.



EPA Tests Environmentally Friendly Parking Lots

In an effort to help reduce pollution runoff from paved parking lots, the U.S. Environmental Protection Agency (EPA) is testing a variety of permeable paving materials at its facility in Edison, N.J. If successful, the EPA intends to show businesses how they can install parking lots that not only reduce runoff, but actually help contribute to healthy water filtering processes.

The 43,000 square-foot Edison parking lot features three different kinds of permeable pavement, with several kinds of rain gardens planted adjacently. The EPA study will determine which combination of permeable pavement and rain garden vegetation is most successful at removing pollutants from stormwater runoff as it filters back into the ground.

Learn more about stormwater management at <http://tinyurl.com/dntjk>.

TOXIC COMMERCIAL LOANS THREATEN SMALL BANKS

Toxic commercial real estate assets are threatening the survival of small banks in the United States and the broader economy, according to experts quoted in a recent *New York Times* article. With over 100 failures of small banks this year, the Federal Insurance Deposit Corp., (FDIC) which insures depositors, has seen its \$50 billion fund fall into the red. It is now looking to replenish the loss by levying higher fees on healthy banks, according to the newspaper.

Experts told the *New York Times* they expect more small bank failures, especially in the South and Midwest, where lenders supplied a large number of loans to homebuilders and commercial developers in an effort to replace lost credit card and mortgage lending business that went to bigger competitors. With many of those deals now going sour, those lenders who can't raise capital will go under, *The Times* reported.



CONSTRUCTION SPENDING IS ON THE RISE

The U.S. Commerce Department's most recent report on residential construction said spending was up 0.8 percent in September 2009, a significantly higher number than the 0.3 percent drop analysts had forecast. The total amount of construction spending grew to \$940.28 billion at an annual rate in September 2009. This increase reflected an overall rise of 3.9 percent in spending on residential construction in 2009. Many economists believe that the residential sector is starting to rebound, but there is concern that the activity has been boosted by builders rushing to begin projects that could qualify for the first-time homebuyer tax credit offered by the U.S. government.

QUOTABLES

“Without some kind of personal vision, you have no direction. You follow the herd, and you may not find out until it's too late that the herd is leading you right off a cliff.”

—DON HUTCHESON, AMERICAN PERFORMANCE IMPROVEMENT TRAINER AND AUTHOR

“Most conversations are simply monologues delivered in the presence of witnesses.”

—MARGARET MILLAR, AMERICAN AUTHOR

“The beautiful thing about learning is nobody can take it away from you.”

—B.B. KING, AMERICAN BLUES MUSICIAN

“Motivation is what gets you started. Habit is what keeps you going.”

—JIM RYUN, AMERICAN TRACK ATHLETE AND POLITICIAN

“The key to being a good manager is keeping the people who hate me away from those who are still undecided.”

—CASEY STENGEL, AMERICAN BASEBALL MANAGER

“The future, according to some scientists, will be exactly like the past, only far more expensive.”

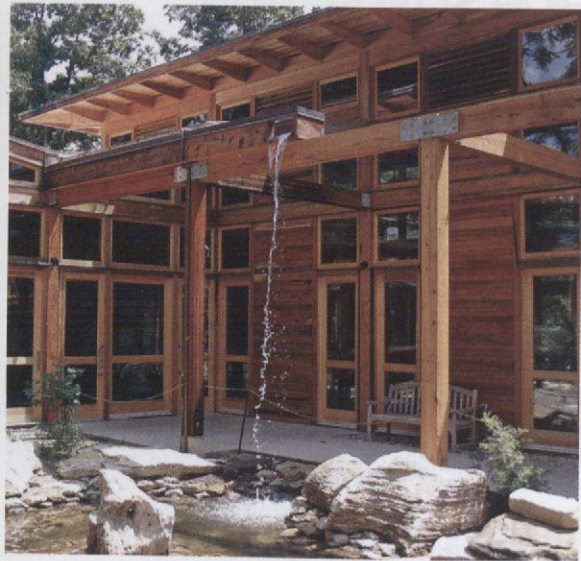
—JOHN SLADEK, AMERICAN SCIENCE FICTION AUTHOR

“It is difficult to get a man to understand something when his job depends on not understanding it.”

—UPTON SINCLAIR, AMERICAN AUTHOR

“He who wrestles with us strengthens our nerves, and sharpens our skill. Our antagonist is our helper.”

—EDMUND BURKE, ANGLO-IRISH STATESMAN AND AUTHOR



THE BERNHEIM ARBORETUM AND RESEARCH VISITORS CENTER IN CLERMONT, KY., WAS AWARDED THE "OUTSTANDING ACHIEVEMENT AWARD FOR BEST GREENHOUSE GAS REDUCTION."

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EPA HONORS GREEN BUILDING CHALLENGE WINNERS

The U.S. Environmental Protection Agency (EPA) recently honored six innovative green building concepts as part of its 2009 Lifecycle Building Challenge. These concepts are designed to facilitate disassembly and material reuse to minimize the environmental and energy impacts of buildings, and to assist the building industry in reducing more than 88 million tons of building-related construction and demolition debris sent to U.S. landfills each year.

The EPA, along with its partners, the American Institute of Architects (AIA), West Coast Green, the Collaborative for High Performance Schools and StopWaste.org, invited professionals and students nationwide to submit designs and ideas that support cost-effective disassembly and anticipate future use of building materials.

The EPA recently reported that doubling the reuse and recycling of construction and demolition debris would result in an emissions savings of 150 million metric tons of carbon dioxide equivalent per year, equal to the entire annual carbon emissions from the state of North Carolina. For more information on the winners, visit www.lifecyclebuilding.org.

FORECLOSURE CRISIS EXPANDS TO OUTLYING U.S. REGIONS

Although foreclosure rates are slowing in some of the hardest-hit cities, the crisis has started to expand into new metro areas, according to the latest *RealtyTrac* report. During the third quarter of 2009, Reno, Nev., posted an 80 percent gain in foreclosures compared to the third quarter of 2008. Boise, Idaho cracked the top 20 for the first time as foreclosures jumped 141 percent, and foreclosures in Provo, Utah also rose 120 percent.

As expected, towns in California, Florida and Nevada dominated the top 10, with Las Vegas once again taking the top spot with a foreclosure rate of 1 in 20 homes (a 53 percent increase over the third quarter 2008).

Despite these changes, the report did reflect some good news: half of the cities in the top 10 showed declines in their foreclosure rates and 60 percent improved since the second quarter of 2009. To view the report, visit www.realtytrac.com/foreclosure.

Federal Regulators to Issue Commercial Mortgage Guidelines

At a hearing in October 2009, Federal Deposit Insurance Corporation (FDIC) Chair Sheila Bair testified with others from the banking industry that regulators are close to issuing new guidance for banks to use in modifying troubled commercial real estate (CRE) loans. The forthcoming guidance will give banks the necessary resources to restructure weak credit relationships and manage real estate holdings in an organized way. At the hearing, Bair, along with several other witnesses, expressed concern over the state of the CRE market. Bair cited CRE loans as "the most prominent area of risk for rising credit losses at FDIC-insured institutions during the next several quarters."

To read the testimony visit <http://tinyurl.com/ykkmxav>.

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http://leadership.**atwork-network.com**

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fast facts



The **top 5 cities** with the largest homes are:

- 1 Westminster, S.C. _____ (14,693 sq. ft.)
- 2 Manalapan, Fla. _____ (9,597 sq. ft.)
- 3 Cherry Hills Village, Colo. _____ (8,546 sq. ft.)
- 4 Purchase, N.Y. _____ (8,084 sq. ft.)
- 5 New Vernon, N.J. _____ (7,628 sq. ft.)



The **top 5 cities** with the smallest homes are:

- 1 Acme, Mich. _____ (732 sq. ft.)
- 2 Smallwood, N.Y. _____ (910 sq. ft.)
- 3 Index, Wash. _____ (911 sq. ft.)
- 4 Union City, N.J. _____ (933 sq. ft.)
- 5 Elsmere, Ky. _____ (941 sq. ft.)

The **top 5 cities** with the most bedrooms are:

- 1 Corolla, N.C. _____ (5.59 bedrooms)
- 2 Alpine, Utah _____ (5.59 bedrooms)
- 3 Old Westbury, N.Y. _____ (5.57 bedrooms)
- 4 Manalapan, Fla. _____ (5.56 bedrooms)
- 5 Saddle River, N.J. _____ (5.56 bedrooms)



DISCUSS AMONGST YOURSELVES

Avoid unnecessary complaints by improving communication



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COM), IS A VICE
PRESIDENT
WITH SENTINEL
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I HAVE HAD THE PRIVILEGE TO SERVE ON THE IREM ETHICS AND DISCIPLINE COMMITTEE AS A MEMBER OF THE HEARING BOARD, AND RECENTLY, THE INQUIRY BOARD. The Inquiry Board reviews complaints filed against IREM Members and determines if a complaint should be dismissed, investigated or forwarded for hearing. If a probable violation of the Code of Ethics is found, the complaint is forwarded to the Hearing and Discipline Board. The Hearing Board has the responsibility to hear the complaint; decide if one or more of the articles of the Code has been violated; and establish disciplinary action, which can be a letter of censure, suspension or termination of membership status.

As a complaint is reviewed, it is often apparent that if the parties had been more diligent in the promptness and detail of their communication with each other, a complaint may have been unnecessary. In cases where communication has broken down completely, it is not unusual for the board to review 20 to 30 pages of unanswered e-mails.

While virtually all of the requirements of our employment, and obligations to tenants and clients are spelled out in contracts or lease agreements, it is simply impossible to cover every situation that may develop in a business environment. It is critical to recognize when a situation is not clearly covered in writing and take steps to involve all parties in a discussion

of the issue. There must be more, not less, input prior to making a decision and taking action.

When making a decision involving other parties, we should first determine if the situation is clearly covered by the written lease, contract, agreement or bid. If the situation does not seem to be clearly covered in writing, then ask if the facts available are truthful and disclosed to all parties involved. Better to do some checking, and to ask the other parties involved for documentation and input to assure all possible information is considered. You should also ask yourself whether this decision will create a conflict of interest for your client or employer.

Too often, complaints are filed because a party believes their interests are being violated by a current or former employee, and the employee believes that there is not a policy, or the policy is vague and does not apply to the particular situation. If grey areas exist, it should be our desire and obligation to reach an understanding that can be placed in writing. The interest of the client and our employer must always be foremost in our decisions.

Ask yourself when you are placed in a position to make a decision, "From the perspective of my client or employer, could my actions in any way cause damage to them and my ability to work with them in the future?" If you have any reservations, further discussion can become your best friend. ■



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STAYING POWER Always Keep Clients Aware of Your Marketing Message and Expertise



SHANNON ALTER (SHANNON@ALTERCONSULTINGGROUP.COM), CPM®, IS A REAL ESTATE CONSULTANT WITH ALTER CONSULTING GROUP (ALTERCONSULTINGGROUP.COM) IN SANTA ANA, CALIF. SHE IS THE AUTHOR OF THE IREM KEY REPORT STRATEGIES FOR WORKING WITH SMALL TENANTS.

YOU KNOW IT'S IMPORTANT TO KEEP YOUR MARKETING MESSAGE IN FRONT OF YOUR CLIENTS, BUT YOU DON'T WANT TO BE PESKY. How do you do it? Today, it's all about providing solutions for our customers, both existing and prospective. This can be a real challenge, but here's the good news—not every answer comes with a price tag. Here are three tips to help you to stay ahead of the pack:

Know Your Clients

Understanding what's critical to your customers is the key to a successful long-term relationship. Having a solid grasp of the challenges that face your customers, and how you can help solve them, is essential. Unfortunately, it's not always easy. With a new crop of buyers just around the bend who may not be as sophisticated as their predecessors, or who may not have established relationships with management companies, Steven M. Ring, CPM®, director of client solutions for Cushman & Wakefield of California, AMO®, suggests you make sure you understand your clients' needs by drilling down to the heart of every matter. "It's not only important to hear what your customers are saying, but it's also important to decipher what they are *not* saying," Ring said.

Become the Expert

Remember, your clients hired you because you know your stuff. Remind them of this by positioning yourself as an industry expert. Ideally,

your clients should see you as their best resource for ideas, trends and best practices that will save them money and create value.

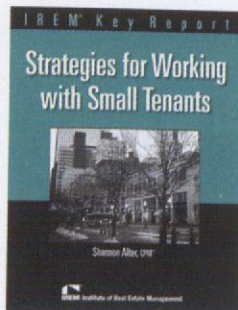
"Don't wait for your clients to ask you about new trends," said Joe Greenblatt, CPM, and president/CEO of Sunrise Management, AMO, in San Diego. "Evaluating the opportunity for owners will help them create value and position you as the go-to person."

Multifamily owners, for example, may appreciate a look at whether or not it makes sense to allow tenants to pay rent via credit card. Although not for every residential community, this solution can increase convenience, collections and customer loyalty. It's our job as property managers to figure out what keeps our clients up at night, and to provide the answer.

Always Deliver

There are several ways we can deliver for our clients. First, always, always do what you say you'll do. Leave your client in the lurch and you may find your reputation sinks faster than the Titanic. Second, offer information. You've made the effort to find out what your customers think is critical and to position yourself as an industry expert. Now take the time to provide strategic information about industry trends and best practices to your clients that they can use and implement.

Keeping our marketing message in front of clients is not magic, but it does take consistent effort on our part to remind them why they chose us—and our solutions—in the first place. ■



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By: Natalie D. Brecher, CPM®

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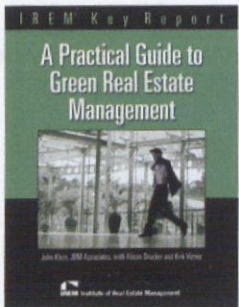
THE RIGHT STUFF

Does your property management team have what it takes to be green?



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.



AROUND THE WORLD, REAL ESTATE OWNERS, INVESTORS AND PROPERTY MANAGEMENT FIRMS HAVE REALIZED THAT SUSTAINABILITY IS NOT A FAD OR MARKETING GIMMICK, but a requirement for all properties to stay competitive. But who is going to transform the tens of thousands of properties that need to go green?

Many property management companies have created task forces to generate programs and ideas for leading their companies toward green operations, while others have outsourced the task. However, don't expect a corporate strike force to transform your operations over the weekend; most improvements will be implemented by the individuals already managing each property. Despite efforts at the corporate level, the success of a company's sustainability initiative relies on the selection, education and motivation of property management teams.

The first step toward ensuring an efficiently operated property is putting the right people on the job. A single building may have the value of a small- or mid-size publicly-traded company, and management's approach toward energy efficiency could have millions of dollars of impact. Property managers and engineers should be appropriate for that level of investment.

To identify which managers and engineers will improve energy efficiency, understand how they view the objective. Do they see energy efficiency as essential to maintaining a profitable building? Do they employ green practices and measure energy consumption in their homes? Successful property management teams are staffed with individuals who will scrutinize building operations and lead the team through changes and enhancements. Those unwilling to alter operations will limit the potential benefits

of sustainability, while involved team members will exploit opportunities, engaging with tenants and discovering energy and cost savings.

Once your team is selected, ensure members get the education, tools and encouragement to succeed. All property managers and engineers should receive periodic training on green initiatives, opportunities, and procedures for effecting change. Communicate the importance of reducing costs and enhancing efficiency.

Training should stress that efficiency is an ongoing process of adjustments—incremental tweaks that need not rely on outsized capital investment. As Warren Buffett said, "The really good manager does not wake up in the morning and say, 'This is the day I'm going to cut costs,' any more than he wakes up and decides to practice breathing."

Property management teams should also learn how to benchmark and monitor a building's performance using ENERGY STAR's Portfolio Manager. Energy and water consumption should be monitored as closely as possible, in order to see the spikes in consumption that can indicate potential problems.


Further, property managers should be encouraged to break routines and implement a new vision. For example, properties whose tenants work Monday through Friday should offer Saturday HVAC by request only. Making this change means operating the building in a way that has never been done before; it requires coordinating with tenants and explaining that the lease requirements will still be met.

Ultimately, the real estate industry is a business based on personal relationships. Get the right people, develop a culture that fosters transformation and improvement, and you will set everyone up for more success. ■

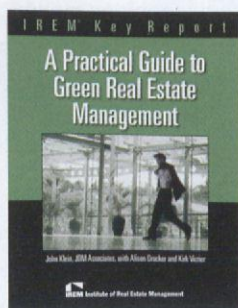
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WORDS SPEAK LOUDER THAN ACTIONS

Proper grammar and word usage will strengthen communication



NATALIE D. BRECHER, CPM® (NBRECHER@BRECHERASSOCIATES.COM) IS A SEASONED AUTHORITY WHO HELPS ORGANIZATIONS ENHANCE WORKFORCE PERFORMANCE, AND MANAGERS DEVELOP AND IMPROVE LEADERSHIP SKILLS. SHE PROVIDES CONSULTING, COACHING, TRAINING AND KEYNOTES TO FORTIFY POSITIVE, LASTING CHANGE.

OUR ABILITY TO COMMUNICATE, BOTH IN BEING UNDERSTOOD AND IN UNDERSTANDING OTHERS IS DIRECTLY RELATED TO OUR CHOICE OF WORDS. The wrong choice of words, or punctuation when writing, can alter your intent; furthermore, it can alter the response you hoped to achieve. A lose/lose for all parties involved.

The thought of grammar and its usage takes us back to our school days—the dusty chalkboards where stern teachers made unsuspecting children diagram sentences and conjugate verbs. After leaving school, you may have thought grammar study was behind you, but alas, some things never go away.

Rather than go back to the chalkboard, take time to learn the most misused words and usage. It won't be long until you are back on your own fast track. Here are some brief descriptions of 10 commonly misused words to help you along.

1 Affect/Effect: Affect is a verb, as in, "You affected the outcome." Effect is the outcome; the result. Or you can get real tricky and say you affected the effect.

2 Assure/Ensure/Insure: You comfort someone when you assure them. You make sure something happens when you ensure it. And when you pay that premium, you're paying to insure something.

3 Between/Among: Between relates to two things. Among applies to three or more.

4 Continual/Continuously: Continually has breaks in the action, such as a drippy faucet. Continuously is the main water pipe that

breaks and the water never stops running out.

5 Farther/Further: Farther is for distances that can be measured, such as in miles. Further cannot be measured, such as further into the discussion, or further in time.

6 Imply/Infer: Finally, an easy one to remember. When you suggest something, you imply. When you infer something, you take in the information. Luckily, *in* is part of the word. I inferred from his implication that the meeting starts at noon.

7 Lie/Lay: People lie, as in telling an untruth or reclining. Chickens lay eggs and you lay your body down to nap.

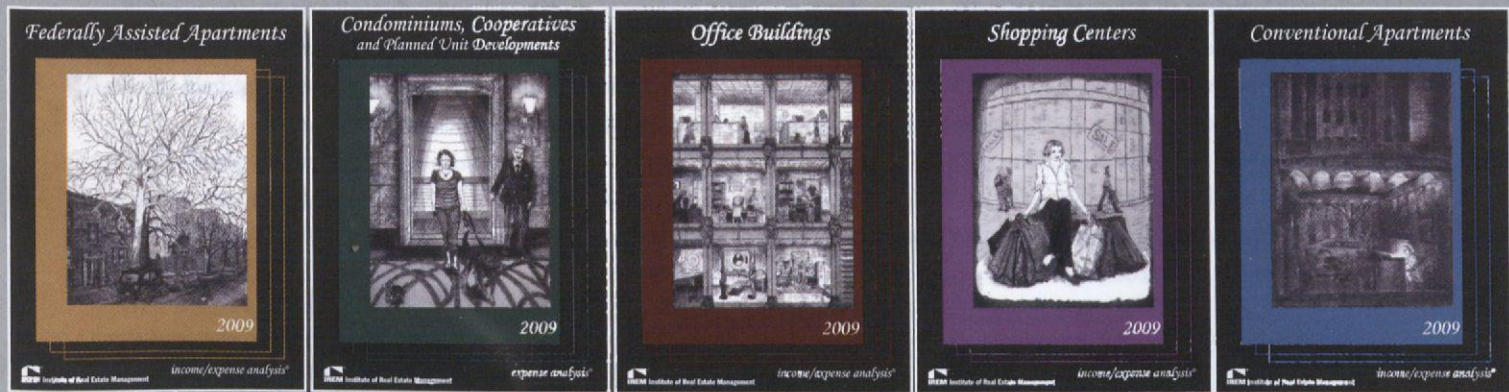
8 Lend/Loan: Lend is a verb—something you do—such as lend me a hand. A loan is a noun, except a verb when there are physical transactions, such as loaning you my book or money.

9 Regardless/Irregardless: Irregardless is not a word. If it were, it would mean, "without, without regard" which actually means "with regard." The correct word is regardless.

10 Who/Whom: Here's the easiest way to get past this quagmire. If, when you ask a question, you answer, "he," use who. If you answer him, use whom. Example: With who/whom will you be traveling? I will be traveling with him, therefore use whom, e.g., "With whom will you be traveling?" Another example is, "Who/whom completed the report?" He completed the report; therefore the question is "Who completed the report?"


Are there more? You 'betcha! Do an Internet search for misused words and you'll be busy for weeks. Check out *fewer/less* and *everyone/everybody* just to name two more. ■

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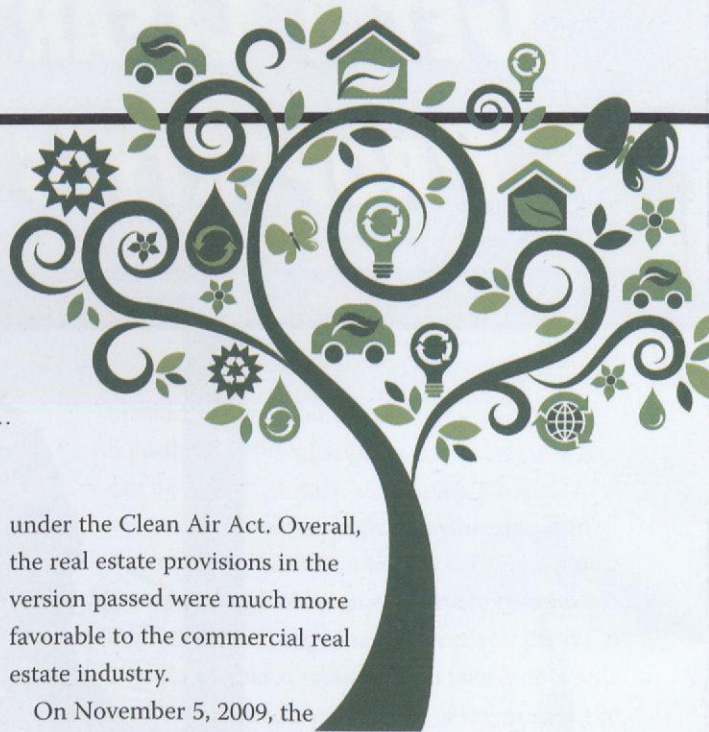
ENERGY, CLIMATE CHANGE REFORM, PRIORITIES FOR CONGRESS AGAIN

ALTHOUGH ENERGY AND CLIMATE CHANGE LEGISLATION TOOK A BACKSEAT TO HEALTH-CARE DEBATES IN LATE 2009, Congress will focus again this year on passing legislation to reduce greenhouse gas emissions.

In June 2009, the U.S. House of Representatives passed H.R. 2454, the American Clean Energy and Security Act. The original draft would have: (1) required energy audits for all buildings and homes, (2) mandated buildings be labeled with an energy rating, and (3) the label be disclosed at time of lease and/or sale.

IREM lobbied against these provisions and instead asked Congress to support positive incentives for retrofitting buildings with energy-efficient improvements, such as those included in H.R. 1778 by Rep. Peter Welch (D-VT). This proposal was later approved as an amendment to H.R. 2454.

Additionally, the approved House bill does not require audits; limits labeling to new construction only; and prohibits the EPA from regulating commercial buildings



under the Clean Air Act. Overall, the real estate provisions in the version passed were much more favorable to the commercial real estate industry.

On November 5, 2009, the Senate Environment and Public Works Committee passed a similar climate bill, calling for a 20-percent cut in greenhouse gas emissions from 2005 levels by 2020. This bill still needs to be presented and voted on by the full Senate. If the Senate passes its own version of an energy and climate bill, a House-Senate conference committee will be held to reconcile differences between the two bills.

IREM and NAR will continue to work with members of Congress to ensure the provisions in any energy/climate change legislation remain favorable to the commercial real estate industry.

Five firms agree to fund PPIP

The U.S. Department of Treasury announced that five private investment funds will invest \$3.07 billion in the department's long-awaited program to purchase toxic real estate-related assets.

Under the Public Private Investment Program (PPIP), the Treasury will match the \$3.07 billion investment dollar for dollar. Additionally, the federal government will provide debt financing, which will increase the purchasing power of all five groups to \$12.27 billion. The five firms investing in PPIP are BlackRock Inc., Wellington

Management Co., AllianceBernstein, TCW Group and Invesco Ltd.

PPIP, a government program aimed at purchasing soured assets that have contributed to the tight credit market, has gotten off to a slow start since it was announced earlier this year. Nonetheless, the five firms participating in the program will help banks sell toxic real estate assets, including commercial mortgage-backed securities (CMBS), which is an encouraging sign for the commercial real estate industry.



FOR CURRENT LEGISLATIVE NEWS VISIT

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LAWMAKERS UNDER PRESSURE SEEK NEW REVENUE SOURCES

FALLING TAX REVENUES AND INCREASED GOVERNMENT SPENDING BECAUSE OF THE ECONOMIC CRISIS HAVE PUT LAWMAKERS UNDER PRESSURE TO SEEK NEW REVENUE SOURCES. In addition, House Ways and Means Committee Chairman, Charlie Rangel (D-NY), has indicated that “everything is on the table” as part of his plan to restructure the current tax code. This could mean allowing the 2001-2003 Bush tax cuts to expire in 2011 or possibly repealing some of these tax cuts before their expiration date.

President Obama’s pledge not to raise taxes on the middle class makes it likely the democratically controlled Congress will discuss increasing the top two income tax rates or allowing the tax cuts for those groups to expire in 2011. If these top rates increase, less money will be available for high-income earners to invest in commercial real estate, putting more pressure on the industry.

Also, in light of the economic crisis, President Obama has stated the capital gains rate will remain unchanged during 2010. Unless Congress acts, however, the current 15 percent rate will revert back to 20 percent on January 1, 2011. Any tax increase related to real estate clearly discriminates against the asset class as compared to other assets and puts it at a greater competitive disadvantage for investment dollars. Additionally, it puts more pressure on a fragile commercial real estate industry already facing a rapid rise in delinquencies and foreclosures, as well as a growing challenge to access credit.

Moreover, the commercial real estate industry has an estimated \$1 trillion in loans maturing in the upcoming years. The combination of insufficient refinancing and real estate-related tax increases will most likely leave the commercial real estate industry ailing for the near future, resulting in an overall slower economic recovery.

Whatever direction Congress and President Obama take, IREM will continue to fight for tax policy that would encourage investment in the commercial real estate industry.

TREASURY GUIDANCE ON REMIC GIVES OWNERS MORE FLEXIBILITY

In September 2009, the U.S. Department of Treasury issued highly anticipated final guidance for commercial mortgage loans held by a Real Estate Mortgage Investment Conduit (REMIC). REMICs are a vehicle by which commercial mortgages are securitized.

Previously, borrowers with loans securitized through a REMIC were unable to significantly modify their property to meet changing market trends. These constraints limited the attractiveness of securitizing commercial loans, as well as the flexibility of borrowers to meet debt obligations as market trends change.

This final rule (Revenue Procedure 2009-45) provides guidance regarding modifications to certain mortgage loans without triggering an IRS challenge to the tax status of the REMIC. The guidance permits a change in the terms to be negotiated if—based on all the facts and circumstances, and after meeting the threshold for a qualified loan—the holder or servicer reasonably believes a “significant risk of default” exists upon maturity of the loan or at an earlier date, and the modified loan will present a “substantially reduced risk of default.” These guidelines will apply to loan modifications in effect since January 1, 2008.

Additionally, the Treasury department issued final regulations (TD 9463) expanding the list of exceptions that will not be considered “significant modifications” of an obligation held by a REMIC. Effective September 16, 2009, this expanded list of exceptions include modifications that release, substitute, add, or otherwise alter a substantial amount of the collateral so long as the obligation continues to be “principally secured by an interest in real property.”

These updated IRS guidelines should provide much needed flexibility for owners with properties utilizing REMICs and facilitate better communication and planning between the servicer and the borrower.

SHOP BY SIZE The Mall of America has transformed the shopping experience and catapulted Minnesota into the spotlight

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

The minute you step inside the Mall of America in Bloomington, Minn., you'll quickly realize this not your typical shopping experience. In fact, there is nothing typical about this shopping and entertainment hotspot. The mall attracts 40 million visitors a year, with four out of 10 of those visitors being tourists. That's right, tourists. The largest mall in the United States has become a bona fide tourist destination both domestically and internationally and has transformed the American shopping mall experience.

The mall has 520 stores, 4.3 miles of total storefront footage, an indoor theme park, and hosts more than 350 events a year. The secret to the mall's success is diversity; catering to a wide range of customers and tenants.

"There is something for everyone here, whether you have \$1 or \$1,000 to spend," said Maureen Bausch, executive vice president of business development at the Mall of America. "We're more of an attraction, not a mall."

This attraction has helped to propel the image of Minnesota into the spotlight, as well.

"No one thought of Minnesota for shopping

and fashion," said Bausch. "It was all woods, lakes and wildlife, which we still have. We have great fishing and great golfing, but now you can look good doing it."

Further, the mall has had a significant economic impact, generating about \$2 billion annually for the region. According to Bausch, if you poll people who come to Minnesota beyond 150 miles, 50 percent of the reason they are there is to visit the Mall of America.

INFLUENCE & EXPANSION

At a national level, the Mall of America has influenced today's shopping centers by combining traditional retail with unique entertainment offerings.

"Before, malls were purely retail with a few fast food restaurants," said Bausch. "The fact that people shop on vacation and actually travel to shop is something that no one believed would ever happen. Now, the shopping mall can be an attraction."

When the Minnesota Twins and Minnesota Vikings moved from Met Stadium to the Metrodome in downtown Minneapolis in 1982, 78 acres of prime real estate became available. After the Bloomington Port Authority bought the land in 1985, it began fielding proposals for the property. The Port Authority ultimately entered an agreement with the Ghermezian brothers to develop a mixed-use retail and entertainment center, and the Mall of America was born.

When the 4.2 million-square-foot mall opened its doors in 1992 it was—and still is—the largest mall in the country. Despite its sheer size, the mall is accessible.

"The architects designed it beautifully," said Bausch. "You're never further than 300 feet

PHOTOGRAPHY © MALL OF AMERICA



from a door, and that helps a lot.”

The Mall of America is an unprecedented mix of retail, dining and attractions, with a tenant mix of 76 percent retail and 24 percent entertainment. It made headlines with Nickelodeon Universe, an indoor theme park with 25 rides, within the mall walls. The synergy between the retailers and the attractions has helped boost retail sales and stimulate more traffic to the attractions. Currently, the mega mall is planning a 5.6 million-square-foot expansion of new development to be built on 42 acres of adjacent property north of the Mall of America. Some of the planned developments include premier on-site hotels, an office complex, new retail, recreational facilities, a water park, a dinner theater and further entertainment and cultural attractions.

Often described as a city within a city, the Mall of America has been referred to as the third largest city in Minnesota. On any given day, the mall has 100,000 visitors.

“It acts like a city,” said Bausch. “We have a huge security force, so it is a safe city. And it never rains here!”

COMMUNITY MAINSTAY

While the shopping center and retail industry in general are suffering through this Great Recession, the Mall of America has managed to not only stay afloat, but also thrive.

“We’re not recession proof, but we’re a little recession resistant,” said Bausch. “We have opened about 63 stores since the recession started.”

In a non-recession year, the mall is typically up three to five percent annually in mall-wide sales. At press time, it was still up 1.5 percent in mall-wide sales in 2009. The key, according to Bausch, is to keep the mall fresh by constantly exploring new retail and entertainment options. Of course, maintaining a property of this size is expensive and time consuming.

“With [our] size, we’re constantly doing upgrades to keep it fresh,” said Bausch. “And if you are going to paint, it’s a lot to paint. If you



PHOTOGRAPHY © MALL OF AMERICA

are going to change out the furniture, there is a lot of furniture.”

In addition to staying fresh and contemporary, the Mall of America utilizes its high profile to give back to the community through a wide range of community service programs.

“In Minnesota, philanthropy is part of doing business,” said Bausch. “It is the culture here to give back; you just do it. We have a nice building that seems to work [well] for raising money.”

The mall hosts at least 50 different community events a year to help raise money for non-profit organizations. The mall’s community booth is also offered to those organizations free of charge to help educate mall guests about the organizations and their causes.

While the heart of the Midwest may seem like the last place to become a tourist shopping destination, the Mall of America proves you can never sell a location short. With Minnesota’s bold move to create something unique and exciting, it has succeeded at both. ■

RECESSION EFFECTS ALONG THE GREAT LAKES

Part Two: Michigan, Ohio, Pennsylvania and New York

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

READ PART ONE OF "RECESSION EFFECTS ALONG THE GREAT LAKES" IN THE NOV/DEC 2009 ISSUE OF JPM AT WWW.IREM.ORG/JPM.

THANKS TO THE RECESSION, TOWER 31, A 42-UNIT RENTAL HIGH RISE IN MIDTOWN, N.Y., IS THE LAST LARGE PROJECT SIMON DEVELOPMENT GROUP HAS COMPLETED. IT WAS FINISHED IN 2006.

PHOTOGRAPHY © SIMON DEVELOPMENT GROUP

The Great Lakes states of Michigan, Ohio, Pennsylvania and New York have not been immune from the effects of the U.S. economic downturn and credit and crisis. The region has not hit the lows that many other areas across the country have reached, but economic progress has been sluggish, at best.

In New York, the greater metropolitan area (the populated areas in the states of New Jersey, New York and Pennsylvania that are within a typical commuting distance of Manhattan, N.Y.) is laboring under a nearly 10 percent unemployment rate. The state government is enduring its own fiscal challenges, further slowing down development in the state, especially in Albany and other upstate markets where the state government, as well as vendors and service providers, is a prime tenant of office space.

Yet, activity in the real estate markets has begun to pick up recently. September was the

fourth consecutive month of one million square foot plus leasing activity in Midtown Manhattan, according to CB Richard Ellis, AMO*. And the decline in asking rents has slowed significantly.

Still, major new real estate developments have been mostly on hold as the credit markets remain stingy with financing. Matthew Baron, a principal with Simon Development Group, owns \$300 million of property in the New York metro area. His last large new development was a 42-unit rental high rise in Midtown named Tower 31, which was completed in 2006—just before the economic recession hit.

"The problem is leverage today," Baron said. "You can't get construction financing. When you don't have it, you wipe out 95 percent of the people out there who are going to be doing development."

In this environment, the focus is on tenant retention, according to many real estate experts. Re-leasing is an expense most owners can't afford right now, so property managers must be proactive in the area of customer service to keep tenants from moving.

"It's a tough environment out there," Baron said, "so you can't be the grumpy landlord who is not responsive to tenants. Understanding that is very important."

LACK OF FINANCING

Pennsylvania's real estate markets did not undergo the huge buildups that occurred in other regions, so the area is not enduring as big a shakeout. Still, the metro areas of Pittsburgh and Philadelphia are struggling with rising unemployment rates. And while smaller banks are starting to lend money to local businesses, large-scale financing for major developments is still proving difficult to obtain.



"Construction financing is pretty impossible to get," said IREM Region 2 Vice President Jesse Holland, CPM®, and president of property management firm, Sunrise Management & Consulting, AMO. "A number of projects have started and then stopped midstream. The old model is not working."

Despite the difficult market conditions, a few developments are still making it through. In Philadelphia, 777 South Broad, the city's first LEED-registered residential mixed-use building began leasing in October and is scheduled for completion in March 2010.

Carl Dranoff, president of Dranoff Properties, owns 777 along with several other residential properties in Pennsylvania and New Jersey.

"[Our building] 777 proves that financing is still available, even if not as readily as in the past," Dranoff said. "Dranoff Properties' strong track record of successful urban redevelopment, finished on time and on budget, allowed us to secure the financing necessary to move forward with this project."

AUTO EROSION

Michigan has felt the brunt of the recession more than any other state, thanks to the continual deterioration of the automobile industry. Earlier this year, unemployment in the state topped 15 percent, while the Detroit area nearly reached 18 percent. Home values continue to sink, and many economists believe the state won't see economic gains until 2011.

Of course, some activity is always abound in even the most depressed areas. General Electric signed a lease for 240,000 square feet in Van Buren Township in southeast Michigan, according to CB Richard Ellis. And two green energy companies agreed to purchase Ford Motor Company's 320-acre Wixom Assembly Plant.

"A little development is starting again, but there are several big developments on the drawing board and they're not moving forward at all," said IREM Region 6 Vice President Sheila Austin, CPM, and president of Wedgewood



Property Management and Consulting in Southfield, Mich.

To survive in Michigan's economy, Austin said property managers need skills in two important areas—resident services and marketing.

"You have to make people feel you want them there," she said. "You have to know how to provide amenities to people to keep the clientele you have. And you need the marketing skills to bring more people in to the properties."

IN A STALLED STATE

The downturn in the automobile industry has hit the state of Ohio hard as well, due to a high concentration of auto vendors supplying Detroit. Unemployment in the state is currently hovering around 11 percent. The office market is saturated with available space, and new development is pretty much stalled across the state.

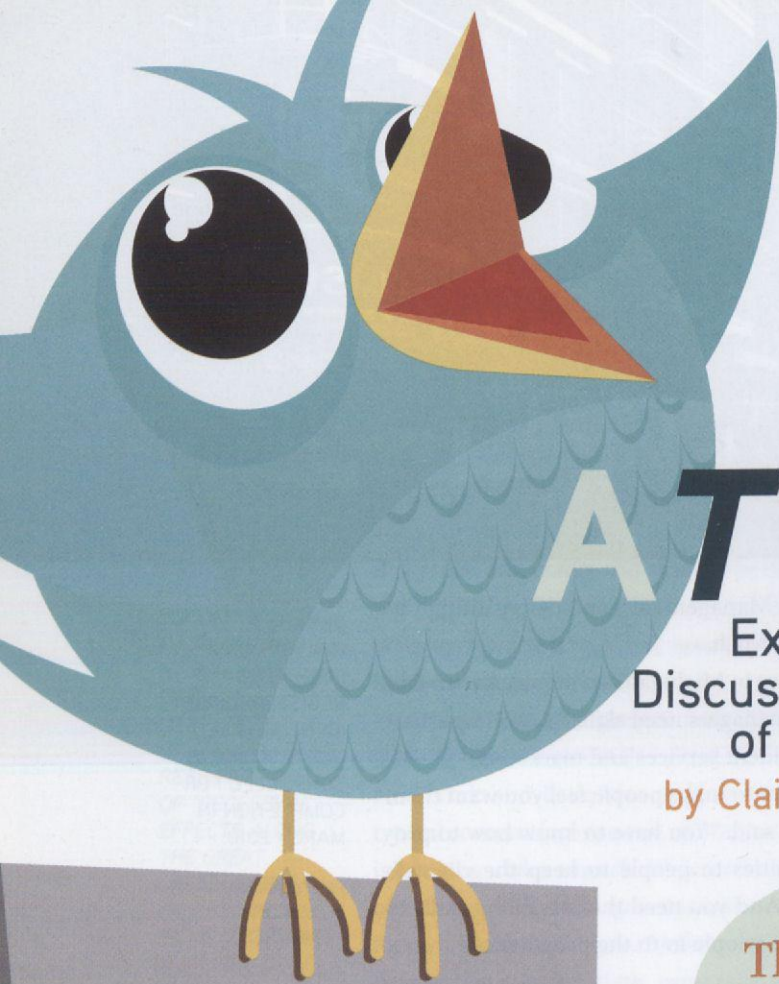
"This is a strange psychological recession," said Carla Crabtree, CPM, vice president at industrial real estate company IDI, in Covington, Ky. "Every seven to eight years we have one of these—a big flush. There are no new plans for any big development for the next two years."

Crabtree said the interest in the market right now is in spec buildings already available. That means the market needs property managers who understand the marketing and brokerage end of the business.

"Facilities experience is not at a premium right now," Crabtree said. "We need property managers with an asset manager mind set, who understand the market as well as any broker; who understand the value-add we have." ■

777 SOUTH BROAD, PHILADELPHIA'S FIRST LEED-REGISTERED RESIDENTIAL MIXED-USE BUILDING IS SCHEDULED FOR COMPLETION IN MARCH 2010.

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PROPERTIES



ALL A **TWITTER**

Experts & IREM Members
Discuss the Opportunities & Pitfalls
of Social Media Networking

by Claire Bushey

**They're talking
about you.**

The residents who live in your apartments, the tenants who lease your commercial space, they're talking about you.

"Understand that people are now communicating about you and your properties online," said Paul Gillin, author of *Secrets of Social Media Marketing*. "Those conversations are going on whether you want them to or not."

Gillin defines social media as technology that allows people to publish quickly and cheaply on the Internet. It promotes live and instant discussion on a variety of topics. In a business context, it allows consumers to promote their purchases or air their grievances, and business owners to receive feedback about their products or services.

"It's a cheaper, faster way to connect with a target audience," said Patti Guerzo, president of Guerzo Business Solutions Center, a Chicago-based business advisory firm for entrepreneurs that offers social media consulting.

BLOGGING, TWEETING, LINKING, FRIENDING

Various social media tools exist: Blogs are a series of brief, regularly published commentaries on a particular topic. *Twitter* (www.twitter.com) users provide "followers" with

regular updates on their thoughts and undertakings, but each update is limited to 140 characters.

The social networking sites *LinkedIn* (www.linkedin.com) and *Facebook* (www.facebook.com) allow users to create personal profiles and then link to profiles of friends and acquaintances. *Facebook* is more socially oriented at this time, with people listing their favorite books and movies and posting photos. But companies are starting to dip their toes in to *Facebook* as well, creating "Fan Pages" to connect with their audience. *LinkedIn* is the more professional site; profiles read like resumes, and it's acceptable to connect with bosses, co-workers and customers.

Shannon Alter, CPM®, president of Alter Consulting Group in Santa Ana, Calif., said she recently began using *LinkedIn* for networking purposes. She said it's like having six degrees of separation from anyone in the profession who also uses the site, making it helpful to those individuals looking for work or wanting to connect with colleagues for advice.

Amanda Young, CPM, property manager for Brandywine Realty Trust in Richmond, Va., has used *LinkedIn* to find reputable vendors. After talking with other property managers in a *LinkedIn* discussion forum about how to stop the spread of germs, Young bought the Dyson hand dryers recommended by other discussion participants for one of her commercial buildings in Glen Allen, Va. Young began using *LinkedIn* after receiving several invites from vendors and another co-worker.

Nicholas Dunlap, CPM, property supervisor at Dunlap Property Group, AMO® in Fullerton, Calif., said he waded into social media one tool at a time. He started writing a corporate blog at <http://dppliving.wordpress.com> in 2006 offering his perspective on property management industry news. Dunlap added a second blog in 2009 aimed squarely at potential residents. It shows interior photos from available units to entice people to schedule a showing.

His motivation for using social media tools stemmed from his company's success using *Craigslist* (www.craigslist.com) and other online advertising years ago. He said it was obvious social media sites could be used to the company's advantage.

"For us, it works two-fold," Dunlap said. "First and foremost, we are capable of providing our current and prospective clients with updated information and insight into the marketplace, and second, we are able to quickly and creatively market our move-in specials, bonuses and

incentives to the masses by way of cutting-edge, online advertising."

FINDING A FOLLOWING

That advertising has the potential to go a long way, considering about 60 percent of Americans use social media. Of that group, 85 percent believe companies should interact with their customers using social media tools, according to a 2008 study by Cone, a Boston-based communications company.

Lori Burger, CPM, senior vice president at Eugene Burger Management Corp., AMO, in Rohnert Park, Calif., agrees. She said the success of social networking should encourage property managers to consider changing their marketing strategies. According to Burger, marketing efforts in recent years have been focused on how to bring clients to corporate and property Web sites. With this new evolution, she said marketing efforts must be focused on "where the party is."

"We want to be where our employees are networking; where potential clients and customers are networking; where their colleagues and friends, friends of friends and their friends of friends are networking," Burger said. "The marketing opportunities and lead generations are endless."

Dunlap said his blogs have improved the company Web site's search engine ranking because of the refreshed content, and have resulted in signed leases because of featured photos of rentable space. His corporate blog that offers industry perspective also helps position him as an expert, said Julie Szabo, co-author of *Friends With Benefits: A Social Media Marketing Handbook*. That can lead to opportunities like new business.

"When you choose a marketing consultant, a property manager or a hair dresser, you're choosing a person, not a company," she said. "A blog goes a long way to show the people behind the business, and that appeals to us."

Burger also suggests creating your own blog. In this situation, you can control the discussion questions. Your clients and customers can talk about experiences, pose questions, and discuss problems with you leading the discussion. By creating your own blog, you can generate discussions that followers will care about while generating valuable credibility and the ability to engage the masses.

Guerzo said *Facebook* and *Twitter* are the social media sites currently experiencing growth and where companies' marketing efforts will go the furthest. Guerzo said actually



SOCIAL BREAKDOWN

The technology was new, but the public relations fumble was textbook classic.

In May, a Chicago resident living in a Horizon Group Management property posted a complaint to her Twitter account, which had 20 followers. She wrote to an acquaintance: "You should come anyway. Who said sleeping in a moldy apartment is bad for you? Horizon Realty thinks it's okay."

Horizon sued the resident in July for \$50,000, claiming defamation. Legal blogger Marian Wang first reported on the suit on the *ChicagoNow* Web site, but the news quickly jumped to the *Chicago Tribune*, the *Chicago Sun-Times* and *The New York Post*. Eventually the BBC and *The Washington Post* ran stories.

By trying to suppress a tweet disseminated to 20 people, Horizon managed to make international headlines—drawing more attention to the mold complaint, and earning a reputation as a bully.

Paul Gillin, author of *Secrets of Social Media Marketing*, said Horizon should have remembered when it comes to "David and Goliath, the media almost always sides with David."

There's no way to sue and keep it a secret, Gillin said, because, as Horizon found out, an individual can publish the information online, where it's ripe for discovery by mainstream media. The result? Horizon comes off in the press as an ogre harassing a powerless resident.

Horizon should have pondered whether the company would have sued if the resident had complained to 20 people in a bar, rather on *Twitter*, said Julie Szabo, co-author of *Friends With Benefits: A Social Media Marketing Handbook*.

The company should have taken a customer service approach, Szabo said, not a legal one. If the apartment wasn't moldy, then management should have asked her to correct her assertion. If she refused, the company could have responded in public, preferably in a forum it controlled, such as its Web site.

It's important companies react appropriately, Gillin said, because social media gives each and every person a megaphone which they can potentially use to air their grievances.

"Never underestimate the power of the individual these days," he said.

buying into *Facebook* advertising is cheaper than pay-for-click campaigns, and more effective.

She said one of her clients spent \$95 for a *Facebook* ad and received 869,000 impressions, meaning the company was served up for viewing 869,000 times on Web pages. From that, the company received 115,000 clicks, and 40 of those people joined the company's fan page. The fan page is like virtual word-of-mouth marketing.

Another advantage to these social media tools, particularly *Facebook* and *Twitter*, Guerzo said, is their ability to capture behavioral information about users. As a result, the audiences are much more valuable than a random mailing list.

"You can target the exact people you want," she said. "It's better to have 100 loyal followers than 100,000 useless followers."

Guerzo said using social media tools will distinguish a company from its many competitors not using them. Small businesses have been especially slow to adopt social networking tools.

According to an October 2009 Citibank/GfK Roper survey of about 500 U.S. small business owners, 76 percent of respondents said social networking sites have not been helpful in generating business leads for expanding their business in the last year. Eighty-six percent of respondents said they have not used the sites for business advice or information.

If more companies adopt the technology, Guerzo said, social media users could lose their edge.

"There is an advantage to doing it," she said, "whereas next year there might be a disadvantage to not doing it."

VIRTUAL CUSTOMER SATISFACTION

To reap the advantages of using social media tools, companies must use them judiciously and have a broad plan, Guerzo said.

"Strategy is important," she said. "Otherwise, you get lost in the weeds and you don't focus on the right things."

A company should first create a plan that includes its ultimate goal, and then lay out which tools will best accomplish that goal.

Guerzo said companies need to consider the content they want distributed; their ideal customer's description; industry information or news sources they can rely on for content; visual content they can use; testimonials they can publish; and potential questions they can ask followers,

particularly for *Twitter* accounts, that will elicit interesting conversation.

"Simply communicating, 'Buy my stuff,' is not good marketing," Guerzo said. "Those are boring messages and people don't like them. The alternative is to think about what your customers want and offer that."

She said a sample week of social media marketing might include five posts—one listing; two questions to strike up conversation that might draw renters into an area, like, "What restaurants do you love in this particular neighborhood?"; and two postings with helpful links.

"To the reader you appear to be a customer-focused company," Guerzo said. "You're viewed as progressive and friendly."

Once companies determine the social media tools they will use, they must also figure out how to use those tools effectively and efficiently. Referring to the Web sites of the various social media tools is helpful. Any of the free blog hosting platforms will have an "about" section on its Web site that will direct users how to set up a blog.

"I learned to use most of these tools simply by accessing the Web site," Dunlap said. "Most of these sites are very, very easy to use."

SOCIALLY AWKWARD

Regardless of how easy social media tools are to use, or the opportunities they offer, they also present challenges. The negative feedback posted on these sites is especially concerning to businesses, social media experts and real estate managers said.

Brad Ashley, CPM, senior property manager at CB Richard Ellis, AMO, in Kansas City, Mo., said social media tools are as risky as they are rewarding. He said while *Facebook* might publicize a building's amenities, it might publicize problems, too.

In the past, a resident unhappy with maintenance might have called the office to complain, he said. Now, a resident can post that complaint to a property's *Facebook* "wall," a public area where users write comments, telling 100 or 200 people that there may or may not be a problem, Ashley said.

How a company responds to negative feedback can be equally damaging. Consider Horizon Group Management,



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a Chicago-based property management company that became front-page news when it sued a resident who used *Twitter* to complain about her apartment. The company was blasted for its reaction, which generated more attention than the negative comment posted by the renter to her 20 followers (see "Social Breakdown" on previous page).

Negative comments are simply a part of online life, social media experts said, and they don't all carry the capacity to damage. Often anonymous, individuals who post comments undercut their own credibility by staking out extreme positions, using profane language or typing exclamation points in excess.

For the adept property manager, though, online attacks represent an opportunity. People complain because they're frustrated, Gillin said, and listening to their concerns can work magic. The worst critics often transform into the biggest fan when a company honestly and directly addresses their complaints.

Like them or not, social media tools are assuredly here to stay. Even if the current popular tools cease to exist, others will evolve. As a result, businesses must accept the new terms.

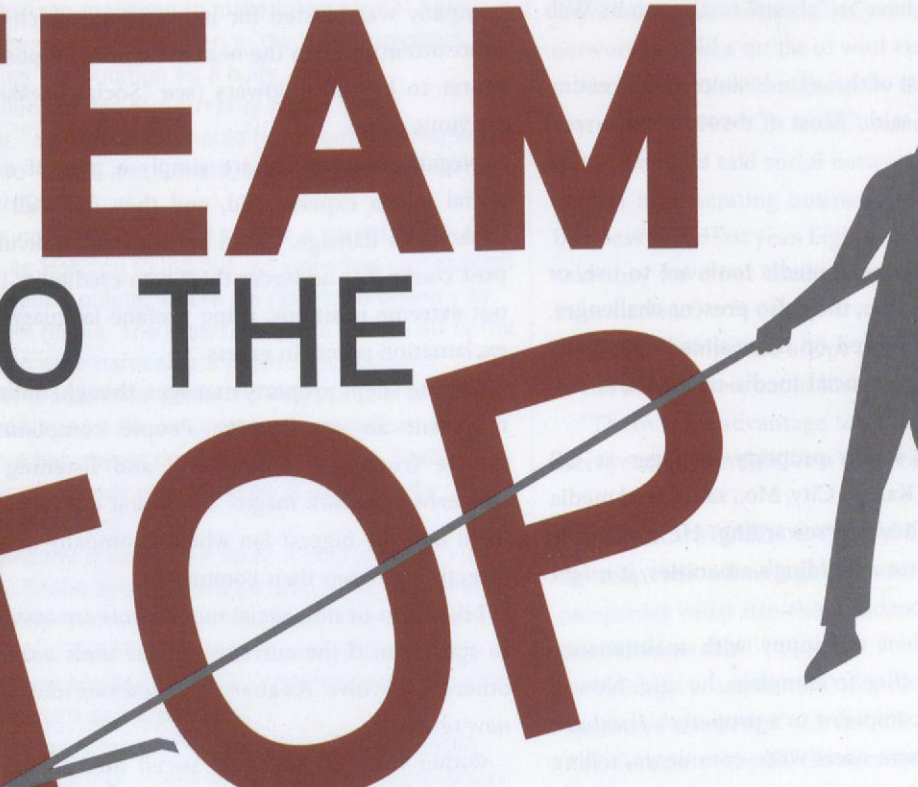
Rather than ignore these social media outlets, companies should determine how they will manage their business with these outlets, experts said.

"It's too late," Hay said. "You've already lost control. The remedy is to become part of the conversation." ■

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

Inspire Staff to Succeed
Through Leadership & Motivation

TAKE YOUR TEAM TO THE TOP

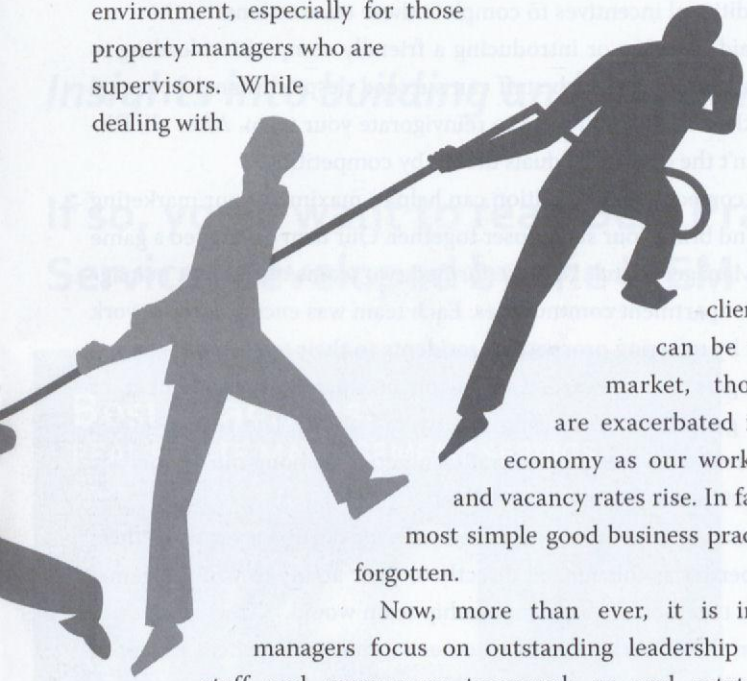
The word 'TOP' is written in large, bold, dark red letters. A thin grey line extends from the top of the letter 'P' to the right, where it is held by the hands of two silhouetted figures. The figures are walking towards the right, pulling the rope. The figure in front is slightly ahead of the second figure.

by Nicholas A. Dunlap, CPM®

TAKE ONE LOOK AT THE SUCCESSFUL SPORTS TEAMS IN OUR SPORTS-CRAZED SOCIETY AND YOU'LL FIND EXAMPLES OF LEADERSHIP, MOTIVATION AND TEAMWORK ABOUND.

Just as we look to these teams and star players for entertainment, we should look to them for inspiration as we manage our own property management teams, particularly during this economic downturn.

Real estate management has become increasingly challenging in our current fiscal environment, especially for those property managers who are supervisors. While dealing with



co-workers, customers, clients and vendors can be trying in any market, those challenges are exacerbated in a depressed economy as our workloads increase and vacancy rates rise. In fact, some of the most simple good business practices are easily forgotten.

Now, more than ever, it is imperative that managers focus on outstanding leadership that motivates staff and encourages teamwork so real estate management companies can achieve success despite the downturn.

AYE AYE, CAPTAIN

As managers or supervisors become increasingly pressured to deliver occupancy rates or reach market rents, it is important staff act as teammates, each playing an integral part in the team's success.

Just as in sports, a company's team is headed by a captain—one who is either selected by upper management or nominated by peers to lead his or her teammates. Consider the asset manager or supervisor the team leader by structure.

To truly uphold and exude the elements of a leader, one must possess the ability to rally and support one's teammates to work toward a common goal. The captain should be able to effectively empower and motivate teammates so they can work through difficulties to achieve success. Successful captains will effectively motivate their teammates to work with them, as opposed to against them, in an effort to achieve their goals.

Look at the great sports teams: the New York Yankees, the Los Angeles Lakers or the New England Patriots. In Derek Jeter, Kobe Bryant and Tom Brady, respectively, each team has a captain who plays a pivotal part in his team's

success. While other teammates are important, the captain leads the team to victory when the pressure is on.

Leaders must understand their importance to their subordinates. Their attitudes and outlook directly affect staff members, and this can easily be forgotten in a tough market. Remain positive and cheery despite increasing workloads, looming deadlines and rising stress levels. Certainly your counterparts realize you are under the gun, but the ability to remain professional reflects strength and confidence, both traits that can encourage staff.

As real estate professionals, we do not compete in an athletic venue; however, our ability to lead is equally important. Just as in an athletic environment, motivated teammates help the leader reach his or her goals. Focus on being more than a manager; become a captain.

COMMUNICATION IS AN ASSET

Part of being a good team captain is being a good communicator. The foundation of any championship team is communication. A team of talented athletes will fail miserably if they don't communicate what plays they're running, where they're throwing the ball, or how they intend to blow by their opponent. They will only get in one another's way.

Revisit the basic elements of your job requirements. Often overlooked by supervisory staff is the necessity to communicate with subordinates. Frequent communication between managers and staff is a way of ensuring all sides are working toward the same common goal.

Managers need to engage their staff so they truly understand their importance and how their effort has a direct effect on occupancy rates and tenant satisfaction. Managers who communicate how much they value their staff will also have more success with retention and productivity.

In our current marketplace, it is also important to communicate frequently to ensure market and data research are current and accurate. Implementing a weekly meeting with key personnel is the perfect place to do this.

Aside from having the property supervisor or asset manager lead the meeting, a motivational speaker or life coach can be very effective in motivating, recognizing and congratulating employees. Pairing company matters with a positive speech can be uplifting and will have a stronger, lasting effect on staff.



**A LEADER
MUST
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TO RALLY
& SUPPORT
ONE'S
TEAMMATES
TO WORK
TOWARD A
COMMON
GOAL.**

FRIENDLY COMPETITION

Incentives will also likely have a lasting effect on staff. With many companies freezing salaries, it is important to create an incentive for those working in a performance-based industry.

While property managers are paid set salaries for their work, the leasing environment of many sectors of the real estate market, including multifamily, office and retail, now requires extra effort to close deals and fill space. Those individuals handling leasing responsibilities need additional incentives to complete these transactions.

That said, creating or introducing a friendly competition leading to shared goals and in which staff can succeed despite financial turmoil may be the solution you need to reinvigorate your team. After all, athletes aren't the only individuals driven by competition.

Done correctly, a competition can help to maximize your marketing dollars and bring your staff closer together. Our firm developed a game called "Manager Match Up." We formed two teams of resident managers at our apartment communities. Each team was encouraged to work together by referring prospective residents to their teammates.

Managers were rewarded based on occupancy rates, number of referrals generated, advertising and overall effort. The response was great. We generated over a dozen referral transactions among our properties and further maximized our marketing dollars.

Our resident managers became concerned with the occupancy rates of their teammates' properties as this related directly to their ability to win the game. Our staff worked together like a championship team would.

In a time when those working in a customer service environment are more likely greeted with "no's" and complaints than with praise, rewarding them with fun, friendly competition, and making an active effort to show appreciation for their duties, can make all the difference.

NAVIGATING TOUGH WATERS

Regardless of the economy or the real estate market's cycles, what starts with strong, effective leadership ends with happy, empowered employees who work eagerly toward a company's goals. Plenty of legendary sports teams have claimed a championship title after a season of hard knocks, thanks to solid teamwork and good leadership.

It's important to remember managers are more than just directors who control resources and expenditures. And while their ability to navigate through balance sheets and profit and loss statements, and build solid budgets is important, the personnel component of their job description cannot fall by the wayside during tough times. ■



Nicholas Dunlap, CPM (NDunlap@dpgre.com), is a property supervisor with Dunlap Property Group in Fullerton, Calif. He is in charge of the firm's Southern California multifamily portfolio as well as business development and client relations. Dunlap was also featured in the "30 Under 30" feature in the Sep/Oct 2009 issue of *JPM*.

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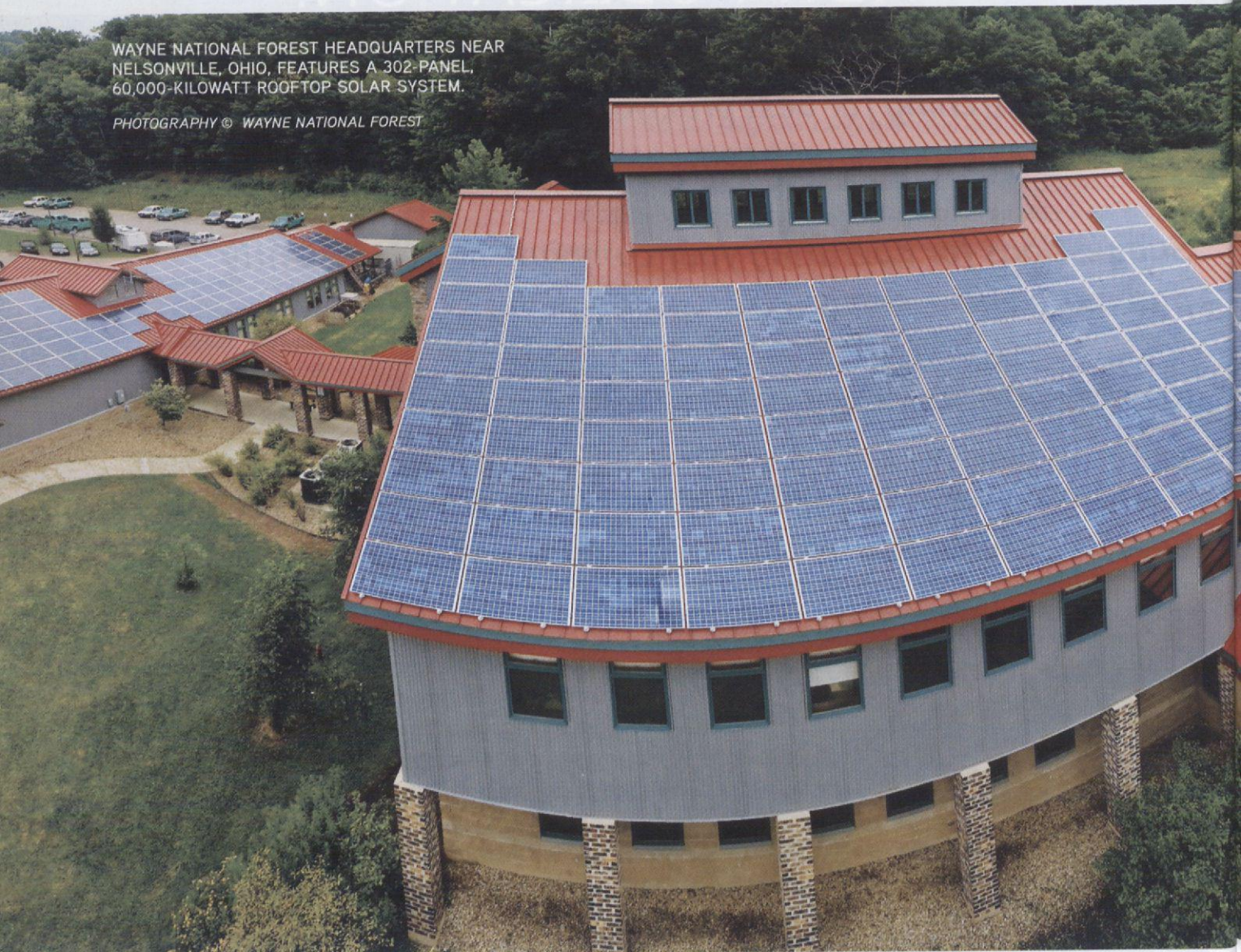
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{ capturing the sun }

SOLAR POWER INVESTMENTS CAN OFFER LONG-TERM SAVINGS IN ENERGY COSTS {BY DIANA MIREL}



Once considered a new-age fad or architectural eyesore, solar power is now a promising alternative energy source fueling great enthusiasm in the green building movement. In fact, solar energy has become a multibillion dollar industry, growing at 40 percent or more every year, according to the American Solar Energy Society (ASES).

While solar powered properties are far from the norm, real estate owners and managers looking



to keep energy costs down might consider weighing the advantages of such systems against the hefty upfront cost of installation.

SUNNY FORECAST

The most common solar technology for commercial and residential buildings is solar electric technology—also referred to as photovoltaic. Photovoltaic technology uses solar panels, typically placed on rooftops or mounted in the ground, to convert sunlight into direct current electricity.

That electricity passes through an inverter, converts into an alternating current, and then moves to a breaker box, providing an interconnection point to the consumer or grid. The electricity is then transferred into power for a property's electricity needs, just like standard electric power.

Power is still transmitted through wall outlets like in typical properties, and lighting systems still turn on and off the same way. In fact, solar electric power typically just offsets the amount of electricity needed from standard sources—so properties don't go without power at night or on a bleak day.

As a result, solar power can work in just about any geographic location. According to ASES, the national leaders for solar power are California, New Jersey and Colorado, with California claiming close to two-thirds of all U.S. solar installations. The number one country for solar energy is Germany, which has the same latitude as Anchorage, Alaska.

"If Germany can do it, clearly any state in the U.S. can do it," said Neal Lurie, spokesman for ASES. "There is no question that with perfectly sunny skies you'll produce more energy. But, even on a cloudy day in Chicago, you'll generate energy using that same amount of sunlight that allows you to differentiate between day and night."

Most solar properties are looking to offset about 10 to 30 percent of their energy usage with solar power. At Wayne National Forest headquarters near Nelsonville, Ohio, the energy collected from its 302-panel, 60,000-kilowatt rooftop solar system is expected to generate 30 to 34 percent of the building's electricity during the sunniest months, and an estimated 15 to 20 percent of the facility's energy needs annually.

It is possible to conserve even more energy, though. The Peter A. and Vernice H. Gasser Foundation, in Napa, Calif., has a 125-kilowatt system atop a carport, as well as on the roof of its 22,000-square-foot office building. The property's solar system has allowed the Gasser Foundation to offset 90 percent of its energy consumption from the electric grid.

"If you do a solar installation and you're only getting 3 to 5 percent of [your] energy use out of it, I don't think that's really enough," said Nicholas E. Stolatis, CPM®, RPA, director of strategic initiatives asset management for Global Real Estate at TIAA-CREF in New York.



THE 125-KILOWATT SYSTEM ATOP THE ROOF OF THE PETER A. AND VERNICE H. GASSER FOUNDATION BUILDING IN NAPA, CALIF., HAS ALLOWED THE FOUNDATION TO OFFSET 90 PERCENT OF ITS ENERGY CONSUMPTION.

PHOTOGRAPHY © PETER A. AND VERNICE H. GASSER FOUNDATION



RETROFITS: SIMPLE BUT COMPLICATED

Geography aside, the energy savings properties experience from installing a solar power system also hinges on the level to which a building is retrofitted.

Solar electric technology and solar hot water technology are two common solar retrofits—both typically involving rooftop solar panels. Solar electric technology is intended to offset a building's electric bill, whereas solar hot water technology offsets a building's natural gas bill.

Mike Hall, CEO of Borrego Solar Systems Inc., in San Diego, said it's difficult to determine which solution would conserve more energy because they are "attacking different parts of a building's energy usage."

However, he said because properties typically require more electricity than hot water—depending on building activity and how much water it is heating—hot water projects are usually smaller ticket items, and the savings impact is also usually less.

Regardless of the type of retrofit, retrofitting a building to be solar powered is fairly simple. To retrofit Wayne National Forest headquarters, a raised panel tray was merely clamped to the roof, said Steve Marchi, forest engineer.

"We didn't have to rewire and [now] we don't need any batteries," he said.

Retrofits become more complicated if structural upgrades need to be made. When structural engineers evaluated the roof of the Stone Harbor Public Works building in Stone Harbor, N.J., they found the building needed some structural steel upgrades to support their 315-panel solar system.

CAREFUL CONSIDERATION

To determine the level of solar retrofit a property will need, property owners and managers should carefully evaluate their buildings. The evaluation process begins with the roof. While most office and residential buildings are engineered strong enough for a system, roof loads remain a top concern.

"A lot of people overlook this part of it, but you have to determine if your facility is able to accommodate the installation physically," Stolatis said.

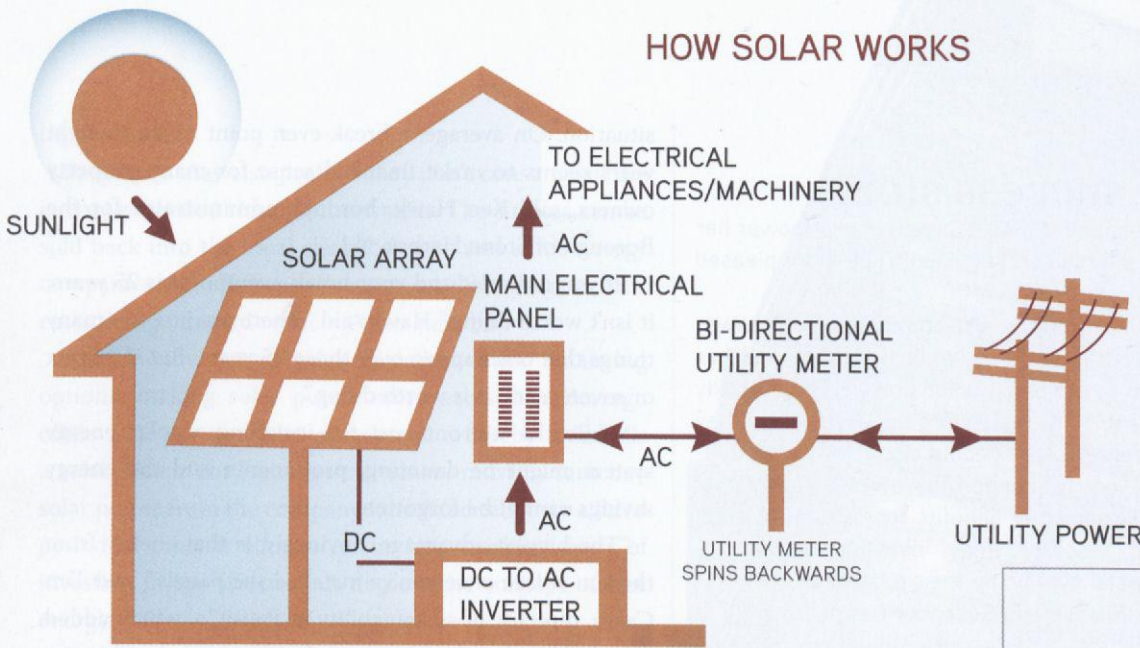
If roof loads pose a challenge, other options exist. If the lot of land housing the property is large enough, solar panels may be mounted in the ground. Also, many property owners install solar panels on top of parking lot carports.

"That way you are almost multitasking with the solar panels; they are generating power and giving you shade," Stolatis said.



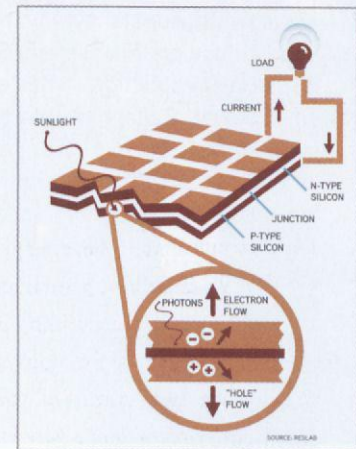
FOR A LIST OF GREEN INCENTIVES AVAILABLE IN EACH STATE, VISIT THE AMERICAN SOLAR ENERGY SOCIETY WEB SITE AT WWW.ASES.ORG/GOSOLAR.

HOW SOLAR WORKS



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Properties can also actually profit from solar power by creatively utilizing unused space.

Professional solar installers are able to determine the best locations for solar panels, said Elva Gallagher, CPM, and director of association management at Community Realty Management, AMO®, in Pleasantville, N.J. A building's orientation must be considered, as solar systems require direct sunlight and minimal shade.

"Shade of any kind affects the production of the system and affects the reading," said David Potovsky, senior energy consultant with Borrego. "These systems are typically on flat roofs so we can orient the systems any which way. But things that would shade the roof—like parapets or air conditioning units—are all concerns."

Building owners and managers should consider more than their properties' structures when retrofitting. They must take into account their roof warranties. Most solar systems have a warranty period of 25 to 30 years, which means the younger the roof the better.

"If the roof needs to be replaced in the next seven or fewer years, you should probably replace the roof before you go solar," Potovsky said.

Protecting any existing warranties is also imperative. Before installing a 50-panel system atop 1000

Environmental Way, an office building in Charlotte, N.C., Beth Machen, CPM, LEED-AP, president of the Machen-Wingate Advisory Group, called her roof inspector to ensure the installation wouldn't void any warranties.

INVESTING IN THE SUN

Just like a building needs to be carefully evaluated before retrofitting it to be solar powered, owners and managers need to consider the cost and return of such a project. Solar power systems range from \$100,000 to more than \$1 million.

"Of course you have to weigh the cost versus the payback," Gallagher said. "You have to determine if it will pay back the initial output long-term."

The price of solar technology has actually decreased by 30 to 40 percent in the last year, according to ASES, because of an effort to ramp up production, increased competition among solar manufacturers and the global economic crisis, which has led to extra capacity from solar manufacturers.

Ultimately, property owners must determine a realistic return on investment that will work for their specific

{a solar success story}

In 2003, Elva Gallagher, CPM, decided to solar power her home. Now, six years later, she couldn't be more pleased with the outcome.

After struggling to find a cost-effective way to power her home in a rural, forested area, Gallagher and her husband started researching solar power. They quickly learned solar panels are real estate tax exempt and they could get a 70 percent state rebate along with some federal tax credits—not to mention the overall energy cost savings and environmental benefits the system offered. After plenty of research, they installed a 96-panel, 12-kilowatt pedestal system on their property.

Since adding this system, Gallagher has seen an 85 to 95 percent reduction in her electric bills. Prior to using solar power, Gallagher used oil to heat her home, spending about \$1,200 to \$1,500 per year—and that was when oil was about \$.99 per gallon versus about \$2.49 per gallon today. She was also spending an additional \$375 to \$400 a month on electricity. Today, an average electric bill is \$150 to \$200, and she no longer needs to heat her home with oil.

Finally, Gallagher's meter runs backward when there is a surplus of energy and she is able to sell it back to the electric company through solar renewable energy certificates.

"That has helped us pay for the initial out-of-pocket output on the system," Gallagher said. "As individual homeowners and businesses create these generation stations on their properties, the utilities can use that as an offset for building plants. So they use us as part of their team to tell the government, 'Look we're increasing our generation of electricity.' And we get paid for that."



BY ADDING SOLAR PANELS TO HER PROPERTY, ELVA GALLAGHER, CPM®, HAS REDUCED HER ELECTRIC BILLS BY 85 TO 95 PERCENT.

situation. On average, a break-even point of six to eight years seems to make financial sense for many property owners, said Ken Hawk, borough administrator for the Borough of Stone Harbor, N.J.

"If you did solar and your break-even point is 25 years, it isn't worth doing," Hawk said "There are just too many things that can happen over those 25 years. But if it is six or seven years, it is worth doing."

While the upfront cost for installing a solar energy system might be daunting, proponents said the energy savings cannot be forgotten.

"The biggest advantage, obviously, is that energy from the sun is free once you've installed the panels," said Tim Carey, director of sustainability at PepsiCo, which added 16 solar panels to its corporate headquarters in Chicago. "Eventually, the cost of the panels is overcome by the energy you have consumed."

OFFSETTING UPFRONT COSTS

Building owners and managers can lessen the burden of the upfront cost by being business savvy, though. The Gasser Foundation estimates a five-year return on investment for its \$1.5 million solar system.

To do this, the foundation renegotiated its tenants' leases to include electricity charges based on each tenant's electric bill from the year prior to the solar installation. The foundation added that cost into their tenants' rent instead of having tenants pay a monthly electric bill.

"There is no reason why a building owner should add solar power unless they will get their money back and get a return on it," said Joseph Peatman, Gasser Foundation president. "The economics have to work, and they don't work if you just pay for the system and then pass on the savings to your tenants. Renegotiating the leases didn't bother our tenants at all...This is how we pay for the system, and in the long run, this is how we will be more competitive than other buildings."

Properties can also actually profit from solar power by creatively utilizing unused space. In North Carolina, Machen said rooftops of mega office buildings and carports can be leased to the energy company.

The energy company then pays for and installs all the solar panels. The energy produced goes back into the grid, which the energy company can sell. The owner of the building or parking deck profits by leasing roof space to the energy company without the upfront costs of install-

ing the system.

Properties may also profit if they don't consume all the energy generated through the system. The surplus can be sold back into the local electrical grid, and some energy companies will offer customers renewable energy certificates that go toward reducing their next bill.

Additionally, some solar installers offer financing options, making solar power more accessible. Borrego offers a power purchase agreement, whereby it installs a solar system for free, but customers must in turn buy solar power from the company for a fixed rate over a fixed period of time. It eliminates the hefty upfront costs of investing in the system, but negates the concept of free energy.

"It is a great way to do it because the property owner is not on the hook for the operations and maintenance costs, and they are not spending a dime upfront," Potovsky said.

RETROFIT REWARDS

Significant government rebates and incentives that cover between one- to two-thirds of the costs are perhaps the most effective way to finance a solar system.

Billions of dollars in green power incentives are being offered through the American Recovery and Reinvestment Act of 2009 stimulus package. The funds will offset up to 50 percent of the cost of solar power installations in some cases. According to ASES, the federal government offers a 30 percent credit taken in the form of a direct grant for commercial property owners.

"It is an incentive to encourage businesses to make these investments to both stimulate the economy and also protect the environment," Lurie of ASES said.

At the state level, more than half of the country's states offer additional incentives. Machen said North Carolina offers a 35 percent tax credit in addition to the 30 percent credit from the federal government, along with another 5 percent credit in accelerated depreciation, for an impressive total reduction of 70 percent.

The Borough of Stone Harbor, N.J., received a \$158,800 grant from the New Jersey Clean Energy Program towards a \$438,550 solar system project for its Public Works building, which included photovoltaic panels and structural improvements to the roof.



PEPSICO ADDED 16 SOLAR PANELS TO ITS CORPORATE HEADQUARTERS IN CHICAGO.

PHOTOGRAPH © PEPSICO

"The panels are warranted for 25 years, so the analysis we did goes out over 25 years," Hawk said. "In the seventh year we should begin to see a positive cash flow for what we put out for the project. After 25 years, we should see a positive cash flow of \$926,000."

While these types of returns and incentives are causing many property owners to explore solar, simply being smarter about energy consumption remains the first line of defense, real estate managers said.

"We think the first step is making sure you have weeded out every no-cost and low-cost opportunity," said Stolatis. "The cheapest contribution to being energy efficient is conservation. Not using that kilowatt is the cheapest kilowatt you can buy." ■

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

+MEDICAL DIAGNOSIS+

CPM SHARES HIS VISION FOR THE FUTURE OF
MEDICAL OFFICE BUILDING DESIGNS & USE
BY JAMES M. LENNOX, CPM®

Medical Office Buildings (MOBs) embody a unique relationship between a community of healthcare providers and their patients.

This symbiotic dynamic produces a niche real estate product with many complex and competing goals: A highly regulated industry with constantly growing technology must be developed, managed and maintained to produce an efficient, aesthetically pleasing, state-of-the-art environment that's focused on the patient experience and physician satisfaction.

Further, MOBs are at the intersection of two enormous industry movements. In the real estate industry, investors are seeking a recession-proof haven. In the healthcare industry, the United States is amid one of the largest reform initiatives in its history. As a result of both movements, the utilization and design of MOBs will likely be affected.

ECONOMIC ADAPTABILITY

Currently, health systems rely upon MOBs to achieve many objectives: They provide office space for physicians to accommodate patient visits; augment critical components of their acute care facilities; and provide market access points to their service offerings network.

The roles of MOBs are expanding, as extraordinary hospital construction costs—an estimated \$1 million per bed—have caused facilities to downsize





TO TURN A PROFIT, IT WILL BE INCUMBENT UPON OWNERS AND HEALTHCARE SYSTEMS TO CONSTANTLY FINE-TUNE THEIR SERVICES AT EACH LOCATION TO MEET THE NEEDS OF THAT COMMUNITY.



and shift their focus from in-patient to outpatient care, according to the Marcus and Millichap report: *Medical Office Sector Remains Healthy in Ailing Economy*. This shift has led to increased care at physicians' offices, and ambulatory and diagnostic offices, creating opportunities for medical office buildings.

The current economic climate is also impacting the utilization of MOBs. While the asset class isn't recession proof, it has proved resilient in the economic downturn. MOB construction completions peaked in 2008 with more than 17 million square feet of space. And while completions are estimated to have dropped in 2009 to 14.1 million square feet, MOBs are outperforming other asset types, like standard office buildings, according to the Marcus and Millichap report.

Their proven economic resilience, along with the projected expansion

of the healthcare industry has resulted in MOBs attracting more investor interest.

To turn a profit, however, it will be incumbent upon owners and healthcare systems to constantly fine-tune their services at each location to meet the needs of that community. This will likely result in an increase in the use of MOBs as specific centers for cardiac, oncology, neurological and orthopedic services. Each of these will still contain a primary care and community-based services component.

Also potentially affecting utilization of MOBs, is the national discussion on healthcare reform. It has brought out a definable trend amid increasing concern about current and long-term rising healthcare costs: Patients will increasingly become responsible for their own care choices.

In PricewaterhouseCoopers Health Research Institute's report, *Top Nine Health Industry Issues in 2009*, two relevant predictions are made: "From vaccines to regulation, prevention is on the rise" and "Payer and employers move the needle on healthy living through incentives."

In response, Medical Office Buildings will be more accessible to the community they serve. In fact, medical malls and healthcare offices in mixed-use developments are already gaining popularity, according to Marcus and Millichap.

I personally foresee patients—depending upon the preventative and corrective treatment schedules prescribed by their plans—shopping online for the most effective provider. Then, upon entering the MOB, the patient will orchestrate lab tests, outpatient procedures, imaging services or consultations with key specialists. Results will automatically be captured in the patient's electronic medical record and transmitted to the patient and his or her plan provider. Best practices will then dictate the next treatment steps. Patient experience within the MOB will continue to be paramount.

A FLEXIBLE FUTURE

For this vision to come to fruition, however, MOBs require a certain design and functionality. As patient populations within the building increase, designs will shift to more open plans.

The use of signage systems and directories will be necessary to assist building patrons or visitors in proceeding to their desired location within a facility. They will need to become more standardized and intuitive, in my opinion.

I believe flexibility in design will be the defining attribute for long-term utilization and therefore, investment returns. The ability to swiftly reconfigure interior common areas and suites in MOBs, while maintaining an aesthetically pleasing environment, will be critical.

This flexible system will allow for the building to adapt to the needs of the health system and the community. Being able to isolate an employed physician space from a private one or to easily delineate shared space arrangements, among other considerations, will provide an added compliance component.

TAKING ON NEW TECHNOLOGIES

The increasing use of technology in all facets of life will require MOBs to become technological hubs. Healthcare technology is growing exponentially, and MOBs ideally will include imaging services, surgical procedure equipment, electronic medical record readers and mobile

vehicle docking.

Patient kiosks to access Internet or Intranet resources will become common because patient expectation will be that all providers immediately understand the intricacies of their medical condition and the treatment path.

Physicians will increase their off-site and at-home monitoring, coverage and support of their patients' health status and progression of treatment plans. This could require a "call center" type of function to track and interact with patients.

Obviously, the building's systems will need an increased capacity to accommodate the data lines, power utilization, and environmental conditioning and control, in order to maintain the technological services over the 30- to 50-year lifespan of a facility.

GOING FORWARD

The future of medical office buildings is an exciting one. Existing MOBs are actually already suitable for their new roles, albeit with the integration of increased technology infrastructures.

But with the trends noted above, the development, marketing, leasing, branding, and especially operational management of these key strategic assets, will continue to require the best and most capable talent in both the healthcare and real estate industries. ■




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James M. Lennox, CPM® (james.lennox@cbre.com), is a director with CB Richard Ellis, AMO® in Richmond, Va., and is the firm's center of excellence leader for medical office buildings.



TAKE THE
LONG-TERM
VALUE
PERSPECTIVE
WITH
FAUCETS FOR
MULTIFAMILY
PROPERTIES

BY SHAWN HARDY,
*CLEVELAND FAUCET
GROUP*

PERMANENT FIXTURES

IT IS CRITICAL FOR BUILDING MAINTENANCE SUPERVISORS AND PROPERTY MANAGERS TO CONSIDER EVERY MEANS AVAILABLE TO IMPROVE NOI FOR THEIR MULTIFAMILY PROPERTIES. Those who are successful will also reap the benefits of increased property value, which is essential to refinancing an expiring loan on a property that may have few interested buyers in the current economy.

One method for improving NOI is to analyze expenditures on maintenance and repair costs to identify targeted areas of improvement that will reduce overall expenses. Since a significant portion of the maintenance budget for multifamily properties is allocated to plumbing fixtures, it is important to consider the total cost of ownership for the life of a faucet rather than looking solely at the initial purchase price. Paying less up front may actually cost more down the road. Faucets that require fewer repairs during their service life will cut both material and labor costs. Those with features designed to speed installation—such as factory-installed supply lines or deckplate gaskets that eliminate the need to use plumber's putty—will immediately reduce labor costs. Even durable Physical Vapor Deposition (PVD) finishes will prevent normal wear and scratches from diminishing the life of an otherwise functional fixture.

Specifying a single faucet brand across all units will also reduce maintenance costs by unifying parts inventory and standardizing training. For example, brands that use a common cartridge assembly in each faucet model make it easier for maintenance technicians to become familiar with the change-out process. Once a technician is properly trained, subsequent installation and repairs become streamlined and systematic.

In a real-world application, Equity Residential, one of the largest publicly traded owners, operators and developers of multifamily housing in the United States, found savings when it implemented a standardization strategy across its portfolio.

"By standardizing, we've noticed a meaningful improvement in our total cost of ownership driven by the reduction in the time needed to perform repairs," said Stuart



Helfman, vice president, facilities services.

Another area to consider when looking to improve NOI is energy expense and utility costs. Because water is typically included with the base rent in units that do not feature submeters, tenants are less aware of their usage patterns and have no incentive to conserve. Installing efficient plumbing fixtures will not only automatically lower water use, but will curb energy costs as well since less fuel is needed to create hot water. Plus, local utilities may offer assistance or rebates for multifamily properties that retrofit using products that conserve energy.

Management companies can specify faucets that meet WaterSense labeling criteria as they meet water-efficiency and performance criteria defined by the U.S. Environmental Protection Agency (EPA), similar to what has been done with the ENERGY STAR program for appliances. Converting units to 1.75 gallons per minute (gpm) showerheads that use 30 percent less water than standard flow rates will save up to 7.5 gallons for every 10-minute shower. Without relying on behavioral changes or affecting tenant satisfaction in any way, making these simple changes can result in a tremendous reduction in water and sewer costs to improve NOI.

Even relatively modest savings in operating expenses will proportionately increase NOI—which is magnified to increase property value. Assuming a cap rate of 7 percent, a modest \$25,000 reduction in maintenance costs will increase the value of a property by more than \$350,000.

$$\left[\begin{array}{l} \$25,000 \text{ increase in NOI} \div 7\% \text{ Cap Rate} \\ = \$357,142 \text{ additional property value} \end{array} \right]$$

This opportunity to increase value can be of significant importance in the current economic climate as multifamily sales transactions have ground to a virtual halt and many owners are forced to refinance existing loans and hold on to properties longer than they may have planned. ■



Shawn Hardy is the Brand Manager for Cleveland Faucet Group in Cleveland, Ohio. For more information on Cleveland Faucet Group visit cfgonline.com



NEW IREM LEADERS ANNOUNCED FOR 2010

At the 2009 IREM fall business and governance meetings in Hawaii, new officers and regional vice presidents were installed. They will spend the next year serving and getting to know members. Readers can take this opportunity to learn more about them.

IREM OFFICER BIOGRAPHIES

PRESIDENT



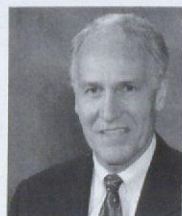
O. Randall Woodbury, CPM®, serves as corporate secretary and vice president in charge of property management for the Woodbury Corporation, a family real estate firm established in 1919. The firm specializes in developing and managing retail, office and hotel prop-

erties in the Western United States, mostly for its own portfolio.

Woodbury received a Bachelor of Arts degree in finance from the University of Utah and spent seven years in mortgage banking. He earned his CPM designation in 1987, served in 1992 as president of IREM Utah Chapter No. 33, and was honored three times as the chapter's "CPM of the Year." Nationally, he has served IREM on various committees, as a regional vice president, and as a member of the executive committee.

Woodbury is a principal in several real estate ventures, is a director of American Bank of Commerce and holds Utah real estate and insurance licenses.

PRESIDENT-ELECT



Ronald L. Goss, CPM, is president of RPM Management Co., Inc., AMO®, and is a senior vice president, a director and assistant secretary of RPM Management's parent company, Rector Phillips Morse, Inc. Both companies are

located in Little Rock, Ark.

His areas of responsibility include leasing and managing commercial/retail, condominium, and office building

properties. Goss is a long-time member of IREM Arkansas Chapter No. 64 and has held numerous leadership positions with the chapter, including that of president. In 1986, he was honored as the chapter's "CPM of the Year."

SECRETARY/TREASURER



James A. Evans, CPM, is a senior executive with two companies in Grand Blanc, Mich. He is president and CEO of Bruce G. Pollock & Associates, Inc., Realtors, responsible for the commercial, residential and property management divisions of the company. He also is president and CEO of KEB Investments, a real estate development company, with responsibility for acquiring, leasing and managing all of the company's properties.

Evans earned the CPM designation in 1998 and has held numerous positions with IREM Michigan Chapter No. 5, including chapter president. Nationally, he has served as a regional vice president and as a member of several committees.

RVP BIOGRAPHIES

REGION 1 VICE PRESIDENT



Robert Winder Nordblom, CPM, of Groton, Mass., will serve as the 2010 and 2011 Regional Vice President for Region 1. During his two-year term, he will have oversight for the activities of IREM chapters in Massachusetts,

Connecticut, Maine, New Hampshire, Rhode Island and Vermont.

Nordblom is executive vice president of Boston-based Nordblom Company and oversees the company's multifamily assets, and corporate technology and property insurance activities, as well as its accounting and human resources departments. The Nordblom Company was founded in 1924 by Nordblom's great grandfather.

Nordblom earned the CPM designation in 1990 and has served in many leadership positions with IREM Boston Metropolitan Chapter No. 4, including president. He is also a member of the IREM Governing Council and the Audit and Legislative Committees.

REGION 2 VICE PRESIDENT



Jesse Holland, CPM, ARM®, of Albany, N.Y., serves as the 2009 and 2010 Regional Vice President for Region 2. During his two-year term, he has oversight for the activities of IREM chapters in Delaware, New Jersey, New York and Pennsylvania.

Holland is the founder and president of Sunrise Management & Consulting, AMO, headquartered in Albany. Active in IREM, he is concluding a three-year term as president of IREM New York Capital Region Chapter No. 93. Holland is a licensed real estate broker in New York, New Jersey and Massachusetts. In addition to earning the CPM designation, he is certified as an assisted housing manager and a tax credit specialist.

REGION 3 VICE PRESIDENT



J. Todd Willett, CPM, of Richmond, Va., serves as the 2009 and 2010 Regional Vice President for Region 3. During his two-year term, he has oversight for the six IREM chapters in Virginia, Maryland and the District of Columbia.

Willett is the director of asset services with CB Richard Ellis of Virginia, AMO, and has 20 years of real estate management experience. As an IREM Member, he has served as president of the executive council of IREM Virginia Tidewater Chapter No. 39 and president of IREM Northern Virginia Chapter No. 77.

REGION 4 VICE PRESIDENT



Kevin Grail, CPM, CPO, of Winter Park, Fla., will serve as the 2010-2011 Regional Vice President for Region 4. During his two-year term, he will have oversight for the activities of the five IREM chapters in Florida and Georgia.

President of Strong Management, Inc., Winter Park, Grail has over 23 years of industry experience and specializes in multifamily management of market rate apartments as well as project-based Section 8 communities.

Grail has served in many leadership positions with IREM Central Florida Chapter No. 60, including president. He was honored as the chapter's "CPM Candidate of the Year" in 2006, "CPM of the Year" in 2007, and currently serves as its chair of the Minority and Student Outreach Committee. Grail has also been vice chair of IREM Industry Standards Board and a member of the Advisory Board for JPM®.

REGION 5 VICE PRESIDENT



R. Wayne Pierce, CPM, of Madison, Miss., serves as the 2009 and 2010 Regional Vice President for Region 5. During his two-year term, he has oversight for the activities of the four IREM chapters in Alabama, Arkansas, Louisiana and Mississippi.

Pierce is president of the Heritage Properties, Inc. of Mississippi, AMO. He has been active in IREM Mississippi Chapter No. 80 since 1993. He has held numerous chapter leadership positions, including president, and served on various IREM national committees. Pierce is a licensed real estate broker in Mississippi and Louisiana.

REGION 6 VICE PRESIDENT



Sheila A. Austin, CPM, ARM, of Southfield, Mich., serves as the 2009 and 2010 Regional Vice President for Region 3. During the two-year term, she has oversight for the activities of nine IREM chapters in Indiana, Kentucky, Michigan, Ohio and West Virginia.

Austin is the founder, owner and president of Wedgewood Property Management and Consulting, LLC. She has served as president of IREM Michigan Chapter No. 5, and was honored by the chapter in 1998 as "CPM of the Year," and then again in 2002 with a "Special Recognition Award." Austin has also served as an IREM Governing Councilor, and as chair of the IREM Membership Committee and the Ethics and Discipline Committee. She is a long-time IREM faculty member.

REGION 7 VICE PRESIDENT



Jeffrey I. Burck, CPM, of Sugar Land, Texas, serves as the 2009 and 2010 Regional Vice President for Region 7. During his two-year term, he has oversight for the activities of the seven IREM chapters in Texas and Oklahoma.

Burck is a property manager with Brookfield Properties, Houston, and has more than 20 years of industry experience managing office, retail and industrial properties. In addition to his CPM designation, Burck holds the Real Property Administrator (RPA) credential from the BOMI Institute and holds a Texas real estate broker's license.

Burck has served in numerous leadership positions with IREM Houston Chapter No. 28, including president. Recently, Burck received the chapter's "Jeff Williford Award of Excellence," an award named after the well-loved chapter past president and a past IREM regional vice president who embodied professionalism and ethics at the highest level.

REGION 8 VICE PRESIDENT



Donald B. Wilkerson, CPM, of Reno, Nev., serves as the 2009 and 2010 Regional Vice President for Region 8. During his term, he has oversight for the activities of IREM chapters in Arizona, Colorado, Nevada, New Mexico and Utah.

Wilkerson is president and chief executive officer of Gaston and Wilkerson Management Group, AMO, a full-service real estate firm engaged in multifamily, commercial and industrial management, development and

brokerage. He is also a licensed real estate broker and holds a property management permit in Nevada.

Wilkerson has held numerous chapter leadership positions with IREM Northern Nevada/Tahoe Chapter No. 89, serving two terms as president. He has twice been honored as the chapter's "CPM of the Year," first in 2005 and then again in 2009.

REGION 9 VICE PRESIDENT



Deborah J. Ho-Beckstrom, CPM, of Apple Valley, Minn., will serve as the 2010 and 2011 Regional Vice President for Region 9. During her two-year term, she will have oversight for the activities of the IREM chapters in Minnesota,

Wisconsin and Illinois.

Ho-Beckstrom is the chief executive officer of Community Association Group, Inc. in St. Paul, Minn., a property management and consulting firm that specializes in common interest communities. She is also a licensed real estate broker in Minnesota.

Ho-Beckstrom earned her CPM designation in 1987 and has held many leadership positions with IREM Minnesota Chapter No. 45, including president. She was honored with the chapter's "President's Award" in 2003 and its "CPM of the Year" award in 2004.

REGION 10 VICE PRESIDENT



M. Andrea May, CPM, will serve as the 2010 and 2011 Regional Vice President for Region 10. During her two-year term, she will have oversight for the activities of IREM chapters in Iowa, Kansas, Nebraska, Missouri, North

Dakota and South Dakota.

May is vice president of investor services for Colliers Turley Martin Tucker, AMO, in St. Louis. She is responsible for a 223-million square foot industrial portfolio located on the West Coast and in the Southwestern United States, and is the liaison between asset managers and on-site property managers serving the portfolio. May also holds a Missouri real estate salesperson's license.

May has held numerous leadership positions in IREM Tidewater Chapter No. 39 and IREM St. Louis Chapter No. 11, including St. Louis chapter president in 2007 and 2009.

REGION 11 VICE PRESIDENT



J. Benjamin McGrew, CPM, of Sacramento Calif., serves as the 2009 and 2010 Regional Vice President for Region 12. During his two-year term, he has oversight for the activities of IREM chapters in California and Hawaii, the largest regional base of membership for IREM worldwide.

McGrew is president and majority shareholder of MANAGEWEST, Inc., a professional, full-service management company based in Sacramento, Calif., and is a principal in Signature Equity Group, Inc.

McGrew served as president of Sacramento Valley Chapter No. 22 in 2001, was named "CPM of the Year" in 2000 and again in 2004, and received the chapter's "Chapter Leadership Award" in 2007. McGrew also has served as chairman of the IREM Ethics and Discipline Committee and Legislative and Public Policy Committee. He is a member of the Ethics and Discipline Committee and the Ethics Appeal Board, and the IREM Governing Council.

REGION 12 VICE PRESIDENT



John Hatton, CPM, of Mercer Island, Wash., serves as the 2009 and 2010 Regional Vice President for Region 12. During his two-year term, he has oversight for the activities of IREM chapters in Alaska, Idaho, Montana, Oregon, Washington and Wyoming.

Hatton, a 25-year veteran of the real estate management industry, is an executive with Legacy Partners Residential, Inc., AMO, responsible for the firm's property management operations and acquisitions/dispositions for the

Seattle area.

Long active in IREM, Hatton served as president of IREM Western Washington Chapter No. 27 in 2003.

REGION 13 VICE PRESIDENT



Connie Carpenter, CPM, serves as the 2009 and 2010 Regional Vice President for Region 13. During her two-year term, she has oversight for the activities of the seven IREM chapters in North Carolina, South Carolina and Tennessee.

Carpenter is a senior property manager and a licensed broker with Colliers Turley Martin Tucker, AMO, in Nashville. She has held numerous leadership positions with IREM Greater Nashville Chapter No. 71, including president. In 2007, she was honored as the chapter's "CPM of the Year." Carpenter also serves as a member of the IREM Governing Council.

REGION 14 VICE PRESIDENT



Mark Bell, CPM, ARM, serves as the 2009 and 2010 Regional Vice President for Region 14. During his two-year term, he has oversight for the activities of three IREM Canadian chapters.

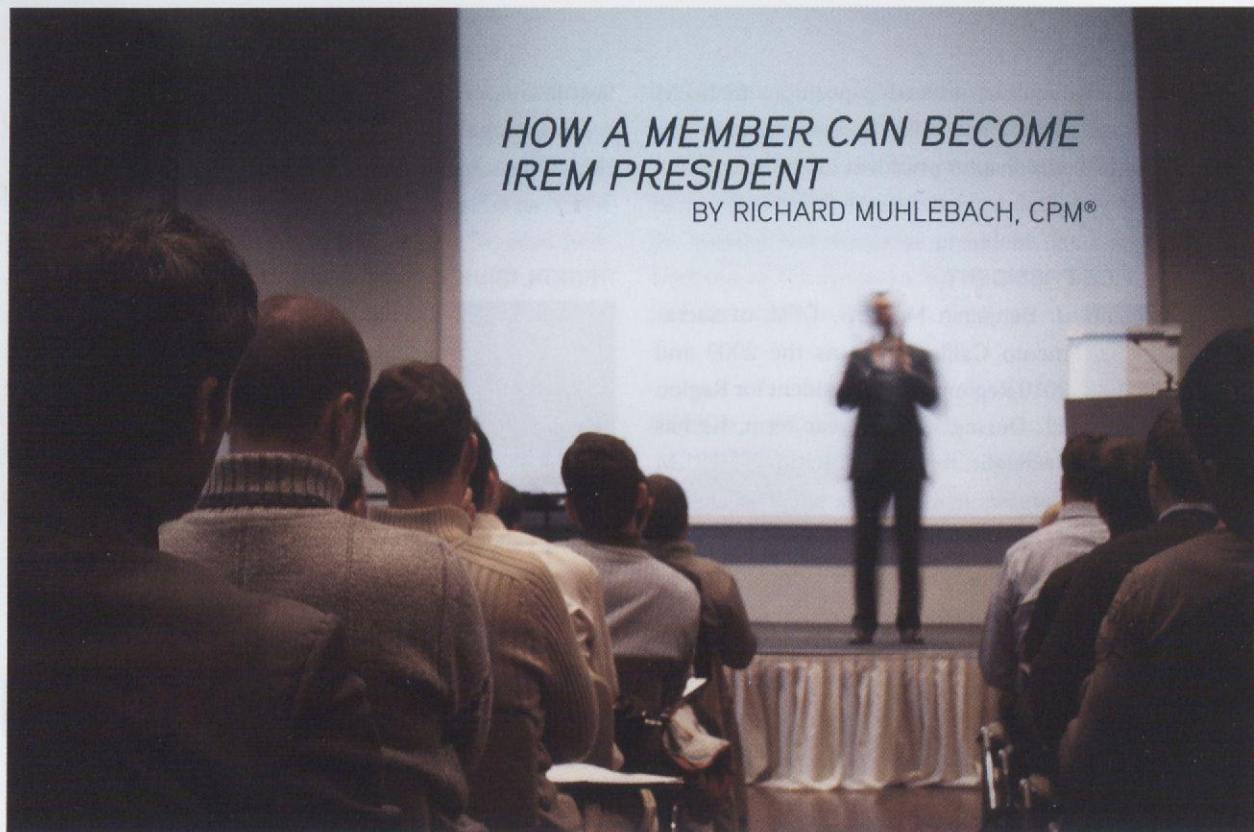
Bell is regional manager for Regional Housing Operations, Southeast office, located in Yorkton, Saskatchewan, Canada. For the past 27 years, he has been associated with Saskatchewan's Housing Authority network.

Bell has held leadership positions with IREM Saskatchewan Chapter No. 45 and has served as a member of the IREM faculty since 1999. Bell also served a number of terms on the provincial board of the Real Estate Institute of Saskatchewan, served as president of the Real Estate Institute of Canada in 2001 and 2002, and is a past chair of the IREM Canada Council.



FOR MORE INFORMATION ABOUT IREM LEADERS VISIT

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HOW A MEMBER CAN BECOME IREM PRESIDENT

BY RICHARD MUHLEBACH, CPM®

path to the presidency

HAVE YOU EVER WONDERED HOW A MEMBER BECOMES THE INTERNATIONAL PRESIDENT OF IREM?

Turns out, the members who become president go through a long process whereby they gain knowledge of the Institute's issues and challenges so they can better serve the organization and the real estate management industry.

The path to the presidency starts with those members who graciously volunteer for their local chapters and nationally. This process allows other IREM Members and leaders to evaluate their leadership abilities, judgment and understanding of the Institute.

Eventually those members who excel as leaders at the chapter, regional and national levels have the potential to become an officer, or more specifically, the secretary/treasurer of the Institute. The secretary/treasurer then almost

always becomes the president-elect and then the president during a three-year period, barring any unforeseen circumstances.

It is an effective process that has sustained the Institute for many years, resulting in strong leadership and the viable organization that has such an impact on the real estate management community today. A closer look at this process will give you some perspective on how your colleagues, and you too, can become an Institute leader.

CHAPTER LEADERSHIP

Chapter leadership is the first stepping stone to the presidency. Each chapter selects its president from members who have shown a commitment to the chapter and the Institute, volunteered for several committees and served on the chapter's executive committee.

Serving as a chapter president is an important leadership position as it provides members with a thorough understanding of how chapters operate and the issues and challenges they encounter. Chapter presidents also attend the Institute's two annual national conferences. While at these conferences, they attend the governing council meeting.

The governing council is an elected body that represents all the members of the Institute. It elects the national officers, and approves all policies, the annual budget, the strategic plan and changes to the by-laws. It is made up of 220 members, including every chapter president, other members recommended by their chapters, along with regional vice presidents, senior vice presidents, executive committee members and past national presidents.

While at the governing council meeting, chapter presidents are given a report on the Institute's activities, and they vote on issues and policies that govern the Institute. In addition to attending the governing council meeting, chapter presidents meet with one another to discuss mutual concerns and programs. They also have the opportunity to attend committee meetings.

REGIONAL LEADERSHIP

At the regional level, each chapter recommends candidates for regional vice president (RVP) positions, which involve a two-year term. Upon chapter recommendations and an endorsement from the presiding RVP in a candidate's region, RVPs are selected by the nominating committee—a committee comprised of the current national president and the five most recent past presidents.

RVPs meet at the two national conferences to discuss the happenings of their chapters and make recommendations for programs and proposed policies that will assist in the operations of the chapters. They're also involved with many of the issues that various committees and the officers are working on.

The primary responsibility of the RVPs is to

work with the chapters in their regions; coordinate activities among the chapters; and serve as the liaison between the chapters and headquarters. They are the voice of their chapters and their regions. This is a vital learning experience on the path to becoming the Institute's president.

SERVING ON NATIONAL COMMITTEES AND BOARDS

Each year scores of members serve on and chair national committees and boards. These committees develop programs and policies that are sent to the governing council or executive committee for review and approval. (The executive committee is a body of 20 comprised of the three current officers, seven senior vice presidents, the immediate past president, an IREM Foundation representative, the IREM representative to the NAR executive committee and seven at-large members.)

When members serve on committees and boards such as the education committee or the international management board, they gain insight into the Institute's platforms. Some members serve on one committee for a number of years while others choose to serve on different committees each year. There is no better way to understand in depth the issues the Institute faces than to serve on committees.

SENIOR VICE PRESIDENTS

Senior vice presidents (SVPs) are assigned an area of responsibility such as legislative affairs, troubled assets and green/sustainability issues. They serve for one year and are appointed by the president-elect to serve when he or she becomes the president.

The president-elect appoints members to the executive committee and appoints the various committees' chairs and vice chairs to serve on his or her leadership team when he or she becomes president.

Members who serve as a senior vice president often are asked to serve multiple terms, with the support of the officers and IREM staff. They are



TO READ MORE ABOUT THE HISTORY AND LEGACY OF IREM PRESIDENTS VISIT WWW.IREM.ORG/LEADINGTHEWAY.

given a different area of responsibility during each term they serve.

After serving multiple terms, SVPs have a thorough knowledge of each major area of the Institute, all the industry topics the Institute is addressing, and have worked with a wide variety of members from around the United States and from other countries. Members who are elected as IREM President typically have served three to six years as a senior vice president.

BECOMING AN OFFICER

The nominating committee has the ultimate responsibility of selecting the slate of national officers for the governing council's vote. Officer candidates are generated from an extensive list of members who are serving the Institute, along with a list of their service activities for their chapter, the committees they have served on and other positions they have held within the Institute.

From that comprehensive list, the nominating committee develops a short list of candidates. It deliberates for hours over the candidates' leadership abilities, knowledge of the Institute and industry, their ability to serve as chair of a committee and their sense of judgment.

INTERVIEWING THE CANDIDATE FOR SECRETARY/TREASURER

After the nominating committee selects a candidate for secretary/treasurer, the immediate past president meets with the candidate in the candidate's office and tours some of the properties the candidate's firm manages.

The past president meets with the candidate's family and interviews his or her partners or supervisor. The nominating committee must be certain the candidate is active in the property management profession.

The past president submits a written report

and presents highlights from the visit with the candidate to the nominating committee. The past president either recommends the candidate continue through the evaluation process, or the process is terminated and another candidate is considered.

If the process continues, the nominating committee then interviews the candidate. The committee members take turns asking prepared questions, and then each past president can ask any follow-up questions. The last question asked of every candidate is, "Is there anything in your background that would prevent you from becoming the Institute's president or would embarrass the Institute?"

After the candidate leaves the room, the nominating committee discusses the qualifications of the candidate and votes whether to submit the candidate as the secretary/treasurer, along with the recommendation for president-elect as the slate of officers to the governing council.

OFFICIAL ELECTION OF OFFICERS

The nominating committee submits a slate of officers to the governing council for its vote at the IREM fall conference. Any member can nominate someone for the positions of secretary/treasurer or president-elect. The current president-elect becomes the next year's president.

Does the nominating and election process work? The validation of this process is evident in the quality and leadership abilities of the members who served as the Institute's president starting with the first president, Howard E. Haynie, CPM, in 1934 and continuing to our newly elected president, Randall Woodbury, CPM. Each of the 76 presidents share a passion, dedication and time commitment to the Institute. ■



RICHARD MUHLEBACH, CPM (RMUHLEBACH@COMCAST.NET), IS A REAL ESTATE CONSULTANT IN WOODINVILLE, WASH. HE IS AN INSTRUCTOR FOR IREM AND WAS IREM PRESIDENT IN 1998. HE HAS CO-AUTHORED 17 BOOKS ON COMMERCIAL REAL ESTATE.

Awards & Recognition



Pamela Monroe, CPM®, IREM 2009 president and senior vice president of Community Realty Management, Inc. in Pleasantville, N.J.; and Rose Evans, Executive CPM of Levin Management Corp., AMO®, in North Plainfield, N.J.,

were selected as two of 50 “Women of Influence” in 2009 by ALM’s Real Estate Media Group (www.almrealestatemediagroup.com). Monroe and Evans were profiled in the Nov/Dec 2009 issue of *Real Estate Forum* magazine.



Dawn Carpenter, CPM, and Jim Helsel, CPM, recently received awards from the 2009 REALTORS® Commercial Alliance (RCA). Carpenter was named “2008 CPM of the Year” by IREM Greater New York Chapter No. 26 and Helsel received the

“2008 Distinguished Service Award” from the Greater Harrisburg Association of REALTORS. The RCA National Awards Program acknowledges the outstanding professional achievements of members of the National Association of REALTORS® (NAR) and its institute affiliates who received an award from their state or local REALTOR commercial group. Visit www.realtor.org to view the 2009 award recipients.

CB Richard Ellis, AMO, ranked No. 45 in the *Newsweek* 2009 Green Rankings. The list, featured in the publication’s September 28, 2009 issue, measures the environmental performance of the 500 largest U.S.-based publicly traded companies. The ranking is based on each company’s actual resource use and emission levels, its environmental policies and strategies, and its reputation among its peers. CB Richard Ellis ranked highest among commercial real estate companies. The complete rankings, as well as the related story, are available at <http://greenrankings.newsweek.com>.

Cushman & Wakefield, AMO, recently announced it will challenge its U.S. portfolio of managed properties to reduce energy, water consumption and waste disposal by 10 percent by 2012. The *Cushman & Wakefield Environmental Challenge* requires properties to report monthly energy and water use, and waste disposed, and encourages facilities to improve environmental performance. The challenge will leverage the resources of the U.S. Environmental Protection Agency (EPA), ENERGY STAR and WasteWise partnership programs. Buildings that meet program rules, will receive a certificate of participation for striving to improve the environmental performance of Cushman & Wakefield’s managed portfolio.

IREM FOUNDATION ANNOUNCES NEW LEADERS



The IREM® Foundation, a non-profit 501(c)(3) public foundation, has named new officers to a two-year term. Edward H. Boudreau Jr., CPM, chairman of Capital Consultants Management Corporation



(CCMC) in Dallas, will serve as president. Robert B. Toothaker, CPM, chairman of Real Estate Management Corporation, AMO as well as CB Richard Ellis, South Bend, AMO, will serve as vice president.

Joining Boudreau and Toothaker on the Foundation Board for two-year terms are seven new members: Robert D. Demson, CPM; Gail Duke, CPM; Richard L. Elam, CPM; James Evans, CPM; John N. Gallagher, CPM; Pamela W. Monroe, CPM; and Victoria R. Parmentier, CPM.

Visit www.irem.org/foundation for more information about the IREM Foundation.



IREM FOUNDATION
INSTITUTE OF REAL ESTATE MANAGEMENT



KNOW YOUR CODE OF PROFESSIONAL ETHICS: Article 13. Duty to Report Violations

BOB DEMSON, CPM® EMERITUS (RDEMSON@COX.NET) IS PRESIDENT OF R/A CONSULTANTS, INC. HE IS AN INDEPENDENT REAL ESTATE CONSULTANT AND AN IREM FACULTY MEMBER.

Each MEMBER has a responsibility to provide the Institute of Real Estate Management with any significant factual information that reasonably suggests that another MEMBER may have violated this Code of Professional Ethics. Such information must be presented as outlined in the Institute of Real Estate Management's Bylaws and Statement of Policies.

As a child you may have been told, "Don't be a tattletale." You also probably heard, "If you don't have anything nice to say, then don't say anything at all." Later in life you may have heard people say, "Well, it really isn't any of my business."

These phrases represent an inherent dislike for "snitches" in our society, but as a CPM® or ARM® Member, you have been sworn to uphold a higher degree of ethics. *Article 13. Duty to Report Violations* was added to the IREM Code of Professional Ethics when the new Code was adopted and became effective January 1, 2007. It states that a "MEMBER has a responsibility to provide the Institute of Real Estate Management with any significant factual information that reasonably suggests that another MEMBER may have violated this Code of Professional Ethics."

The Code of Professional Ethics is the foundation of IREM. Our institute is known for the Code and we diligently enforce its articles; this is what sets our members apart from all others in the business of property management.

Let's say you have significant factual information that a member may have violated the Code. You have a choice to make—report your findings, or do nothing and violate the Code. Does reporting it make you a tattletale or a snitch? Is it not your business? No, it very much *is* your

business. Our Code aims to protect all of your years of work and the credible reputation you have worked so hard to establish. This goes hand-in-hand with the money and time spent on your IREM education and the designation you proudly hold.

Today, in many sectors of business (banking, finance, medical, legal, construction and general business) we hear of questionable decisions, actions and practices of our peers. We hear that if they did a better job of self policing their industries these problems would not occur so frequently. Unfortunately, they don't police themselves or their industries, and often don't seem to care. This lack of action consequently makes government laws and enforcement necessary.

What happens if you report a violation and can submit significant factual information to back it up? The report goes to IREM headquarters in Chicago to the Ethics and Discipline Committee, where it is assigned to the Inquiry Board. If the board finds enough facts to pursue the violation, the case proceeds to the Hearing and Discipline Board. If that Board concludes there is a violation and the member incurs any of the allowable sanctions, the member may request an appeal before the Appeals Board. All of this is done in very strict confidentiality.

Over the years I've found that a member may violate the Code without even being aware of it. If he or she then goes through this process, the result is typically a more knowledgeable and responsible member. If you become aware of a violation, report it. Know that the member will be given due process and you are doing the right thing. ■



TO VIEW THE IREM ETHICS PAGE VISIT

WWW.IREM.ORG/ETHICS

CAREER MOVES



Cammie Allie, CPM®, ARM®, has founded Fortress Property Management, a new property management company specializing in all aspects of multifamily management, including conventional, tax-credit, and Section 8. Located in Portland, Ore., Fortress Property Management offers clients over 25 years of combined experience in property management. Visit www.fortresspropertymgmt.com for more information.



Lenora Carpenter, CPM Candidate, has joined Lincoln Property Management in Olathe, Kan., as a regional property manager. She will be responsible for managing properties in Kansas and Missouri.



Steven Barthel has joined Levin Management Corporation, AMO®, as vice president of construction. In his new role, Barthel will oversee all construction activities within the firm's retail portfolio of more than 12.5 million square feet in New Jersey, New York, Pennsylvania, Virginia and North Carolina. Barthel brings 25 years of experience to his new position.



ON THE ROAD

JANUARY 12

Greater Phoenix Chapter No. 47

Location: Phoenix, Ariz.

Visiting Officer: Randy Woodbury, President

JANUARY 22

Indianapolis Chapter No. 24

Location: Indianapolis, Ind.

Visiting Officer: James Evans, Secretary/Treasurer

FEBRUARY 9

Wichita Chapter No. 65

Location: Wichita, Kan.

Visiting Officer: Madeleine Abel, Senior Vice President

FEBRUARY 11

Memphis Chapter No. 20

Location: Bartlett, Tenn.

Visiting Officer: Ron Goss, President-Elect

FEBRUARY 21-27

Korea Chapter No. 112

Location: Seoul, Korea

Visiting Officer: Randy Woodbury, President

IREM iLearn Program Wins NAR Game Changer Challenge

The proposed IREM education program, iLearn, was selected as one of the winners of the National Association of REALTORS® (NAR) *Game Changer Challenge*. The challenge, issued to a diverse group of business leaders at the NAR Leadership Summit in August, was designed to discover new and imaginative ways of handling the changing challenges in REALTOR association management.

The concept of the iLearn program is to develop a next generation approach to the delivery of education using a blended learning system. iLearn will utilize alternate platforms and pathways to an IREM creden-

tial and ongoing professional development offerings from IREM, including self study, webinars, smart phone applications, imbedded video, social media and learning assessments. Expertise and best practices from academia, instructional design, technology, e- and distance learning will be incorporated into the IREM knowledge delivery systems.

NAR will fund the iLearn proposal and provide a consultant to assist in the program development. Visit www.realtor.org/gamechangers for more information on the *Game Changer Challenge* and a list of winners.



CBRE | Reichle Klein
CB RICHARD ELLIS

COMPANY HEADQUARTERS LOCATION Toledo, Ohio
NUMBER OF EMPLOYEES 56
DATE THE COMPANY BECAME AN AMO FIRM 2009
COMPANY WEB SITE www.cbre.com/toledo

DANIEL M. KLEIN, CPM®, IS THE CO-FOUNDER AND MANAGING DIRECTOR OF ASSET SERVICES FOR CB RICHARD ELLIS/REICHLER KLEIN IN TOLEDO, OHIO. Highly trained in both real estate law and the real estate field, he is an experienced provider of real estate services and solutions. In 1994, Klein, along with Harlan Reichle, founded The Reichle Klein Group, which subsequently evolved into the Toledo affiliate office of CB Richard Ellis. *JPM* talked to Klein about his company and what the AMO® accreditation means.

AS AN AFFILIATE OF THE WORLD'S LARGEST REAL ESTATE FIRM, YOUR OFFICE ENJOYS A VARIETY OF RESOURCES, SUCH AS WORLDWIDE RESEARCH AND STATISTICS. HOW HAVE THESE RESOURCES AIDED YOUR COMPANY?

CB Richard Ellis has world-class, unparalleled services to offer its people and its clients. I am humbled by this every day. Vast intellectual capabilities exist within CB Richard Ellis. With a quick phone call or an e-mail, I can find out an answer to almost any real estate question I have. Leveraging this platform has helped our people grow and develop. It has also allowed us to better serve our owners and tenants with the best services possible.

IN 2007 CB RICHARD ELLIS/REICHLER KLEIN GROUP ACQUIRED MICHAEL REALTY'S BROKERAGE COMPANY AND ITS SEPARATELY OWNED PROPERTY MANAGEMENT COMPANY. HOW HAS THE MERGER BENEFITTED YOUR COMPANY OVER THE LAST TWO YEARS? WHAT HAS CHANGED?

The merger has been great for people from all three organizations. We continue to learn from one another. We continue to adopt best practices from each other, capitalizing on the strengths we all brought to the table. We enjoy a dominant market share in excess of 60 percent. Acquiring the two firms on the eve of the greatest recession in our lifetime has presented its own set of challenges. But, we are well-positioned for success on the other end.

WHAT ARE THE ADVANTAGES OF BEING ASSOCIATED WITH IREM AS AN AMO FIRM?

IREM is the leading organization in commercial property management. And being an AMO firm allows us to take advantage of all IREM has to offer. This includes networking, relationship building and learning opportunities. IREM is a resource-rich organization and is clearly focused on bringing value to its memberships. If you are not a member, for the sake of your business, please look into it.

WHAT IS THE OUTLOOK IN THE NORTHWEST OHIO AND SOUTHEAST MICHIGAN AREA LIKE FOR PROPERTY MANAGERS IN 2010?

Although our markets are currently struggling with the lingering economic effects of the downturn, they are fairly stable and consistent over time. As a result, the property management community is fairly close-knit. As far our clients go, in a downturn they look to us more for outsourcing solutions. Additionally, lenders are leaning on us for help with their special asset portfolios. Property management will continue to be a busy place to be for the next 3 to 5 years at least. ■

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.



IREM Develops Best Practices for Real Estate Management Companies

IREM has developed a set of best practices for property management companies and published them in a document titled, *Best Practices: Real Estate Management Services*.

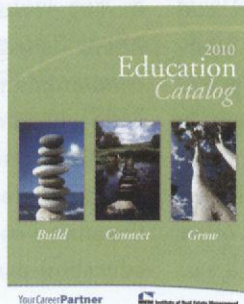
Developed by the IREM Industry Standards Advisory Board, the 52 best practice statements provide a framework for delivering professional real estate management services for executives of companies managing properties for others. The best practices are organized into four categories:

- The management company—15 best practice statements
- Client relations—10 best practice statements
- Management of the property—21 best practice statements
- Tenant/resident relations—6 best practice statements

In developing these best practices, IREM obtained input from various stakeholders, including the senior executives of firms nationwide that have earned the AMO® accreditation. IREM Members can download a free digital version of *Best Practices: Real Estate Management Services* at www.irem.org/bpdigital.

IREM 2010 COURSE SCHEDULE NOW AVAILABLE

Want to start planning for 2010? Get your schedule, travel plans and budget ready with the 2010 course schedule at www.irem.org/education.



CSE

CHAPTER SIGNATURE EVENTS

A *Chapter Signature Event* is an industry event coordinated and executed by a local IREM chapter. These events offer an opportunity to build awareness of the IREM brand, to honor and recognize IREM chapters, and to share best practices. Attend a *Chapter Signature Event* near you in 2010!

EVENT: IREM Tri-State Conference and Expo

DESCRIPTION: Educational sessions, networking events and vendor expo

LOCATION: Atlantic City, N.J.

DATE: February 18-19, 2010

TIME: 1.5 days

REGISTER TODAY: www.irem3.org

HOST CHAPTERS: New Jersey Chapter No. 1, Delaware Valley Chapter No. 3 and Southern New Jersey Chapter No. 101

EVENT: Third Annual Asset & Property Management Symposium

DESCRIPTION: Networking opportunities, educational programs, panel discussion seminars and exhibitors

LOCATION: New York, N.Y.

DATE: March 10, 2010

TIME: 9:30 a.m. to 5:30 p.m.

REGISTER TODAY: www.iremnyc.org

HOST CHAPTER: Greater New York Chapter No. 26

EVENT: IREM LEED and Energy Stars Luncheon

DESCRIPTION: Awards program featuring sustainability keynote speaker

LOCATION: Houston, Texas

DATE: April 8, 2010

TIME: 11:30 a.m. to 1:00 p.m.

REGISTER TODAY: www.iremhoustan.org

HOST CHAPTER: Houston Chapter No. 28

For more information on how to host *Chapter Signature Events*, visit www.irem.org/chapterservices.





IREM INTERNATIONAL PROGRAM CONTINUES TO EXPAND By Nancye Kirk

Despite the economic downturn and resulting challenges all over the world, demand for expertise in real estate management outside of the United States, and particularly in developing countries, remains stable, as evidenced by the steadily growing IREM international program.

Of special note:

- IREM international members account for 9 percent of the Institute's total membership and 14 percent of the CPM® designated membership. Most notable is that nearly one-third of all new CPM designees are coming from outside the United States—a trend that has existed for the past several years.
- More than 30 percent of all 2009 enrollments are represented by students from outside the United States. In addition to traditional classroom courses delivered by chapters and sponsors in Brazil, Canada, China, Japan, Korea, Poland and Russia, at-large students from countries such as Romania, United Arab Emirates, Hong Kong, Kuwait, Jamaica and Vietnam are matriculating through the CPM program via distance-learning options.
- IREM has 12 international chapters—seven in Canada, plus chapters in Brazil, Japan, Korea, Poland and Russia. Of the total international membership, 93 percent come from these six countries, while the remaining are at-large members who come from 31 other countries.

- IREM now has 29 international faculty, with another 14 faculty trainees, primarily from Japan and Russia, where faculty training programs were conducted in August and September 2009, respectively.

These activities during the fourth quarter of 2009 exemplify the Institute's continued expansion into international markets.

IREM STRENGTHENS CONNECTION WITH BRAZIL IN FALL 2009

The management business in Brazil is quite different from that in the United States, primarily because of differences in building ownership. Few buildings, including residential properties and office buildings, are owned by a single owner. Rentals are units within condominium buildings. For this reason, nearly all property management is condominium management.

This was one of the more significant insights gleaned by IREM Past President Pamela Monroe, CPM, and Nancye Kirk, vice president of strategic initiatives at IREM, during a visit there in September. At a session organized by SECOVIRIO in Rio de Janeiro, more than 40 real estate practitioners attended a presentation introducing IREM and its credentialing programs.

In Rio de Janeiro, Monroe and Kirk also met with Leonardo Schneider, president of ASPA, the largest management company in Brazil. The ASPA management portfolio includes 3,000 condominium buildings comprising 85,000 units including apartments, office, and retail, plus 7,800 rental properties.

From there they went to Sao Paulo to attend the annual conference of SECOVI-SP, an IREM education partner in Brazil, and to meet with



officers of IREM Brazil Chapter No. 111, including chapter president Fernanda Lisboa, CPM, ARM®. The event was highlighted with the presentation of ARM certificates and pins to nine Brazilians who had recently completed accreditation courses offered in Sao Paulo and were taught by Pedro Vermales, CPM, and Ramon Venero, CPM.

IREM REACHES REAL ESTATE COMMUNITY IN EUROPE

Recognizing the importance of being visible at high-level international real estate expositions, IREM took advantage of two opportunities in late 2009. In September, IREM exhibited at ProEstate in St. Petersburg, Russia, and was given a speaking platform, with Natalie Brecher, CPM, attracting a standing-room-only crowd.

In October, IREM had a stand at ExpoReal in Munich, Germany, in collaboration with the National Association of REALTORS®. ExpoReal brings together thousands of real estate companies and investors from throughout Europe, creating a unique opportunity for IREM to promote the organization and its members and connect with other international organizations. Represented by Past President Pamela Monroe, CPM, and Nancye Kirk, IREM vice president of strategic initiatives, IREM conducted meetings with organizations from Hungary, Poland, the European Union, as well as several real estate management companies.

VALUE OF PROFESSIONAL PROPERTY MANAGEMENT REINFORCED IN POLAND

Following ExpoReal, Nancye Kirk took part as a speaker at the Polish Federation of Property Management Associations' (PFSZN) annual conference and met with members of IREM Poland Chapter No. 108, which has been

actively offering CPM designation courses for the last year.

According to discussions with IREM Members in Poznan, 16,000 property managers are licensed in Poland—about 10,000 are actively working as third-party managers. Of these, about 2,000 are third-party commercial managers and 8,000 are residential managers.

One of the greatest challenges facing IREM Members in Poland is creating a value proposition for managers of residential properties, especially condominiums. According to Jan Pieta, CPM, and an IREM instructor in Poland, "Condominium owners do not see value of property management. They think they can do it themselves. Also, people seldom sell their units, so they don't think so much about appreciation."

For this reason, the IREM Poland chapter will be focusing on initiatives to educate owners to understand what management does and why it is needed and worth the cost.

INTERNATIONAL MEMBERS WELCOMED IN HAWAII

When IREM Members gathered in Hawaii for the Fall Business and Governance Meeting and Success Series 2009, members from Brazil, Canada (with record attendance), China, Japan, Korea and Poland were in attendance. A highlight was the installation of new CPM Members in China, representing the first CPM designees resulting from the IREM partnership to offer education with the Shanghai Weston Real Estate Management Institute.

In addition to attending board and other meetings, international attendees had the opportunity to attend a special education session on target marketing for real estate management companies, presented by Shannon Alter, CPM, and Richard Muhlebach, CPM. ■



FOR MORE INFORMATION ABOUT IREM INTERNATIONAL PROGRAMS VISIT WWW.IREM.ORG/INTERNATIONAL.

INTERNATIONAL NEWS WAS WRITTEN BY NANCYE KIRK, VICE PRESIDENT OF STRATEGIC INITIATIVES AT IREM.



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 translation of the article "IREM Member Offers Solutions to Eliminating a Fast-Growing Pest Problem" by Greg Martin from the November/December 2009 issue of *JPM* by going to the foreign language pages of the IREM Web site at www.irem.org.



español (Spanish)

Usted puede encontrar la traducción al español del artículo "Miembros de IREM ofrecen soluciones para eliminar el problema del crecimiento rápido de plagas" por Greg Martin en la publicación de Noviembre/Diciembre 2009 de *JPM* visitando la pagina de la lengua española del sitio web de IREM: www.irem.org/international/spanish/intro.cfm.



français (French)

Vous trouverez une traduction française de l'article «Un membre de l'IREM offre des solutions pour l'élimination rapide d'un problème croissant d'animaux nuisibles», de Greg Martin, tiré du numéro de novembre/décembre 2009 de *JPM* en visitant la page française du site Web de l'IREM au www.irem.org/international/french/index.cfm.



Русский (Russian)

Перевод на русский язык статьи «Член Института IREM предлагает варианты решения актуальной проблемы борьбы с вредителями» (автор Грег Мартин) из выпуска Журнала по управлению недвижимостью (*JPM*) за ноябрь-декабрь 2009 года можно найти в русскоязычном разделе сайта Института IREM по адресу www.irem.org/international/russian/index.cfm.



wersja polska (Polish)

Polskie tłumaczenie artykułu „Członkowie IREM podpowiadają, jak zwalczać i kontrolować szkodniki”, autorstwa Greg Martin z listopadowo-grudniowego wydania *JPM* (2009) znaleźć można na polskich stronach internetowego serwisu IREM: www.irem.org/international/polish/index.cfm.



português (Portuguese)

Você poderá encontrar a tradução em Português do artigo "Soluções Oferecidas por Membros do IREM de Como Eliminar o Crescimento Rápido de Pragas" de Greg Martin referente a edição de Novembro/Dezembro do *JPM* visitando a página de idiomas do IREM: www.irem.org/international/Portuguese/index.cfm.



한국어 (Korean)

JPM 2009년 11/12월 호에 게재된 Greg Martin씨의 "IREM 회원, 급격히 부상하고 있는 문제에 대한 솔루션 제안"이라는 기사를 IREM 웹 사이트, www.irem.org/international/korean/index.cfm 의 한국어 웹 페이지에서 한국어로 검색하실 수 있습니다.



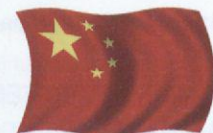
日本語 (Japanese)

JPM 2009年11-12月号の急速に悪化している害虫問題に対するIREMメンバーの解決策著、「Greg Martin」の日本語訳は、IREMウェブサイト www.irem.org/international/japanese/index.cfm の外国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, 您可以找到刊登在《资产管理期刊》(*JPM*) 2009年11-12月号上的"IREM成员为迅速增长的虫害问题提供解决办法" (Greg Martin) 一文的中文翻译。



INSIDE IREM COURSE LISTINGS

JANUARY

HRS402	Jan 14-15	Pittsburgh
MKL405	Jan 19-20	Indianapolis
ETH800	Jan 20	Golden Valley, Minn.
MNT402	Jan 26-27	Milwaukee

FEBRUARY

ASM603	Feb 1-2	Columbus, Ohio
ASM604	Feb 3-4	Columbus, Ohio
ASM605	Feb 5	Columbus, Ohio
ASM603	Feb 8-9	Scottsdale, Ariz.
RES201	Feb 8-13	Omaha, Neb.
RES201	Feb 8-13	Milwaukee
HRS402	Feb 9-10	Minneapolis
MKL405	Feb 9-10	Kirkland, Wash.
ASM604	Feb 10-11	Scottsdale, Ariz.
FIN402	Feb 11-12	Charlotte, N.C.
HRS402	Feb 11-12	Kirkland, Wash.
ASM605	Feb 12	Scottsdale, Ariz.
ETH800	Feb 12	San Diego
FIN402	Feb 15-16	Atlanta
MNT402	Feb 16-17	Indianapolis
HRS402	Feb 17-18	Los Angeles
MNT402	Feb 17-18	Atlanta
ETH800	Feb 17	Atlantic City, N.J.
FIN402	Feb 18-19	Salt Lake City, Utah
MKL405	Feb 18-19	Pittsburgh
ETH800	Feb 19	Austin, Texas
ASM603	Feb 22-23	Overland Park, Kan.

MKL405	Feb 22-23	San Francisco
MKL406	Feb 22-23	San Francisco
MKL406	Feb 22-23	Las Vegas
RES201	Feb 22-27	Pittsburgh
ASM604	Feb 24-25	Overland Park, Kan.
HRS402	Feb 24-25	San Francisco
HRS402	Feb 24-25	Las Vegas
ETH800	Feb 24	Farmington Hills, Mich.
SRM001	Feb 25	Sacramento, Calif.
ASM605	Feb 26	Overland Park, Kan.

INTERNATIONAL

ASM603	Jan 5-6	Seoul, South Korea
ASM604	Jan 12-13	Seoul, South Korea
ASM603	Jan 15-16	Moscow
ASM604	Jan 17-18	Moscow
ASM605	Jan 17	Seoul, South Korea
ASM605	Jan 19	Moscow
CPMEXM	Jan 21	Moscow
BDM602	Jan 22-23	Moscow
ETH800	Jan 23	Seoul, South Korea
CPM001	Jan 24	Seoul, South Korea
MPSA01	Jan 26-27	Moscow
CPMEXM	Jan 28	Seoul, South Korea
BDM602	Jan 30-31	Seoul, South Korea
MPSA01	Feb 6-7	Seoul, South Korea
BDM602	Feb 12-13	Tokyo
MPSA01	Feb 13-14	Tokyo



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

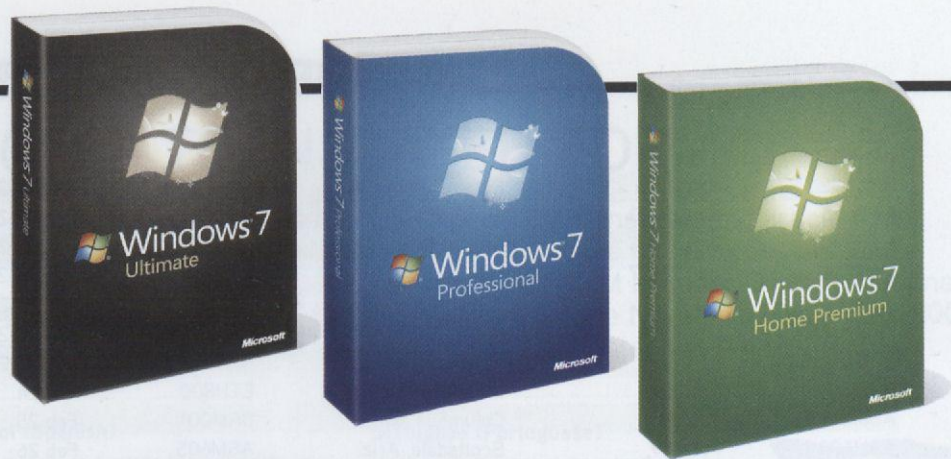
MKL405 // Marketing and Leasing: Multifamily Properties

MKL406 // Marketing and Leasing: Office Buildings

MNT402 // Property Maintenance and Risk Management

MPSAXM // Management Plan Skills Assessment

RES201 // Successful Site Management



WINDOW TREATMENTS

Microsoft Windows 7 offers new features and greater usability

Microsoft has released its latest software operating system, Windows Version 7, and as an avid beta tester and user, I can tell you the upgrade is worth having.

Windows 7 has the quickness of Windows XP, the eye candy of Windows Vista, and the usability of the Mac operating systems.

Laptop users will welcome the faster boot and shutdown times, as well as the hot keys for presentations, like hitting Windows Key "P" to project to an external projector.

Those who have dreaded the change from XP to Vista will find the modified layout intuitive, easy-to-use and very functional. A variety of tools and shortcuts exist to move Windows around your desktop in a process that increases workflow. For example, you can put two documents side-by-side by using the Windows Key "Left Arrow" or the Windows Key "Right Arrow." This is a welcome feature as it allows the user to compare documents quickly.

Although Microsoft offers a path for Vista users to upgrade to Windows 7 and keep their currently installed programs and settings, I would highly recommend using the fresh install feature. The primary reason for this is that the fresh install creates a new windows registry file, rather than causing you to inherit your bloated Vista registry file. A new registry will translate to faster operations.

Microsoft does not offer a Windows XP to Windows 7 upgrade path, but you can replace XP with Windows 7 by reformatting—a tool that Windows 7 offers during the upgrade process. Plan to spend at least 45 minutes, and possibly as long as 3 hours, to install Windows 7. Before you install, make sure you backup all of your data files and Outlook files, favorites and key settings. Two additional recommendations for preparing your computer for the next few years of Windows 7:

- Consider replacing and upgrading your hard drive—a 500 gigabyte notebook hard drive can be found for \$100-\$125.
- Be sure to de-authorize Adobe Acrobat before you reinstall—it doesn't provide an option to authorize your new install, which could leave you stuck purchasing an updated copy.

There are three versions of Windows 7 now available—Home, Professional and Ultimate. Prices start at \$119. For more information on Windows 7, visit www.microsoft.com.



TODD CLARKE, CCIM (TCLARKE@NMAPARTMENT.COM), IS A 20-YEAR VETERAN BROKER, CONSULTANT, INTERNATIONAL SPEAKER AND INSTRUCTOR WHO DISCUSSES TECHNOLOGY AND ITS USE IN COMMERCIAL REAL ESTATE.



READ TODD CLARKE'S TECHNOLOGY BLOG AT WWW.NMAPARTMENT.COM/TECH.

Are you cashing in your FREE ticket aboard the **IREMFIRST.org** Luxury Liner?



Make the most of your access to **IREMFIRST.org**...

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That's right – there's no need to battle the waves.

We have the resources you need to keep you dry in this tough economy!

Choose from any of the most popular forms and tools below or go to **IREMFIRST.org** to browse others that may be of interest!

- **Cost Plus Management Pricing Form**
- **Turnover of Apartment Community Checklist**
- **General Management Agreement**
- **Master Preventive Maintenance Checklist**

(Don't forget to log in to **IREMFIRST.org** with your IREM® username and password in order to receive the free downloads.)

Stay afloat in these tough times.

Update your profile and start connecting on **IREMFIRST.org** today!



IREM Institute of Real Estate Management

NEW PRODUCTS



FLUSH AWAY COSTS The One2Flush water-saving dual-conversion kit for toilets provides an immediate and affordable answer for residential and commercial users interested in water and cost savings. With just a few tools and about 30 minutes, the new One2Flush conversion kit lets you turn any standard two-piece commode into a higher-efficiency, dual-flush model that immediately reduces gallons per flush by 40 percent. Once installed, residents simply push the handle one way for a rinse and the other way for a full flush.

For more information, visit www.one2products.com.



KEY TO THE KINGDOM HandyTrac Systems and Schlage have developed a new key management software that works with Schlage's Programmable Electronic Deadbolts and Access Control Management System. This system uses iButton technology instead of a traditional key. To lock or unlock doors, residents simply touch their iButtons to the sensor on the face of the lock. This system also allows managers to generate reports and create graphs online by site, region or on a national level.

For more information, visit www.handytrac.com.

GRASS ROOTS The Len-Tex Corporation has introduced a set of three wall coverings: *Lennon Grass*, *Lennon Grass Linsey* and *Lennon Grass Lattice*. This series was inspired by an actual grasscloth discovered in Asia, and has been skillfully crafted to capture the intricate details of the natural fibers. A pearlescent undertone has been added to simulate the subtle sheen of a real grasscloth. *Lennon Grass Linsey* features a pattern of arched swaying branches overprinted on the *Lennon Grass*, a look reminiscent of a bamboo forest. *Lennon Grass Lattice* is distinguished by a striped effect created by an Asian-influenced trellis design.






For more information, visit www.lentexcorp.com.

COOL CONDITIONS MovinCool portable spot air conditioners use dehumidification technology to remove moisture and humidity from water-soaked interiors as fast as possible, preventing mold from forming or spreading further. Featuring powerful, industrial-grade blowers that pull in large volumes of moisture-laden air and push out dry air, these portable air conditioners ensure significantly faster recovery than fans or dehumidifiers. Along with reducing potential restoration costs, MovinCool air conditioners require practically no installation. Just roll them in, plug in and turn on.

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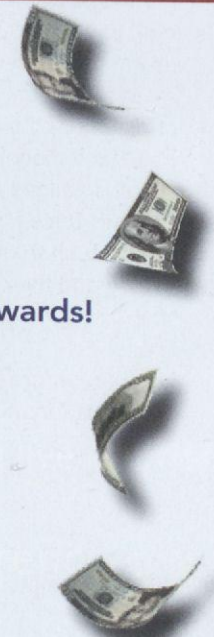
- \$1,000 – Highest number of referrals
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LAWRENCE W. BAIAMONTE, CPM, (BAIAMOLA NATIONWIDE.COM) IS SENIOR INVESTMENT PROFESSIONAL, REAL ESTATE EQUITIES, WITH NATIONWIDE INSURANCE IN COLUMBUS, OHIO.

I HAD JUST ARRIVED AT THE OFFICE ONE MORNING WHEN I RECEIVED A PHONE CALL FROM ONE OF MY MAINTENANCE GUYS, INFORMING ME THAT A BREAK-IN HAD OCCURRED THE NIGHT BEFORE AT THE LAUNDROMAT IN ONE OF THE SHOPPING CENTERS I MANAGED. Immediately, I asked if the police had been called and he told me that they were already on the scene; the laundromat manager had called the police that morning upon opening the doors.

Reassured that the matter was already in competent hands, I relaxed and asked for details on what had occurred. I tensed up when I suddenly learned that the intruder was still inside the property. I quickly asked if the police had the criminal in custody, to which my maintenance person responded, "Well, not quite."

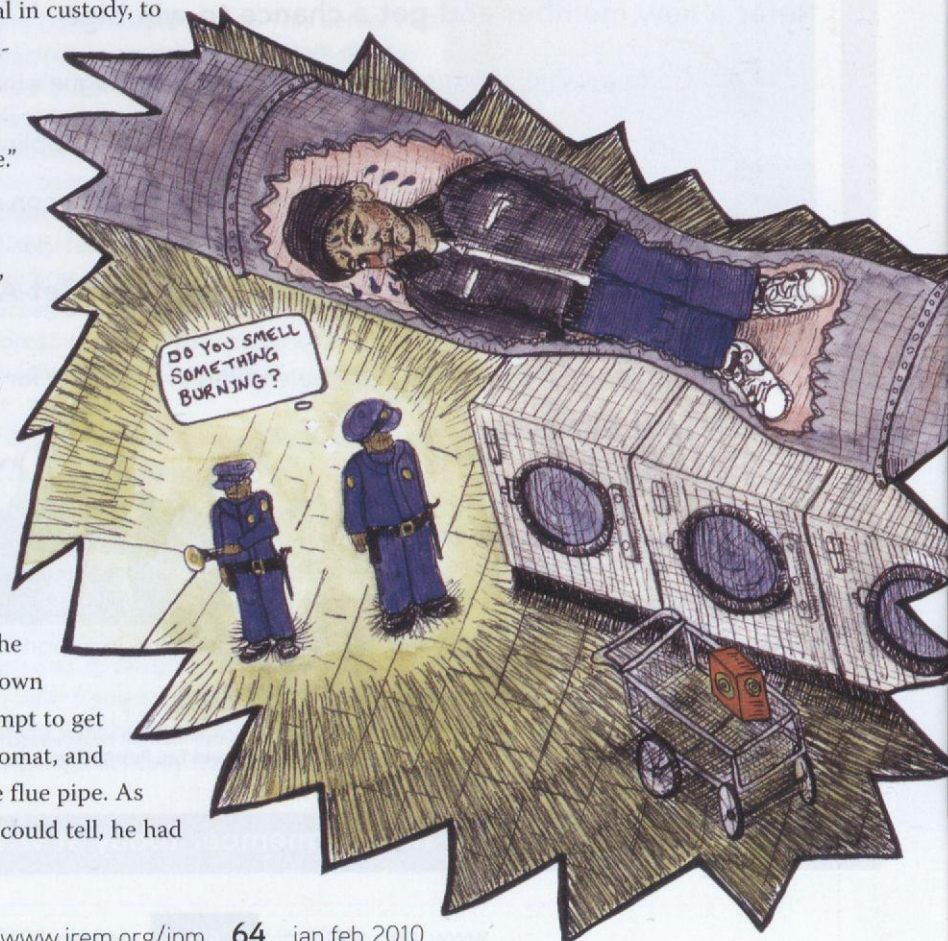
"What do you mean, 'not quite'?" I asked, impatiently.

My maintenance guy then proceeded to explain that the intruder had removed the rain cap from the large boiler flue on the roof, crawled down the flue to attempt to get into the laundromat, and got stuck in the flue pipe. As best as anyone could tell, he had

been there for several hours and, although still alive, was in less-than-perfect health after breathing natural gas exhaust fumes and getting burned by the hot flue pipe. The group was waiting on the fire department to arrive and to cut the intruder out of the flue pipe.

I got to the site as quickly as I could, but by that time, the intruder had already been cut out of the flue pipe and transported to the nearest hospital, with a police escort, of course. The manager of the laundromat informed me that they did not keep any cash in the store overnight, so there was nothing for the guy to steal anyway. Talk about a 'brilliant' criminal!

Submit your story at www.irem.org/topthis!



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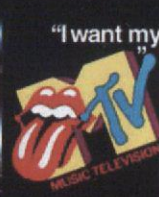
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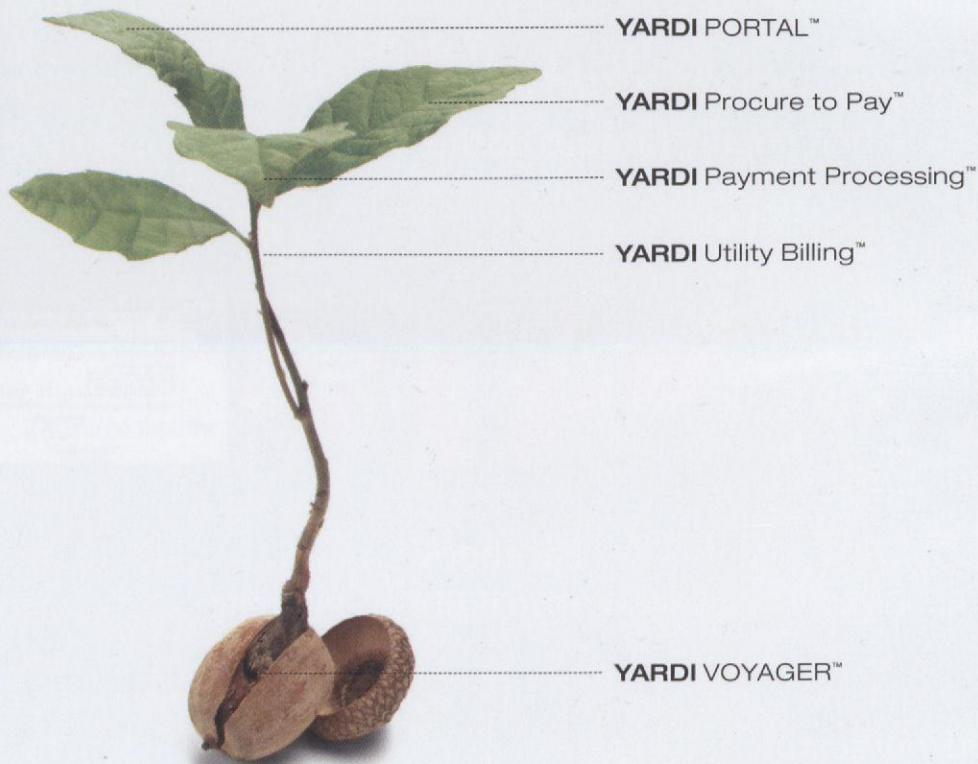
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