

# jpm<sup>®</sup>

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Learn How to Be Protected



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# How SECURE Are Your Properties?

>> See How Property Managers in Chicago Prepared for the 2012 NATO Summit [p. 16]







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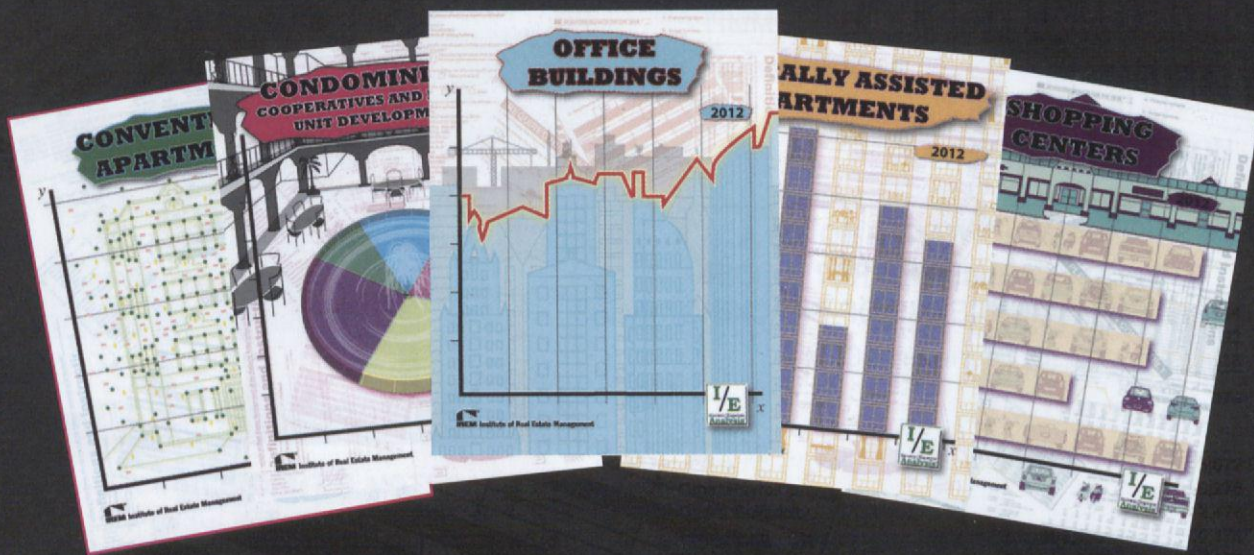
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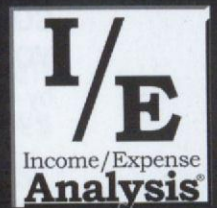


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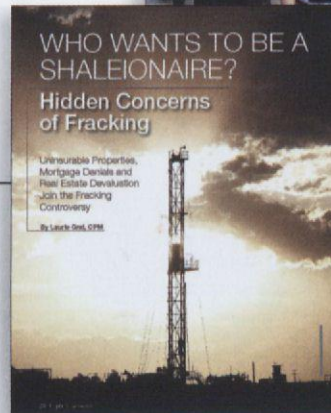
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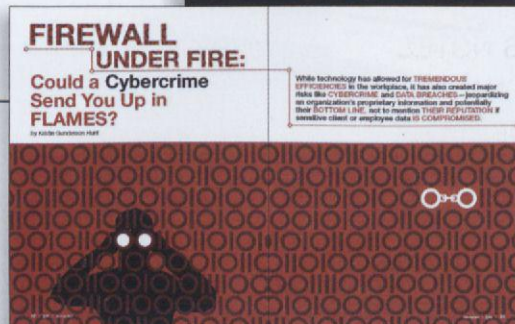
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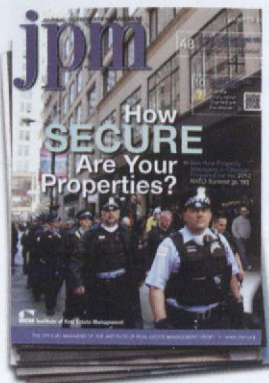
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## PRESIDENT'S NOTES

ELIZABETH (BETH) MACHEN, CPM®, (PRESIDENT@IREM.ORG) IREM 2013 PRESIDENT, IS ALSO PRESIDENT OF THE CHARLOTTE, N.C.-BASED MACHEN ADVISORY GROUP, INC., WITH RESPONSIBILITY FOR OVERSEEING THE FIRM'S PORTFOLIO OF OFFICE, RETAIL, MIXED-USE, SHOWROOM AND INDUSTRIAL PROPERTIES IN THE CAROLINAS.

*Elizabeth H. Machen*

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# NEW YEAR, NEW OPPORTUNITIES

As we start a new year at IREM, we find ourselves in a good position to accept and tackle the challenges it may pose. While 2013 certainly holds many things in store that we can't see coming, it never hurts to be prepared.

This issue of *JPM*® highlights a few of the challenges that face property managers in 2013, as well as some opportunities.

Many of the opportunities and challenges that await today's property managers lie in how we accept and utilize technology into our day-to-day work. Whether we're just learning to manage our online presence, or managing our office from our iPad, technology offers us many opportunities.

In "**Social Media Maze**" (p. 54), we enter into a conversation about how to make best use of our online reputation, learning the benefits of drafting a social media policy for our teams to use. As social media becomes a more and more invaluable asset to a property management company, having a set of guidelines means no one gets lost in the ether.

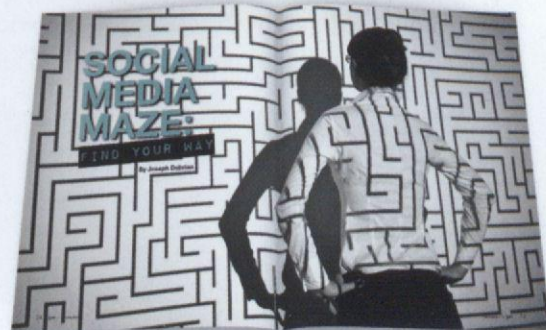
While social media and other aspects of technology are important, the increasingly connected aspects of our business open the door to cybercrime. "**Firewall under Fire**" (p. 48) explores the threats managers can face, while arming them with the information they need on how to circumvent hackers and safeguard personal, business and tenant data.

Don't think that technology is the only important issue we should consider, however. Property managers should always be ready to think on their feet. That's just what Chicago's Draper and Kramer did when they learned that their properties could be affected by events surrounding last summer's NATO summit. In "**Mounting the Summit**" (p. 16), we learn how they acted quickly to educate themselves and prepare for a large-scale event.

Finally, an IREM Member looks at the cost of fracking for property managers in "**Who Wants to be a Shaleionaire?**" (p. 28). Whatever your social or political view on fracking, it is clear that the actions being taken by lenders and insurance companies make this an issue of concern to the real estate industry.

So, as we start a new calendar and think about our New Year's resolutions, let's also prepare ourselves for the challenges and opportunities that lie ahead. ■

READ ABOUT HOW TO MAKE THE BEST USE OF YOUR ONLINE REPUTATION [see p. 54].





# RAISES ON THE

# RISE



PHOTO © KALAWIN JONGPO

**M**edian retail real estate salaries increased by 3 percent between 2011 and 2012, according to the 2012 *International Council of Shopping Centers (ICSC) North American Retail Real Estate Compensation Survey*.

“As the retail real estate industry has strengthened in recent years, so too has the compensation pace,” said Michael P. Niemira, chief economist and director of research for ICSC. “The latest results from the 2012 compensation study also found that four-fifths of companies in the retail real estate industry survey expect base salaries to continue to rise by 3 percent in 2013.”

The 2012 compensation study covers a variety of compensation program design topics, benefits and individual compensation data including base salary, annual incentives and long-term awards for more than 80 retail real estate positions including leasing, facilities management, security, marketing and more. ■

## ALL ABOARD FOR REVIATLIZATION PROJECT

**R**ailroad Park, a 19-acre green space in Downtown Birmingham—hailed as “Birmingham’s Living Room”—was selected as the 2012 winner of the Urban Land Institute’s Urban Open Space Award.

Owned by the city, Railroad Park is a historically rich venue for local recreation, family activities, concerts and cultural events. It also connects Birmingham’s downtown area with Southside and UAB’s campus.

The award was based on a competition recognizing an outstanding example of a well-used public open space that has spurred regeneration and the transformation of the surrounding community.

The park is a segment of what was known as the “Railroad Reservation”—a zone of rail sidings and warehouses attached to the 11-track rail corridor that served the steel-making industry. The site adjoins a 15-foot-high rail viaduct with active tracks, which provide the inspiration for the park’s name.

The project was completed in the Fall of 2010, and now features vast land-

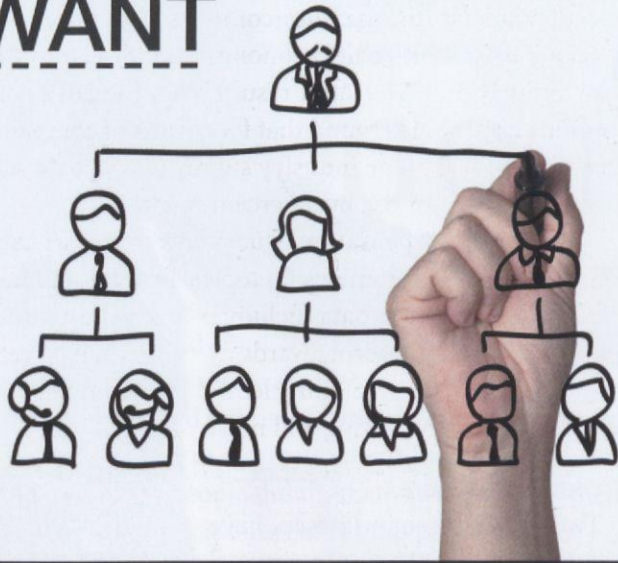
scaping, water features and paths for running and walking. Other amenities include:

- A large, partially covered plaza that houses the ranger station, the Railroad Park office, restrooms and the Railroad Park Dining Car
- Free WiFi throughout the park
- Two age-appropriate play areas filled with modern playground equipment and a climbing dome
- A skate park
- Outdoor gym equipment ■

PHOTO © SEAMPACONERPH



# WHAT WORKERS WANT



A 2012 survey of more than 1,500 human resources leaders and hiring managers has offered insight into the wants and needs of potential hires. *2012 HR Beat: A Survey on the Pulse of Today's Global Workforce*, an international survey of hiring managers and HR professionals conducted by Dimensional Research and commissioned by SuccessFactors, an SAP company, revealed the disparate preferences among employees in general, different generations and genders.

In regards to gender, specifically, the survey revealed that men and women make different requests from their companies. According to respondents:

## FEMALE EMPLOYEES ARE MORE LIKELY TO ASK FOR:

- Reduced work hours (51 percent)
- Flexible work hours (50 percent)
- Flexible work locations (40 percent)

## MALE EMPLOYEES ARE MORE LIKELY TO ASK FOR:

- A promotion (39 percent)
- An off-cycle raise (36 percent)
- An unscheduled bonus (33 percent) ■

## SOUNDBITES

“Life is a lot like jazz; it’s best when you improvise.”

–GEORGE GERSHWIN

“Vanity is a personal parasite that must be fed until it is gorged and renders its victim a failure.”

–LON CHANEY, SR.

“Never trust a computer you can’t throw out the window.”

–STEVE WOZNIAK

“Our future growth relies on competitiveness and innovation, skills and productivity ... and these in turn rely on the education of our people.”

–JULIA GILLARD

“Our virtues and our failings are inseparable, like force and matter. When they separate, man is no more.”

–NIKOLA TESLA

“Do not seek to follow in the footsteps of the men of old; seek what they sought.”

–BASHO

“Life’s like a movie, write your own ending. Keep believing, keep pretending.”

–JIM HENSON

“Always be a first-rate version of yourself, instead of a second-rate version of someone else.”

–JUDY GARLAND



# DON'T BANK ON BANKS ENSURING DATA SECURITY

As online banking and mobile banking become more commonplace tools in society, small and medium-sized businesses—not just massive corporations—increasingly become targets for cybercrime.

According to the *2012 Business Banking Trust Study*, conducted by Ponemon Institute for Guardian Analytics, cyber criminals are estimated to be stealing as much as \$1 billion per year from small and medium businesses' bank accounts. The study uncovered several trends:

- Businesses conducting all banking online increased from 9 to 20 percent since 2010, and now half of businesses conduct at least half of their banking through the online channel.
- Businesses accessing online banking from mobile devices increased to 54 percent, up from 23 percent in 2010.
- Seventy-two percent of small and medium businesses indicate their financial institution is most responsible for ensuring online ac-

counts are secure.

- Two out of three businesses have suffered fraudulent transactions, and of these, a similar proportion lost money as a result. For example, in the online channel, 73 percent of businesses had money stolen (i.e. there was a fraudulent transaction before attack was detected), and after recovery efforts, 61 percent still ended up losing money.
- While the levels vary by channel, approximately 7 in 10 businesses that suffered fraud losses were not fully reimbursed by their financial institution.
- After a fraud episode, 40 percent of businesses move some or all of their banking business; 56 percent indicate that it takes only one fraud loss to lose confidence in their financial institution.

This study reflects responses from 998 small and medium businesses with fewer than 200 employees and generating less than \$100M in annual revenue. ■



TO READ  
MORE  
ABOUT  
CYBER-  
CRIME,  
TURN TO  
PAGE  
(48).



“DO YOU BELIEVE THAT COMPANIES SHOULD **MONITOR** YOUR PERSONAL **FACEBOOK PAGE** AND HAVE THE AUTHORITY TO MAKE DECISIONS ABOUT YOUR EMPLOYMENT BASED ON **WHAT YOU POST** ON YOUR PROFILE?”



NANCY PALAZZO, CPM  
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no

What people do in their personal time should have no bearing on employment in the private sector. Let's look at the past. How did employers research their employees before the internet was available?

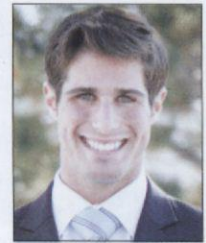
Employers called references prior to employment and used performance as a measurement for continued employment. What people did on their own time was their business, as long as it didn't affect job performance.

I know firsthand that it's tempting to Google someone prior to their interview. I admit—I've done it. But, the first place I go is LinkedIn, as that is a professional site—an online resume, if you will. During employment, I don't see a need to continue to monitor employees' LinkedIn profiles. I feel like it's an invasion of privacy. Your employees could be searching for jobs or marketing themselves for professional betterment.

Facebook, on the other hand, is not a professional site—it's a social networking site. Employers have no business judging their employees based on their personal and social lives. However, if employees choose to "friend" someone they work with, that's their prerogative. And, if people don't pay attention to the permissions for their Facebook page, well then, that's their problem as well. If they put information out there that is accessible to the general public, then I think it shows irresponsibility and carelessness.

I wouldn't want to hire someone who is careless enough to let the world in on their personal life. Would I allow my employer permission to view my Facebook page? Not a chance. I'd only let them see what I want them to see. Thank goodness for permission options! Two thumbs up to the Facebook creators.

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Nobody likes the thought of a voyeuristic "Big Brother" creeping around their Facebook profile. But if you think only your "friends" are looking at your social media profile, think again. Growing up in the boom of Facebook, Twitter, YouTube, Instagram, Tumbler, etc., I quickly learned that the Internet is a very public place. My professor (or ex-girlfriend) will always find the post/picture I did not intend them to see. Experience has taught me to live by this rule: Do not put anything up on Facebook you wouldn't want on a billboard.

Setting ex-girlfriends aside, I know when I apply for my first job out of college, my social media profile will be inspected. Googling prospective employees has become a normal part of the hiring process, and it's not a huge surprise. Companies have worked hard to build a certain reputation, and I believe they have the right to pick people who will represent them well—on and off the court. Employees receive, in addition to salaries and benefits, a certain prestige with the company name on their business card. Being cognizant of their employees' online reputation is an upkeep of the status quo.

However, I do feel there are moral limits to maintaining the company's image. Is bad-mouthing or complaining online about work unprofessional? Absolutely! But is a picture from a European vacation with an adult beverage in hand grounds for disciplinary action? I don't believe so, but questionable conduct is extremely subjective. Granted, every company has a different culture and an employee's level of responsibility also dictates what is acceptable and what is not. The do-not-cross boundary must be clearly marked and discussed upon hiring so the employee and employer are on the same page. ■

yes



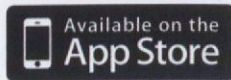
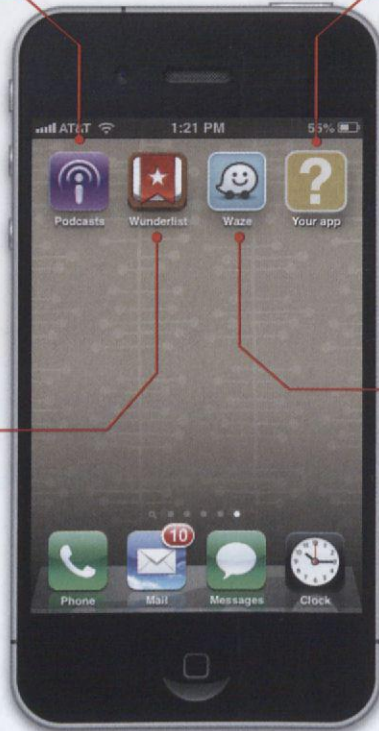
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### WUNDERLIST

Checklist and task-management apps are a dime a dozen. What sets Wunderlist apart is its ease of use and collaboration features. Wunderlist lets you share tasks with your coworkers, friends and family to help you get through the day. You can even create a new task from your inbox. Simple, elegant and powerful, Wunderlist is in a category all its own.



**?** What Apps are you using? Post a message on the **IREM Facebook page** to share your useful apps with others!



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### WAZE

For many of us, Smartphones and tablets have replaced the need for a GPS system. Waze makes joining this trend even more of a no-brainer. Waze is a community-based traffic and navigation app that uses the data of other Waze users to identify slow spots and accidents, while providing you with audible turn-by-turn directions to avoid them. Waze can even alert you to cheap gas prices along the way!

## FAST FACTS



In the 1800s, **RUM** was considered an excellent way to maintain healthy, **CLEAN HAIR**.



Charlie Chaplin once won third prize in a **CHARLIE CHAPLIN** lookalike contest.

A **VIOLIN** is made up of 70 separate pieces of wood.



**TERMITES** eat wood twice as fast when listening to heavy metal music.



Baskin Robbins once offered ketchup-flavored **ICE CREAM**; it was the only vegetable flavor ever offered.



More people are killed each year by **COCONUTS** falling than by sharks. Coconuts account for roughly 150 deaths a year.



In Tulsa, Okla., it is technically illegal to open a **SODA BOTTLE** without the supervision of an engineer.



# Top 5

HIGHEST

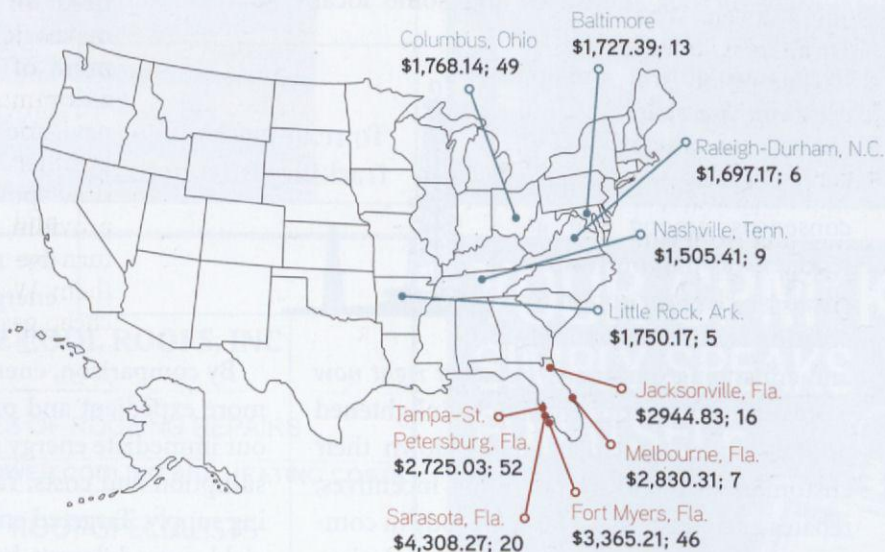
AND LOWEST

TOTAL ALL EXPENSES:  
Low Rise Condominiums

## Highest and Lowest Total All Expenses for Low Rise Condominiums

[Listed by median and sample size]

■ Highest TAE; ■ Lowest TAE



TAE= Total All Expenses For Low Rise Condominiums; Minimum Sample of 5 properties; In Median Dollars per Unit; Condominium data is available in Metro, Regional, and National reports.

Additionally, Income/Expense Analysis® data is available for four other property types: Conventional Apartments; Office Buildings; Shopping Centers; and Federally Assisted Apartments.

Data provided from the 2012 Expense Analysis: Condominiums, Cooperatives, & PUDs book



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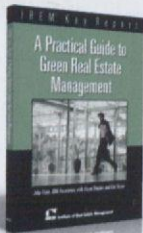




## A NEW FRACKING IDEA: Using Our Existing Resources as an Alternative to Fracking



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MR. KLEIN IS ALSO THE AUTHOR OF A PRACTICAL GUIDE TO GREEN REAL ESTATE MANAGEMENT.

AVAILABLE AT IREMBOOKS.ORG.

Recently, I presented at the E Source Forum, a utility conference in Denver, attended by more than 500 utility industry professionals from all parts of the U.S. and Canada. Among the many spirited discussions we had at the Forum, was one topic on the current options for substantial supplies of additional energy generation, which are time consuming to achieve, expensive and—even in the best-case scenarios of totally clean—require years of permitting, construction and political mud wrestling.

Many of our industries and some local economies are poised for impressive growth and job creation, but there is not enough energy available to be the catalyst. The general consensus among the attendees was that our fastest, cheapest, cleanest option for creating additional supply and enhancing our energy security *right now* is investing in energy efficiency. Enlightened utilities understand that buying down their customers' demand by providing incentives, rebates and education is far less costly in comparison to building new power plants. Industry estimates indicate that we can tap into this existing resource virtually overnight and have 20 percent more energy supply—available immediately.

Traditional fuel options like coal, petroleum or natural gas increasingly require developing new types of technologies—hydrofracking of tar sands—that, although fuel producing, have short- and long-term hazardous environmental and personal health effects. Recent studies have found that fracking pollutes the air with asthma- and cancer-causing gases, produces wastewater contaminated with chemicals and

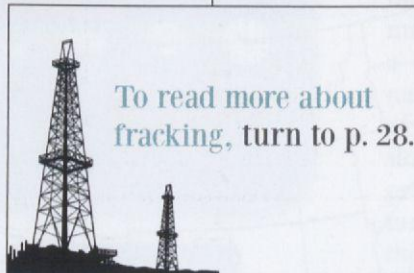
radiation and triggers *daily* spills that leech into the surrounding ground, streams and rivers. Regardless, we are rushing to implement these increasingly desperate and risky methods for powering our nation. Once extracted, these fuels still must be transported, processed and heated to be used.

Even with energy production alternatives to fossil fuels involving fewer environmental concerns, many have the same implementation challenges. Capital, securing permits, construction and infrastructure are still required—and years of patience too. Techno-

logical challenges for solar and wind power include improving the generation efficiency so that fewer materials and space are required, and developing cost-effective methods to storing the energy generated so that it will be available 24/7.

By comparison, energy efficiency is a vastly more expedient and practical way to address our immediate energy needs by reducing consumption and costs, rather than just increasing supply. Targeted energy efficiency projects yield more kilowatt-hours for far fewer dollars, and they can be implemented immediately. Energy efficiency is beneficial to the environment, financial health of businesses and consumers—not to mention it creates jobs.

Utility companies are now growing their programs and better responding to the needs and demands of their customers. Don't wait to strengthen the relationship with your utility representative to explore what money is available and determine how you can best maximize these financial opportunities. Add value to your properties and save some fracking money. ■





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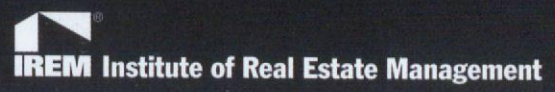
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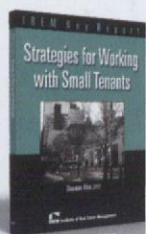


## MARKETING, GANGNAM STYLE:

### Making a First Impression **BEFORE** Your First Impression



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

AVAILABLE AT IREBOOKS.ORG. ▶

**B**y now, most of us have heard about the YouTube sensation, “Gangnam Style.” With more than 500 million views, we get a glimpse into Seoul’s trendiest district—with a twist. Even if your dance moves don’t rival Psy’s in “Gangnam Style,” you probably had an impression of this blockbuster *before* you actually saw it; you just *had* to watch it.

Face it, your company’s online presence counts. It’s your job to manage the first impression you create. Here are a few secrets I’ve discovered to move your online marketing machine to the top of the charts.

### Consider Your Reviews

These days, reviews are everywhere. Before we step out of our slippers, we can check out a new restaurant or plan a trip. Potential tenants can find space with just a quick click of the mouse. As the parent of a college-age daughter and first-time apartment dweller, I made the most of Yelp and other review sites to narrow down our choices.

Recent studies indicate that 84 percent of millennials rely on user reviews when making buying decisions; they want objective opinions, and they want a lot of them. That’s a statistic worth thinking about, and key to targeting today’s multi-generational owners and tenants.

Do you have a virtual property tour on your website? Recently, I took an informal poll of participants in a leasing class to find out if they did—interestingly, only about a third of them make use of online tools such as floor

plans or property tours. Think about what you can offer the potential tenant who’s looking for space or the existing tenant who is about to expand. It’s up to us to make first impressions worthwhile.

### Flip it Around

While most of us are accustomed to conducting client satisfaction surveys in person, why not try an online survey? If you’re going to ask your owners to respond to a survey, here are a few tips to garner great results:

- Make it short—five to seven questions at most. This will force you to be both concise and thoughtful about what you *really* want to find out.
- Do a little brainstorming to come up with exactly the right questions.
- Once you get your results, decide how you can use the information online. Perhaps you’ve done a survey about trends in space utilization. Can you post the results on your website? How about a white paper?

Better yet, ask a client for a video testimonial highlighting why they enjoy working with your company, or how you helped them solve a particular problem. If you’ve got it, baby, flaunt it! I’ll admit my dance moves may not be worthy of YouTube, but you never know.

Of course, don’t forget the personal touch. We don’t want our clients and tenants to hide behind their desks and only visit us online. Consider these ideas as what I call a layer of opportunity—another way to foster a great first impression. See you online! ■





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# ► Mounting the Summit:

A Look at How Chicago's  
Property Managers Prepared  
for the 2012 NATO Summit

By Greg Martin, CPM





▶ IN 2011, IT WAS ANNOUNCED THAT THE 2012 G8 AND NATO SUMMITS WOULD BE HELD IN CHICAGO.

Any large-scale meeting or event held near or in a city where you have properties—be it a simple union meeting or the next Olympic games—undoubtedly poses challenges to you as a property manager. Anything from congested roadways to potential acts of violence or terror are just a few examples of potential repercussions.

Typically, Chicago hosts a large number of conventions, trade shows and sports championships each year, and the city adds police in the immediate area to control traffic and crowds. At Draper and Kramer, we manage rental and condominium high-rise buildings throughout the central business district and suburbs in Chicago, so we were used to these large-scale events. Why would the NATO event be different? ▶



## ► Hot Topics, High Tensions

Because of the topics discussed by members of the G8 and NATO summits—economic unrest, concerns about the war in Afghanistan, etc.—the event was almost certain to attract protestors and demonstrations. Similar meetings in other cities saw civil disturbances and major traffic jams.

As managers, we needed to recognize why the event was being held in Chicago, understanding the nature of the event we were dealing with and what the implications could be on the city and our properties. The city of Chicago wanted an event to showcase the city as a major player in the world scene. The city had recently made an in depth bid and was the leading U.S. contender to be the host city for the 2016 Olympics.

Everybody understood that these two summits were going to be a big undertaking. Given the state of the economy and the unrest with the war in Afghanistan, it would be a hot time in the Windy City. While the city has had much larger crowds for other events, NATO and the G8's presence would bring in protestors from other cities.

The first step in preparing for NATO's arrival was to analyze what preparations for the two meetings would require of us, covering everything from transportation in the area, housing for the attendees, where the venue would be held and, of course, security. We then looked at the locations of the various events held as part of the summit and tried to determine which of our buildings could be affected.

► WITHIN THE INDUSTRY, MANY DIFFERENT COMPANIES WERE SCRAMBLING TO FIND THIS EXTRA MANPOWER. BY PLANNING AHEAD AND USING A FIRM THAT WE HAD AN ESTABLISHED RELATIONSHIP WITH, WE WERE ABLE TO SOLICIT PROMISES OF EXTRA STAFF.

• REC

Those areas consisted of buildings that would be near where the event would be held as well as buildings that would be on parade routes or staging areas of protestors that might be in the city for the event. It was also recognized that buildings near the hotels, in which dignitaries and summit participants would be staying, could have incidents with protestors. As soon as we learned these locations and dates, property managers communicated with affected staff that there should not be any vacations scheduled during the summit.

Much of the complication of preparing for two summits was alleviated, however, when a couple of months prior to the meetings it was announced that the G8 portion of the summit would be moved to Camp David. By cutting out the G8 meeting, the disruption of the work week would be shortened, potentially cutting down on the total crowd by as many as 25,000 protestors and 2,000 members of the media.







▶ AS MANAGERS, WE NEEDED TO RECOGNIZE WHY THE EVENT WAS BEING HELD IN CHICAGO, UNDERSTANDING THE NATURE OF THE EVENT WE WERE DEALING WITH AND WHAT THE IMPLICATIONS COULD BE ON THE CITY AND OUR PROPERTIES.

In our internal preparations, we contacted a security company we had utilized at some of our properties and asked them to provide us with a security assessment for the properties that would be affected. We also told them we wanted to hire some of their staff to augment our staff at the affected buildings. Within the industry, many different companies were scrambling to find this extra manpower. By planning ahead and using a firm that we had an established relationship with, we were able to solicit promises of extra staff.

“Preparing for the NATO was a good learning experience,” said Shruti Kumar, property manager at Draper and Kramer’s Prairie Shores Apartments.

Kumar said that his first and foremost goal was the safety of the residents, employees and the property.

“With help from our security, Allied Barton, we came up with a plan of action which included managing parking, more security personnel in and around the property, being ready with supplies to board up windows (if necessary), constant communication with residents, signing up for traffic updates from the city, etc.,” said Kumar.

## ▶ Preparing from the Inside Out

The FBI, Chicago Police Department and the NATO committee had a vested interest in making sure the city was prepared for an event of this scale. As a result, numerous informational meetings were held prior to the actual event. These meetings were hosted by a number of trade associations, Apartment Building Owners and Managers Association (ABOMA) and the City of Chicago. As the summit drew closer, more information and plans



were made available, though some information was held back to the last minute in order to prevent the protestors from making plans in advance.

Armed with this information, we were able to review the building's weaknesses and highlight areas that would enable the protestors to cause damage or disrupt building operations. Our assessment revealed several items of potential security risks in staffing and equipment, the safety of windows, storefronts and doors; building property that could be moved, thrown or broken; emergency supplies; and building communication systems. Combined with the times, dates and routes of NATO protestors and dignitaries alike, the vulnerabilities and opportunities highlighted in our security report helped to cover everything from shutting down the building garages, that could be host to potential car bombings, to making sure garbage dumpsters were chained and locked.

We reviewed the report with the building staff of each affected building to issue assignments to what and when certain tasks were to be completed. It was also very important that we disseminated information on parade routes and demonstration locations. Information was posted on bulletin boards, e-mailed and communicated via phone messages.

The property was then reviewed to ensure protestors could not gain access to the building. Basic security steps were taken, such as constantly checking doors to guarantee they were adequately locking, adding security cameras to provide better coverage and securing the keys used to lock down areas, such

as elevators or revolving doors. One of our other primary concerns was how to avoid traffic congestion from the parades and motorcades. In the end, alternate routes were suggested and utilized to avoid areas near the summit.

The information gleaned from summit preparation meetings was useful, although there were a number of changes that occurred last minute. By being prepared, we were able to make successful on-the-fly decisions.

"The whole process was a learning experience," Kumar said. "We feel that careful planning well in advance caused very little anxiety and disruption in our day-to-day business during the NATO summit."

## ► A Big Whoosh

The actual NATO event was anticlimactic thanks to excellent planning by the city and federal government. Though protestors marched in front of our buildings, the police had it controlled well, and the few protestors that wanted to get violent were held in check by the Chicago Police. Only 91 people were arrested, the whole summit went by without any serious injuries and only eight felony arrests were made.

In retrospect, the whole event was like a big *whoosh*. Through careful planning and mapping out all possible scenarios, we were able to create a plan of action for anything that might occur. ■



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GREG MARTIN, CPM, ([MARTING@DRAPERANDKRAMER.COM](mailto:MARTING@DRAPERANDKRAMER.COM)) IS THE VICE PRESIDENT OF RENTAL PROPERTY MANAGEMENT WITH DRAPER AND KRAMER IN CHICAGO.



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# SOCIAL MEDIA

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## A THREE-DIMENSIONAL NEW YEAR

Another year has ended and a fresh one stretches out before us as a new road to travel. It's just one year after another. Not an astonishing feat, and one with which we are all intimately familiar. Yet each time we move from one year to the next, we seem to regard it as a bit of a phenomenon. Is it time to look at the past or to the future?



NATALIE D. BRECHER, CPM, (NBRECHER@BRECHERASSOCIATES.COM) IS PRESIDENT OF BRECHER ASSOCIATES IN REDONDO BEACH, CALIF.



LEARN MORE ABOUT THE IREM PUBLICATION, TRANSFORMATIONAL LEADERSHIP IN THE NEW AGE OF REAL ESTATE.

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### REMEMBER THE PAST

Some purport that we should reflect on the past to look at the lessons we've learned. When used wisely, history is a strong teacher and provides context for today's events. Discounting the past and not using it for the betterment of the future is ignoring an irreplaceable gift.

Hindsight, however, is not 20/20. We choose to remember in the way we want, which can be deceiving. Occasionally, we repeat past behaviors in spite of the fact they did not bring the intended results.

Regaling ourselves or others with abundant "back-in-the-day" stories is time travel at its worst, removing us from the now and diminishing the importance of the future. Living predominantly in the past through time-worn topics of conversation and repetitive actions can devalue what you offer today. The past can act as a weight, holding you down and leaving you no energy to live in the present or allow you to move forward.

### IN WITH THE NEW

Others are strong proponents of concentrating on the future, believing the past *is* past and cannot be changed and it is not the predominant influence on the future. How we think and what we do are what crafts tomorrow, so energies are well spent where it counts: creating the future.

Conversely, living solely *for* the future can result in a dreamer state: "When xyz, I'll..." Living an "I will" lifestyle is not living. If we look only to the future, we risk missing the now and lose the value of the past.

### LIVE IN THREE DIMENSIONS

A better mindset is to think, reflect and act in three balanced dimensions, taking into consideration the past, present and future. Consider the following as dimensions of a mindset:

**1:** Keep history behind you and sporadically reflect on it to remember lessons and appreciate where you've been and how it formed you. But keep it distant; using only the rear-view mirror is dangerous driving.

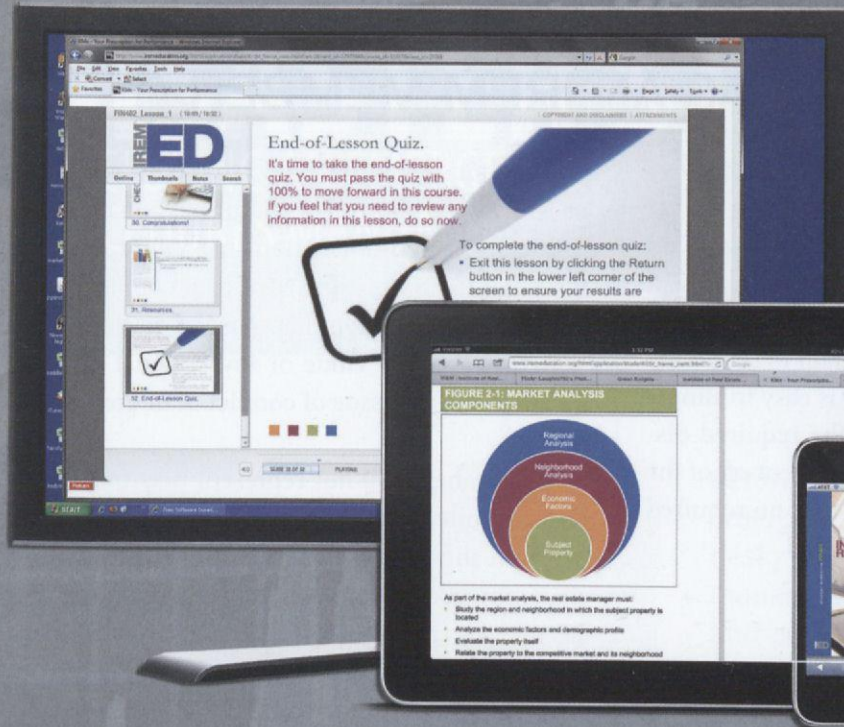
**2:** Thinking of the past and future overshadows the present, yet it's what we work so diligently to have, will reflect on later and should be most valued. When doing anything, do it with complete focus. With long to-do lists and multi-tasking, not focusing can be dangerous. Focus on the now, and quality and satisfaction will improve.

**3:** The world would not be enjoyable and continue improving without people who share their dreams and vision. Besides, anticipatory happiness brings joy. Whether it is for your business or yourself, envision the future you want and work to make it materialize.

A three-dimensional year is not a compromise between the past and the future. It is a balancing act considering the past, acknowledging the now and exploring the unknown to create the future. As Russell Brand (the English comedian) said, "People don't realize that the future is just now, but later." ■



# DESIGN YOUR ED



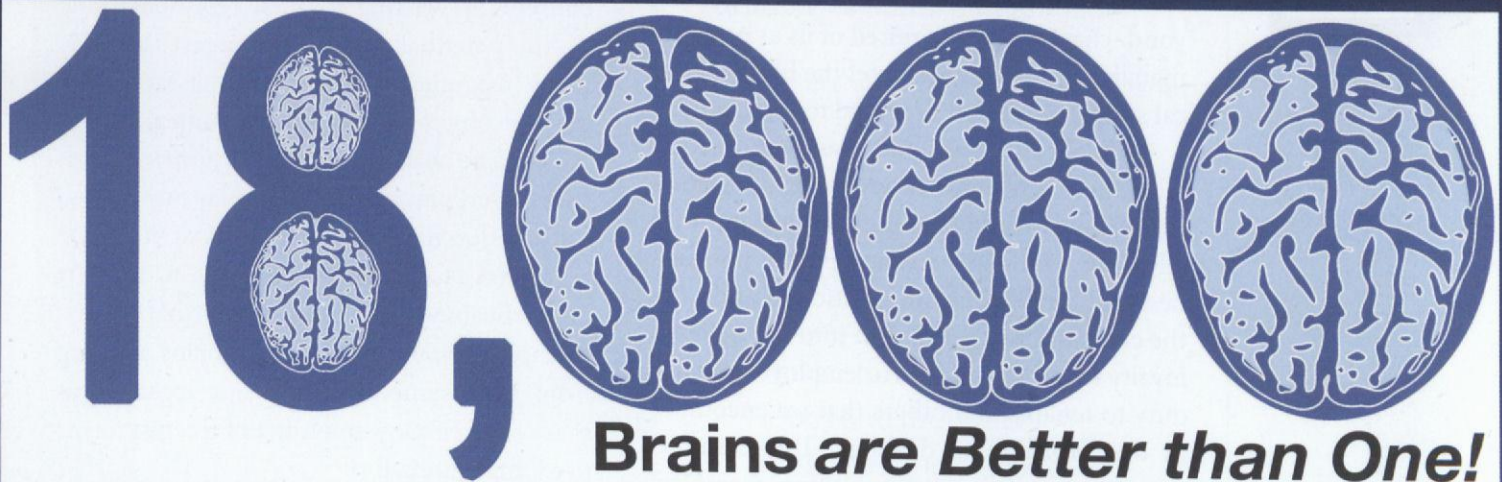
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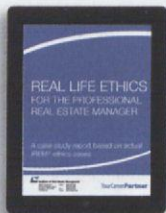


## FULL DISCLOSURE :

### YOUR DUTY AS AN IREM MEMBER



MALETA J. BROWN, CPM, (MJBROWN@REITMR.COM) IS A PROPERTY MANAGER WITH REIT MANAGEMENT & RESEARCH LLC IN MILWAUKEE.



TO CHECK OUT THE REAL LIFE ETHICS FOR THE PROFESSIONAL REAL ESTATE MANAGER, VISIT [IREM.ORG/ETHICS](http://IREM.ORG/ETHICS).

In our training as real estate managers, we are taught the importance of disclosure in business transactions. There are statutory regulations at the various levels of government that dictate what information a real estate professional must disclose to a client in real estate transactions. As a practice, it is easy to simply form a checklist with all of the required disclosures, checking each requirement off of the list as it is fulfilled, ensuring that no required disclosure is inadvertently missed.

#### Aspiring to Higher Commitments

As IREM Members, we aspire to a higher level of diligence and professionalism in regard to disclosure—an aspiration rooted in the *IREM Code of Professional Ethics*. Our commitment to this code compels us to go above and beyond what is legally required of us as property managers; we pledge to meet the highest ethical standards as well in regard to disclosure.

We pledge to “seek and maintain an equitable, honorable and cooperative association with fellow members of the Institute and with all others who may become a part of my business and professional life.” Articles 1 and 12 of the code give further insight into our belief in loyalty to our client, firm or employer and our duty to tenants and others that we encounter in our professional dealings. This commitment is one of the distinguishing characteristics of an IREM Member, serving to further elevate us as property management professionals.

#### Identifying Conflicts of Interest

There are times when our personal relationships and professional lives have the potential to intermingle. At these times, we are often faced with making decisions on what is im-

portant for the other party to know about us within the context of the professional relationship. Any information that might have the potential to be construed as a conflict of interest is information that must be disclosed.

Article 7 of the Code of Professional Ethics addresses the issue of conflict of interest as follows:

“A Member shall not represent personal or business interests divergent from or conflicting with those of the client or employer and shall not accept, directly or indirectly, any rebate, fee, commission, discount or other benefit, monetary or otherwise, which could reasonably be seen as a conflict with the interests of the client, employer or firm, unless the client or employer is first notified in writing of the activity or potential conflict of interest, and consents in writing to such representation.”

Any potential conflict of interest that may seem insignificant when taken at face value may become a reason for your integrity and ethics to be challenged without proper disclosure. Good practice is to disclose any and all information that may have the *potential* to be perceived as a conflict of interest at the start of any business relationship. Information disclosures can take a number of forms, ranging from management agreements, legal documents and employee conflict of interest forms to a simple e-mail.

Since 1978, 43 ethics complaints have included a potential violation of Article 7: Conflict of Interest. If you would like to read more about some of the actual cases relating to disclosure please read the newly released IREM publication, *Real Life Ethics for the Professional Real Estate Manager* which can be found at: <http://www.irem.org/pdfs/joinirem/RealLifeEthics.pdf>. ■



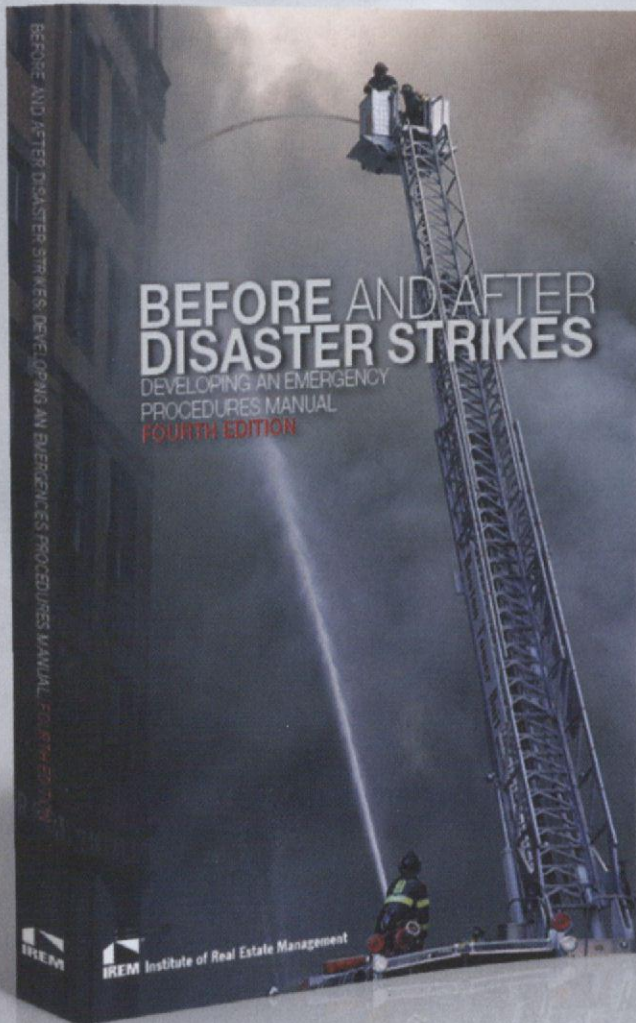
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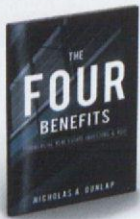
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## When ONCE in a Lifetime is Once Too MANY



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MR. DUNLAP IS ALSO THE AUTHOR OF THE *FOUR BENEFITS*.

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

Six months ago, I was the person who you could find sitting down to lunch with colleagues to recall my good fortune for never suffering through a building fire. Sure, there were minor blazes—one due to a tenant mistaking his wall heater for a way to dry out his wet bath towel and the other due to a faulty alarm clock of all things—but a three-alarm fire? Nope. Never. Not me.

Today, I am no longer that person. I have learned more than I care to know both about human nature and the horrendous headache involved with experiencing a fire at one of your properties. All things considered, I am better for it—it is a feather in my cap of experience, so to speak.

### The Day of and THE AFTERMATH

As fate would have it, I received the call at 2 p.m. on a Friday afternoon. This was a three-alarm fire that required 16 fire engines, shut down traffic at two major intersections and, ultimately, destroyed eight units at our complex, which displaced 30 people. It was also a major media spectacle due to a slow news day. Needless to say, we made the headlines. Fortunately, no persons or pets were injured. Unfortunately, the cause of the fire was a tenant cooking with grease and leaving the range unattended—entirely preventable.

### Putting in WORK

So, if you are a rookie and have yet to join the fire club, or if you are a veteran who has several fires under your belt, here are a few things to consider:

- Keep your insurance agent and insurance carrier's claim numbers in your Smart-

phone or use the Dropbox app to store policies and key contact info. This helped get the ball rolling immediately in terms of remediation, repair and rebuilding.

- Have a pre-written policy in place on how to handle the media, who should or should not talk and who should or should not be allowed on the property. I noticed newspaper and television reporters entering the property and interviewing anyone they could to spin a story. At one point, I was amused to hear that 30 units had been destroyed. Amused, of course, because there are only 23 units in the complex. When I broke the news to the reporter, she was disappointed to have lost such a sensational sound bite.

LEARN HOW TO DEAL WITH THE MEDIA AFTER A FIRE IN THE LATEST IREM PUBLICATION, *BEFORE AND AFTER DISASTER STRIKES*.



SCAN THE QR CODE TO VISIT THE PAGE DIRECTLY.



[WWW.IREMBOOKS.ORG](http://WWW.IREMBOOKS.ORG)

- Use this as an opportunity to fill vacant space at other buildings you may own or manage. We were able to relocate five of the displaced families into three of our other properties.

As day one came to an end, the Red Cross Field Manager informed me that in all of her experience, she had never seen an owner and a manager working together with residents onsite like we did. To see that our efforts were recognized and appreciated, that meant the most. ■



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# WHO WANTS TO BE A SHALEIONAIRE?

## Hidden Concerns of Fracking

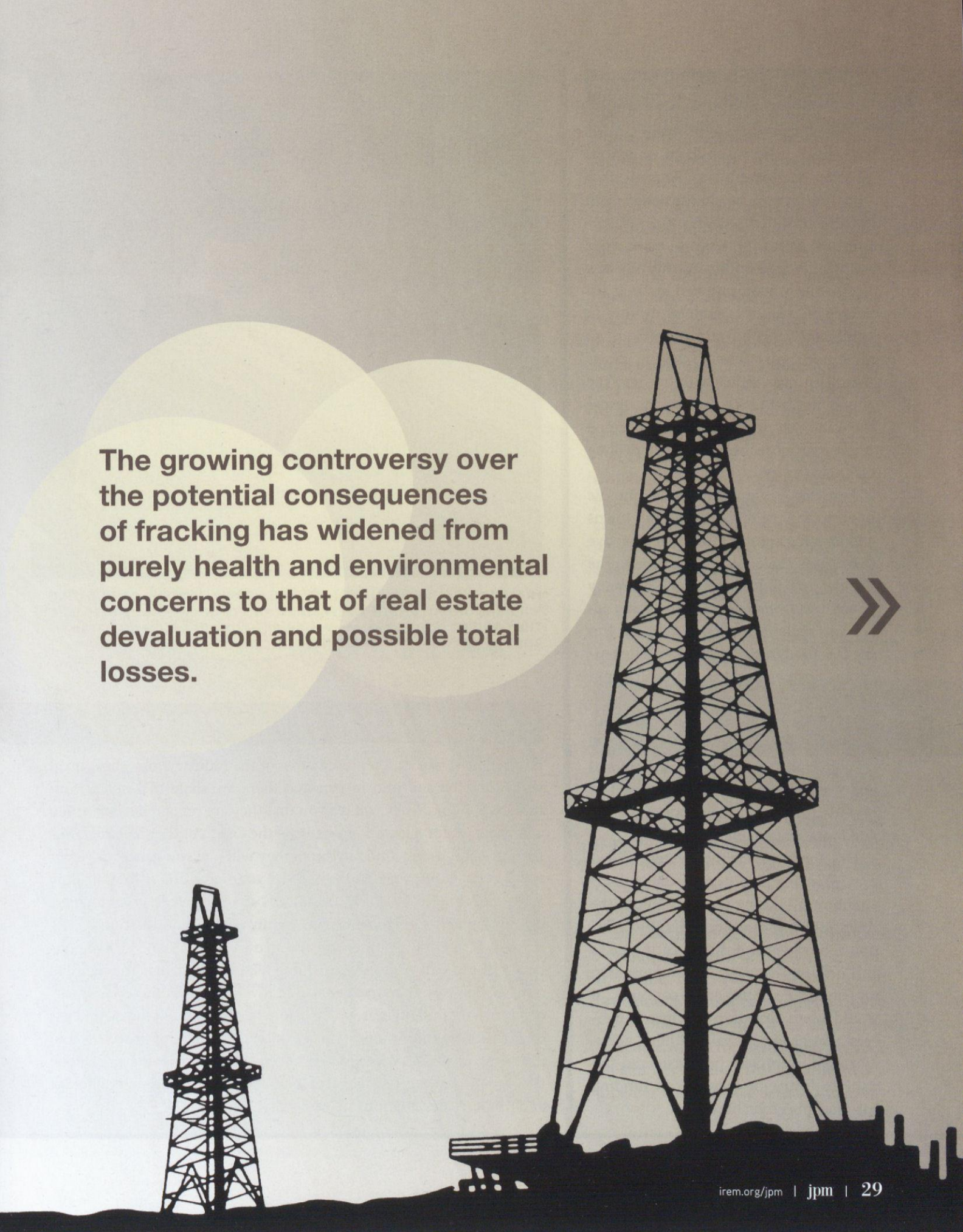
Uninsurable Properties,  
Mortgage Denials and  
Real Estate Devaluation  
Join the Fracking  
Controversy

**By Laurie Gral, CPM**



PHOTO © ED DABACK/GETTY IMAGES



The image features a light-colored background with three overlapping, semi-transparent circles in shades of yellow and white. In the foreground, there are dark silhouettes of two oil derricks of different heights. The taller derrick is on the right, and the shorter one is on the left. The derricks are composed of a lattice of metal beams. The overall scene is set against a light, hazy sky.

**The growing controversy over the potential consequences of fracking has widened from purely health and environmental concerns to that of real estate devaluation and possible total losses.**





## What is Fracking?

Fracking, or hydraulic fracturing, is the process of injecting millions of gallons of water, sand and toxic chemicals deep into the ground at an extremely high pressure in order to break up rock formations, which then release oil or shale gas. This type of drilling is relatively new and rather unconventional since it includes the use of horizontal drilling in combination with vertical drilling. As a method of extraction, fracking allows the oil and gas industry to tap into the abundant shale rock formations across the U.S. that were previously deemed unattainable because of limits in drilling technology.

Fracking has provided an economic boon to the regions, cities, small towns and farming communities that lie above these vast shale rock formations. The oil and gas industry, as well as many government officials, see these now accessible shale formations as the cure to the U.S. foreign oil and fossil fuel dependency, since natural gas is much cleaner than coal and oil.

The industry claims that tapping into these domestic resources will create local jobs and bolster the local, regional and even national economy, as well as provide the perfect segue into a cleaner and more sustainable energy future.

Despite the proclaimed benefits, however, fracking has caught the public's attention by raising concerns about the contamination of water wells, air pollution, above-ground spills, earthquakes and property damage it may cause. On top of the environmental concerns, it would seem that the anticipated concern that properties with drilling activity might eventually be considered too risky to insure or secure with funding has finally been realized.



**FRACKING, OR HYDRAULIC FRACTURING, IS THE PROCESS OF INJECTING MILLIONS OF GALLONS OF WATER, SAND AND TOXIC CHEMICALS DEEP INTO THE GROUND AT AN EXTREMELY HIGH PRESSURE IN ORDER TO BREAK UP ROCK FORMATIONS, WHICH THEN RELEASE OIL OR SHALE GAS.**

## A "Shaleionaire" Promise

Here's how it works: a representative of the industry may show up at your doorstep and inform you that there are shale rock formations under your land. They will tell you that they are prepared to write you a large check for a lease to investigate the extent of the shale rock formations, and if they find anything, they will pay you generous renter royalties to extract that gas from under your land. The risks of drilling are often not disclosed, but the offer is so generous that landowners quickly sign into agreements without any outside consultation.

Many farmers and homeowners who own land in shale-rich regions have quickly said yes to these drilling lease agreements. The windfall of cash bonuses, lucrative rents and royalties make these landowners overnight millionaires, or "shaleionaires." Although the oil and gas companies reassure property owners that the drilling processes and chemicals used are safe, the safety and liability to the owners, let alone the viability of their mortgage, potential irreversible property damage and property devaluation, are rarely discussed.





As a method of extraction, fracking allows the oil and gas industry to tap into the abundant shale rock formations across the U.S. that were previously deemed unattainable because of limits in drilling technology.



## The Ins and Outs of the Drilling Lease

Many of the oil and gas leases function more like a deed with a homeowner indemnity than a space lease. The lease dictates that the homeowner relinquishes the “bundled” rights that are granted to the gas companies. This “bundle” of rights contains the sole discretion of the lessee to access, extract, store or transport oil and gas from the surface or subsurface land area. These leases may also be re-sold or assigned to a third party without providing notice or obtaining approval from the landowner.

All mortgages prohibit hazardous activity and hazardous substances on the property that they encumber, and mortgages generally require environmental review and clearance before considering a drilling lease of any kind. As such, the unaware homeowner with this type of lease is in breach of their mortgage contract and may be subject to loan acceleration or foreclosure.

## Regulation and the Halliburton Loophole

In 2005, Congress deregulated and exempted fracking from complying with decades-old federal environmental laws governing safe drinking water and clean air through statutory amendments, now commonly known as the Halliburton Loophole.

In March 2012, the Department of Agriculture started an extensive environmental review to make fracking risk conclusions before continuing to issue billions of dollars in federal mortgages to people who have leased their land for oil and gas drilling. This effort reflects a growing concern that lending to own-



ers of properties with drilling leases might violate the National Environmental Policy Act (NEPA), which requires environmental reviews for federal funding.

## Lenders Jump Off the Fracking Train

During the last year, some banks such as Bank of America, Wells Fargo, Provident Funding and Fidelity have started revisiting their lending policies to account for the potential impact of drilling on property values. Homes with gas leases do not meet secondary mortgage market guidelines.

“In some cases conditions exist, such as gas wells that can significantly degrade a property’s value,” said a representative from Quicken Loans in a statement to the press. “In these cases, we are unable to extend financing due to the unknown future marketability of the property.”

Once lenders connect the “no hazardous activity” clause in the mortgage with the rise in uninsurable events from residential fracking, the no-lending policy can be expected to expand. If homeowners with gas leases can’t mortgage their property, it’s unlikely they can sell their property. The inability to sell one’s home may represent the most pervasive adverse impact of residential fracking.

Brian and Amy Smith, who live near the Marcellus Shale well in Daisytown, Pa., are the first example of having banks and lenders deny loans because of proximity to a drilling site.

“If I can’t refinance, could somebody get a loan to purchase my house? That’s definitely a worry,” said Brian Smith. Two other national lenders also turned down the Smiths’ application.

In March 2012, the Department of Agriculture started an extensive environmental review to make fracking risk conclusions before continuing to issue billions of dollars in federal mortgages to people who have leased their land for oil and gas drilling.



## Reallocating the Risk

National insurance companies are also starting to follow suit in denying or cancelling coverage on those properties with fracking activity.

In July 2012, Nationwide Insurance issued a release stating that the company’s personal and commercial lines insurance policies were not designed to provide coverage for any fracking-related risks.

“From an underwriting standpoint, we do not have a comfort level with the unique risks associated with the fracking process to provide coverage at a reasonable price,” said the company.

The dangerous risk assessment and environmental hazards now associated with fracking can result in injury or loss of life, severe damage or destruction of property and clean-up responsibilities, all in a homeowner’s back yard. This may pose uninsurable conditions with exponential unknown risk that cannot be controlled.

Without a doubt, Nationwide’s position on the risks will be closely watched by other insurance carriers. At a time when many insurers are facing increased payouts due to weather-related damage, it will be interesting to watch how the industry evolves on the mitigation of fracking risks.



## Shale Gas, Natural Wonder or Manmade Disaster?

Currently, the Halliburton Loophole does not require oil and gas companies to disclose when, where or what chemicals they use in their fracking process. Fracking is also exempt from the Safe Drinking Water Act, Clean Water Act and the Clean Air Act, despite being linked to thousands of cases of water contamination. The exemption from the Safe Drinking Water and Clean Water acts is notable, considering how the process of combining toxic chemicals with water to break rock formations turns drinking water into toxic, sometimes radioactive waste.

According to the EPA, fracking wells emit volatile organic compounds including benzene and hexane. These compounds contribute to smog formation and may also cause cancer and other serious health effects. A recent University of Colorado study found that the air quality for communities and people living near fracking operations is five times higher than the Federal Hazard Standard. Communities surrounding those sites have a higher risk of acute and chronic health conditions.

Lastly, wastewater from fracking promotes earthquakes. The U.S. Geological Survey has documented a tripling of earthquakes with a magnitude of greater than 3.0 in the Midwest caused by wastewater wells originating from fracking operations. The Midwest is not known for their earthquakes, unlike California, where fracking is rampant across the state. California is notably home to the Inglewood Oil Field in Los Angeles, the

largest urban oil field in the country with a surrounding population of 300,000 residents, and it resides on two major fault lines.

## Is There a Safe Answer?

American culture traditionally favors land use that keeps heavy industrial activity out of residential neighborhoods. The reasons range from safety to aesthetics. A home represents a family's most valuable asset, financially and otherwise.

The energy and housing sectors both rely on investor dollars to fund their future. Will individuals' retirement funds expand as their homeownership rights fade away? Can the secondary mortgage market, which measures economic recovery by construction starts and new mortgage loans, now ignore the inherent risk associated with fracking?

The environmental and public health consequences of fracking are sufficient alone to question the true value of pursuing this domestic energy source, let alone the signaling that more lenders and insurance companies are retreating from these risky properties.

Considering the fact that the technology does not currently provide "safe" fracking, the consideration, research and investment in clean and sustainable domestic energy sources such as wind and solar must be advanced. ■

The dangerous risk assessment and environmental hazards now associated with fracking can result in injury or loss of life, severe damage or destruction of property and clean-up responsibilities, all in a homeowner's back yard.



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PHOTO © ED DARACK / GETTY IMAGES





# THE HOUSE THAT SEUSS BUILT: The Geisel Library at University of California San Diego is an Impressive Architectural Gem

By Diana Mirel

When Theodor Seuss Geisel, best known as Dr. Seuss, first saw the library at the University of California San Diego (UCSD) campus, he turned to his wife, Audrey, and said, “That looks like something I might have drawn.” The Geisels were long-time supporters and patrons of the library. In 1995, the library was renamed the Geisel Library to honor a generous donation from Audrey and the Geisels’ devotion to literacy.

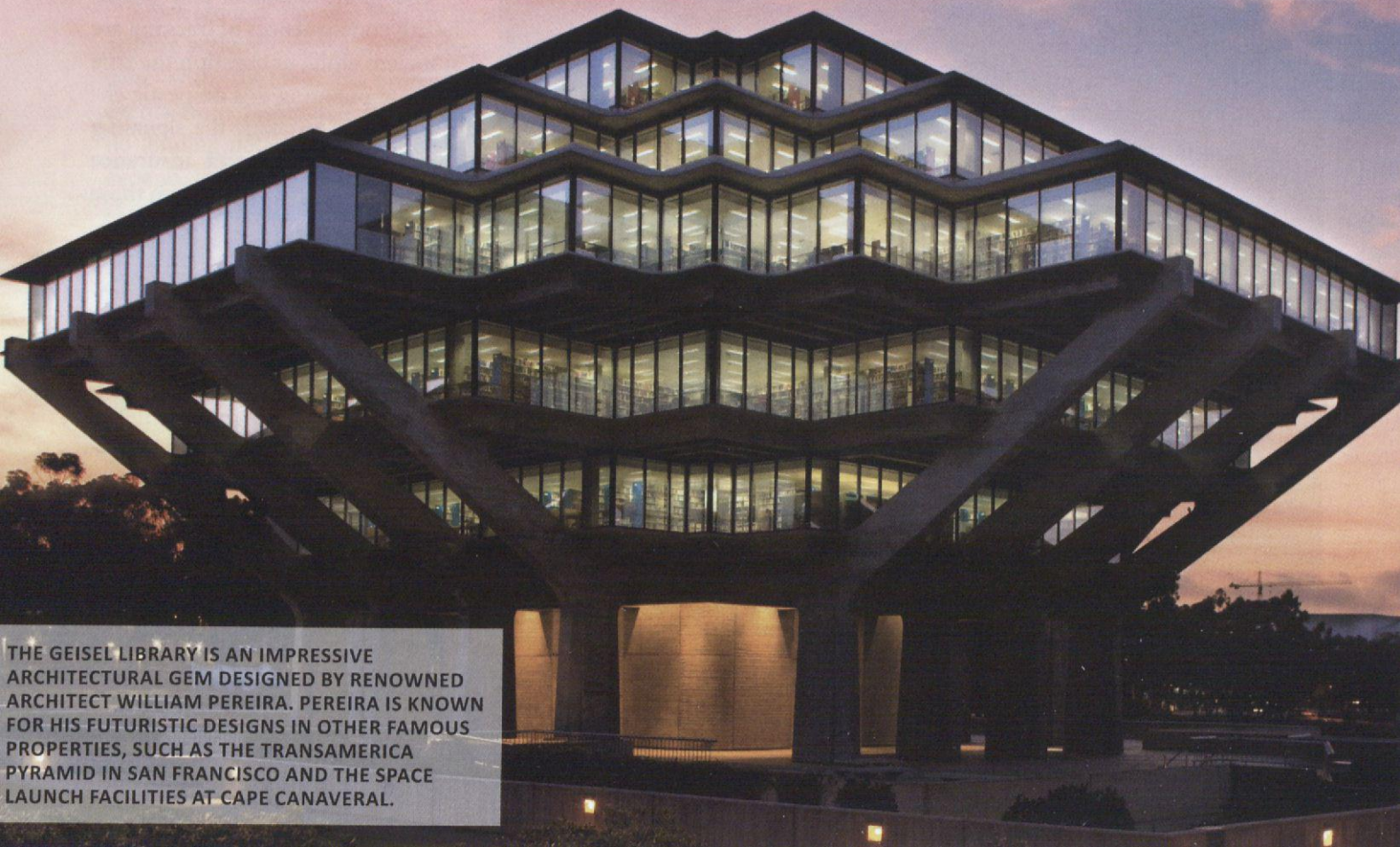
“The Geisel Library was already famous in the mid-’90s due to its stunning architecture and numerous film and TV appearances,” said Brian Schottlaender, The Audrey Geisel University Librarian. “However, the renaming strengthened the association between Dr. Seuss and the library with the library becoming known by many as ‘Dr. Seuss’ Library.”

The library further honors the creative achievements of Dr. Seuss in the Mandeville Special Collections, a repository for personal papers of Dr. Seuss. The Dr. Seuss collection includes original drawings, sketches, notebooks, manuscript drafts, books, photographs and other materials documenting Dr. Seuss’ literary contributions.

## Something Out of a Dr. Seuss Book

The Geisel Library is the main library on the UCSD campus. Its unique geometric design has a futuristic quality that has been described as a grounded spaceship. It has been prominently featured in numerous movies, television shows and commercials. When it was built in 1970, the bold, innovative building quickly became the symbol of the campus.

“It is so unusual and so distinctive,” said Boone Hellman, UCSD Campus Architect. “The fact that it



THE GEISEL LIBRARY IS AN IMPRESSIVE ARCHITECTURAL GEM DESIGNED BY RENOWNED ARCHITECT WILLIAM PEREIRA. PEREIRA IS KNOWN FOR HIS FUTURISTIC DESIGNS IN OTHER FAMOUS PROPERTIES, SUCH AS THE TRANSAMERICA PYRAMID IN SAN FRANCISCO AND THE SPACE LAUNCH FACILITIES AT CAPE CANAVERAL.





looks like a spaceship or something out of a science-fiction novel is very captivating to fertile imaginations. People are amazed by it. Some people look at it and think it defies logic. It doesn't look like it could be structurally sound, so they are a bit puzzled."

### Structurally Sound, Architecturally Amazing

The library is a cast-in-place concrete configuration in which the structural system is expressed through architecture. The vertical columns morph into cantilevered support beams on the exterior.

"The design was particularly unique back in 1970 because this type of concrete structural/architectural expression was relatively new and innovative," he said. "Cast-in-place structural engineering had advanced sufficiently to allow the architect to maximize structural integrity while minimizing mass and structural thickness. While the structure is massive, the parts and pieces are relatively light and elegant."

### Bringing Books to Light

The design of the Geisel Library creates a unique, contemporary library experience.

"The wide expanses of glass bring in a great deal of light, which provides wonderful vistas that students and other patrons love," said Schottlaender. "However, this is not so good for books and other materials. So we added UV protection film to the glass to reduce long-term collection damage."

To further meet the modern needs and demands of the library, the university spent five years building an addition to the library in 1992. Leaving the original design completely intact and unchanged, the addition consisted of entirely subterranean space added to the east and west sides of the existing building. The addition added 15,413 usable square feet to the existing 121,839 square feet and was built by Gunnar Birkerts & Associates.

Despite being underground, the addition brings in a great deal of natural light through the subterranean gardens and light shafts—an impressive architectural feat.

The original interior of the library had oak furniture and an earth-toned color palette with shades of orange and green. The new addition, however, introduced an updated jewel-toned color scheme into the interior design of the library.

The library leadership is currently working to bring a consistent look and feel to all of the different libraries within the Geisel, including the university's Arts Library, the Mandeville Special Collections Library, the Science and Engineering Library and the Social Sciences and Humanities Library. Throughout the years, each library has established its own identity and character.

"Within the next year, the Geisel Library will house one unified library and will go back to one consistent look and brand," says Schottlaender.

In addition to the literary works and research materials within the library, the Geisel Library also displays a number of unique works of art

from the university's Stuart Collection, site-specific works of public art throughout the campus. In 2001, famed conceptual artist and influential teacher at UCSD, John Baldessari, and designer, Roy, created the "Read, Write, Think, Dream" installation in the foyer of the Geisel Library. In this piece, Baldessari placed photographic images of UCSD students standing atop a row of shelved books on a wall of eight 10-foot high glass panels that flank two automatic sliding doors at the entrance of the library.

The sheer size and notoriety of the library make it a rewarding yet challenging property to manage.

"It is difficult to keep the temperature constant with all the glass, along with the large number of people coming and going," said Hellman.

Additionally, the building also has a cult following that the university appreciates. The library constantly gets requests for filming and photography shoots, and there are regular tours for students, parents and other campus visitors.

"The building is an icon, an architectural marvel that has withstood the test of time," said Hellman. "We celebrated its 40<sup>th</sup> anniversary a year ago and it still looks as cool and futuristic as ever. It is a privilege to work in a building like this, and to know how appreciated and loved it is by so many on campus and around the world, really." ■

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# THE WILD, WILD WEST IS OPEN FOR BUSINESS:

Three emerging western markets make steady but tempered headway reigning in booming industries, national retailers and more residents

**KRISTIN GUNDERSON HUNT**

“**W**ith the sluggish economy, people are realizing they get more for their money in these markets,” said Matt Coulam, CPM, property manager for the Boyer Company in Ogden, Utah. “Companies that have done business back east or on the west coast can still have similar office or retail space while reducing their costs on rental rates and operating expenses.”

In November 2012, the Urban Land Institute and PricewaterhouseCoopers ranked Denver (14), Salt Lake City (21) and Albuquerque (42) among its list of 51 national markets to watch in the *Emerging Market Trends 2013 Report*.

Denver is seeing the most traction, becoming a popular technology sub-market, as well as host to bioscience, and wind and solar power companies. Such businesses need office space, accompanied by an educated workforce with housing needs and money to spend at retail centers—making commer-

cial real estate conditions favorable for the city.

Despite such ripe conditions, though, Denver is still in “recovery mode” post recession, said Tiffany L. Jackson, CPM, senior property manager at Dunton Commercial Real Estate Company in Denver. Vacancy rates across all sectors are stable, but looming concerns about the global economy are inhibiting a mass influx of new business or expansions, according to CB Richard



DENVER BUSINESSES NEED OFFICE SPACE, ACCOMPANIED BY AN EDUCATED WORKFORCE WITH HOUSING NEEDS AND MONEY TO SPEND AT RETAIL CENTERS—MAKING COMMERCIAL REAL ESTATE CONDITIONS FAVORABLE FOR THE CITY.





Ellis' *Marketview Q3 2012* reports for office and retail sectors.

"We were affected by the overall economy like everyone else," Jackson said. "Now, we're seeing at least some new growth, and definitely more stability from the tenants who are already here. The office market, especially, is stabilizing. Fewer concessions are being offered to tenants, and tenants seem more committed to staying in their spaces."

The office market in Salt Lake City, however, hasn't been quite as resilient amid the financial uncertainty. Slowed job growth and the addition of new product coming online in the third quarter caused vacancies to trend upward slightly, according to the *CBRE Salt Lake City Office Market Marketview Q3 2012* report. Net absorption did remain positive, however, and asking lease rates slightly increased.

The retail sector is seemingly compensating for the office market's "lackluster" performance, though. According to the *Salt Lake City Retail Market Marketview Q2 2012* report, retailers continue to look to Utah, statewide, for expansion and investment opportunities.

One of Utah's largest open-air shopping centers, Station Park in Farmington—between Ogden and Salt Lake City—continues to expand, anticipating completion of construction on multiple buildings in 2013 that will house Swedish clothier H&M, Twig's Bistro, Republic of Couture, Francesca's Collection Boutique and Charming Charlie.

"Each local city in Utah is really pushing to grow," Coulam said. "We've started getting national ten-

ants we haven't had in the past. Retailers that have traditionally been in California and Arizona are starting to show up."

Albuquerque, too, is seeing slow and steady improvement in market conditions, particularly the retail sector, according to the *CBRE Albuquerque Retail Marketview Q2 2012* report. Net absorption at retail centers reached 112,770 square feet in the second quarter, the highest quarterly absorption since the

**Across the board, real estate managers in the Western region said they are focused on working with owners to reduce operating costs and improve their properties with low-cost, high-impact projects.**

third quarter of 2010. Still, recovery through 2013 is expected to be modest.

The 2013 outlook for Albuquerque's office market, driven by the government sector, is slightly bleaker, despite declining vacancy rates throughout 2012, according to the *CBRE Albuquerque Office Marketview Q3 2012*.

Government accounts for 21 percent of all non-farm jobs in the city. Consolidation of government offices and loss of government contracts has negatively impacted absorption and will likely push vacancy to more than 20 percent as two major government tenants exit their leases in 2013, according to the *CBRE* report.

"We didn't see a lot of fall out from the recession at first," said Julie Baldrige, CPM, director of

property management for Grubb & Ellis, in Albuquerque. "But in the last year we've experienced what seems to be a delayed response to the recession with falling rents and tenants downsizing their spaces."

Across the board, real estate managers in the Western region said they are focused on working with owners to reduce operating costs and improve their properties with low-cost, high-impact projects like pressure washing and painting buildings; improving landscaping; and upgrading properties' facades to keep them competitive.

"Convincing owners to invest in their properties with limited capital can be a challenge," Jackson said. "Show them how they can benefit, whether it's through decreased vacancies or increased rent. Personally, I've developed trusting relationships with my owners. I assure them I won't recommend anything that I wouldn't do with my own property or money. I have found that owners really appreciate my experience and my opinion."

While owners might still be hesitant to invest large sums in their properties right now, investors appear to be much less hesitant when it comes to establishing roots out West.

"These cities not only offer a great place to work, but a great place to live as well," Coulam said. "I believe people are still discovering all that the West has to offer." ■

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**SNAPSHOT**

CORPORATE HEADQUARTERS  
Kromer Investments, Inc.

EXECUTIVE CPM  
Roland Montoya, CPM, ARM

NUMBER OF EMPLOYEES  
98

COMPANY WEBSITE  
[www.kromerinvestments.com](http://www.kromerinvestments.com)



**THE FOLLOWING IS AN EXCLUSIVE INTERVIEW WITH ROLAND MONTOYA, CPM, ARM, OF KROMER INVESTMENTS, INC., AMO.**

■ **Kromer Investments is a successor to a family business. How do you describe the mesh of new name and old tradition? What are the advantages and disadvantages that this lends to your business?**

The principals of the company, who had operated their multifamily properties directly, had gotten to the point where the operation had grown too large to manage effectively. In order to take the company to the next level, they formed Kromer Investments (as recommended by their attorney), to handle management responsibilities. The principals are still actively involved with the management of the company, keeping the family tradition alive. Since the company evolved from individual management, Kromer Investments was basically starting from the ground up. The new company had to develop forms, logos, and employee and operations manuals to be effective. This provided the opportunity to meld the good ideas from the self-managed era—and improve upon them where advantageous—with new ideas from the new management team, injecting an original way of thinking for the company.

■ **Your firm has a fairly active social media presence. Do you feel that's something that distinguishes Kromer? Describe the impetus and process that went on internally to develop and actively engage customers in social media. How, for instance, do you use some of the components of the Facebook Page to resolve maintenance and tenant complaints?**

During the planning stage, it was very important that we not only create a social media presence for people to see our company and our properties, but to have a fully interactive page that gives our residents and potential residents yet another medium in which to communicate with our property managers and our corporate staff as well. Since we actively manage our pages from the office daily—resolving maintenance issues and resident complaints, as well as offering news bulletins, special offers, resident contests, etc.—we can take an active role in managing our online reputation. I definitely think it distinguishes our company as a market leader and has been very gratifying for me personally to see it come to fruition.





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“Our willingness to **EMBRACE SOCIAL MEDIA** is really about our commitment to **OUR RESIDENTS**. We didn’t embrace social media because it was the “in” thing to do but rather to **GIVE OUR RESIDENTS** another avenue to communicate with management that some find more comfortable.”

- Describe the owner-managed advantage. What does it mean for both the property manager and the tenant?

It’s simply a higher level of caring for our residents and pride of ownership for our staff. When a person owns property, the tendency is to take better care of it. Since we own our assets, that type of mentality has been instilled in all of us from the corporate level to the property level since day one. This is a definite advantage for the property manager knowing that our company will always put a competitive product on the market. This is the mentality we would like to share with investors as we break into the fee management business. We would treat their properties with the same care, respect and pride as our own properties.

- How does Kromer Investment’s willingness to embrace social media and take ownership of its online reputation underscore your commitment to the owner-managed advantage?

Our willingness to embrace social media is really about our commitment to our residents. We didn’t embrace social media because it was the “in” thing to do but rather to give our residents another avenue to communicate with management that some find more comfortable. We knew the feedback would be both positive and negative, but at least we would have a chance to not only take ownership of our online reputation, but improve on how we do business, and the residents feel like they’re being heard. ■

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# Proactive Water Reduction Measures in Spain

By Juan Carlos Blanco, CPM Candidate

Spain's climate is prone to recurring drought. Although the majority of drought-water restrictions have been limited to rural communities, our company took a proactive approach to limiting water waste by implementing several water-reduction measures. For the last three years, our sustainable water program has not only saved money, but has also made us better able to withstand any future drought and preserve our water supply balance for generations to come.

To maximize impact in the shopping centers and new projects we manage, we focused our water-saving measures to five areas: cleaning, bathrooms, gardening, HVAC and tenant awareness.

## Cleaning

Previously, when we cleaned our parking lots, we washed down the asphalt. Now, we use efficient sweeping machines with very low water consumption and pressurized water machines that reduce consumption by 80 percent.

## Bathrooms

In all our business center bathrooms we installed low-flow toilets and automatic taps.

## Gardening

We also worked with our gardening and landscaping teams to find alternatives to grass lawns, which require a lot of water to maintain. Instead, we planted indigenous Mediterranean gardens with plants and shrubs needing

low water consumption, such as thyme and rosemary. Properties are also encouraged to reuse grey water to reduce the use of water from rivers and lakes. The reused water should be considered an alternative resource.

## HVAC

Improvements have come from the use of more efficient systems with lower water evaporation and preset thermostat controls, depending on the station and planned pedestrian flow.

## Tenant Awareness

The most important part of our plan has been improving tenant awareness, as tenants are responsible for the majority of water used in our buildings. We have a variety of awareness information programs in place to get everyone on board.

Improved water distribution net-





## Educating Tenants and Residents

Many people don't think about the impact of their simple, day-to-day, water-related behaviors, so simply providing conservation tips and little reminders can be effective.

For example, placing a small sign near restroom faucets, offering pamphlets with water-saving tips, or holding a workshop to discuss water conservation ideas can help tenants and residents become more water conscious. You can appeal to various motivators such as:

- Reduced utility bills in submetered buildings (or perhaps lower rents in buildings without submetering)
- Environmental benefits such as reducing draw on streams and wetlands and preserving them as wild-life habitats and recreational areas
- Reduced infrastructure costs from the necessity to build new treatment and processing facilities, which may require tax dollars



THE GARDENS CONTAINED PLANTS AND SHRUBS, SUCH AS THYME AND ROSEMARY, THAT REQUIRE LOW-WATER CONSUMPTION.

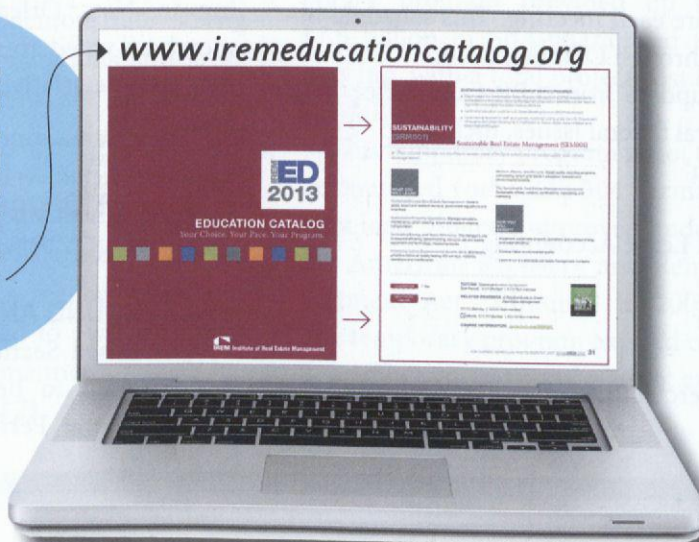
works in Spain have made significant progress. In the last 10 years, we have reduced losses to 15 percent, but we are still far from reaching the level set by countries like the Netherlands, which is currently at 5 percent. Our goal is to meet this benchmark and surpass it as new technology becomes available. We anticipate that these measures have cut water consumption by as much as 50 percent in some locations.

We are working to be pragmatic and logical with the resources we have and improve our efficiency and sustainability in water usage. Although drought is a naturally occurring phenomenon, we should not be passive about our water resources; we must work toward rationing our water consumption. Water is the source of life and should be valued as the commodity it is. ■



To learn more about implementing a water-savings program and other sustainable initiatives, the IREM course, *SRM001: Sustainable Real Estate Management*, is available to IREM Members for \$125, and \$155 for non-IREM Members. Visit [www.irem.org/eventschedule.cfm](http://www.irem.org/eventschedule.cfm) to register for the self-paced course, or to find a classroom offering in your area.

To view the digital 2013 IREM Education Catalog and to learn more about our other educational offerings, visit



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# OVERVIEW OF LEGISLATIVE AND PUBLIC POLICY COMMITTEE MEETING

**O**N OCTOBER 17, THE LEGISLATIVE AND PUBLIC POLICY (LPP) COMMITTEE CONVENED IN NEW ORLEANS FOR ANOTHER SUCCESSFUL MEETING. THE COMMITTEE MEETS TWICE EACH YEAR: ONCE DURING THE LEADERSHIP AND LEGISLATIVE SUMMIT (LLS) IN WASHINGTON, D.C. AND ALSO IN OCTOBER AT THE IREM FALL LEADERSHIP CONFERENCE (IFLC).

**T**he LPP Committee had a large turnout at the meeting, resulting in valuable discussion on pertinent legislative topics. The LPP Committee Chair, Michael Uccellini, CPM, kicked off the meeting with adoption of two new legislative Statements of Policy—one regarding the Small Business Administration’s temporary 504 refinancing program and the other on Management and Occupancy Reviews.

The LPP Committee also voted to approve new fundraising avenues and activities for the REALTOR Political Action Committee (RPAC). IREM is an affiliate of NAR and IREM Members directly benefit from this valuable PAC.

Also approved were revisions of 18 legislative Statements of Policy (SOP), including five reviewed by the IREM Federal Housing Advisory Board (FHAB) for review. Members voted to accept a new Statement of Policy revision schedule that maps out SOPs before each meeting. This schedule includes policy statements to be reviewed through October, 2014.

Committee discussions included an update from LPP Committee Vice Chair, Jeff Weatherspoon, CPM, on several federal issues, including:

- The National Flood Insurance program
- Internet Sales tax
- Financial Accounting Standards Board Lease Accounting
- Affordable Care Act
- Distressed Asset Stabilization Program
- Basel III
- Greenhouse gas emissions and Commercial Buildings
- Fair Housing

- EB-5 Regional Centers
- The looming “Fiscal Cliff”
- FHAB

Members were also pleased to hear that all of the 2012 Committee goals were successfully achieved—and in some cases exceeded.

The Chair concluded the meeting by introducing the new 2013 LPP Committee Chair, Jeff Weatherspoon, CPM, and 2013 Vice Chair, Win Nordblom, CPM.

IREM legislative staff would like to extend a hearty *thank you* to all Committee members for their dedication to this important committee!

## Two New Legislative Statements of Policy Adopted at October Meetings

During the October 17 Legislative and Public Policy Committee meeting in New Orleans, committee members voted to pass and adopt two new legislative Statements of Policy.

### 1 MANAGEMENT AND OCCUPANCY REVIEW (MOR)

**BACKGROUND AND OBJECTIVE:** Project-Based Section 8 properties are required to be reviewed annually by the Performance-Based





THE LEGISLATIVE AND PUBLIC POLICY (LPP) COMMITTEE VOTED TO APPROVE **NEW FUNDRAISING AVENUES AND ACTIVITIES FOR THE REALTOR POLITICAL ACTION COMMITTEE (RPAC)**. IREM IS AN AFFILIATE OF NAR AND IREM MEMBERS DIRECTLY BENEFIT FROM THIS VALUABLE PAC.

Contract Administrator (PBCA). The reports, called Management and Occupancy Reviews (MORs), include a look at general appearance; security; follow up from inspections; maintenance and operating procedures; tenant files; leasing processes; and document review. A completed report is sent to the owner/management agent within 30 days.

IREM Members have used these reports for internal processing and to improve performance. They are also used to demonstrate to Congress that the HUD portfolio is well managed to ensure continued support of the program.

**IREM POSITION:** IREM believes that MORs are an important part of the management review process. MORs help the performance of a property and demonstrate strong management operations and areas for improvements and in demonstrating to Congress that the HUD portfolio is well managed to ensure continued support of the program. HUD should ensure that MORs are conducted on a regular basis, and reports provided to owner/managers in a timely manner.

*(Adopted 10/12)*

## 2 SMALL BUSINESS ADMINISTRATION'S 504 REFINANCING PROGRAM

### BACKGROUND AND OBJECTIVE:

Under the Small Business Jobs Act, the Small Business Administration (SBA) enacted a temporary program allowing small businesses to refinance eligible fixed assets in its 504 program.

The program—providing small businesses the opportunity to lock in long-term, stable financing, and finance eligible business expenses as well as protect jobs and hire additional workers—commenced on February 17, 2011 and began accepting applications for loans on February 28.

It is estimated that nearly 8,000 businesses across the U.S. took advantage of this program. The temporary program provided up to \$7.5 billion in SBA-guaranteed financing, with a total project cost of \$17 billion.

This temporary program is not to be confused with SBA's 504 permanent loan program approved under the American Recovery and Reinvestment Act (Stimulus) in 2009. The temporary program expired on September 27, 2012 and was not extended via legislation.

**IREM POSITION:** IREM supports this temporary refinancing program as it provides loans to small business owners and could be particularly effective in the real estate sector. It is crucial for commercial real estate practitioners to consider utilizing this program. Financing from commercial banks is sparse and small business owners may use the 504 refinancing loans for employee salaries, rent, utilities, inventory, to pay down credit debt or other financial obligations.

IREM supports the reintroduction of legislation in Congress that would extend this program for one more year. Further, IREM supports the lobbying efforts to get this legislation passed and implemented as small businesses are in dire need of critical refinancing.

*(Adopted 10/12)* ■

THE FULL IREM LEGISLATIVE STATEMENTS OF POLICY CAN BE FOUND BY CLICKING THE "POLICY STATEMENTS" TAB AT [WWW.IREM.ORG/PUBLICPOLICY](http://WWW.IREM.ORG/PUBLICPOLICY).

FOR QUESTIONS, PLEASE CONTACT BETH PRICE, THE LEGISLATIVE LIAISON FOR IREM HEADQUARTERS IN CHICAGO, AT [BPRICE@IREM.ORG](mailto:BPRICE@IREM.ORG) OR (800) 837-0706 EXT. 6021.





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\$149. Available at [lockitron.com](http://lockitron.com).

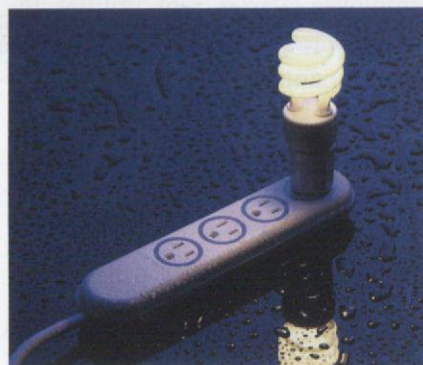


### CLEANER AIR, EXCEPTIONAL DRYER

The Xlerator® hand dryer from Excel Dryer, Inc. is already a best-selling line of hand dryers, but it's now available with a HEPA filtration system.

The new system meets HEPA standards for removing particles and bacteria from the air, ensuring 99.97 percent filtration, and is available as a retrofit for older dryers.

For pricing and availability, visit [www.exceldryer.com](http://www.exceldryer.com).



### NOT AS SHOCKING WHEN WET

The Wet Circuits power strip is made with a protective material that allows it to continue functioning when wet. Where other power strips will short out or spark when they come into contact with water, Wet Circuits is designed to keep going.

Need a light on a wet maintenance job? Wet Circuits can even be used in temporarily flooded areas.

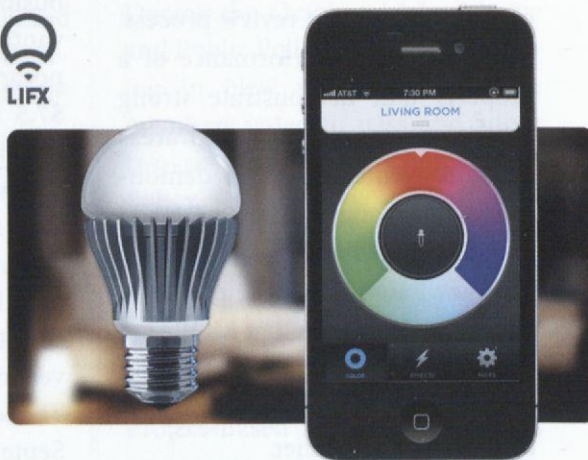
\$70. Available on Amazon and at [wetcircuits.com](http://wetcircuits.com).

### LIGHT BULB 2.0

What if you could add the longevity of an LED light to a standard light bulb?

LIFX combines LED technology and the conventional light bulb to create an affordable lighting solution for residential and commercial use. These Wi-Fi-enabled bulbs are advanced enough to enable you to change their color, brightness or even set on/off timers using your Smartphone.

\$69. Available at [lifx.co](http://lifx.co).







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# KICK STARTER .COM

## What is **Kickstarter.com**?

Kickstarter is a funding platform for creative projects—everything from films, games, music, art, design and technology—that are brought to life through the direct support of others. A recent slew of technology tools have come my way via [kickstarter.com](http://kickstarter.com), which I believe is worth a mention as it's often the place to find leading-edge tools.



## Data Recording via the **NODE**

The NODE—a modular, handheld powerhouse of sensors—is a fabulous data-collection device that has interchangeable modules that attach to either end. Looking like a cross between Star Trek's medical transcoder and a flashlight, the finger-sized node has temperature and climate modules which allow the user to accurately measure and record readings to the device and forward those readings via Bluetooth to an iPhone or Android compatible Smartphone.

I was recently able to assure a tenant of the temperature in their space by pulling out the node and walking around the space and showing an equal temperature in all areas.

The Node is available at [variabletech.com](http://variabletech.com).



First Ever Ruggedized, Waterproof, Solar-Powered and Battery-Boosting iPhone 4/4S Case

## Durable, solar-powered, extra battery and waterproof **all-in-one case**.

If your property management assignments require all day power in remote locations, the Snowlizard may be for you. This solar-charged battery case is waterproof (to 6 feet in depth) and drop proof (to 6 feet in height). I've had my iPhone 4S nicely nestled in this case—it allows for full usability of the phone, doubles the battery life and keeps it protected, even after a number of falls on property tours.

Originally dubbed AquaTek, the Snowlizard is available for \$129 at [www.snowlizardproducts.com](http://www.snowlizardproducts.com). ■



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# LOOK UP!

BY JULIUS PEREIRA III

## DON'T FORGET ABOUT CANOPIES AND AWNINGS THIS WINTER

If your property is in an area affected by snow, potential liability may not just be on the ground. Even after you have the snow removed, there may still be building components that affect your liability. These areas of concern may be right above your head. Canopies and awnings are roof structures made of canvas, plastic or metal, typically located over entrances to provide protection from the elements. Unlike roofs, canopies and awnings may not have gutters to control drainage discharge, leaving it to fall, uncontrolled, directly to the ground below.

During cold weather, this opens the surface up to the risk of forming ice. While this typically isn't a problem if there is landscaping below, when this drainage falls onto a pedestrian walkway, it creates the potential for a pedestrian slip and fall. During winter months, it's important to think about where your drainage pools. If the pitch of your property's canopy or awning is shallow, there is the potential for it to hold accumulated snow. This affects the rate the collected snow and ice will melt. While less of a concern on the sunny south side of the building, a covering located on the north side of the

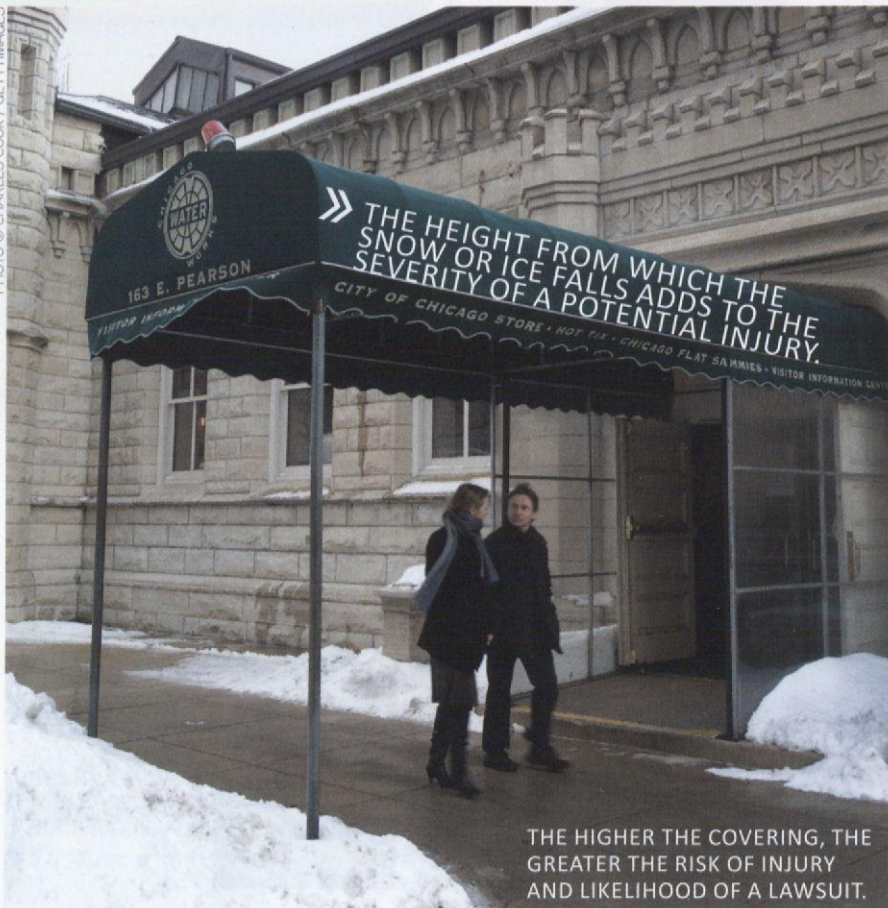
building may be shaded—which not only prolongs the melting process, but may also make melting inconsistent—opening the covering and any walkway below to the possibility of refreezing ice.

In addition to drainage and icing concerns, walkways are also at risk of a sudden and uncontrolled discharge of snow and/or ice from the covering. Most canopies or awnings don't have protective snow guards—meaning that snow or ice falling from a rooftop, awning or canopy creates a considerable risk to pedestrians. The height from which the snow or ice falls adds to the severity of a potential injury. The higher the covering, the greater the risk of injury and likelihood of a lawsuit.

This is another opportunity to control your liability and manage the risks associated with winter property maintenance concerns. The situation may involve having the people responsible for walkway conditions inspect the site more frequently during the winter months or block off the walkway.

By identifying these situations and establishing appropriate actions, responses and responsibilities, you can reduce the potential of a pedestrian injury. ■

PHOTO © CHARLES COOK / GETTYIMAGES



THE HIGHER THE COVERING, THE GREATER THE RISK OF INJURY AND LIKELIHOOD OF A LAWSUIT.

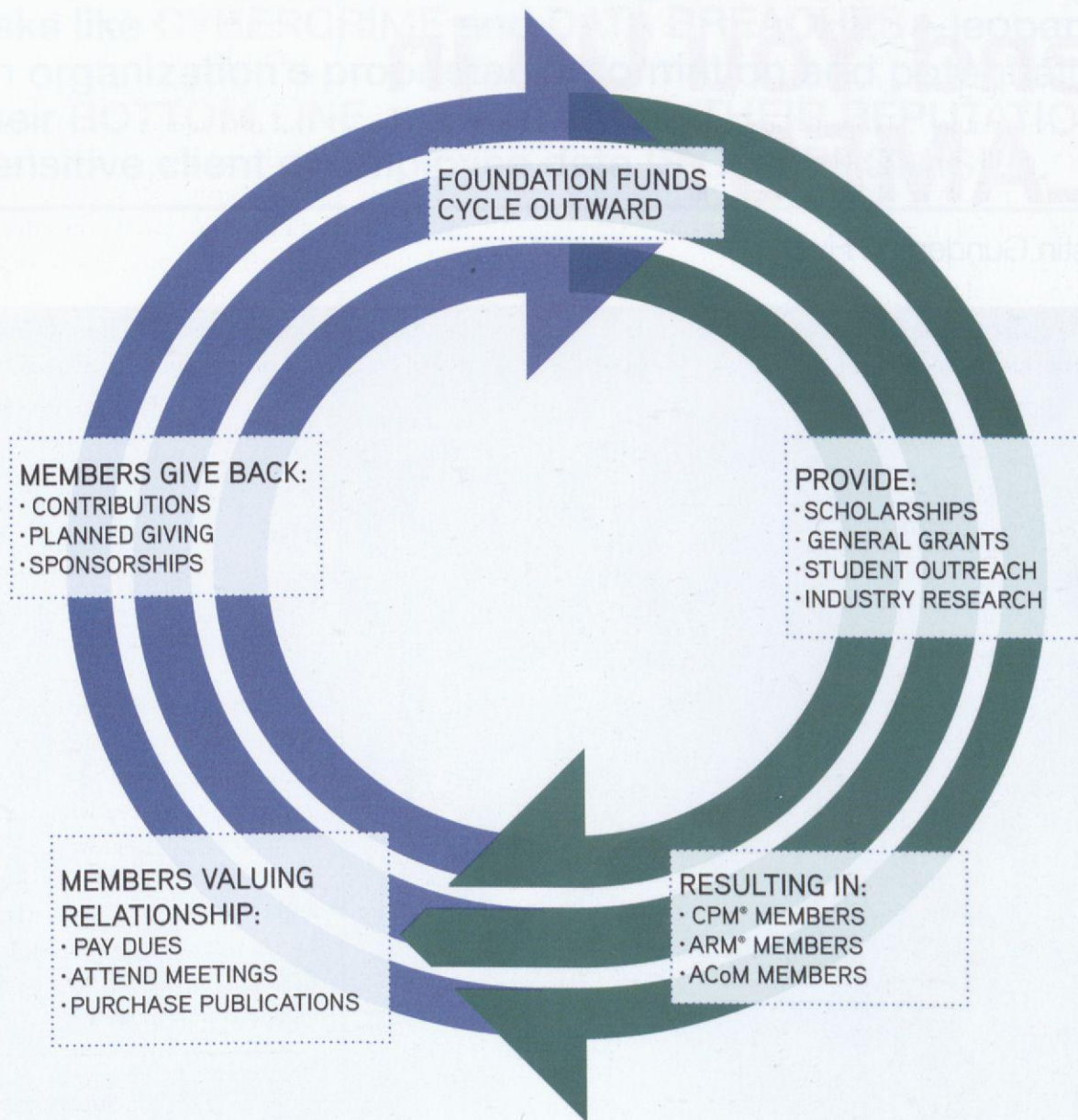


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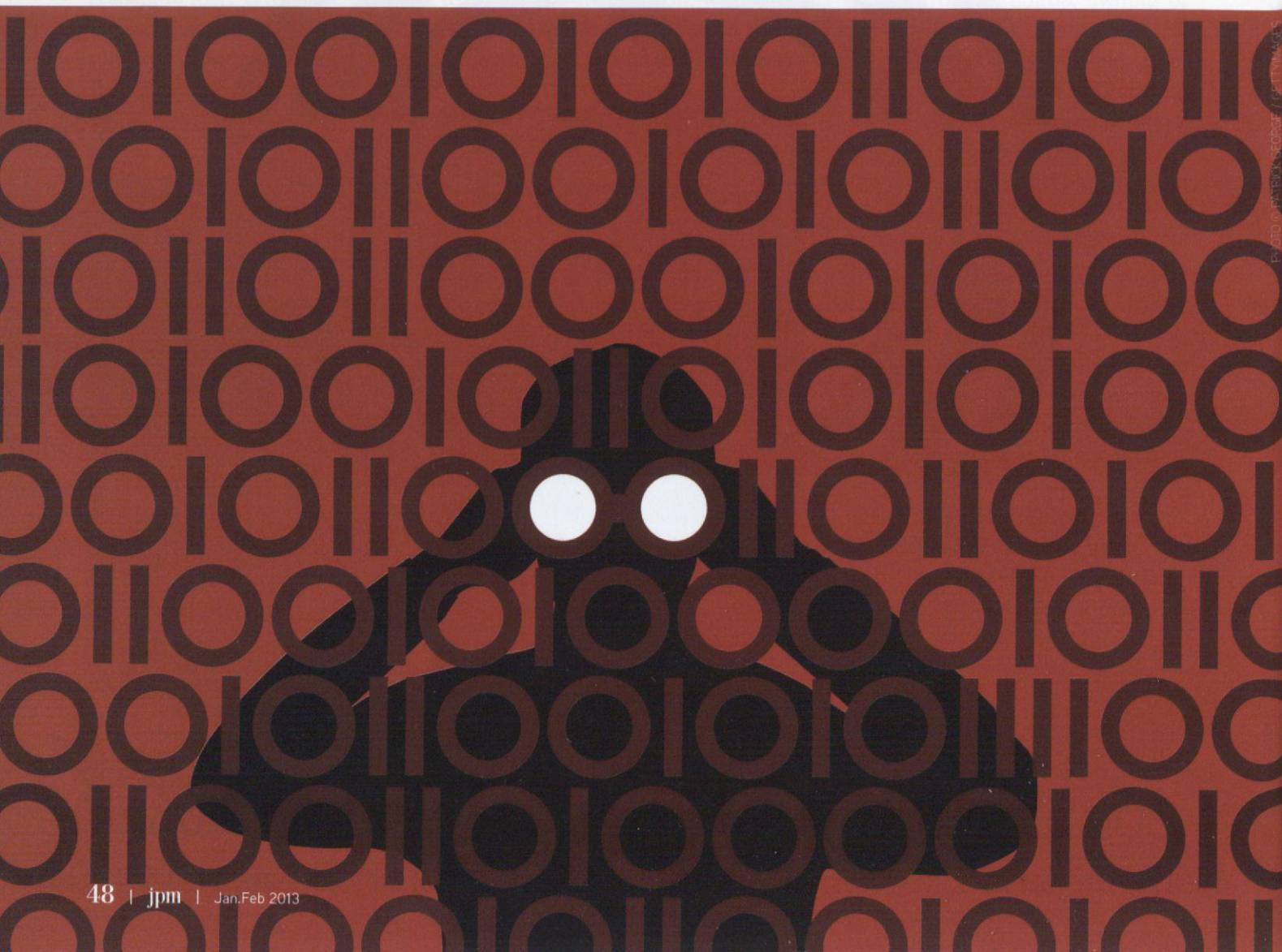


# FIREWALL

# UNDER FIRE:

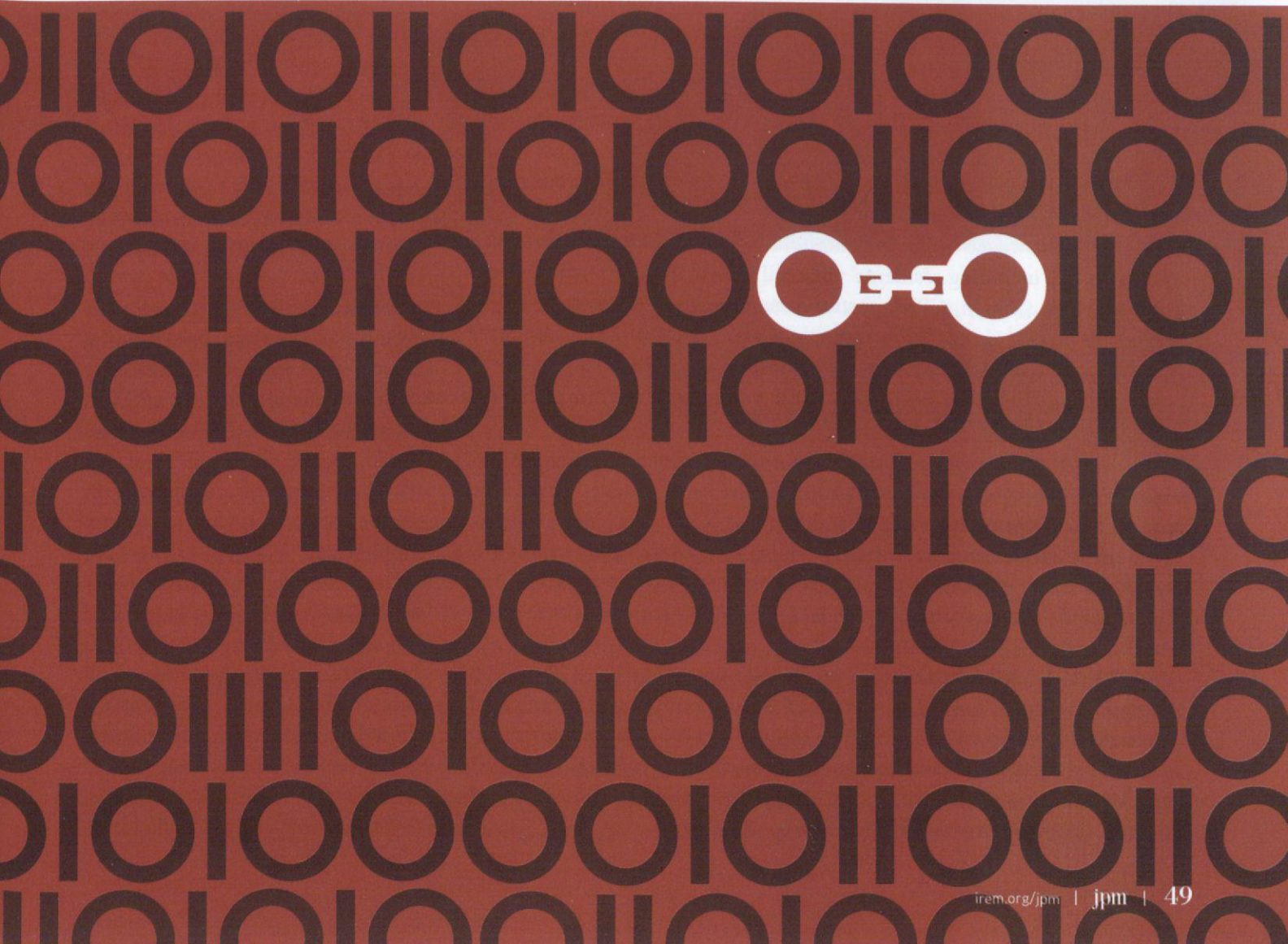
## Could a Cybercrime Send You Up in FLAMES?

by Kristin Gunderson Hunt

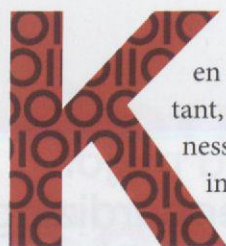




While technology has allowed for **TREMENDOUS EFFICIENCIES** in the workplace, it has also created major risks like **CYBERCRIME** and **DATA BREACHES**—jeopardizing an organization’s proprietary information and potentially their **BOTTOM LINE**, not to mention **THEIR REPUTATION** if sensitive client or employee data **IS COMPROMISED**.







Ken Goodacre, CPM, IREM instructor and real estate consultant, knows the importance of using technology to do business. He also understands the headache that comes with being hacked. Within a six-month period during 2012, he was the victim of two separate cybercrimes.

"I'm fortunate because no data has been compromised, but I've definitely had two scares so far," he said.

Cybercriminals penetrated Goodacre's e-mail in both instances—through his laptop's network connection the first time, and likely through his BlackBerry's network connection the second time. The initial incident involved a hacker trying to gain access to his accounting software and other sensitive data. The second incident involved a spammer pretending to be Goodacre and sending an e-mail to his contacts, begging them to send money because he had been robbed and assaulted in a foreign country and was trying to return home. This, of course, was not accurate.

Goodacre's cyber attacks shouldn't be dismissed as isolated incidents impacting a single individual. As both large and small companies rely more heavily on technology to do business, they should be aware of how its use creates risks and how those risks can be mitigated in order to protect their organizations from damaging data breaches.

"In real estate, we have to be vigilant because we keep a lot of private documents on file, including residents' personal information or tenants' financials," said Sam Chanin, CPM, portfolio manager for Transwestern Commercial Services LLC, AMO, in Anaheim, Calif. "We also have proprietary information that has tangible monetary value."

## EXPOSURES ARE EVERYWHERE

A data breach occurs when sensitive information about an organization's employees, clients or its business is compromised for a variety of reasons, ranging from human error to fraud and theft.

Whether by attack or as a result of accidental data breach, data commonly targeted by hackers includes employees' social security numbers, medical or financial records; customers' financial or account records; or competitive data like clients' lease specifics.

In 2011, 855 data breaches occurred globally, compromising 174 million records, according to the *2012 Data Breach Investigations Report*, conducted by Verizon's forensic analysis team in cooperation with international law enforcement agencies, including the Secret Service. Those breaches didn't exclusively target large organizations, either. Approximately 72 percent of exposed companies employed 100 or fewer individuals.

"Smaller companies might be perceived as easier targets if they have fewer resources to manage all this data," said Kurt Emshousen, senior managing director of operations for Cassidy Turley, AMO, in St. Louis. "Anywhere data is moving in and out of an organization, opportunities for exposure exist. Keeping that information secure is a challenge."

## A COSTLY CONUNDRUM

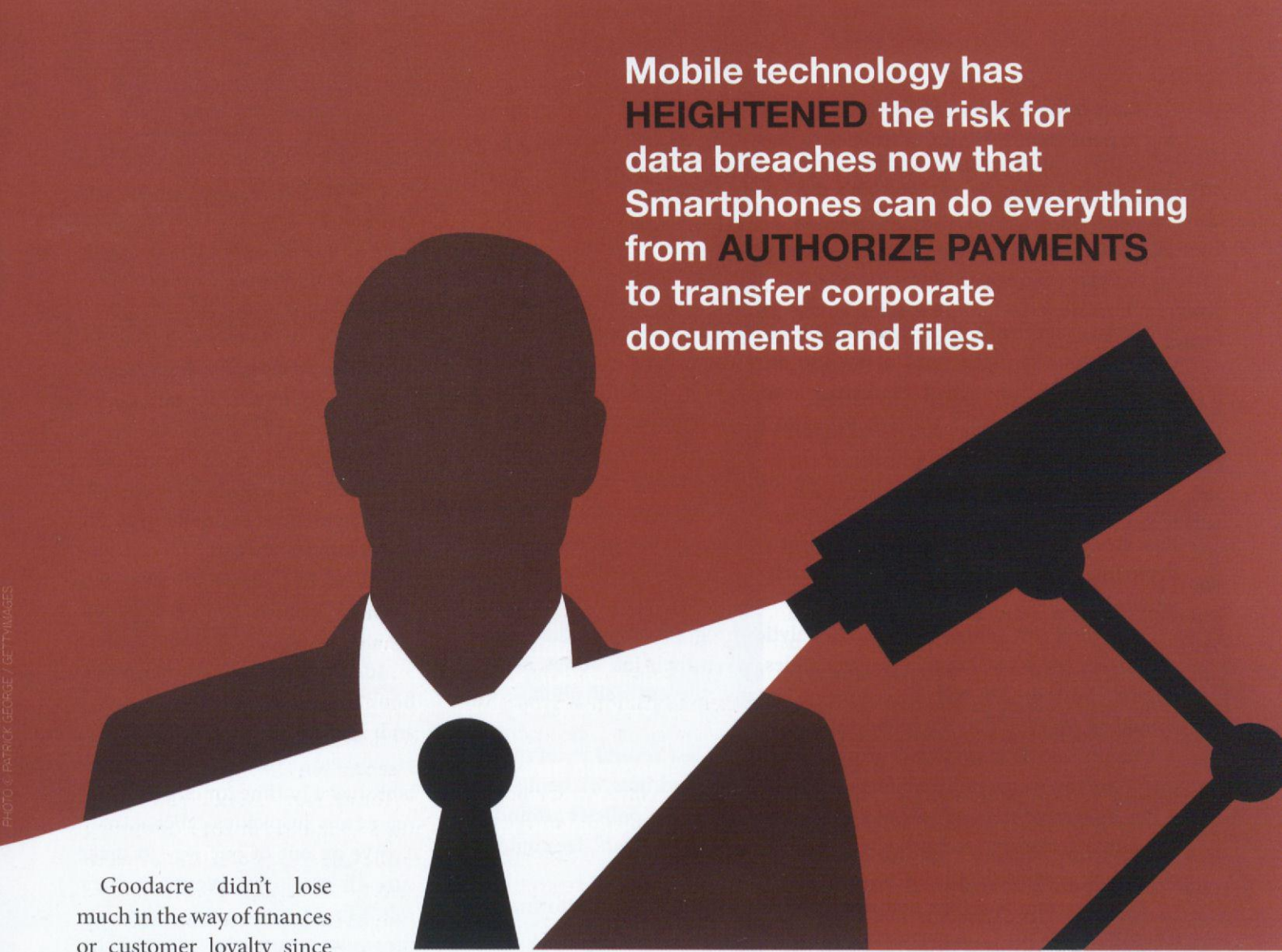
While it may be a challenge, failure to secure sensitive data can be costly. The average cost of a data breach was \$5.5 million in 2011, according to the *2011 Cost of a Data Breach* report—the most recent annual analysis of data breach incidents by the Ponemon Institute and Symantec.

Recovery costs following a breach typically stem from investigating the cause of the breach; notifying customers or employees affected; managing inquiries from those affected; public relations; legal defense; regulatory proceedings; fines and penalties; and credit or identity monitoring.

Even though costs vary widely depending on industry type and the number of exposed records, Ponemon's report suggests that small and medium-sized organizations should not expect minimal recovery costs. They will likely have to outsource many or all recovery efforts, and those fees can quickly add up.



Mobile technology has **HEIGHTENED** the risk for data breaches now that Smartphones can do everything from **AUTHORIZE PAYMENTS** to transfer corporate documents and files.



Goodacre didn't lose much in the way of finances or customer loyalty since his actual customer data and accounting files weren't penetrated. However, he said he still paid a price in the form of time and energy.

"At first it was a nuisance," he said, "But now, it's taking time away from my business. I've wasted so much time recovering from the whole thing. It's really affected my ability to do work."

## CRACKING THE CODE

Being prepared for cyber threats requires understanding how to predict and prevent data breaches, according to *Cyber Risks Decoded*, a February 2012 report from the global insurance brokerage firm, Lockton Companies LLP.

"You have physical controls, administrative controls and technical controls, and you have to do a variety of things in those three areas to protect your network, equipment and data," said Laurie Schwarz, senior vice president of the global technology privacy practice at Lockton.

In addition, organizations need to consider the innumerable types of hackers and tactics they use to confiscate data. Lockton's report cited statistics from cyber risk and security assessment firm NetDilligence indicating that hackers and criminals were responsible for 32 percent of breaches;

rogue employees caused 19 percent of breaches; and theft of mobile computer equipment like laptops and memory sticks carrying unencrypted data caused 33 percent of breaches.

"Unfortunately, there is no simple answer that says if you do 'this,' you won't have an issue," Schwarz said. "It all comes down to the data you collect and the hackers themselves—what they are after and why."

Goodacre said it's still unclear who hacked his laptop and his e-mail account, or how the hacker got access. Regardless, he said he will be taking extra precautions going forward.



"I am going to intensify my levels of security," he said. "I'm probably going to need some technical assistance to figure everything out piece by piece. I hope it works this time, but every time I think I have the safest security, something happens."

## FIGHTING TECHNOLOGY WITH MORE TECHNOLOGY

While an exact roadmap for circumventing all data breaches might not exist, organizations can take some actions to help lessen their exposure to such events. First, Schwarz said companies need an information security policy that takes into account hardware, software, user-identification codes and access controls.

From there, IT departments or IT vendors should have a thorough structure in place that outlines responsibilities and access rights, said Larry Collins, vice president of E-Solutions for Zurich Services Corp. He advises the deployment of technology that can search for unauthorized software on a network.

According to Collins, behavioral analytics programs that audit whether employees are accessing inappropriate files, given their job duties, are also helpful. Further, he said all company laptops, servers, cell phones, etc., should be encrypted to the highest standard.

Chanin said Transwestern's growth during the last several years spurred the company to carefully evaluate its technology and how it's being used. It has integrated new, advanced systems and developed policies around information access and technology use to protect sensitive data. He could not offer more specific details for security purposes, he said.

"Our program is robust and strong in its ability to control information," Chanin said. "Our IT department is comfortable [that] we have safeguarded our information relatively well and relatively easily in terms of work and cost."

## THE FRONT LINE

Thwarting data breaches doesn't stop with the IT department and technology, though. Organization-wide employee awareness is crucial to keeping information secure, Emshousen said.

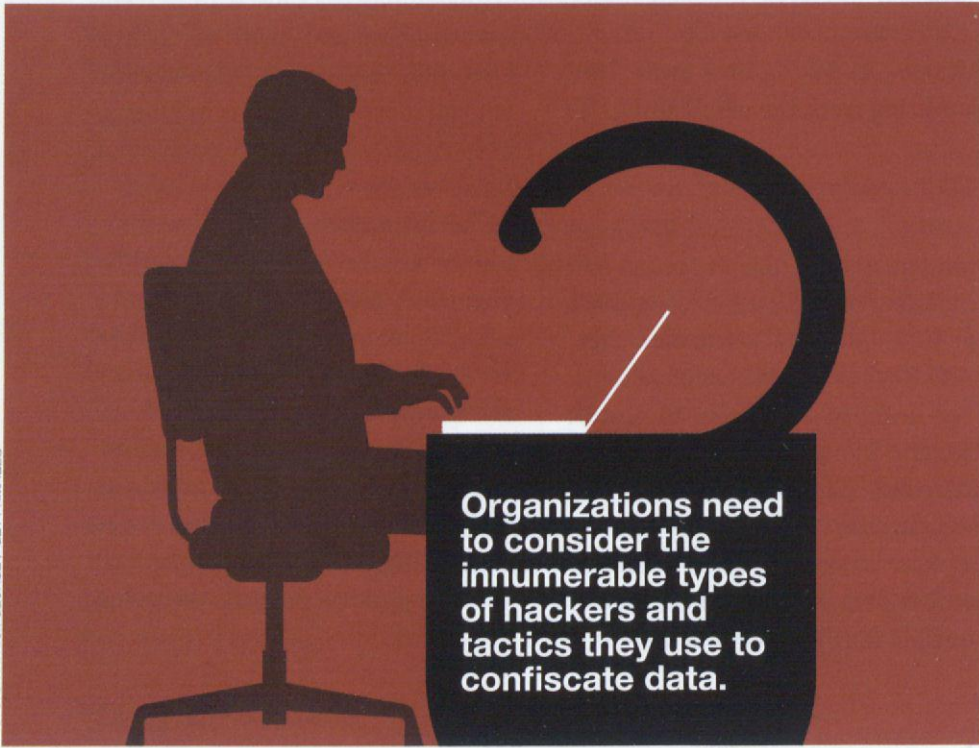
Cassidy Turley has not experienced a successful breach, but phishing attempts from outside the organization are common. When such communications occasionally evade the firewall, the IT compliance team uses them for training opportunities. It sends the communications to different departments within a company to educate employees about these types of events.

Additionally, the employee handbook explains the firm's data policy and employees' responsibilities around data assets. The firm also established a hotline for employees to report any suspicious cyber activity.

"We go out of our way to make sure all employees recognize their role," Emshousen said. "They are the front line, and they play the biggest role in protecting our company's information and assets."

Both Chanin and Emshousen said their organizations also have mobile device management programs, whereby information on employees' laptops and handheld devices is either limited, or the devices can be shut down immediately from a remote location if they are reported lost or stolen.

"Mobile technology has heightened the risk for data breaches now that Smartphones can do everything from authorize payments to transfer corporate documents and files," Collins said. "Organizations should guard against information being stolen from these devices."



**Organizations need to consider the innumerable types of hackers and tactics they use to confiscate data.**



## DIFFERENT TYPES OF CYBER RISKS

- **Human Error:** Unprotected databases, lost or stolen mobile devices with unencrypted information, intercepted e-mails with sensitive data.
- **Social Engineering or Spear Phishing:** Stolen e-mail addresses result in contacts being targets of seemingly legitimate e-mail campaigns from employers, benefits providers, etc., that solicit personal information.
- **Hacktivism:** Political or social activism carried out through computer networks as a way of attempting coercion on an issue, usually a company's policy or stance on a social or political issue.
- **Cloud Computing:** A company's data is compromised while using files or applications stored in the "cloud" by a third-party service provider.
- **Distributed Denial of Service:** Large numbers of site requests effectively crash a company's system, paralyzing it from doing business—sometimes for days.

## HELPFUL RESOURCES

- **2012 Data Breach and Protection Guide from the Online Trust Alliance:** <https://otalliance.org/resources/incident/2012DataBreachGuide.pdf>
- **FBI Cyber Division website:** <http://www.fbi.gov/about-us/investigate/cyber/cyber>
- **Cybercrime: Protecting Against the Growing Threat from PricewaterhouseCoopers:** [http://www.pwc.com/en\\_GX/gx/economic-crime-survey/assets/GECS\\_GLOBAL\\_REPORT.pdf](http://www.pwc.com/en_GX/gx/economic-crime-survey/assets/GECS_GLOBAL_REPORT.pdf)

## COVERING YOUR ASSETS

Companies should go beyond evaluating their own data security if using a third-party for services like accounting or data storage with cloud providers, Schwarz said. They should review contracts to see how vendors protect clients' information, their policies if a breach occurs, and whether they carry cyber insurance.

"Small organizations, in particular, are in a tough spot," Schwarz said. "If they don't have the bandwidth internally, they are relying on third-party vendors. They need the help, but it adds another layer of risk. Insurance is one solution."

Many Property and Casualty policies won't cover data breaches. As a result, companies might consider investing in a separate cyber risk policy—either in the form of liability coverage or specialized liability insurance, like Errors and Omissions or Security and Privacy policies.

If third parties make claims against the organization, liability coverage helps pay for defense costs for regulatory proceedings, privacy breach costs, business interruption, digital asset loss and cyber extortion. Errors and Omissions, as well as Security and Privacy policies help cover management liability and employment practices.

Whether an organization elects to invest in cyber insurance, implement technical data security controls, develop data security policies or do nothing, experts said data breaches are increasingly becoming problems for businesses. They advised leadership to be prepared.

"Companies that are unprepared for a data security breach will face the biggest implications to their finances and reputations," Collins said. "Quick and proficient responses to cyber threats will help companies avoid the pitfalls and damages of such an event." ■

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





# SOCIAL MEDIA MAZE:

FIND YOUR WAY

By Joseph Dobrian







## A NEW CONCERN AMONG PROPERTY MANAGEMENT

companies is how (if at all) they can monitor and control their employees' social media activities to ensure that those employees are neither spreading bad press about the company, nor behaving in a way that reflects badly on their employer.

## EFFORTS IN THAT DIRECTION CAN BE

controversial. On the one hand, employees can't be disciplined for their opinions or their associations. On the other, a thoughtless remark on Facebook or Twitter could damage a company's reputation—especially if it somehow goes viral.

## JPM® RECENTLY CONTACTED SEVERAL

IREM Members regarding this issue and discovered that the best way to avoid disaster over social media is to stay aware of how and where your company is being talked about, and developing clear company policies that will discourage employees from compromising the company.

## LOST IN THE SOCIAL MEDIA LABRYINTH? DEVELOP A GUIDE!

Chris S. McDuff, CPM, ARM, ACoM, MICP, CMCA, AMS, director of operations at Barber Companies in Birmingham, Ala., notes that social media has become an indispensable tool for both the property owner and manager, with employees often making positive contributions to its use. Malicious use of social media by employees is very rare, he says, but anything can happen.

"Social media can be great for promoting your business, particularly for a specific product type, a venue or a special event at one of your properties," he said. "The flip side is that it can be a huge hindrance or tattletale if we don't pay strict attention to the material we allow to be distributed, or the photos we post.

"We don't allow employees to post anything that features one of our properties, or a co-worker, or that spotlights the company without the review and approval of that employee's supervisor."

McDuff warns that detrimental material such as a photograph of a property that shows a temporary condition of disrepair, or perhaps a worker in the background committing a safety violation can sometimes be posted by accident.

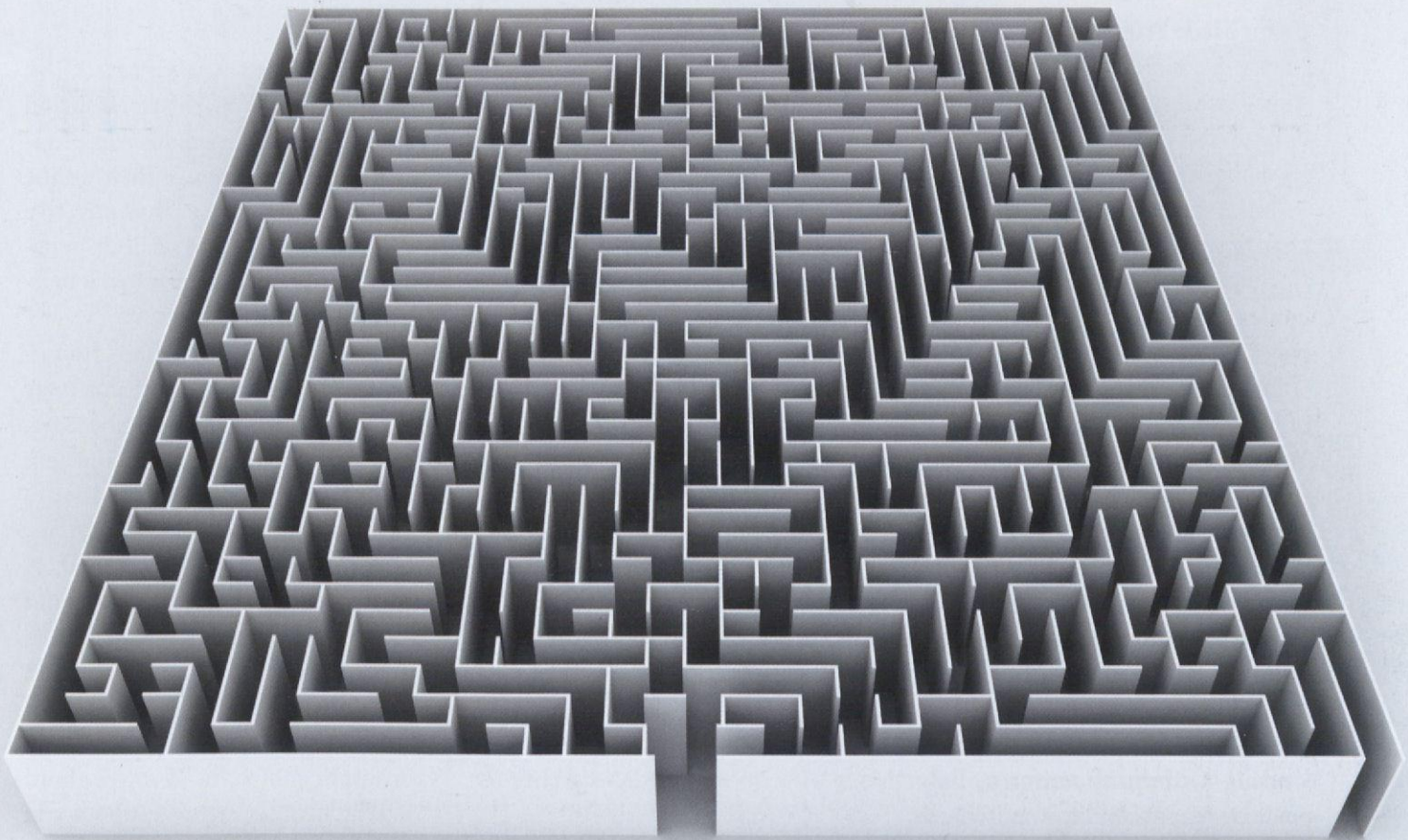
"We're ahead of the curve in creating a manual of employee conduct on social media," he said. "We don't ask for an employee's passwords on Facebook or Twitter. We don't actively monitor them; we don't have problems with disgruntled employees."

Employees usually police themselves, according to McDuff, and the Barber Companies' manual stresses that they should have no expectation of privacy—posts on personal blogs or Facebook can be seen by just about anybody. Barber does periodic searches of the Web to find any posts relating to its properties.

"You also have sites like ApartmentRatings.com, where you can't control what people say about you," he warns. "If someone says something about us or one of our properties, we address it proactively with either a 'thank you' if it's positive, or we address the issue if it's negative. Most usually, the latter type of poster is a former tenant who left because we raised the rent by \$10 a month or who claims we never made a certain repair.

"I personally respond to those posts with just the facts, such as, 'Our records show that you never contacted us about this matter; we're sorry that our relationship has come to an end and we wish we'd had the opportunity to address the issue.'"





“Don’t run from social media. It’s a great tool for your business and for working with your clients and tenants; it empowers property managers to communicate quickly with almost no money. It’s exposure, marketing, PR and goodwill all wrapped up in one.”



– Linda Day Harrison, CPM, CCIM



**KEEPING AN EAR ON THE ETHER:  
MONITORING YOUR ONLINE REPUTATION**

Tailor Made Properties, a Chicago-based AMO Firm, also uses a general employee manual that includes the company policy on social media. Recently, the company added a section stipulating that it is against company policy for employees to post anything about the property or the management company by name on their personal social media accounts.

Tailor Made uses Facebook and Twitter to show off properties, promote charity events or parties for residents or to announce a renovation project. But vice president Melanie Phillips, CPM, says few employees can create content for (or have access to) the company's various websites or Facebook pages.

"If you don't monitor what gets posted about your company, it can get out of hand," Phillips said. "You can't have absolute control, and that's a hazard. You don't want to interfere with free speech rights, yet you want to ensure that any information posted about your company or your clients is positive and accurate.

"Our policy asks employees to refrain from involving our company or clients in their personal blogs and Facebook pages, and to refrain from inappropriate photography or speech, but how far we would take that we don't know. So far, we haven't come across much that would be questionable."

Phillips suggests that employees should be discreet in the use of social media just as they'd make certain not to behave badly in public if they were wearing a company uniform. Tailor Made also does periodic searches for posts by tenants and former tenants.

"We plug in keywords like the name of the property or the event, and do a search. We haven't found negative content yet, but if we did we'd try to counteract it in a productive way. Whatever is out there is going to be out there no matter what you do."

**BEING PROACTIVE  
TOWARD FREE  
PUBLICITY**

Linda Day Harrison, CPM, CCIM, is the founder of theBrokerList, and makes it her business to help property managers leverage their online presence. She insists that effective use of social media is indispensable—and the content is just a matter of common sense.

"It's like writing a letter or an e-mail to a client: you just don't say anything inappropriate," she says. "For some reason, many people are afraid of social media, but they're today's form of communication.

"Bad press is easy to spread. A tenant could say bad things about you in many ways. How you react is what's important. If the information is false, you'll correct it, and defend yourself. Treat it just as you'd treat any other complaint. If you're afraid of what people might say about you online, you should consider that a red flag and think about what you might be afraid of."

Harrison remarks that network-



PHOTO © CHRIS LEMMENS

Employees should be **DISCREET** in the use of social media just as they'd make certain not to **BEHAVE BADLY** in public if they were wearing a **COMPANY UNIFORM**.

Two IREM Members discuss the topic of monitoring facebook profiles in this issue's face-off section [see p. 9].





# BE WISE TO SOCIAL MEDIA



The most effective way to ensure you don't abuse social media to the detriment of your company is to just use common sense. Your employer can't restrict your right to associate, complain or exchange information. However, here are some guidelines to consider:

- 1 In your private posts, avoid mentioning the company you work for, the properties it manages and your co-workers. Do not post proprietary information, such as images that are the property of your employer. If you do mention your employers and co-workers, speak as respectfully of them as you'd speak to a stranger about a member of your family.
- 2 Be transparent. If you're posting on a topic related to your industry, identify yourself as a real estate professional. State that your opinion is yours, and you are not necessarily representing the views of your employer.
- 3 Don't post confidential information about co-workers or properties under management.
- 4 Don't denigrate competing management companies or properties.
- 5 If you see something, say something—but not on the Web! If you see someone denigrating your company or its properties, don't respond directly unless you're authorized to do so. Instead, bring the post to your supervisor's attention.
- 6 Don't harass or bully. If you're in a situation online where you're tempted to behave badly, get away from it.



Visit the IREM Bookstore at [www.irembooks.org](http://www.irembooks.org) to download your free copy of the Social Media Ebook!

SCAN THE QR CODE TO VISIT THE PAGE DIRECTLY!



ing sites are tools for networking, and to make the most of them you need to get your name and message out on Twitter, LinkedIn, Facebook and other networks—without worrying about possible bad publicity. A crucial difference, she says, between a blog post and a paper flyer is that the blog post is there indefinitely, instead of getting thrown out once it's read.

“Don't run from social media,” she urges. “It's a great tool for your business and for working with your clients and tenants; it empowers property managers to communicate quickly at almost no [cost]. It's exposure, marketing, PR and goodwill all wrapped up in one.” ■

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



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## PROFESSIONAL ACHIEVEMENT AWARD



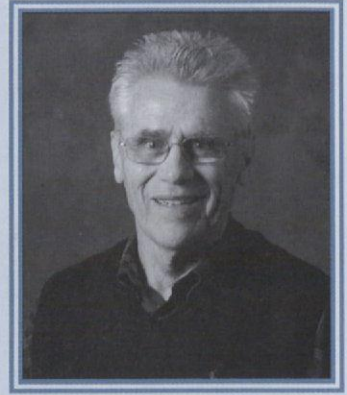
**Eileen Conway**  
CPM®, ARM®  
Philadelphia, PA



**Dave Domres**  
CPM®  
Milwaukee, WI



**Lori Tillis**  
CPM®  
Columbus, OH



**Bob Demson**  
CPM®  
Phoenix, AZ

The Professional Achievement Award is bestowed upon IREM® credentialed members who have continued their professional development and made outstanding professional accomplishments beyond earning their credential.

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**IREM Institute of Real Estate Management**



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## MEET THE IREM GAME-CHANGERS



- Learn more about the new 2013 IREM LEADERS [p.62].
- Read about how one IREM Member took her CAREER TO THE NEXT LEVEL through the IREM FOUNDATION SCHOLARSHIP PROGRAM [p.66].
- IREM launches new SHARED INTEREST COMMUNITIES [p.67].
- CONGRATULATIONS to the new CPM Members [p.68].
- Have you registered for your courses? See COURSE LISTINGS for Jan.Feb [p.70].

IREM MEMBERS ENJOY A FREE SUBSCRIPTION TO JPM®.  
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## NEW IREM LEADERS ANNOUNCED FOR 2013

TAKE THE OPPORTUNITY TO READ MORE ABOUT THE NEW OFFICERS AND REGIONAL VICE PRESIDENTS WHO WERE INSTALLED AT THE IREM FALL LEADERSHIP CONFERENCE IN NEW ORLEANS, LAST OCTOBER.

### IREM OFFICER BIOGRAPHIES

#### PRESIDENT



**Elizabeth H. Machen, CPM**, is the president of the Charlotte, N.C.-based Machen Advisory Group, Inc., responsible for overseeing the firm's portfolio of office, retail, mixed-use, showroom and industrial properties in the Carolinas.

Machen's expertise is far-ranging and includes property takeovers, rehabs, stabilizing properties, analyzing property performance for prospective buyers and serving on due diligence teams. She also specializes in disaster and emergency training, as well as serving as the LEED AP on several LEED projects.

Machen earned her CPM designation from IREM in 1996 and has held numerous positions with IREM Western North Carolina Chapter No. 40, where she served as president in 1999 and was honored as the chapter's "CPM of the Year" in 2000.

#### VICE PRESIDENT



**Joseph J. Greenblatt, CPM**, is the president of Sunrise Management, headquartered in San Diego, and responsible for overseeing the day-to-day operations of Sunrise Management's more than 8,500 resident units and 300 employees.

Greenblatt has been active in IREM San Diego Chapter No. 18, serving in numerous chapter leadership positions, including president. He has also been active in IREM at the national level, serving as an IREM instructor and as chairman of the Ethics Hearing and Discipline committee.

Greenblatt was named San Diego Chapter's "CPM Candidate of the Year" in 1992 and "CPM of the Year" in 1994, in addition to earning two national service awards, IREM "Key Award" and the "Past President's Award."

#### SECRETARY/TREASURER



**Lori Burger, CPM, PCAM, CCAM, CAM**, is a senior vice president and director of Eugene Burger Management Corporation (EBMC), headquartered in Rohnert Park, Calif., whose portfolio consists of more than 6,500 residential units, 20,000 association homes and 2 million square feet of commercial space.

Burger has managed the full spectrum of residential and commercial property types, and has led the way in managing "full envelope" reconstruction projects of aging community association buildings and orchestrating numerous multi-million dollar renovation projects.

Burger is a past president of IREM Chapters in Northern Nevada/Tahoe and San Francisco, and was honored as the chapter's "CPM of the Year" in 1988 and 1996. She received the Franklyn D. Loyns Award for Outstanding Career Service in 2001 and was inducted into the IREM Academy of Authors in 2008.

### RVP BIOGRAPHIES

#### REGION 1 VICE PRESIDENT



**Robert E. Cuttle, CPM**, of Richmond, R.I., serves as the 2012 and 2013 Regional Vice President for Region 1. During his two-year term, he has oversight for the activities of IREM Chapters in Massachusetts, Connecticut, Maine, New Hampshire, Rhode Island and Vermont.

Cuttle is a regional property manager with The Simon Companies, in Braintree, Mass. With more than 20 years of industry experience, he is responsible for overseeing the operations of The Simon Companies' residential portfolio.

Cuttle earned his CPM designation in 2001, and has held numerous positions with IREM Greater Rhode Island Chapter No. 88, served as chapter president in 2009, and was honored as its "CPM of the Year" in 2010.

#### REGION 2 VICE PRESIDENT



**Nicholas Harris, CPM**, of Rochester, N.Y., serves as the 2013 and 2014 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.



Harris is a partner and vice president of operations for Realty Performance Group Inc.—Regional Facilities Management Services. He is responsible for the company's business development as well as oversight of the property managers who handle a 4,000+ unit portfolio consisting of community associations, apartment complexes, office parks and industrial and retail centers. He also is responsible for oversight of the brokerage division of sister company, Realty Brokerage Services, LLC.

Long active in IREM Rochester-Western New York Chapter No. 58, Harris has held several chapter leadership positions, including that of president. He has been honored with the chapter's "Past President's Award," "President's Choice Award" and "CPM of the Year" award. His firm has been recognized as an "AMO Firm of the Year."

### REGION 3 VICE PRESIDENT



**Stephen Antonsen, CPM**, of Columbia, Md., serves as the 2013 and 2014 Regional Vice President for Region 3. During his two-year term, he has oversight for the activities of IREM Chapters in Maryland, Virginia and the District of

Columbia.

Antonsen is a regional director of property management with Corporate Office Properties Trust. He oversees 40 staff in four field property management offices in Maryland and Pennsylvania and is responsible for 5.8 million square feet of commercial and retail space.

Long active in IREM Maryland Chapter No. 16, Antonsen has held several chapter leadership positions, including that of president. He earned his CPM designation in 2001 and was named his chapter's "CPM of the Year" in 2011. He has served IREM at the national level as a governing councilor.

### REGION 4 VICE PRESIDENT



**Betsy Bullard, CPM, RPA**, director of asset services for CBRE in Atlanta and Alabama, is Vice President for Region 4. During her two-year term, she has oversight for the activities of the five IREM Chapters in Florida and Georgia.

Bullard has also served as the asset services director of operations for CBRE's Southern region, where she was responsible for the transition of new management assignments, administration of the Environments for Excellence Program, new employee orientation and

training, implementation of new business technologies and ensuring the CBRE Global Standards were adhered to for all Asset Services clients. CBRE recognized Bullard as "Real Estate Manager of the Year" in 2007 and "Team Leader of the Year" in 2010. She was president of IREM Georgia Chapter No. 67 in 2008.

### REGION 5 VICE PRESIDENT



**Denna Griffis, CPM, ARM**, of Little Rock, Ark., serves as the 2013 and 2014 Regional Vice President for Region 5. During her two-year term, she has oversight for the activities of IREM Chapters in Alabama, Arkansas, Louisiana and

Mississippi.

Griffis is a district manager of RPM Management Co., Inc., AMO, where she is responsible for maintaining the integrity of the physical asset and maximizing its return on investment. More specifically, she manages training and personnel development directly and through others, supervises onsite personnel and is in charge of marketing and leasing, rent management, financial reporting and control, administration and maintaining relationships with peers, suppliers and vendors.

Long active in IREM Arkansas Chapter No. 64, she has held several chapter leadership positions including that of president in 2011. She has been honored by the chapter numerous times, having been recognized with its "Best of the Best" ARM award in 2005, 2006, 2008 and 2009, as well as its "Best of the Best" CPM award in 2011.

### REGION 6 VICE PRESIDENT



**Lori Tillis, CPM, HCCP**, of Columbus Ohio, serves as the 2013 and 2014 Regional Vice President for Region 6. During her two-year term, she has oversight for the activities of IREM Chapters in Indiana, Kentucky, Michigan, Ohio and

West Virginia.

Tillis is a senior asset manager with the Ohio Capital Corporation for Housing (OCCH), the leading tax credit syndicator in the state of Ohio. She is responsible for ensuring compliance with the rules and regulations of the Low Income Housing Tax Credit program, including monitoring overall property performance in the areas of marketing, maintenance and fair housing; reviewing tenant files for compliance; oversight for financial reporting; and property management.



Long active in IREM Columbus Chapter No. 42, Tillis has served in numerous leadership positions with the chapter, including that of president both in 2006 and 2012. She also has served IREM at the national level as a committee chair and vice chair and in several other capacities. In addition to IREM, Tillis is an active member of the HCCP Board of Governors.

### REGION 7 VICE PRESIDENT



**Dawn Daffinee, CPM**, of San Antonio, serves as the 2012 and 2013 Regional Vice President for Region 7. During her two-year term, she has oversight for the activities of the seven IREM Chapters in Texas and Oklahoma.

Daffinee is a senior property manager with Travis Commercial Real Estate Services, AMO, San Antonio. With more than 23 years of industry experience, Daffinee oversees the medical properties for her firm, one of only 535 real estate management companies in the U.S. and Canada that has earned the Accredited Management Organization (AMO) accreditation. In addition, she personally manages three medical office buildings for the firm.

Daffinee earned her CPM designation in 1995 and has been active in the organization ever since. She has held numerous positions with IREM San Antonio Chapter No. 48, including that of president, and was the recipient of the chapter's "CPM of the Year" award in 2008. She received the same award in 2005 from the IREM Houston Chapter No. 28, with which she was then affiliated.

### REGION 8 VICE PRESIDENT

**Benjamin R. Forsyth, CPM**, of Salt Lake City, Utah, serves as the 2011 and 2012 Regional Vice President for Region 8. During his two-year term, he has oversight for the activities of eight IREM chapters in Nevada, Utah, Colorado, Arizona and New Mexico.

Forsyth is Vice President of Westerra Realty and Management, Salt Lake. His responsibilities include directing both the financial and daily operations of more than 1.5 million square feet of retail, office and industrial property throughout Utah. He has been active in IREM since 2004 and has served as president of IREM

Utah Chapter No 33. On the national level, Forsyth served on the IREM Student Outreach Committee and was a member of the 2010 IREM iCon advisory board.

### REGION 9 VICE PRESIDENT



**Marjean K. Pountain, CPM**, president of Pountain Partners, LLC, in Elkhart Lake, Wis., serves as the 2012 and 2013 Regional Vice President for Region 9. During her two-year term, she has oversight for the activities of IREM Chapters in Minnesota, Wisconsin and Illinois.

Pountain is a self-employed property management consultant providing services to property owners and management companies in the areas of staffing, training, marketing, strategic long-range planning and implementation. She also serves as an expert witness for legal and insurance professionals in matters associated with real estate and property management.

Pountain earned her CPM designation in 1991, and has been active in the organization ever since. She has held numerous positions with IREM Milwaukee Chapter No. 13, including that of president, and was honored as the chapter's "CPM of the Year" in 2003. Nationally, she has served on several IREM committees and advisory boards and most recently was chairperson of the IREM Ethics and Discipline Committee. As well, she has been a member of the IREM Governing Council since 2004.

### REGION 10 VICE PRESIDENT



**David H. Davis, CPM, ARM**, president of Blackthorne Real Estate Development Company, Inc., in Omaha, Neb., serves as the 2012 and 2013 Regional Vice President for Region 10. During his two-year term, he has oversight for the activities

of IREM Chapters in Iowa, Kansas, Nebraska, Missouri, North Dakota and South Dakota.

Davis earned his ARM certification and his CPM designation from IREM in 1996 and 2000, respectively, and has long been active in the organization. He has held numerous positions with IREM Nebraska Chapter No. 12, including that of president. Nationally, he began a three-year term in 2008 as a member of the IREM Diversity Advisory Board.



**REGION 11 VICE PRESIDENT**

**Renee Savage, CPM, CCIM**, of La Jolla, Calif., serves as the 2013 and 2014 Regional Vice President for Region 11. During her two-year term, she has oversight for the activities of IREM Chapters in California and Hawaii.

Savage has worked in property management in San Diego for over 23 years and currently is the Senior Vice President of Property Management for Capital Growth Properties, Inc., AMO. She oversees the activities of six regional property managers—along with their teams and the accounting department—with responsibility for managing over 90 properties in San Diego County. She also has oversight for all aspects of insurance, insurance claims and legal matters related to the properties in her portfolio and the corporation, developing policy and procedures for her department and the corporation and managing various human resource functions.

Long active in IREM San Diego Chapter No. 18, she has served in numerous chapter leadership positions, including that of president. She has been honored as the chapter's "CPM Candidate of the Year," "CPM of the Year," and has been the recipient of its "Presidential Achievement" award. Savage also has served IREM at the national level as a member of its Governing Council and in leadership positions on the IREM Student and Academic Outreach Advisory Board.

**REGION 12 VICE PRESIDENT**

**Mindy Gronbeck, CPM, CSM**, of Boise, Idaho, serves as the 2013 and 2014 Regional Vice President for Region 12. During her two-year term, she has oversight for the activities of IREM chapters in Alaska, Idaho, Montana, Oregon, Washington and Wyoming.

Gronbeck is the director of property management for Hawkins Companies, AMO, a full-service real estate firm specializing in shopping center development and management and headquartered in Boise, Idaho. Hawkins Companies employs all in-house staff to handle the asset management, construction management, leasing, accounting and finance needs for its properties. Hawkins has developed over 9.5 million square feet in 23 states during the 34 years that it has been in business. Gronbeck has been a member of IREM since 2005, serving as the Idaho Snake River Chapter No. 107 President

from 2010–2012. She received the chapter's "CPM of the Year" award in 2011 and was a recipient of the 2012 "John T. Riordan Professional Educational Scholarship" grant from the International Council of Shopping Centers (ICSC).

She currently serves as a member of the IREM Legislative and Public Policy Board, as well as its Industry Standards Advisory Board.

**REGION 13 VICE PRESIDENT**

**Chip Crumpler Jr., CPM**, of Charlotte, N.C., serves as the 2013 and 2014 Regional Vice President for Region 13. During his two-year term, he has oversight for the activities of IREM Chapters in North Carolina, South Carolina and Tennessee.

Crumpler has been involved in the property management industry since 1999, managing various types of commercial real estate including suburban office, medical, industrial, retail, residential and land.

Crumpler has been active in IREM Western North Carolina Chapter No. 40, where he served as chapter president in 2008 and received the chapter's "CPM of the Year" and "Rising Star" awards. Crumpler has served on several IREM committees and focus groups on the national level. In 2008–2010, he served on the Executive Committee as an at-large member and currently serves as co-chair of the ARM Forum.

**REGION 14 VICE PRESIDENT**

**Suzanne LeValley, CPM**, of Calgary, Canada, is serving as the 2013 and 2014 Regional Vice President for Region 14. During her two-year term, she has oversight for the activities of IREM's eight Canadian chapters.

LeValley is the owner/president of Longley Condominium Services Ltd., with responsibility for generating new business as well as staff supervision, hiring and training. She also facilitates seminars for condominium boards and chairs owners' meetings.

She has served on the IREM International Services Advisory Board and as President of IREM Calgary Chapter No. 116. In addition to IREM, she is an active member of the Real Estate Institute of Canada, the Association of Condominium Managers of Alberta and the Canadian Condominium Institute. ■



# Take Your Real Estate Career to the Next Level through IREM Foundation Scholarships

By Stephanie Burg-Brown,  
MBA/MPA, CPM, CRS



PHOTO © CHARACTER DESIGN

“I could not have accomplished this goal without the IREM Foundation. I would not have been able to finish as quickly or afford the tuition on my own. IREM is not just an organization, it’s a huge family where everyone wants to see you succeed.”

I have my CPM designation today because of the IREM Foundation. Here’s how it all began...

In 2009, I had just completed my bachelor’s degree in business management and earned my real estate broker’s license. While searching online for more education in the field of property management, my research led to *irem.org*, where I discovered the many educational offerings, member benefits and resources to take my real estate career to the next level. I was excited and immediately joined, connected with my local chapter, completed my CPM Candidate application and was ready to begin my journey.

## JOURNEY TO THE IREM FOUNDATION SCHOLARSHIP

The IREM Foundation Scholarship application process was streamlined and writing an essay about

my reasons for needing a scholarship was easy for me. Unlike some others in the business, I didn’t have an employer who supported IREM. Being self-employed, the entire expense of classes, travel, etc. was entirely on me. I had a goal in mind to start working on my CPM designation in 2010 and to finish by the end of 2011.

While waiting for approval of the Foundation Scholarship application, I began my dual master’s degree in public administration and business administration. I was both excited and overwhelmed for a moment when I received the news of my scholarship award from the Foundation. At the time, I was carrying four graduate courses and the scholarship allowed me to take

three IREM classes. No problem—I scheduled time for all coursework, papers, clients and family. Having the support of my spouse was priceless.

## SUPPORT AT THE CHAPTER AND FAMILY LEVEL

The IREM Foundation Scholarship and the support of my chapter was such a huge honor to me. I applied for an additional scholarship and was approved. With the help of the IREM Foundation and Kimberly Holmes, Foundation Manager, I was able to complete all the required coursework for my CPM. After graduating in June 2011, with both master’s degrees in hand, I was ready to sit for the CPM exam. In October 2011, the IREM Foundation stepped in again and, with additional funding from my chapter, provided me with resources to travel out of state, take the exam and pass.

My CPM designation has given me the knowledge and courage to run my own property management company. I give back to the organization by volunteering my time through leadership and lending any skills I have to affect change in our industry.

What are my future plans? Continuing to support the IREM Foundation, mentoring others on their CPM journey and being a role model for women by sharing this message: “You, too, can achieve your goals through IREM.” ■

STEPHANIE BURG-BROWN, MBA/MPA, CPM, CRS, ([STEPHANIE@NEXTAGEREALTY.COM](mailto:STEPHANIE@NEXTAGEREALTY.COM)) IS A BROKER AT BSA MANAGEMENT AND NEXTAGE DIAMOND REALTY AND VICE PRESIDENT OF IREM DELAWARE VALLEY CHAPTER NO. 3.



# New Shared Interest Communities (SICs) Created

Shared Interest Communities are a great way for IREM members with a common interest to connect—sharing best practices, learning from each other, exploring new technologies, building new skills, discussing trends/hot topics and developing their professional networks.

An IREM Member can join any or all of these groups by simply being a member of the IREM LinkedIn group, and then selecting the sub-group, or sub-groups, they are interested in joining. A person doesn't need to be currently involved in the specific industry sector to join a group—as long as they have an interest in learning more about it.

In addition to the LinkedIn connection, each group may determine other opportunities for members to connect—including webinars, IREM conference networking events, online collaboration sites, etc.

Each group will evolve into what its members determine are the most valuable ways to connect and share information.

Not a LinkedIn member? Sign up today and create your profile! Don't forget to include your CPM designation with your name!

## THE 11 NEW SHARED INTEREST COMMUNITIES ARE:

1. Associations (e.g., HOAs, condominium associations, common interest developments, etc.)
2. Conventional Apartments
3. Green/Sustainability
4. Industrial Properties
5. Medical Office Buildings
6. Military Housing
7. Mixed Use Properties
8. Office Buildings
9. Senior Housing
10. Shopping Centers/Retail
11. Student Housing ■



Join any or all of the IREM shared interest groups by simply being a member of IREM's LinkedIn group and then selecting the sub-group, or sub-groups, that you are interested in joining!





# New CPM Members

## October

- Anna Vladimirovna Antonova CPM
- Kristina G Bagge, CPM
- Scott Michael Chakoutis, CPM
- Tanya D. Chappell, CPM
- Lorna M. Crawford, CPM, ARM
- Mindy J. Diamantopoulos, CPM, ARM
- Lorinda Manette Gholar, CPM
- Kathy Giraldo Carlson, CPM
- Kevin A. Hannan, CPM
- Stacey A. Hansen, CPM
- Brent L. Howard, CPM
- Koji Igarashi, CPM
- Mark Earnest Inman, CPM
- Moez I Jiwa, CPM
- Ara Karapetian, CPM
- Veronica R. Lacy, CPM
- Carlos Mauricio Letona, CPM
- Sandie L. Lynch, CPM
- Shirley Mae Mattreck, ACoM, CPM
- Susanne Marie Moran, CPM
- Jennifer Adele O'Neill, CPM, ARM
- Michelle W Porter, CPM
- Christy Linn Sanchez, CPM
- Jaclyn Marie Swanson, CPM
- Megan Anne Thomopoulos, CPM

## November

- Nicole Suzanne Blanton ACoM, CPM
- Thomas B. Bourque, CPM
- Carissa Alaine Clark, CPM
- Raymond Paul Coleman, CPM
- Ashley Cate Cooper, CPM
- Anne Elizabeth Donahue, CPM
- Donald E. Duthaler, CPM
- Elizabeth S. Finelli, CPM
- Nathan D Fisher, CPM
- Heather Susan Fuller, CPM, ARM
- Stacie R. Hatch, CPM
- Brandi Audel Herdzina, CPM
- Jennifer L. Houchins, CPM
- Elena Yu Kobzar, CPM
- Patricia Ann Lickiss, CPM
- Chad M Littell, CPM
- Jose Maldonado, CPM
- Yolanta Murphy, CPM, ARM
- Eric T. Oster, CPM
- Christina Michaele Rafael, CPM
- Tillmann Richter, CPM
- Don S. Rowan, CPM
- Suzie Mai Setzler, CPM, ACoM
- Chuck Valentine Sheldon, CPM
- Bree Chernoff Slavik, CPM, ARM
- Katherine Elizabeth Stanton, CPM
- Yuichiro Susa, CPM
- Edward S. Taylor, CPM
- Michelle Denise White, CPM



SCAN THE QR CODE TO WATCH A VIDEO OF IREM PRESIDENT, **BETH MACHEN, CPM**, TALK ABOUT WHAT HER CPM DESIGNATION MEANS TO HER!



# ON THE ROAD WITH IREM LEADERS

## RULES OF THE ROAD:

- Advancing **IREM's** global brand and influence.
- Harvesting knowledge **valuable to IREM Members.**
- Strengthening **the IREM Chapter network.**

### January 24-25

Indianapolis Chapter No. 24  
 Location: Indianapolis Visiting Leader: Lori Burger, CPM, Secretary/Treasurer

### January 29-31

NAI Global  
 Location: Las Vegas Visiting Leader: Nancye Kirk, Vice President, Global Service & Chief Strategy Officer

### February 6

South Carolina No. 72  
 Location: Columbia, SC  
 Visiting Leader: Beth Machen, CPM, President

### February 6-10

ASAE - CEO Symposium  
 Location: Coronado, Calif. Visiting Leaders: Joe Greenblatt, CPM, President-Elect; Lori Burger, CPM, Secretary/Treasurer; Russell Salzman, Executive Vice President and CEO

### February 12

Minnesota Chapter No. 45  
 Location: Minneapolis, MN  
 Visiting Leader: Joe Greenblatt, CPM, President-Elect

### February 20-21

Dubai Real Estate Institute Global Realtors Conference  
 Location: Dubai, U.A.E  
 Visiting Leaders: Beth Machen, CPM, President; Nancye Kirk, Vice President, Global Service & Chief Strategy Officer

### February 21

Northern Colorado Chapter No. 17  
 Location: Thornton, CO  
 Visiting Leaders: Lori Burger, CPM, Secretary/Treasurer

### February 21-22

Tri-State Expo New Jersey Chapter No. 1, 3, 101  
 Location: Atlantic City, NJ  
 Visiting Leaders: Joe Greenblatt, CPM, President-Elect

For a more comprehensive calendar of chapter visits, go to [www.irem.org/calendar](http://www.irem.org/calendar).

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Durable Cool Roofs, Inc.	<a href="http://www.durablecoolroofs.com">www.durablecoolroofs.com</a>	13
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Realtor® University	<a href="http://www.RealtorU.com">www.RealtorU.com</a>	C4



### JANUARY

MPSAXM	January 14-17	Sacramento, Calif.
ETH800	January 16	Minneapolis, Minn.
CPM001	January 18	Sacramento, Calif.
ASM603	January 21-22	Indianapolis
ASM604	January 23-24	Indianapolis
FIN402	January 24-25	Milwaukee
ASM605	January 25	Indianapolis
ASM603	January 28-29	St. Louis
ASM604	January 30-31	St. Louis

### FEBRUARY

ASM605	February 1	St. Louis
ASM603	February 4-5	Pittsburgh
ASM604	February 6-7	Pittsburgh
RES201	February 6-15	Braintree, Mass.
ETH800	February 7	Braintree, Mass.
ASM605	February 8	Pittsburgh
ASM603	February 11-12	Salt Lake City
FIN402	February 11-12	San Antonio
MKL405	February 11-12	Kirkland, Wash.
RES201	February 11-16	Milwaukee
RES201	February 11-16	Nashville, Tenn.
ASM604	February 13-14	Salt Lake City
HRS402	February 13-14	Kirkland, Wash.
ASM605	February 15	Salt Lake City
FIN402	February 18-19	Raleigh, N.C.
MKL405	February 18-19	San Francisco
ETH800	February 19	San Diego
ETH800	February 20	Atlantic City, N.J.
HRS402	February 20-21	Minneapolis
HRS402	February 20-21	San Francisco
RES201	February 20-March 8	Dallas
ETH800	February 21	Farmington, Mich.
ETH800	February 22	Prairie Village, Kan.
FHS201	February 22	Sharon, Pa.
ASM603	February 25-26	St. Petersburg, Fla.
FIN402	February 25-26	Omaha, Neb.
MNT402	February 25-26	Houston
RES201	February 25-March 2	Omaha, Neb.
ASM604	February 27-28	St. Petersburg, Fla.
FIN402	February 27-28	Houston
MNT402	February 27-28	Omaha, Neb.
SRM001	February 28	New York

### 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  
 CPMEXM // CPM Certification Exam  
 CPM001 // CPM Certification Exam Preparation Seminar  
 ETH800 // Ethics for the Real Estate Manager  
 FIN402 // Investment Real Estate: Financial Tools  
 HCP EXM // HCCP Exam  
 HRS402 // Leadership and Human Resource Essentials  
 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 // Managing the Physical Asset  
 MPSAXM // Management Plan Skills Assessment  
 RES201 // Successful Site Management

IREM ALSO OFFERS COURSES INTERNATIONALLY IN CANADA, BULGARIA, BRAZIL, JAPAN, RUSSIA, POLAND AND S. KOREA. TO FIND THE SCHEDULE FOR THESE COURSES, VISIT [WWW.IREM.ORG/EVENTSCHEDULE.CFM](http://WWW.IREM.ORG/EVENTSCHEDULE.CFM).

FOR THE MOST UP-TO-DATE COURSE LISTINGS, PLEASE VISIT [WWW.IREM.ORG/EDUCATION](http://WWW.IREM.ORG/EDUCATION).



## Career Moves



**Chris S. McDuff, CPM, ARM, ACoM**, has been named the managing director and principal of Harris Tynes Realty Group, Inc. in Birmingham, Ala. McDuff was previously the director of operations with Birmingham's Barber Companies.

**Jay Kacirk, CPM Emeritus**, was recently selected to become the district manager for the entire Southern California region of Eugene Burger Management Corporation. He has been with the firm for the past 14 years and has overseen operations in San Diego, Carlsbad and Orange County.



**Eileen Yesko, CPM**, has been promoted from senior director of housing of Lutheran Social Ministries, in N.J., to President and CEO of Octavia Hill Association, Inc., in Philadelphia. In her new role, she is responsible for the overall operations of the Octavia Hill Association, Inc., which provides affordable housing throughout the Philadelphia area. ■

## Awards and Recognition



**Griffis/Blessing, Inc., AMO**, has acquired Bonterra Lake Apartments, a community with 156 residential units in Colorado Springs, Colo.

“This property is in a fantastic location for pet lovers and outdoor enthusiasts alike,” said Pat Stanforth, CPM, vice president of Griffis/Blessing’s multifamily property services group. “We are also excited by the opportunities

for improvement that Bonterra offers and have already developed a capital improvement plan in conjunction with the ownership group.” ■

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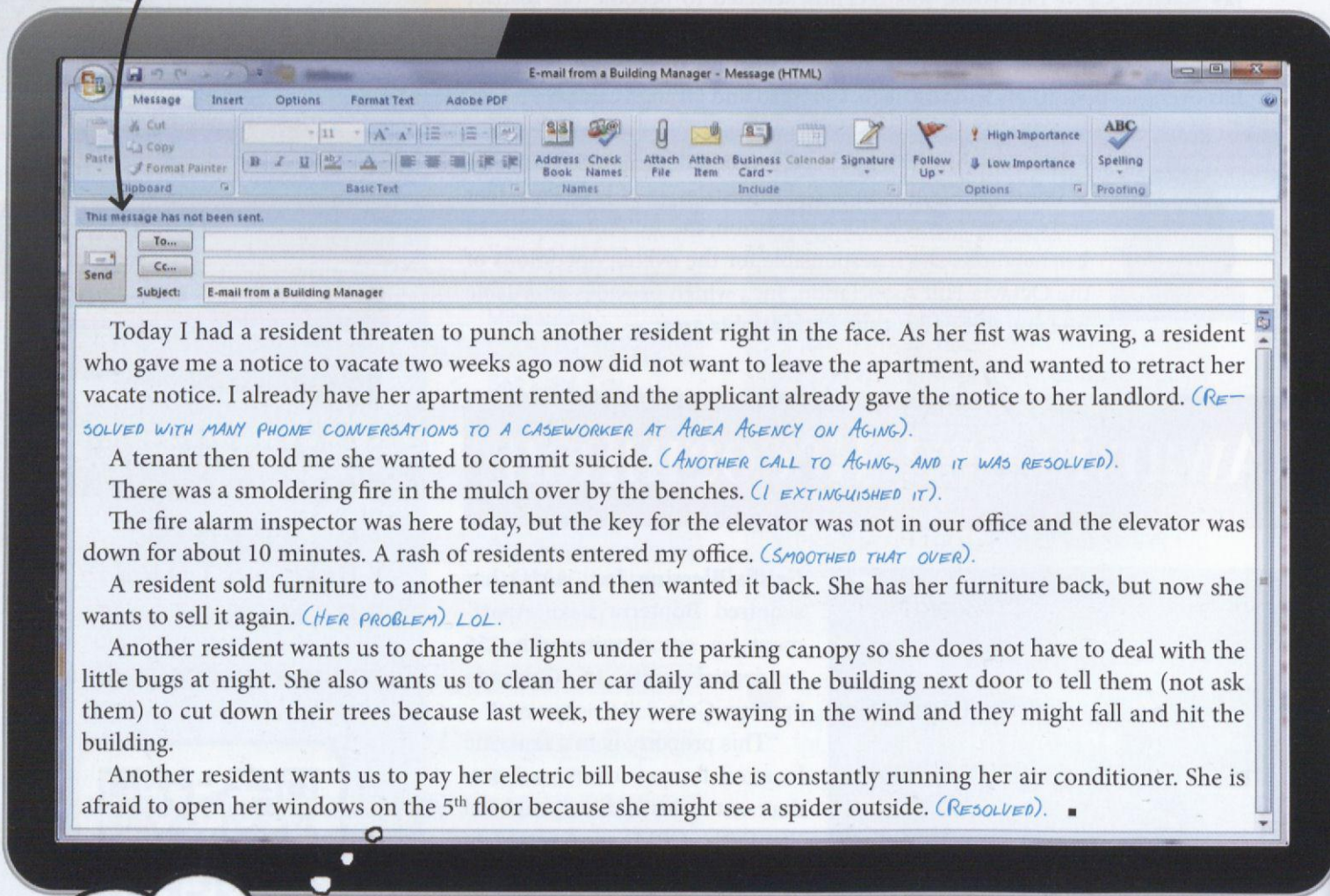


ALL IN A DAY'S WORK

OF AN APARTMENT BUILDING MANAGER

By Lou Danzico, CPM

THE FOLLOWING IS THE UNEDITED CONTENT OF AN E-MAIL FROM A BUILDING MANAGER:



NEEDLESS TO SAY, THERE WAS NO OFFICE PRODUCTIVITY FOR ME TODAY. I AM GOING HOME AND HAVING A DRINK ... AND IT WON'T BE WATER.

LOUIS DANZICO, CPM, (LDANZICO@VERIZON.NET) IS PRESIDENT OF MANAGEMENT ENTERPRISES, INC. IN SCRANTON, PENN.



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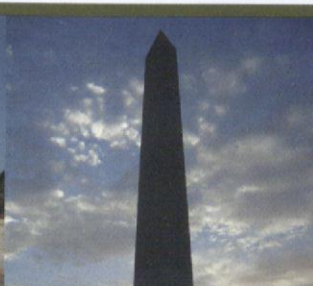
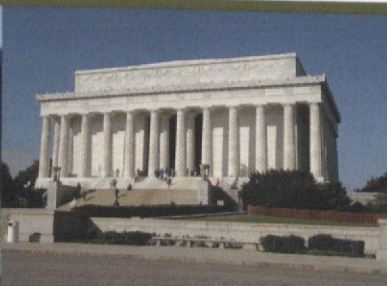
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