

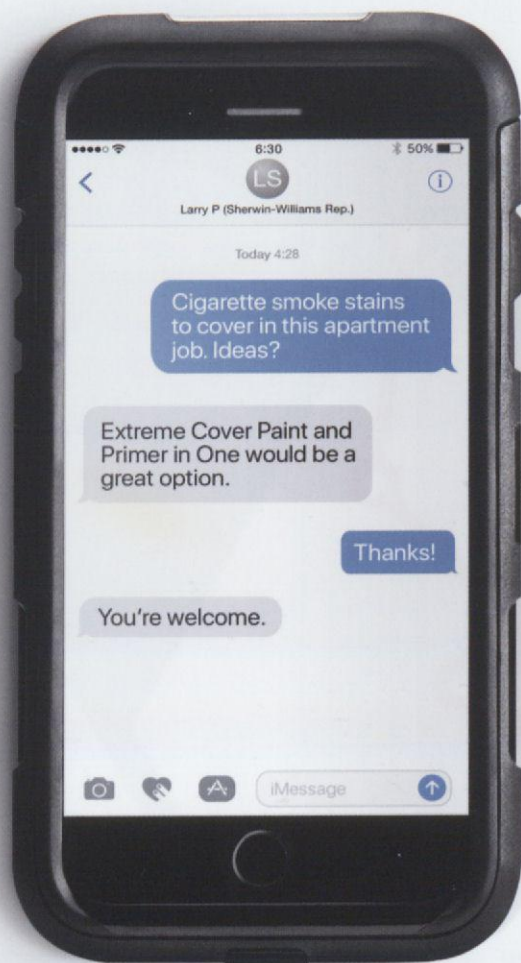
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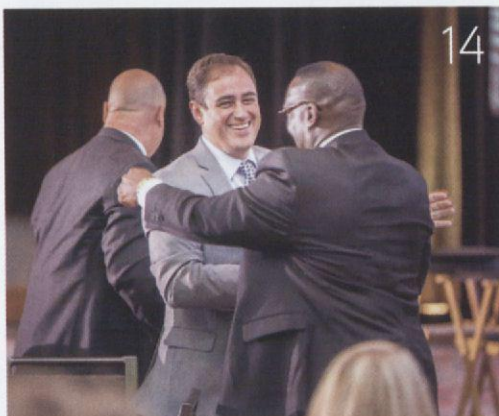
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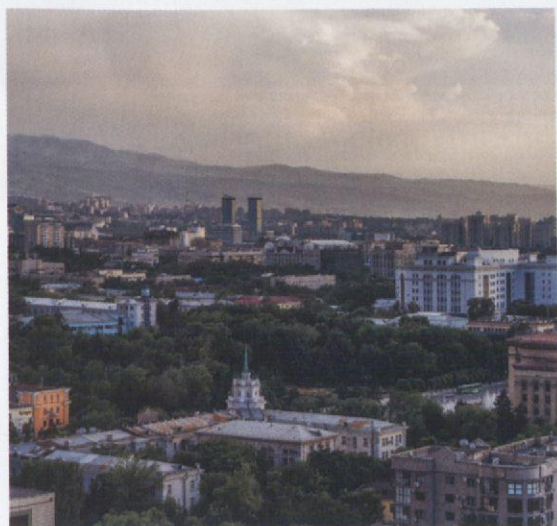
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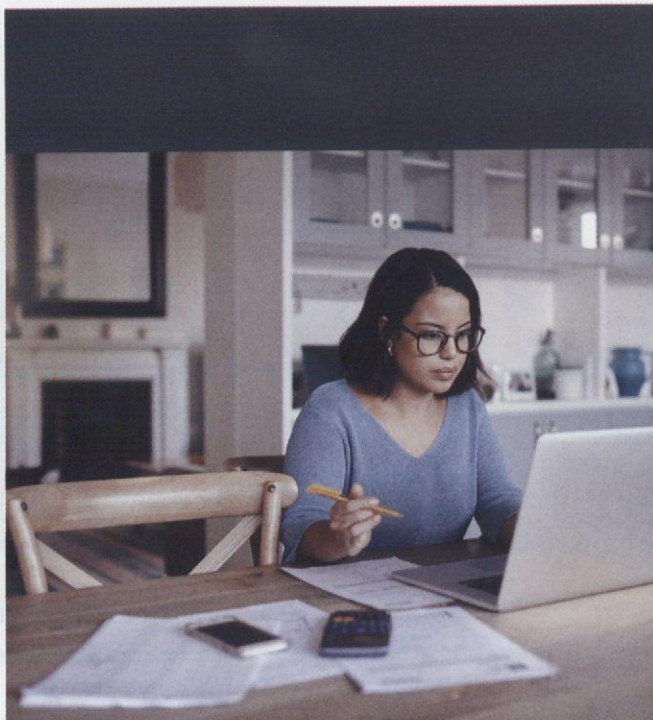
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CEO/EXECUTIVE VICE PRESIDENT

Denise LeDuc-Froemming, CAE, MBA, CPA | dfroemming@irem.org

CHIEF STRATEGY OFFICER

Nancye J. Kirk | nkirk@irem.org

VICE PRESIDENT, MARKETING AND BUSINESS DEVELOPMENT

Donna August | daugust@irem.org

CREATIVE DIRECTOR

Whitney Larson

PRODUCTION EDITOR/CIRCULATION

Beth Smukowski | bsmukowski@irem.org

DIRECTOR, CORPORATE BUSINESS DEVELOPMENT/ADVERTISING SALES

Brian Lozell, CPM | IREMpartners@irem.org

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



PRESIDENT'S LETTER



We're about to close another year, and what a year it's been for IREM! A rebrand, a new CEO marking her first year with us, and recognition of a membership that isn't afraid to forge new paths in the property management industry. I'm proud of the thousands of people from all over the world who make up IREM and proud to be their president. And I was overjoyed to spend time with and celebrate the accomplishments of our members at the Global Summit in September. In fact, if you turn to **P34**, you'll get to (re)experience some of the highlights of this sensational event. Then find out about the award winners we honored there—students, authors, REME recipients, Foundation, and more—on **P14**. I would like to congratulate them one more time on their achievements and on their passion and commitment to the property management profession.

Of course, while the Summit demonstrated the strength of the IREM community from a worldwide perspective, our regional meetings gave members a chance to engage with one another and exchange ideas on a closer-to-home level. You can

find an example of this concept in action on **P26**, which offers an account of the Northeast regional meeting that took place in Boston; a panel of IREM Members shared with attendees their thoughts and strategies on talent management—ways to seek out the best people for your business, getting them attuned to your culture and ensuring their success. It's a topic that will always be worthy of discussion but even more so now, when a multigenerational workforce requires multiple approaches.

And naturally, when one year is wrapping up and another is about to start, there's a penchant to look back at how plans have played out and look forward toward what to expect next. I

“

THE SUMMIT DEMONSTRATED THE STRENGTH OF THE IREM COMMUNITY FROM A WORLDWIDE PERSPECTIVE, OUR REGIONAL MEETINGS GAVE MEMBERS A CHANCE TO ENGAGE WITH ONE ANOTHER AND EXCHANGE IDEAS ON A CLOSER-TO-HOME LEVEL.

”

had the opportunity recently to sit down with the other two 2019 IREM officers, President-Elect Cheryl Gray, CPM, and Secretary/Treasurer Chip Watts, CPM, CCIM, for an interview about precisely those things, and you can learn more about our thoughts on the organization's 2018 successes and 2019 direction in the article starting on **P8**. On behalf of our “officer team,” let me say that we look to the new year with enthusiasm and are eager to continue our work serving IREM, as IREM continues to serve the property management industry. ■



“A leader takes people where they want to go. A great leader takes people where they don't necessarily want to go, but ought to be.”
—ROSALYNN CARTER

» FROM CHALLENGES COMES WISDOM

Experience is a powerful teacher. What kinds of transformative key experiences are the most important for developing strong leaders?

- » Working on stretch assignments and out-of-expertise projects
- » Turning around a failing business or product
- » Navigating a new culture, new country or a previously uncharted customer segment or technology
- » Expanding technical capability significantly—specifically skills that enhance agility and digital readiness
- » Leading a cross-functional team on a mission-critical organizational project
- » Experiencing failure and learning from it
- » Actively building a network of supporters that leads to significant gains for the organization

Source: Gallup, Vibhas Ratanjee, “Experience Reigns in Leadership Development”

A DIFFERENT *BUT STILL IMPORTANT* KIND OF EVP

The benefits of having an employee volunteer program (EVP) cannot be overstated. Among the plusses: They keep employees engaged, can contribute to skills development and—of course—give back to communities. So how can your company put together its own volunteer program?

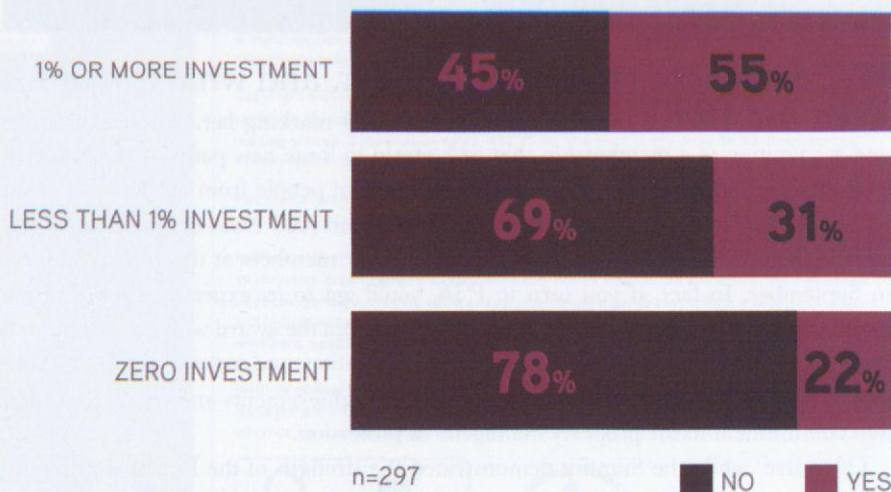
The Points of Light HandsOn Network has these suggestions:

- 1 Assess employees' interests and community needs.
- 2 Identify business priorities and goals that the employee volunteer program can meet.
- 3 Secure top management support.
- 4 Develop a program structure and program policies.
- 5 Align volunteering with financial contributions and in-kind support.
- 6 Measure the program and evaluate results.
- 7 Establish a recognition or awards program.
- 8 Publicize your efforts, both internally and externally.

Source: HandsOn Network: “How to Start an Employee Volunteer Program”

BEST TO INVEST

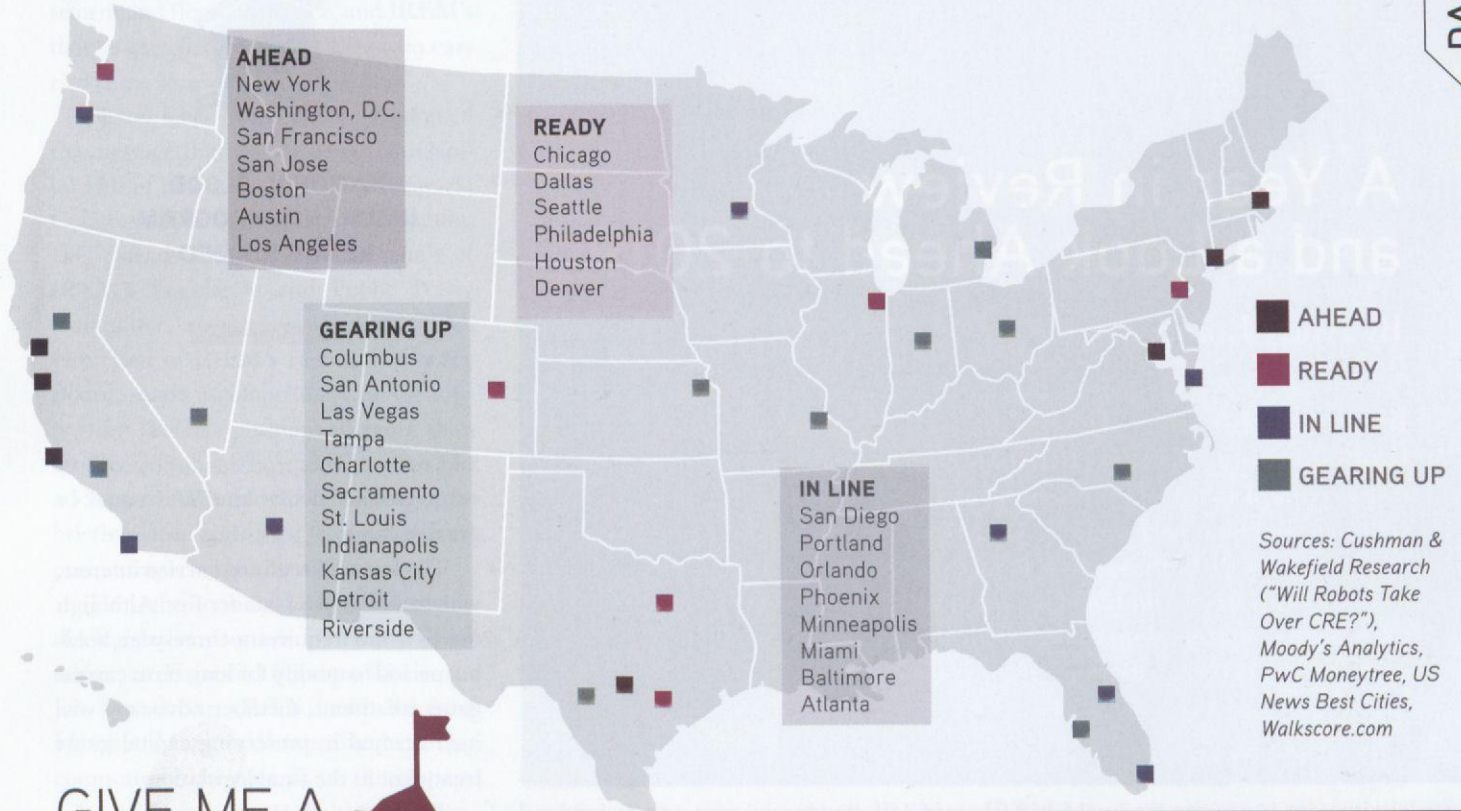
According to the results of the most recent employee recognition survey put out by the Society for Human Resource Management (SHRM) and Globoforce, organizations that invested 1 percent or more of their payroll in employee recognition were more likely to have won “best place to work” or similar types of awards within the prior three years:



Source: THE 2018 SHRM/GLOBOFORCE EMPLOYEE RECOGNITION REPORT: Designing work cultures for the human era

BE PREPARED —FOR TECH DISRUPTION

Analysis conducted by Cushman & Wakefield categorized which of 32 metropolitan markets were most prepared to weather the job disruption that comes with the ongoing surge of new technologies, particularly AI and automation. **Which are ready to ride out the potential risks brought on by these shifts?**



GIVE ME A REASON

Purpose is becoming more recognized as a vital component of one's work, and incorporating it into company culture is a win for everyone. According to the 2016 Workforce Purpose Index released by Imperative, a purpose consultancy, and LinkedIn, »

EMPLOYEES WHO ARE
PURPOSE-ORIENTED ARE

64% MORE LIKELY
TO FIND HIGHER LEVELS OF
FULFILLMENT IN THEIR WORK.

50% MORE LIKELY TO
TAKE ON LEADERSHIP ROLES.

47% MORE LIKELY
TO BE PROMOTERS OF THEIR
EMPLOYERS.

HURRICANE FLORENCE BY THE NUMBERS

**150 WAFFLE
HOUSE WORKERS**
FLOWN IN TO
WILMINGTON,
N.C., TO HELP
KEEP AFFECTED
LOCATIONS
OPERATING

**35.93 INCHES
OF RAIN** THAT FELL
IN ELIZABETHTOWN, N.C.

**\$16 BILLION
TO \$20 BILLION**
ESTIMATED PROPERTY LOSSES

**1.7
MILLION**
CHICKENS
DROWNED IN
NORTH CAROLINA

40,000 WORKERS

FROM POWER COMPANIES AND ELECTRIC COOPERATIVES IN
17 SEPARATE STATES WHO TRAVELED TO AFFLICTED AREAS
TO AID IN RESTORING POWER

**3%
HOMES**
IN NORTH
CAROLINA THAT
HAVE FLOOD
INSURANCE

FOR MORE INFORMATION ON LEGISLATION that may affect Florence recovery, turn to the Public Policy column on p6.

Sources: CBS News, Sanderson Farms/Time.com, interestingengineering.com, Moody's Analytics, usatoday.com



A Year in Review and a Look Ahead to 2019


By Andy Lomo

It's been said that "If you aren't telling your story, then someone else is." IREM Members made sure in 2018 that they were the ones telling the real estate management story to their federal, state and local policy makers. As a result, it proved to be a productive year for IREM's government affairs initiatives—thanks to the many members whose efforts and passion created opportunities to advocate Congress and other government departments on issues important to members' businesses and the properties they manage.



**SECTION 1031
LIKE-KIND EXCHANGES
RETAINED**

**CARRIED INTEREST
RETAINED**




ADVANCING IREM'S LEGISLATIVE AGENDA

The year started off with a big win for commercial real estate with the signing of the Tax Cuts and Jobs Act in late December 2017. The legislation represented the first significant reform of the U.S. Internal Revenue Code since 1986. While not without its controversies, the new legislation lined up favorably with IREM's priority issues.

Years of advocacy initiatives resulted in the retaining of Section 1031 Like-Kind Exchanges for real property. Repeal of Section 1031 at one point was on the table, and the exclusion of real estate from repeal was a major success. It reflected efforts by IREM Members who had kept up the long-time fight to preserve like-kind exchanges as a way for owners to avoid paying capital gains taxes when they sell investment property



NATIONAL FLOOD INSURANCE PROGRAM REAUTHORIZED



and reinvest the proceeds in a property or properties of like kind and equal or greater value.

The law also retained carried interest, which similarly was under fire. Although the new law requires a three-year holding period to qualify for long-term capital gains treatment, member advocacy was instrumental in preserving capital gains treatment in the final legislation.

Two other high-priority issues for IREM throughout 2018 have been the ADA Education and Reform Act (H.R. 620), which would help end exploitive drive-by lawsuits, and flood insurance. Advocacy efforts and calls to action led to reauthorization of the National Flood Insurance Program (NFIP), with Congress voting to extend the program until November 30, 2018. This was the seventh such extension since September 2017, reinforcing the need for long-term reform.

MEMBER ENGAGEMENT IN ADVOCACY EFFORTS

Success was also seen with increased member participation in IREM's federal advocacy efforts, both in members' home districts and in Washington, D.C. The In-District Meeting program, in its second year, saw 70 meetings—a 50 percent increase over 2017—held with members of Congress and their staffs,

to discuss issues significant to property management, during either the spring or summer recess. Key items on the agendas for these meetings were ADA lawsuit reform and flood insurance, and IREM's thanks goes out to all members who carried these issues to their legislators.

These local connections reinforced the message that was delivered on Capitol Hill in July during IREM's inaugural Congressional Briefing in Washington, D.C. Mindy Gronbeck, CPM, chair of IREM's Legislative and Public Policy Committee, and Debbie Prejeant, CPM, vice chair of IREM's Federal Advocacy Board, made a compelling case for supporting IREM's positions to more than 60 Congressional legislative staffers. In addition to ADA and flood insurance, the briefing also addressed emotional support animals in multifamily housing.

They also took the IREM message to the legislative counsels for House Committee on Financial Services Chairman Jeb Hensarling (R-TX) and Ranking Member Maxine Waters (D-CA). This committee has oversight on the Department of Housing and Urban Development (HUD) and NFIP. And earlier in the year, IREM's Federal Housing Advisory Board members met with HUD and Rural Housing Services to bring more attention to issues affecting federally assisted housing.

FEDERAL HOUSING ISSUES ADDRESSED WITH HUD AND RURAL HOUSING



MARCH 5-6, 2019 CAPITOL HILL FLY-IN



TO LEARN MORE, VISIT WWW.IREM.ORG/PUBLIC-POLICY/2019-IREM-CAPITOL-HILL-FLY-IN

UPPING THE ANTE IN 2019

Looking to the year ahead, all IREM Members will have the opportunity to tell their stories to their legislators in Washington, D.C., when IREM sponsors a Capitol Hill Fly-In in March. An orientation will be held on the afternoon of March 5 at NAR Headquarters to prepare for the Hill visits, which will be scheduled for March 6. A "save the date" email has already been sent to all members, and additional communications and webinars are planned leading up to the event.

Later in the summer of 2019, a second Congressional briefing will be held, as it represents an ideal forum in which to discuss and analyze the impact of public policy and the current political environment on property management, and to talk over areas in need of improvement.

Even with the Capitol Hill Fly-In,

IREM Members are urged to continue meeting with their legislators at their district offices. An ideal time for this is during the month of August, when both houses of Congress adjourn for an annual summer recess. Chapters might consider inviting legislators to speak at a chapter event or tour a noteworthy property in the area. And of course, many legislators have town hall meetings or other scheduled events that anyone can attend.

The goals in 2019 are to continue making a difference in issues of importance to real estate management professionals, and encourage as many IREM Members as possible to tell their stories and serve as effective grassroots advocates—thereby strengthening the voice of the property management industry in the halls of Congress. ■

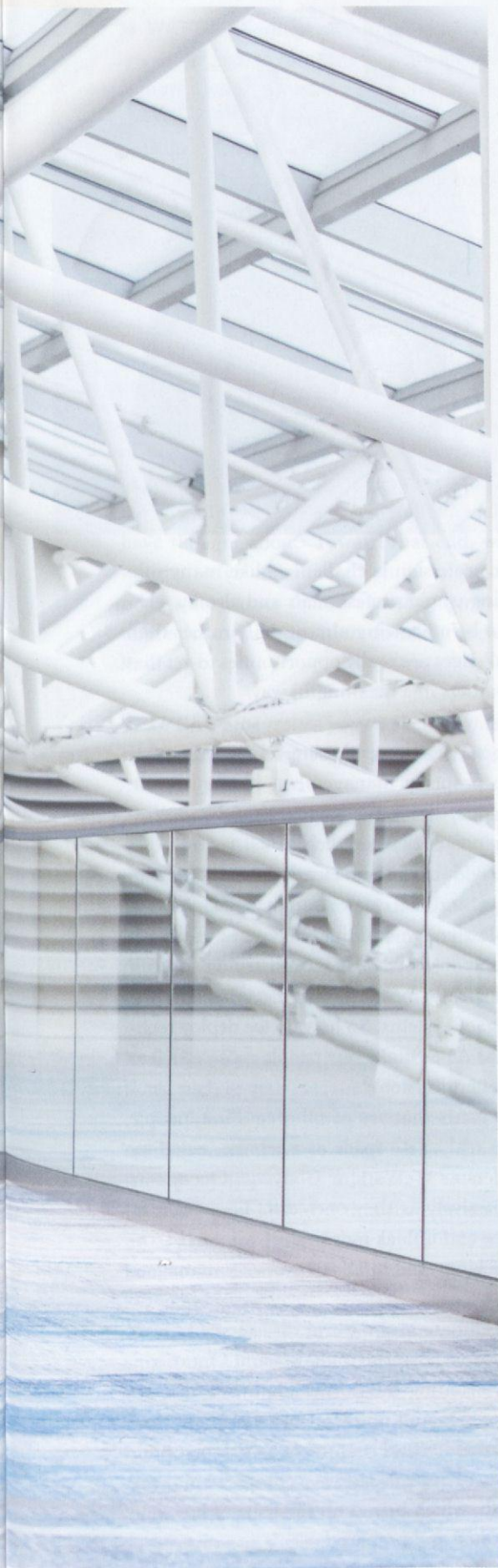
Andy Lomo (alomo@irem.org) is government affairs coordinator at IREM Headquarters in Chicago.

A photograph of three business professionals walking through a modern office corridor. On the left, a man in a dark suit and light shirt walks towards the center. In the middle, a woman in a black blazer and leopard-print dress walks towards the right. On the right, a man in a dark suit and light blue shirt walks towards the center. They are all smiling and appear to be in conversation. The corridor has a blue patterned carpet and a white structural ceiling with exposed pipes. Large windows on the left side of the corridor provide natural light.

IREM IN THEIR OWN WORDS

**Leadership speaks out on the road
travelled and future paths**

By John Salustri



It's been a whirlwind year for the Institute of Real Estate Management:

further expansion into global markets, renewed commitments to such industry-defining issues as diversity, sustainability and technology, and the always present challenge of speaking to—and for—a wide range of profiles among membership. These issues and initiatives have kept leadership busy, to say the least. All of this took place in a year that has also seen a rebranding strategy designed to communicate the mission and focus of IREM, a new CEO at the headquarters office and a nearly two-year term for the Institute's president.

As IREM's Global Summit fades into the background and 2019 fast approaches, *JPM* thought it appropriate to sit down with senior leadership to assess the market, the issues and the challenges ahead.

> FEATURED IN THE DISCUSSION ARE 2019 OFFICERS:

President Donald B. Wilkerson, CPM
(Gaston and Wilkerson Management Group, AMO, Reno, Nev.)

President-Elect Cheryl Ann Gray, CPM
(QuadReal Property Group, Toronto)

Secretary/Treasurer Chip Watts, CPM, CCIM
(Watts Realty Co., Inc., AMO, Birmingham, Ala.)

JPM: Don, what's the significance to membership of a rare two-year leadership term?

DON WILKERSON: We have the opportunity, especially with our international partners, to get a second bite of the apple, so to speak, to revisit and review some of the issues of both the international chapters and at home, and bring solutions to fruition.

JPM: Cheryl and Chip, you'll get your turns at bat. How do the initiatives shaping up under Don's leadership inform your understanding and vision of service to the Institute?

>> CHERYL GRAY: There really isn't a change. That's the power of how we collaborate as an officer team. To Don's point, there's continuity and a strong alliance that actually started a number of teams ago, and Don, Chip and I have embraced that. For me it's been helpful having consistency with Don being the leader through both this year and next, so we get a chance to build a relationship more strongly than when you're rotating annually.

That said, leadership works very hard to create transparency, whether the term is one or two years. So, while each president may have a focus, there are core programs and initiatives that may not get executed under one term, so we are all collaborating to ensure that those initiatives are supported going forward.

>> CHIP WATTS: Cheryl's absolutely correct. Our collaboration has always involved the entire officer team of that time period, because we do share the same views and we take the time to sit down with each other and talk about our focus and the initiatives of each of our presidential years.

>> WILKERSON: Cheryl and Chip used the term "officer team." We work together toward the same goal, to try to accomplish initiatives that do take a number of years. Historically, if presidents ever had a need for a legacy, we've found that we're really more successful when we work together and everybody understands the goals.

JPM: So despite the term of leadership, one or two years, members sense more consistency?

>> WATTS: We would hope.

>> WILKERSON: One-year terms might seem more destabilizing, but if we're doing our jobs, if we're providing meaningful chapter services and meaningful content to our members, transition is seamless.

JPM: You all have very different backgrounds. Given that, what do you see as the most important issues for property managers?

“
WE'RE
FINDING
PEOPLE
AROUND
THE WORLD
WHO ARE
INTERESTED
IN OUR
MODEL.
”

—DON WILKERSON, CPM



>> WILKERSON: Our profession is challenged like many others in terms of recruiting young professionals and also by technology, which seems to be advancing almost daily rather than year-to-year. Such challenges are really opportunities to get that information to our members in a meaningful way.

>> GRAY: I agree. Aging demographics are impacting nearly every industry, but in property management, it's significant. IREM has its biggest opportunity in engaging the next generation and helping young people develop their skills.

In terms of technology: it used to be location, location, location. Now it's technology, and real estate, frankly, is a laggard in terms of adoption. Unless you're building new, state-of-the-art assets, the built environment is what it is, and trying to position a building technologically means a refresh every few years. That isn't done with legacy systems. So how do we deploy technology and tools such as AI to make our people more efficient and help them make better decisions?

There are two other issues that are of concern. First, people are now starting to see real estate space as a service, aided by such coworking providers as WeWork or Convene. Occupants aren't using space as passively as they once did. They want to interact with their space and unlock more value, what MIT refers to as real estate fracking. And it falls to property managers to figure that out.

The last issue is the climate and natural disasters—such as the recent fires in California, British Columbia and Ontario—which are apparently becoming the norm. The insurance industry is driving us to assess and mitigate such risks, and our industry is getting its mind around such tools as risk mapping of our properties. Nothing happens that we as property managers are not involved with, which brings up the issue of how our teams are trained, educated and prepared.

» **WATTS:** Workforce training is our biggest issue, especially as it relates to bringing new people into our industry. The compression of time for a property manager is critical. You're always trying to get so many things done in the shortest time possible. Technology can help, but there's a lot of pressure in this need-it-now society we serve. That's the long-term issue. How do we address those needs in a compressed time, especially if we don't have a suitable number of trained people to help in our industry?

JPM: Which of course speaks to the visibility of the industry as a viable career path.

» **WATTS:** It's a very difficult message to get out. As such, one of our initiatives is a collaboration with other organizations to reach out to college and high school students to plant that seed—that property management is a viable trade you may not have thought about. Toward that end, we have an interactive website we've collaborated on for high schoolers looking for a real estate career (careersbuildingcommunities.org). We have to continue that education down through the secondary grade levels.

JPM: Given the issues you've each enumerated, let's talk about the challenge facing you to serve a wildly diverse membership.

» **WILKERSON:** The basic management fundamentals hold true whether it's a commercial or multifamily property, an airport or a bus station, and whether you're national or regional. You're looking at a strong financial understanding and accurate and credible accounting fundamentals. That's a lot of what we do. And no matter the property, it breaks down on all sides to your ability to attract and service tenants.

» **GRAY:** Certainly, there are some specialty aspects of operations, such as retail versus residential. Despite that, and whether you have one building or a hundred, you still have roofs to maintain, windows to think about, emergency responses and regulatory impacts to address. What's unique and always attractive about IREM is that the education you need to operate an asset, regardless of that asset's use, is pretty much constant because, as Don said, the fundamentals are the same.

» **WATTS:** But there are certainly different types of membership we need to engage, so we need to be sensitive to avoid making one issue our sole focus. If, for instance, we overemphasize Next-Gen, we might lose certain "more experienced" members or those choosing property management as a second career choice. Leadership is a matter of balance.

JPM: Cheryl, you'll be our first non-U.S. president. What's the significance of that?

» **GRAY:** The feedback I've had from both Canadian and U.S. membership has been very positive. It sends the message that IREM is really embracing its geographic diversity. It underscores our global view as we explore continued opportunities for expansion—in current markets and the new markets we're engaging, such as Taiwan and South Africa. It took us a while to get that representation in our officer team, but I'm sure I won't be the last.

I really believe it galvanizes global interest and puts aside any perception of a U.S. bias. We've made great headway in looking at issues through a global lens and speaking to all membership inclusively. It shows members outside the U.S. that we embrace that diversity.

» **WILKERSON:** When IREM was founded 85 years ago, the main emphasis was on ethics and education, and these are the core values we've built upon. We've found over the years that these concepts are universal. That's why we're catching a lot of traction, especially in the Far East, in Japan and Korea. As word spreads, we're finding people around the world who are interested in our model.

JPM: We talked about Next-Gen, which of course is linked directly to diversity. Let's talk about IREM's diversity initiatives.

» **WILKERSON:** There's progress, but it's still a goal, something we need to reach. We're relatively diverse, although we can do much better, no question. Happily, I look at next year's executive committee, and it's 50 percent men and 50 percent women, with different ethnicities represented. But it's important to note



“
PROPERTY
MANAGEMENT
IS A VIABLE
TRADE
YOU MAY
NOT HAVE
THOUGHT
ABOUT.
”

—CHIP WATTS, CPM, CCIM

that none of them are there because of gender or skin color. We wanted the very best people.

Through one of our task forces, we've arranged for eight or nine presidents of various historically black colleges and universities [HBCUs] to attend the Global Summit and learn more about our education programs. We talked about high schools before, but we're also in 26 universities now, and we're going to make a positive attempt to become further involved in various HBCUs' academic programs to produce an even more diverse workforce.

>> GRAY: The management industry as a whole has good representation of traditionally under-represented groups, even internationally. But the broader real estate industry suffers from a lack of leadership by these groups. That's something we have to focus on in our day-to-day work lives.

For some time, IREM has viewed diversity's importance, whether it's through scholarship, education or member engagement. But it's a journey and not a destination. Most associations that serve the industry need to continue that journey, but there isn't one magic bullet that will solve it all. It's a conscious, continuous effort to engage and to improve and promote through our ranks.

JPM: *How's the rebranding going?*

>> WATTS: We're happy to say Denise [Froemming, IREM CEO and EVP] has her dream team put together now, and we've recently welcomed Donna August as vice president of marketing and development. It's been an exciting time since the rebranding, with a staff in place to help take all we've done so far to the next level. Plus, in coming months, our website will be completely revamped. We've gotten a lot of positive feedback from membership.

JPM: *How does each of you see this moment in time, both as the product of all the issues we've dealt with over the past few years and as a pivot to the future?*

>> WATTS: The last decade obviously has been about technology and how it's impacted our industry. The ability to develop and manage has changed, from the way the architects draw their drawings to 3D applications to various other issues. The next five years will be much more technology-driven. We'll be seeing a lot more smart-building initiatives spread across the country.

“

THE BIGGEST THING WE'RE GOING TO STRUGGLE WITH IS THE HIERARCHY OF HOW BUILDINGS GET BUILT, CONSTRUCTED AND OPERATED.

”

—CHERYL GRAY, CPM



Sustainability too has been a big issue in Canada, as Cheryl knows, and on the coasts. But in the Midwest and South Central states it hasn't caught on as much. That too will change over the next five years with a growing number of green-building programs rolling out.

>> GRAY: Everything is an evolution, and I don't see this changing. Post-9/11, everyone became security-conscious. Post-pandemic, we became conscious of health and wellness and keeping the labor force safe. Going forward, the biggest thing we're going to struggle with is the hierarchy of how buildings get built, constructed and operated. As Chip said, will we even need architects going forward, or will we be able to do our own digital drawings?

And, as I indicated before, we also need to be cognizant of occupant expectations—the social expectations that determine what a building does and the customer experience. People want more individualized control and convenience. For instance, what will autonomous vehicles do to us now that we've built all these massive parking garages? It all may have started in the major markets, but the secondary and tertiary markets are catching on to all of the social and technological changes that are informing our occupants.

>> WILKERSON: If we could predict specific changes, what a book we could write! It's all moving too fast to do that. But I do know this: We've positioned IREM now to be nimble enough to adapt to change quickly. ■

John Salustri is a contributing writer for JPM®. If you have questions regarding this article or you are an IREM Member interested in writing for JPM, please email jpm@irem.org.

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Entrants were invited to answer this question:

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UPBEAT proudly presents the 10 winners of the **2018 National Grant Contest for Property Managers**. Each will receive a \$2,000 grant to help fund his or her IREM® tuition. See all ten winning submissions at: upbeat.com/2018PMgrant

CONGRATULATIONS!

FIRST PLACE:

Mason Bodie.....Stream Realty Partners

ADDITIONAL WINNERS:

Laura Dosenbach.....	CBRE
Jessica Fellers.....	Plaza Towers Apartments
Lori Gertsch.....	Vestar
Peggy Hernandez.....	Investment Properties, Inc.
Matt Labrie.....	Lynx Property Management
Genevieve Mulville.....	Stream Realty Partners
Erin Shepherd.....	Cushman & Wakefield
Jasmyn Sylvester.....	The Shopping Center Group
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**AWARDS ARE GIVEN TO
RECOGNIZE EXCELLENCE.
TO SHOWCASE EXCEPTIONAL
ACTIVITIES. TO MODEL
REMARKABLE BEHAVIORS.
TO SHARE BEST PRACTICES
SO THAT OTHERS CAN ADOPT
THEM.**

The recognitions given by IREM through its REME Awards program and by the IREM Foundation do all of this—and more.

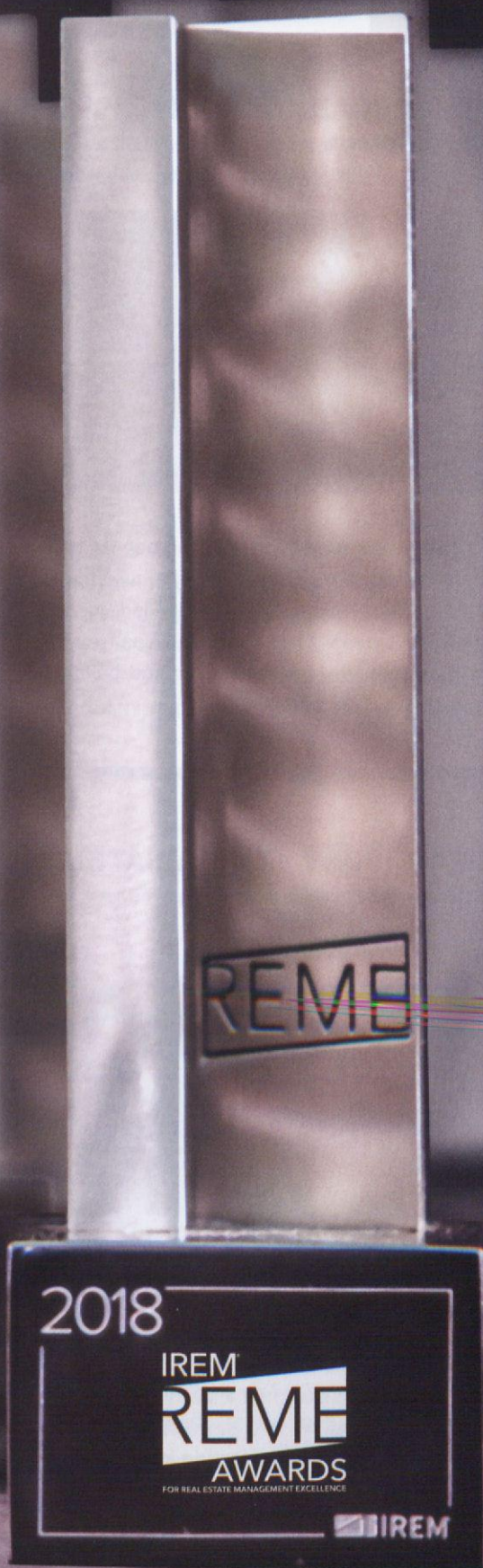
As he opened the September 28 REME Awards ceremony that capped off the IREM Global Summit, President Don Wilkerson, CPM, reinforced this when he said, “We are here to celebrate innovative business practices and champion the companies and individuals who are advancing the real estate management industry.”

REME stands for Real Estate Management Excellence, and the finalists who came to the top of the large pool of entries and the winners chosen from among them truly demonstrate excellence in what they do. “Not only do they stand out among their peers,” said Wilkerson, “but they share a commitment to adding value to their teams, their clients and their properties. It’s appropriate that we are here to celebrate them tonight, as they are truly making a difference in our industry—and fostering further advancement for all of us.”

The REME Awards are given to companies that have implemented programs of special note in the areas of innovation, corporate and social responsibility, employee and leadership development, and sustainability, as well as to the year’s outstanding AMO Firm. Recognition also goes to an outstanding CPM and ARM, who together set a high bar for their colleagues to emulate. From the 13 companies and nine individuals named REME Award finalists, seven stood out as truly exceptional and proudly took home coveted REME Awards.

Also recognized during the awards gala were two students, who are just dipping their toes into the real estate management industry; two teachers, who have helped to shape the next generation of professionals in IREM and university classrooms; and two authors, who have contributed to the industry’s body of knowledge.

Adding their congratulations to the award recipients were ABM, the founding sponsor of the REME Awards, and media partners Commercial Property Executive, and Multi-Housing News.



“

We are here to celebrate innovative business practices and champion the companies and individuals who are advancing the real estate management industry.”

RECOGNIZE

CORPORATE INNOVATION

For innovative, transformational programs related to technology, customer service or marketing



CORTLAND

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CORTLAND PARTNERS prides itself on its commitment to both resident and associate satisfaction. The company's investment in people is embodied by its 64-foot, custom-branded, mobile facilities training unit (MTU), which allows for hands-on training experience for their service team members. Cortland believes better equipped associates deliver better service.

CORPORATE AND SOCIAL RESPONSIBILITY

For exemplary corporate responsibility programs and contributions to the community

ResProp

Residential Property Management

RESPROP
TAMPA, FLA.



RESPROP assisted in the creation of Cristo Rey Tampa High School. Continued support of the school includes fundraising, managing renovations, teaching, mentoring and job training. Education is a currency for change; Cristo Rey students come from economically challenged backgrounds, and ResProp believes its contribution to these students will leave a lasting impact on everyone involved by changing the worldview of what is possible.

EMPLOYEE AND LEADERSHIP DEVELOPMENT

For exemplary, transformational practices related to employee engagement and development and leadership and succession planning



PHILLIPS EDISON & COMPANY'S human resources and marketing teams collaborated to develop PECOI, a comprehensive program designed to raise the profile and visibility of the company's internship program. The multi-faceted approach included the creation of a new brand identity for the program, which was shared through videos, social media, web and campus recruiting.

PHILLIPS EDISON &
COMPANY
CINCINNATI

SUSTAINABILITY PROGRAMS

For innovative practices in sustainability within the workplace or across a portfolio



PHILLIPS EDISON partnered with Blue Sky Utility to enhance the energy efficiency of PECO's California properties. Blue Sky installs GAF TPO roof membrane and solar panels, maintains the roof for 20 years, and benefits by selling power generated from the panels. The properties have a new, maintenance-free roof and PECO and its tenants can purchase energy at a discounted rate.

PHILLIPS EDISON &
COMPANY
CINCINNATI

AMO OF THE YEAR

For outstanding performance in advancing the real estate management industry through customer service, employee support, and ethical practices



MEB MANAGEMENT
SERVICES, AMO
PHOENIX



MEB MANAGEMENT SERVICES cites its core purpose is to enrich the lives of its clients, residents and team members by creating value—which means they understand the value created by being an AMO firm. MEB holds the company and all of its employees to a higher standard with continued professional development, community service and adherence to IREM Best Practices.

ARM OF THE YEAR

For demonstrating outstanding leadership and a commitment to advancing the residential management profession



BENJAMIN OATES, JR., ARM
MARCO POLO APARTMENTS
HONOLULU

BENJAMIN OATES embodies the spirit of the ARM certification in the knowledge, leadership and vast industry network he provides to his management team and residents. In addition, in the face of the worst fire in a high-rise structure ever in Honolulu, Oates worked tirelessly to evacuate residents, ensure access for first responders, provide shelter for all, and above all, take care of his people.

CPM OF THE YEAR

For demonstration of exceptional commitment to client and tenant service, community service, leadership and ethical practices



BRANDEN BARKER, CPM
BARKER PROPERTY MANAGEMENT
BATON ROUGE, LA.

BRANDEN BARKER is an exemplary CPM who goes above and beyond. From caring for tenants, staff and the community during a region-covering flood, to allowing for peaceful protests during a time when the city was divided, to assisting a sexual assault victim who also happened to be a tenant, Barker consistently provides superior service to all those he works with and makes a difference in individuals' lives.

CHAPTER INNOVATION AWARDS

Recognizes innovative programs developed and delivered by IREM Chapters

AUSTIN CHAPTER Future Leaders Program

GEORGIA CHAPTER Measurements: The Dashboard to Success

GREATER DENVER CHAPTER Real Estate Management Career Workshop

REGION 3 EDUCATION COMMITTEE Leadership Seminar Series

LOUISE L. AND Y.T. LUM AWARD

Presented by the IREM Foundation for distinguished contributions to the real estate management profession



ROSEMARY CARUCCI
GOSS, PH.D. VIRGINIA TECH
BLACKSBURG, VA.

Throughout her 42-year career, ROSEMARY GOSS has made and is still making vital contributions that advance the knowledge and practice of the real estate property management profession. Goss most recently served as a professor on the residential property management program at Virginia Tech—a program she founded in 1985 as the country's first such degree program. During her tenure, more than 700 students sat in her classroom and graduated from the program. Upon the occasion of her retirement earlier this year, the endowed professorship she has held since 1996 was renamed the Property Management Advisory Board Professorship in Honor of Dr. Rosemary C. Goss.

STUDENT OF THE YEAR

To an outstanding college or university student interested in pursuing a property management career



TIYANA SMALLEGAN
SAN FRANCISCO STATE
UNIVERSITY, SAN FRANCISCO

As a college junior, Tiwana Smallegan was in the first cohort of the CREATE Fellows Program (Commercial Real Estate Alliance for Tomorrow's Employees) of which IREM is a collaborating partner. With 24 other students, she became committed to a career in commercial real estate and began to aspire to one day become a CPM and manage her own properties.

LLOYD D. HANFORD, SR. DISTINGUISHED INSTRUCTOR AWARD

Presented by the IREM Foundation for exceptional commitment to the advancement of professional real estate management education as an IREM instructor

CYNTHIA CLARE, CPM, has demonstrated extraordinary dedication to the education process and the advancement of knowledge within the property management profession as an IREM instructor and as someone who has trained and mentored new IREM instructors not only in the U.S. but in Japan and Russia as well. As Bell Partners' chief operating officer, Clare oversees the operations of over 50,000 apartment homes in more than 159 apartment communities across the nation. She has served as president of the IREM Northern Virginia Chapter, as well as regional vice president for IREM's Region Three. She is currently on the Virginia Tech RPM Advisory Board and in 2017 served as chairman of the National Apartment Association.



CYNTHIA M. CLARE, CPM
BELL PARTNERS
GREENSBORO, N.C.

ACADEMY OF AUTHORS

Recognizes IREM Members who contribute to expanding the body of knowledge by writing and reviewing publications and publishing in JPM



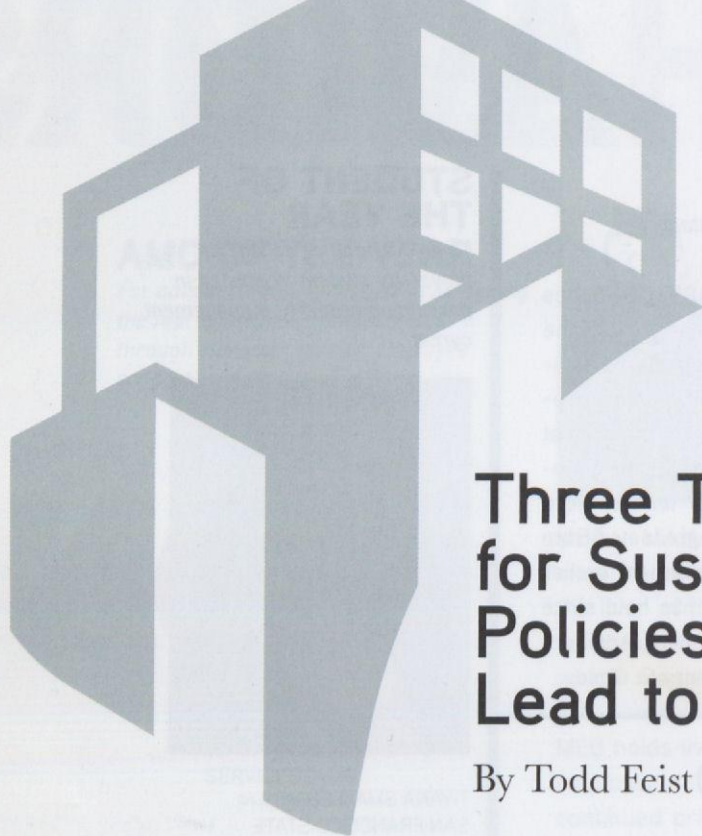
DUSTIN C. READ,
PH.D./J.D., VIRGINIA
TECH

DUSTIN C. READ, PHD/JD, is an Academic Member and serves as an assistant professor of property management and real estate at Virginia Tech, with a focus on asset management and property management, as well as real estate development and land use policy. Read has had his research work on asset management published by IREM and has contributed many valuable articles on the topic to JPM.



JEFFREY S. LAPIN, CPM
COASTAL PARTNERS,
LLC, AMO
ROCKLIN, CALIF.

JEFFREY S. LAPIN, CPM vice president of property management for Coastal Partners, LLC, AMO, has written numerous articles that have been featured in JPM on safety, finance and maintenance. In addition to his published articles, he also has participated as a reviewer for the upcoming IREM publication, Shopping Center Management and Leasing, 2nd Edition.



Three Tips for Sustainability Policies that Lead to Results

By Todd Feist

IF A COMPANY WANTS TO DECLARE THAT SOMETHING IS IMPORTANT TO IT, PART OF THE DECLARATION IS OFTEN AN OFFICIAL POLICY. The policy sets a direction that all relevant stakeholders—employees, vendors and even partners and clients—are expected to follow. These parties will seek to operationalize the policy, with as much or as little guidance as the company includes or provides.

That's where a sustainability policy can fail to make an impact. Too often, the policy stops with the declaration and lacks a call to action. People may hear the pronouncement, but they eventually go about business as usual.

Here are three ways to set a sustainability policy that leads to action and improvement. These tips come from observations made in processing applications for the IREM Certified Sustainable Property certification.

Re-examine the policy at regular intervals—at least annually—based on your progress toward goals, unforeseen challenges or bottlenecks, and market developments.

Todd Feist (tfeist@irem.org) is sustainability program manager at IREM Headquarters in Chicago.

**TIP NO. 1:**

**Don't stop at the policy.
Set goals and create action plans.**

You may want to set one policy that establishes your overall direction on sustainability or several policies focused on specific areas—energy efficiency, water efficiency and waste management, for example.

Either approach is fine, but don't stop there. More direction will allow for easier implementation of a policy and fewer stragglers in performance from teams that had nothing to shoot for and no concrete actions to take.

Set goals around improvements in energy efficiency, water efficiency, waste diversion rate and other areas of performance. Create an action plan for each property that includes roles and responsibilities, operational improvements and retrofit projects, budgetary considerations and timeline.

TIP NO. 2:

**Decide whose policies are operational
at each property.**

Make sure you know what policies exist, first of all, on the owner side and the property management side. An owner's representative may have failed to communicate a policy or may not know that a property management firm has policies and other tools that drive sustainability.

Next, decide which policy or policies site teams should follow. Make this an intentional choice between ownership and management decision makers by including the policy discussion in a meeting agenda.

Property management firms may want to take the lead by developing policies that encompass the scope of their clients' policies but are themselves more detailed or accompanied by O&M plans, budgets, and reporting that guide sustainable site operations. All of these management tools can help align sustainable operations with the overall objectives for a property.

TIP NO. 3:

Assess impact and revise.

Establish how you will assess the impact of your policy and action plan toward sustainability goals. ENERGY STAR® score, cost savings, ROIs for retrofit projects, equivalents in Olympic-size swimming pools for water consumption—sustainability can be measured in a variety of ways, and different stakeholders respond to different metrics.

Whatever metrics you choose will allow you to assess impact from a baseline date of policy implementation. Re-examine the policy at regular intervals—at least annually—based on your progress toward goals, unforeseen challenges or bottlenecks, and market developments such as new technologies, funding, or incentives that open your portfolio to additional sustainability measures.

If you need help establishing policies and action plans, the IREM Certified Sustainable Property program has all-inclusive templates for energy efficiency, water efficiency, indoor air quality, purchasing and other areas of sustainable operations. Visit irem.org/gogreen to access the templates. ■

“

CREATE AN ACTION PLAN FOR EACH PROPERTY THAT INCLUDES ROLES AND RESPONSIBILITIES, OPERATIONAL IMPROVEMENTS AND RETROFIT PROJECTS, BUDGETARY CONSIDERATIONS AND TIMELINE.”



BEST IN CLASS

By Dustin C. Read, Ph.D., J.D.




WHAT DEMANDING CLIENTS WANT FROM THIRD-PARTY PROPERTY MANAGERS

THIRD-PARTY PROPERTY MANAGEMENT IS AN INTENSELY COMPETITIVE INDUSTRY. There are many companies vying for work from both small real estate investors and large institutional owners represented by asset managers. Despite differences in asset classes, markets and ownership structures, some common threads can be seen when it comes to what these owners want from third-party property managers. They want their underlying investment objectives to be met. They want a stable, professional management team on their properties. They want a partner they can trust that puts their interests first.

Beyond this, what do demanding real estate owners want? How do they distinguish a strong property manager from a weak one?





TO GET TO THE HEART OF THESE QUESTIONS, A SERIES OF INTERVIEWS WAS CONDUCTED WITH REAL ESTATE INDUSTRY LEADERS, many of them asset managers who hire third-party managers on behalf of their institutional clients. The findings suggest 12 tactics third-party property managers can adopt to establish their value to clients and position themselves for success. And while not all clients will be represented by asset managers, it stands to reason that most clients want their properties managed against similar standards.



1. BEGIN WITH THE BASICS

Property management was described by those interviewed as the “blocking and tackling” of real estate investing that must be dutifully executed before pursuing any other strategic goals. Accounting, budgeting, human resources, risk management, maintenance programs—proficiency in these tasks is an absolute must.



2. UNDERSTAND INVESTMENT STRATEGIES

Just as important as knowing the basics is an understanding and appreciation of the factors influencing asset management and investment decisions. Property managers can stand apart by doing such things as reading investment prospectuses prepared for debt and equity providers, reviewing underwriting assumptions made at the time properties were acquired, and asking questions about ownership’s anticipated hold period and targeted rates of return. Armed with this type of information, property managers can know where owners want to take their assets and can help them get there.



3. TRIAGE EFFECTIVELY

There never seem to be sufficient resources to address all of the maintenance and tenant concerns that need attention. But what should be done first? That’s where the importance of triaging effectively comes into play. Property managers can distinguish themselves through their ability to prioritize properties’ needs, make recommendations about how to satisfy them, identify what is both urgent and important, and evaluate the potential ramifications of alternative courses of action.



SEARCHING FOR SUCH OPPORTUNITIES, IN GOOD TIMES AND BAD, WITHOUT BEING PROMPTED TO DO SO, IS THE MARK OF A STRONG PROPERTY MANAGER.



4. AVOID COMPLACENCY

It’s easy to be lulled into a false sense of security when things are progressing **according to plan.** Managers who stand apart avoid the complacency trap and remember that there are always opportunities to enhance an asset’s competitive positioning, operate it more efficiently, and improve the level of service provided to tenants. Searching for such opportunities, in good times and bad, without being prompted to do so, is the mark of a strong property manager.



5. BE CREATIVE

Creativity is the key to avoiding complacency, yet many underperforming property managers lack it or express it in ways that negate properties’ investment strategies, according to the asset managers who were interviewed. Property managers who are stuck in either of these ruts and unable to offer creative recommendations are rarely viewed as influential players who can add value.



6. SPEAK THE LANGUAGE OF FINANCE

Sophisticated real estate owners and the asset managers who represent them speak the language of finance. And if property managers want to effectuate change and make an impact, they have to learn the language. Referencing even the most basic rate of return calculations can signal that property managers understand that capital outlays must be evaluated based on their potential impact on an asset’s future cash flows. The more robust a property manager’s financial analysis skills, the more likely he or she is to have a seat at the table when asset management decisions are made.



PROPERTY MANAGERS CAN MAKE THEMSELVES INDISPENSABLE WHEN THEY CAN FILL IN ASSET MANAGERS' KNOWLEDGE GAPS AND SERVE AS TRUSTWORTHY RESOURCES ON PROPERTY OPERATIONAL ISSUES AND MARKET TRENDS.



7. MASTER THE MARKET

Coupling financial analysis skills with market intelligence is one of the most effective ways for property managers to establish themselves as indispensable partners in the value creation process. Rather than regurgitating facts and figures obtained from third-party research reports or conversations with brokers, property managers who can independently conduct data-driven analysis and demonstrate their mastery of the market are more highly regarded.



8. CONVERT DATA INTO KNOWLEDGE

Obtaining data is good. Translating that data into knowledge is power. Technology advancements are making it possible for property managers to understand buildings, markets and tenants in ever more intimate ways. Sophisticated property managers who embrace rather than avoid these tools to collect, organize and analyze data in ways that are beneficial to all parties involved separate themselves from the pack by offering creative, data-driven solutions.



9. COMMUNICATE EFFECTIVELY

Whether in formal reports, casual emails or at meetings, effective communication is essential. And while communication skills are undoubtedly important in all business settings, they are considered to be central to the success of real estate management hierarchies where property managers become the eyes and ears at the site level and are called upon to concisely relay information on a host of subjects to their far-removed owners. Indeed, poor oral and written communication skills were cited by interviewees as some of the most common and compelling reasons for terminating third-party property management agreements.



10. BUILD INSTITUTIONAL KNOWLEDGE

Almost as important as communications is maintaining a record of information exchanges between owners and manager and tracking why decisions were made and how problems were resolved. Managers capable of drawing insights from historic correspondence and records not only accommodate the preparation of thorough and informative reports but prevent issues from falling through the cracks.



11. SERVE AS A RESOURCE

Property managers can make themselves indispensable when they can fill in asset managers' knowledge gaps and serve as trustworthy resources on property operational issues and market trends. After all, not all asset managers are created equal. Some have extensive operational experience and vast professional networks, but others don't. Smart property managers make their asset managers look good by supplementing the areas where they are weak.



12. THINK LIKE AN OWNER

Property managers who put themselves in owners' shoes and are willing and able to think like asset managers stand out. Best-in-class property managers are those who competently and professionally execute their operational responsibilities while remaining mindful of how they can add value in a variety of ways over the course of an investment's lifecycle from acquisition to disposition. ■



Dustin C. Read, Ph.D., J.D. (dcread01@vt.edu), serves as an assistant professor of property management and real estate at Virginia Tech, where he holds the William and Mary Alice Park Junior Faculty Fellowship in the program of real estate.

A Hand with Hiring

Members impart successful strategies to battle the war for talent

By Nancye Kirk



As the job market continues to tighten and the 3.9 percent unemployment rate translates into positions staying open for months instead of weeks, finding good people, getting them on board quickly and preparing them for success becomes an ever-greater challenge for real estate management companies.

Indeed, the National Federation of Independent Business (NFIB) reported that in August, a record 25 percent of small business owners cited the difficulty of finding qualified workers as their single most important business problem. What's more, 38 percent of all owners reported job openings they couldn't fill in the current period—the highest in the 45 years that the

NFIB survey has been conducted.

Add to the mix that there are four and sometimes five generations in the workplace who see their jobs through different lenses, and the challenge sometimes feels insurmountable.

That this is a topic ripe for discussion became evident during the IREM Northeast regional meeting in Boston, where a three-person panel shared insights on how their companies are fighting the talent war. Weighing in were: Toni Harris, CPM, of Bethesda, Md., a regional vice president for Avanath Realty's East Coast multifamily portfolio; Susan Monaghan, CPM, executive director of the Cumberland, R.I., Housing Authority;

and Anne-Marie Niklaus, CPM, ARM, senior vice president of Balfour Beatty Communities, AMO, based in Malvern, Penn.

USING THE RANKS TO RECRUIT

At Balfour Beatty, Niklaus has operational oversight for over 42,000 units at 55 Army, Navy and Air Force installations across the United States and always has jobs to fill. “We have to fight for every good person,” said Niklaus. Although the company formerly relied heavily on outside recruiters, which carried with it a heavy price tag, the business more recently added a full-time recruiter to its staff—saving money and in the process cutting the time that jobs are open.

The company also recognizes that the best recruiters can be the people who work at the company and find it to be a good place to work. With this in mind, Balfour Beatty has expanded its employee referral program and pays out a \$2,000 referral fee when a new employee starts. Other recruitment tactics include a strong social media network and, in the case of maintenance and building technician positions, “the old school ways—news-paper ads and radio ads—work best,” noted Niklaus.

GETTING ON BOARD

Once hired, an intentional focus must be given to onboarding, stressed both Niklaus and Harris. Done well, the onboarding process is a win-win for both new employees and the company. It helps make employees feel they have said yes to the right company for them. And it guards against the possibility that new hires won't settle in properly and wind up quitting after just a few months.

For new managers at Balfour Beatty, this onboarding process starts immediately and it kicks off in Philadelphia, the company's home base, to reinforce the company's culture. Training new employees has to start “right out of the gate,” said Niklaus. “That's the only way to set them up for success.”

For millennials, the onboarding process takes on even greater importance, according to Harris. They are looking for jobs where they can become part of the fabric of the business, and they are eager to engage quickly so their impact will be felt right away.

THE RELEVANCE OF CULTURE

Harris also emphasized the role corporate culture plays, which she defined as “how employees perform when you are out of the room.” She stressed the importance of “empowering your



“CLARITY OF VISION AND VALUES THAT ARE ALIGNED” LEAD TO GREATER EMPLOYEE ENGAGEMENT, HIGHER JOB SATISFACTION AND STRONGER PERFORMANCE.

—TONI HARRIS, CPM

team to operate in alignment with the company's culture,” and regularly checking in to ensure alignment continues. “Clarity of vision and values that are aligned” lead to greater employee engagement, higher job satisfaction and stronger performance.

This doesn't apply only to millennials, said Harris. “Working with purpose and having shared values is what all generations are looking for in the workplace.” ■



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

WINNING ENTRY

2018 STUDENT ESSAY COMPETITION

IREM and the IREM Foundation sponsor an annual student essay competition, the goals of which are to:

» Encourage and recognize excellence in the study of real estate property and asset management

» Support the study of real estate property and asset management that has practical application to the industry and would benefit its practitioners

» Promote the development of future real estate management professionals

» THIS YEAR'S TOPIC ASKED:

Even though the field of property management has many opportunities for those entering the industry, many still say they stumbled into their careers by chance. Imagine that you are working for a marketing firm and you've been hired to sell "a career in property management and to make it a career of choice." What would you say? What tactics would you use? What would your strategy be in marketing this career path to students and young professionals?

Property Management: Marketing a Career of Choice

By Jeffrey G. Faria

When I tell people that my goal is to be a commercial property manager, the next question is usually, "*What made you want to get into that?*" At first, my answer was a not-so-brief history of my career path. Now I just say that it's something I fell into, and apparently, I'm not alone. Property management is not high on the list of desired career paths—but why is that?

This field is so multifaceted. In a given day, a property manager may step into roles in accounting, construction, marketing, human resources, finance, risk management or other fields. Here you may have the opportunity to interact with businesses ranging from mom-and-pop operations to the world's largest corporations. You might get to "add your fingerprint" to the most prominent real estate sites in the country or help families find the homes they've been looking for.

The U.S. Bureau of Labor Statistics expects our field to experience double-digit job growth through 2026. The bulk of this growth is anticipated to be driven by the increase in the number of buildings that are required to be professionally managed. So, with property management being so dynamic and rewarding, and the number of jobs expected to grow faster than average, how can we better market our profession to make it a career of choice?

FRAMEWORK

In 2009, McKinsey & Company developed a marketing model that better captures the circular journey people take in their decision-making process. They named the loop the Consumer Decision Journey (CDJ), and it has since replaced the traditional marketing funnel model. While the CDJ was initially aimed at business-to-consumer marketing, it has been found to be applicable to other efforts and certainly can be used to build a brand around the property management career. For this, attention will be focused on two stages: (1) active evaluation and (2) post-decision (post-purchase) experience. These two stages offer the most opportunity to connect with career explorers and build influence throughout the rest of the CDJ. During active evaluation, people gather information that will be the basis for their next career decisions. The post-decision experience provides insights into our profession that career seekers use to make decisions about it.

APPROACH

The target market for our efforts can be stratified into two general categories: new and experienced career explorers. Each has unique perspectives, motives and goals that must be touched upon in order to effectively reach them.

New explorers will be looking for opportunities where they can gain experience, develop skills and build personal brands. This group will typically be younger and includes recent graduates with little experience. Here we'll need to emphasize the benefits of a career in property management and clarify the journey from zero experience to mastery. We will want to reach these explorers while they are still in school, and partnerships with schools will be instrumental to that end.

Experienced explorers are either in transition or about to be. Their professional experience may range from just a few years to a few decades. Regardless, people in

this group will be interested in applying the skillsets they've gained to new challenges, something property management is never short on. Our message to this group will be tailored toward our field's multifaceted nature and highlight the varied paths that can lead to success.

TOOLSET

Skill Building ➤ Supplementing academic education with professional seminars is an effective way to build relationships with schools while reaching new explorers. Offering free seminars in skills foundational to property management, such as decision making, negotiation and communication will give us an audience with our target market and help round out schools' offerings. Participants will gain valuable skills and connect to industry insiders. The seminars will help build participants' confidence in their success within the field, which is critical to the career selection process. Current property managers get the chance to shape future generations by teaching from their experiences. These seminars will serve as the main direct engagement with new explorers and connect those in the post-decision experience stage with those in active evaluation.

Pathways to Success ➤ The use of infographics is a relatively new way of communicating ideas that is rooted in marketing. They make data easier to digest by putting it into a visual format. This is the perfect vehicle for communicating career pathways in our field, as it can be adapted to both a specific audience and a particular distribution channel, such as social media sites, blog postings or printed media. For new career explorers, I suggest showing a single path diverging into the multiple niche areas of our field. This would emphasize the journey from no experience to mastery while allowing room for personal growth and development. For the experienced career explorers, our infographic pathway would look quite different. Here, we'd want to show how various backgrounds can diverge into our complex field. This communicates to viewers that property management is a dynamic place that will entice them with new challenges. Creating infographics is quite easy with the help of online infographic builders, and much of the core data is readily available from sources like the Bureau of Labor Statistics and IREM.

A Day-in-the-Life Immersion ➤ Video is a powerful way to communicate with a given audience. Younger audiences prefer this style of communication. As such, modern marketing efforts need to include video to reach this demographic. I recently saw this format used in a unique way which immersed the viewer in an unfamiliar environment by combining a storyline with video of the subject's daily activities. It gave the viewer a deeper understanding of the subject by painting a context around the ideas presented. This is best leveraged through a day-in-the-life video series where the audience can explore property management in short bursts. User-generated content can provide a consistent source of fresh material while, again, giving those in the post-decision experience stage the ability to connect with and shape future professionals. Annual contests can increase participation, stimulate creativity and help organizers shape the content being generated.

CONCLUSION

Increasing marketing efforts will undoubtedly bring new prospects, but this should be done in such a way so as to not waste resources. By applying the CDJ framework, we can better understand how to utilize an exacting approach and build specific tools to reach our future colleagues. These targeted marketing efforts will connect today's property managers with those of the future and demonstrate to the latter that this is an attractive career choice boasting solid wages, multifaceted work experience, good job prospects and career stability. ■



“

IN A GIVEN DAY, A PROPERTY MANAGER MAY STEP INTO ROLES IN ACCOUNTING, CONSTRUCTION, MARKETING, HUMAN RESOURCES, FINANCE, RISK MANAGEMENT OR OTHER FIELDS...YOU MIGHT GET TO “ADD YOUR FINGERPRINT” TO THE MOST PROMINENT REAL ESTATE SITES IN THE COUNTRY OR HELP FAMILIES FIND THE HOMES THEY’VE BEEN LOOKING FOR.

—JEFFREY FARIA

”


Jeffrey G. Faria is a student at the University of Illinois Urbana-Champaign, where he is pursuing his MBA.

Adaptive Action

A Changing Economy Prompts the Need
for More Property Managers in Kazakhstan

by Dias Mukushev, CPM





Property management is a young industry in Kazakhstan, whose economy is tightly linked to the rest of the world and has undergone two major economic shifts in the last decade.

Kazakhstan was part of the USSR for 70 years until the early 1990s when it became a market economy. Early growth in the real estate market was driven by a shift of the country's capital in 1997 from Almaty, the largest city, to Astana (literally meaning "Capital City").

Property managers in Kazakhstan have been forced to negotiate the challenges of a new, developing economy that is tightly linked to the rest of the world—60 percent of the country's economy is generated by oil, and fluctuations in the exchange rates can have a dramatic effect. They are beginning to find support from local institutions and are adapting to the challenges of the market.

PROPERTY MANAGEMENT IN KAZAKHSTAN

Property management in Kazakhstan is a young industry. Because the country only recently moved to a market economy and then went through two major economic shocks in the past decade, the companies providing property management services are predominantly large market conglomerates.

The market grew exponentially in the early 2000s, and construction and service companies were only barely able to keep up with demand. In the aftermath of the 2008 financial crisis, more than two-thirds of newly developed properties passed into the hands of the banking sector when developers and property owners became unable to meet obligations and were forced to incur financial losses.

The banks, in turn, created affiliate companies to manage these properties because they were not interested in doing so on their own.

These circumstances shaped the current state of the country's property management industry. Each owner, whether a bank or an independent asset owner, has its own management company. The bank-affiliated management companies make up most of the market and are experiencing a shortage of professional staff.

Very few go into business as independent vendors offering services to the larger conglomerates. Only a handful of internationally recognized independent companies have been hired for facility management, which is unfortunate because the market is in need of the high level of expertise they provide in order to manage the cutting-edge buildings being built in the new market.

NEW ORGANIZATIONS

Despite these challenges, the real estate ecosystem in Kazakhstan is adapting to the new circumstances. Newly developed certifications are maintaining high standards, and the participants in the market are finding ways to create exchange.

When it comes to green buildings, for example, the Kazakhstan Green Building Council (KazGBC) is a member of

PHOTO MAXIM ZOLOTUKHIN

the World Green Building Council. While the market has only recently become aware of LEED and other internationally recognized certifications, KazGBC has developed the local OMIR certification.

The OMIR certification has taken the expertise of other international certifications and simplified some requirements while strengthening others. For example, LEED and BREEAM require that construction materials and some of the equipment be locally produced, but Kazakhstan unfortunately does not have many local producers. So automatically, property managers would lose points.

Some specific regulations in the Local Country Regulations on Constructions were difficult to adjust to international green standards. An example here is local regulations that prevent the use of rain water in the maintenance of buildings.

The good news is that compared to a few years ago, property managers are starting to recognize the value of energy efficiency. Thirteen buildings have been registered to become LEED certified since 2016, compared to only five in the four years from 2012 to 2015. BREEAM-certified buildings are also growing in number.

Professional exchange has also contributed to the industry in Kazakhstan. It might sound strange to real estate managers in developed nations, but the market in Kazakhstan never had any mechanisms that enabled real estate companies, property managers and other players to interact in any way.

A new association called the Kazakhstan Networking Partners (KNP) has influenced the industry by increasing awareness of the CPM designation and educational opportunities. KNP is responsible for Commercial Real Estate Week (CREW), the biggest real estate conference in the country, which draws international experts.

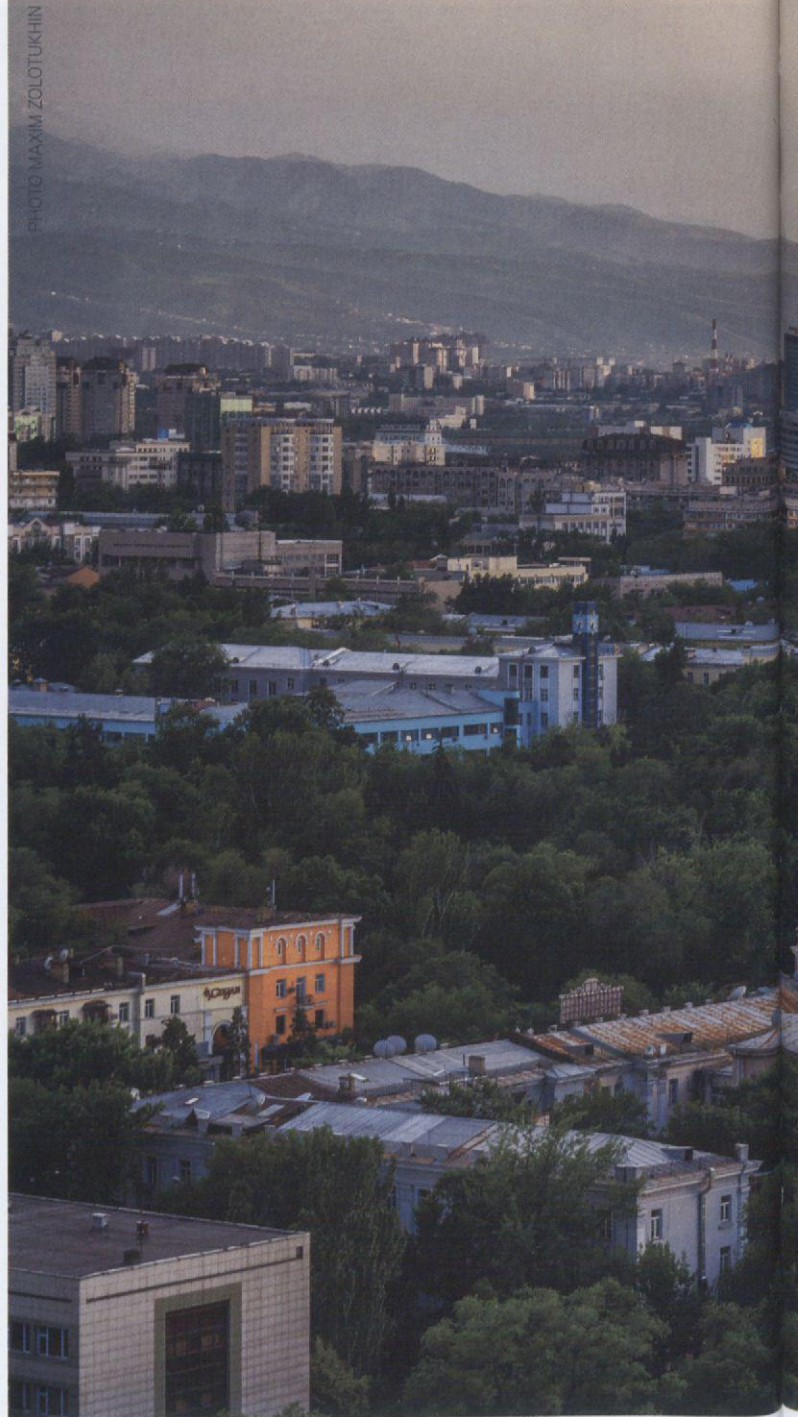
Property management companies actually know each other now. Members have been able to exchange expertise and learn a lot based on new case studies they encounter while networking. Obviously, certifications and groups like these exist around the world, but for Kazakhstan, everything's new.

THE EFFECTS OF RECENT DEVELOPMENTS

The result of these market changes has been a greater awareness of professional development. Five years ago, not many property managers were aware of the CPM designation, and local educational organizations never offered any property management courses. Now managers are seeking self-education and aiming to get certified as CPMs. Among other examples, a real estate management program was created at a university in Almaty in 2017 and launched this year.

The market has also shown great flexibility. Properties built for one purpose have rapidly and suddenly shifted concepts as required by changing demands.

As an example, a mall in Almaty was initially designed as a



small shopping center of 13,000 square meters (about 139,931 square feet) in gross leasable area within a larger complex that included apartments and other commercial spaces. Construction took longer than planned because of economic fluctuations, and a few years after the project began, development managers determined that the area would not support sufficient profit as strictly a shopping area. They took the risk of adjusting the property to a huge co-working center, which had much higher demand.

Not all of these stories are positive. An owner of another

“

With the support of new associations and a focus on green development, the future of property management in Kazakhstan is bright.

”



property initially imagined a shopping mall that would include mass-market tenants alongside luxury retail when they took over the property. However, mixing two different market segments in one project did not pan out. Within the first two years of operation, the mall lost all of the mass-market retailers. Presently, part of the mall has been redesigned into office space, but it has not met expectations.

The real estate market in Kazakhstan is still struggling to develop professional expertise in many ways, but as these examples show, there is a new generation of managers willing to take on economic volatility and find the best solution for any property. With the support of new associations and a focus on green development, the future of property management in Kazakhstan is bright. ■

Dias Mukushev, CPM, is a deputy director for Global Development LLP in Kazakhstan.



**THE
2018 IREM
GLOBAL
SUMMIT
WAS TRULY
GLOBAL
IN EVERY
SENSE OF
THE WORD.**





For the first time, a CPM Member from outside the United States became IREM's president-elect. As he continues to serve as president in the year ahead, Donald Wilkerson, CPM, of Reno, Nev., will be joined by Cheryl Gray, CPM, from Toronto, who by acclamation became president-elect and will be president in 2020. W.A. "Chip" Watts IV, CPM, CCIM, of Birmingham, Ala., was elected to the position of secretary/treasurer for 2019. (Turn to P8 and learn what they see for IREM's future.)

A new IREM chapter was established in South Africa—the first chapter on the continent of Africa and the 16th chapter outside the United States, bringing to 96 the total number of IREM chapters. The formation of the South African Gauteng Chapter is the visible result of a successful partnership among IREM, Wits University in Johannesburg, and the South African Institute of Black Property Practitioners (SAIBPP). T.W. Nxesi, Minister of Public Works for the Republic of South Africa, was present for the historic event and pledged the South African government's support to the chapter with the goal of raising the property management sector to the next level.

With attendance hitting the 800 mark, 10 percent of those at the Summit came with passport in hand as they traveled to Hollywood, Fla., from outside the United States. They came from Brazil, Canada, China, Israel, Japan, and South Korea, as well as South Africa to connect with colleagues. Two of these international attendees also participated in panel discussions, covering topics of critical importance to practitioners, which occurred throughout the Summit as part of its educational programming.

Throughout the week, attendees participated in discussions around such issues as attracting the next generation into property management and top challenges facing the industry. They watched the first class of AMO Next-Gen Leaders subscribe to the CPM pledge as they were installed as IREM's newest designees. They applauded the innovative work done by IREM Chapters, management companies, and individuals that was recognized with accolades and awards (see all the winners starting on P14). They gave back to the industry through donations to the IREM Foundation and by partying with a purpose. And they made sure they left the beaches of Florida in better shape than when they arrived by teaming up with **VolunteerCleanup.org** to remove trash from the ocean coastline.

2019 LEADERSHIP



STANDING, LEFT TO RIGHT: Shawn P. Harvey, Waddell H. Wright, Aaron M. Bosshardt, Kimberly Collins, Susan Monaghan, Maleta J. Brown, Pamela M. Sullens, Sam Chanin **SITTING, LEFT TO RIGHT:** Grayson M. Glaze, Jolene Terry-Phinney, Traci Twitchell, Brad J. Ashley, Latonia R. Harris **NOT PICTURED:** Cheryl A. Gray, James L. Helsel

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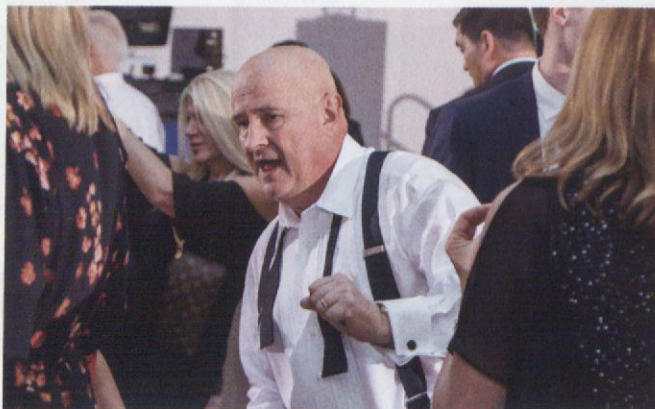


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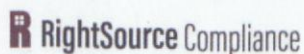
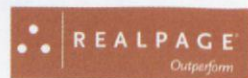
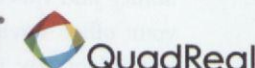
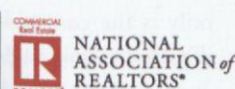
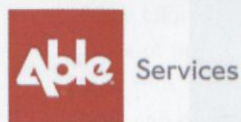
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01 ↓

**01 / Logitech MxVertical**

In a world where almost all mice are created equal, Logitech's new MxVertical is a standout. With its unconventional design, the new mouse promises to reduce muscle strain, decrease wrist pressure and improve posture. It achieves all of this by using a natural handshake positioning at an ergonomic, upright 57 degrees. Logitech's claims come supported by an overwhelming number of positive reviews from the medical community, so this could be a strong contender in your goal to ward off aches.

Price: \$99.99

logitech.com

02 / ROOM One

Open office floor plans are all the rage, but they don't work for everyone. A new tech startup, ROOM, is hoping to solve some of the nuisances with ROOM One, a soundproof phone booth made of recycled plastics that gives employees a place for some much needed heads-down time or to make phone and video calls. Each booth comes with its own quiet ventilation unit, allowing maximum comfort for anyone inside. The booth doesn't come cheap, but if style, sustainability and quiet time are necessities in your office environment, ROOM One just might pay off with golden silence.

Price: \$3,495

getroom.com



← 02



03 ←

03 / WyzeCAM2 1080p

Need a quick and cheap Wi-Fi cam? No problem! Is under \$20 good? We thought so. WyzeCAM2 has an Alexa-controlled Wi-Fi cam that is always connected. Not only is the cam able to show you a 110 degree viewing angle, it also has night vision, motion detection and 2-way audio integration, so you can talk to your furry baby from the comfort of your office. Use it as a child monitor, use it as a motion

detector that also records video day or night, use it as a time-lapse camera to record anything you desire. It can also recognize sounds from smoke and CO2 detectors and warn you about them when you're away. Connect it to an IFTT (If This Then That) skill and automate it even further.

Price: \$19.99

wyzecam.com

04 ↓



04 / Litetronics LED Garage Lights

The new range of LED garage light fixtures from Litetronics are triple threats and then some. To start, installation is easy with their two-piece connecting plates. Then, they provide even, adjustable illumination in a variety of environments such as garages, walkways and gas stations, improving safety by improving visibility. Even better, they provide clean, energy-efficient light (generating over 130 lumens per watt), supporting sustainability efforts. Finally, their flexibility in spaces of numerous sizes and characteristics, plus their eligibility for utility rebates, can deliver cost savings of up to 70 percent for your budget.

litetronics.com

→
05



05 / SureCoat Systems Roofing Repair Kits

As SureCoat Systems founder and formulator, Jesse Martinson, points out, "Every property has a roof that needs attention and repairs, but not every property needs a new roof." When the situation calls for the former, keep SureCoat Systems' SureCoat and SureSet repair kits on hand. The single-ply waterproofing kits come in two sizes and include everything you need to quickly complete a perma-

nent roof repair over any existing roof system. The liquids are thermal-emitting, sun-reflective and resistant to a multitude of matter (animal fats, most chemicals, pollutants) and conditions (bird life damage, wind, rain, hail, fire).

Price: \$99-\$129

surecoatsystems.com

06 / Brick It

Brick walls look chic and classy in an office, but they naturally come with a lot of

weight and density, imposing a heaviness on your square footage. Now you can have your brick and keep your space, too, using Brick It's thin brick veneer system, which cuts down on the brick footprint without sacrificing the look and feel. By reducing the face of the bricks and using their patented paneling system you could brick anything and make it wall thin.

Price: From \$5.35/sq. ft.

brickit.com



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



IREM MEMBERS Have you recently been promoted or changed jobs? Have you or your AMO Firm received an award for a special achievement? EMAIL the good news to jpm@irem.org so we can share it with your colleagues through JPM®.



CURT BOTELER, CPM, has joined the Outlet Shoppes at Gettysburg (Pa.) as the property general manager. Of Boteler's new assignment, David Nelson, senior vice president of asset management at Horizon Group Properties, the property's owner, said, "Curt comes with over 25 years of experience in commercial real estate, and is well known for first class retailer relations and leadership. We are looking forward to the future under Curt's leadership." Boteler is a member of the IREM West-Central Maryland Chapter and serves on its board of directors.



Corp! Magazine, a Michigan-based business publication for executives and business owners, has honored **SABRINA D. GADDY-BOLLINGER, CPM, ARM**, twice over at its recent "Michigan's Salute to Diversity Awards" event. Not only was the director of public housing for FOURMIDABLE in Bingham Farms, Mich., recognized for being a Diversity Business Leader, she went on to receive the Corp! Diversity Business Leader—Overall Winner award. The recognition comes just as Gaddy-Bollinger is wrapping up her year as chair of IREM's Diversity Advisory Board.



IREM President-Elect **CHERYL ANN GRAY, CPM**, of QuadReal Property Group in Toronto, has also received double honors recently. First, she's been counted as one of Real Estate Forum's Commercial Real Estate Women of Influence for 2018, recognized for their career commitment as well as for their charitable contributions, volunteerism and mentorship. Then, Gray has been named one of 25 "Elite Women" by Canada's Real Estate Professional (REP) magazine, which calls its selections "trailblazers...who have established themselves not only as individual success stories, but as role models for the next generation of women waiting to take the industry by storm."



When IREM Members combine their talents, exciting things happen...IREM Past President and owner of Robinson Sigma, Inc. in Norfolk, Va., **ANTHONY W. SMITH, CPM**, and Maryland Chapter Past President and owner of Baltimore-based WPM Real Estate Management, AMO, **LEONARD I. FRENKIL, CPM**, have partnered to launch WPM MidSouth Multifamily. This new joint venture will deliver a full suite of property management services for multifamily communities throughout Virginia, North Carolina and South Carolina. Joining Smith and Frenkil in their new enterprise is **CPM J. TODD WILLETT**, who will serve as executive vice president. Frenkil said of WPM MidSouth: "This partnership bucks the trend of national consolidation happening in the real estate market, instead offering a regional partnership comprised of individuals who grew up, went to school locally and now choose to raise their families in these communities—home."



KEVIN W. SMITH, CPM, has come on board at Regions Affordable Housing's office in Great Neck, N.Y., as senior vice president and head of asset management. He brings over 34 years of multifamily expertise to the role, where he is responsible for development risk management, stabilized asset management and dispositions for a portfolio of 700 assets. Prior to this assignment he held the director of asset management low income housing tax credit (LIHTC) position at National Affordable Housing Trust, Centerline Capital Group and Capmark Affordable.

NEW CPMS, AMO FIRMS & CERTIFIED SUSTAINABLE PROPERTIES

AUGUST & SEPTEMBER, 2018

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Heather N. Knudson, CPM, Phoenix

Jennie Miller, PLLC, CPM, Phoenix

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Mary A. Puppo, CPM, Brentwood

Philip P. Hur, CPM, Burbank

Ursula A. Kubasco, CPM, Coto De Caza

Sarah M. Dumas, CPM, Escondido

Susan Holmes, CPM, La Mesa

James W. Lee, CPM, Los Angeles

Lisa L. Haslam, CPM, Placentia

Philip F. Contino, CPM, Simi Valley

COLORADO

Dale R. Bugby, CPM, Vail

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Deshana "Dee Dee" Alston, CPM

FLORIDA

Wm. Brady McGill, CPM, Orlando

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Karen G. Hatcher, CPM, Atlanta

Erika A. Heller, CPM, Atlanta

Laura Pruet, CPM, Buford

Lisa L. Walters, CPM, Columbus

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Eugene T. Ballantine, CPM, Chicago

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Anila Celepia, CPM, Franklin Park

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Bridgette P. Johnson, CPM, ARM, Louisville

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MASSACHUSETTS

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MICHIGAN

Linda G. Manning, CPM, Milford

MINNESOTA

Zach T. Vierling, CPM, Minneapolis

NEW JERSEY

Louis Angeliadis, CPM, Tinton Falls

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Marc-David Aube-Frenette, CPM, ARM, Toronto, Ontario

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Xiaoning Hou, CPM, Beijing

Duo Liu, CPM, Beijing

Jiexi Qi, CPM, Beijing

Chunfang Wang, CPM, Beijing

Lin Zhang, CPM, Beijing

Na Dai CPM, Changsha

Xiaoya Liu, CPM, Changsha

Guixia Zheng, CPM, Guangdong

Xiaomeng Yang, CPM, Nanjing

Yangqingqing Liu, CPM, Shandong

Ju Chang, CPM, Shanghai

Mingjun Chen, CPM, Shanghai

Haifeng Gu, CPM, Shanghai

Jiayi He, CPM, Shanghai

Mingjuan Huang, CPM, Shanghai

Mei Jin, CPM, Shanghai

Hongen Kang, CPM, Shanghai

Alice Law, CPM, Shanghai

Wenhao Li, CPM, Shanghai

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Qiao Tang, CPM, Shanghai

Feng Xu, CPM, Shanghai

Min Xu, CPM, Shanghai

Binxian Yan, CPM, Shanghai

Qi Yan, CPM, Shanghai

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Hongliang Yu, CPM, Shanghai

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Pengxiang Zhang, CPM, Shanghai

Yage Zhang, CPM, Shanghai

Yunxuan Zhang, CPM, Shanghai

Yongtang Zheng, CPM, Shanghai

Zhenyi Zheng, CPM, Shanghai

Jian Zhou, CPM, Shanghai

Qi Zong, CPM, Shanghai

Juan Sun, CPM, Shenzhen

Longtao Chen, CPM, Suzhou

Zhaowu Li, CPM, Suzhou

Minxi Wang, CPM, Suzhou

Yi Wu, CPM, Suzhou

Xiaoying Yang, CPM, Suzhou

Dasong Liu, CPM, Tianji

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Dmitry Sveshnikov, CPM, Moscow

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Leemisa Neo Tsolo, CPM, Johannesburg

Zandile Ramaru, CPM, Pretoria

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NEW CERTIFIED SUSTAINABLE PROPERTIES

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CALIFORNIA

Pineridge, Mill Valley

Folsom Gateway Apartments, Orangevale

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SEATED, LEFT TO RIGHT: Dawn Daffinee, CPM, Regina Mullins, CPM; Cher Zucker-Maltese, CPM, Vice President Julie Scott, CPM, Vera McPherson, CPM, ARM, Karen Pharr, CPM, Ann Reisch, CPM **STANDING, LEFT TO RIGHT:** Jo D. Miller, O. Randall Woodbury, CPM, Chip Watts, CPM, Walter Crumpler, CPM, James Evans, CPM, President Clark Lindstrom, CPM, Dee Headley, CPM; Malcolm Bates, CPM, Jo Anne Corbitt, CPM, Cheryl Gray, CPM (Outgoing), Robert Cuttle, CPM, Deborah Westphal, CPM, ARM, Christopher Mellen, CPM, Mary Wilken, CPM, Executive Director Denise Froemming **NOT PICTURED:** Frederick Prassas, CPM.

IREM FOUNDATION BOARD OF DIRECTORS

Upholding the Mission

The IREM Foundation's volunteer board of directors is made up of recognized leaders across many areas of expertise. They are responsible for establishing strategic direction, ensuring compliance with all applicable legal requirements, and keeping the organization financially healthy. The directors contribute significant amounts of their time, talent and treasure to advance the profession of real estate management.

The board works closely with the IREM officers to support the Foundation's mission, which is to be a resource for people and organizations seeking to advance the profession of real estate management. The IREM Foundation is committed to supporting initiatives developed or endorsed by IREM that increase diversity, engage young professionals, expand industry knowledge and champion the development of those who manage to make a difference. ■

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It's humbling, fortunate, and exciting to have everyone on the IREM Foundation Board of Directors eligible to “re-up” for the coming year. We have a unique opportunity to re-shape the Foundation's future to be a stronger, strategic, engaged, connected and purpose-driven resource for people and organizations seeking to advance the profession of real estate management. The IREM Foundation remains IREM Member-driven, chapter-supported, and nationally focused with a global vision for the future.”

—FOUNDATION PRESIDENT CLARK LINDSTROM, CPM



Managing the Ethics of Condominiums

By Colleen Costa, CPM



With the help of a third-party manager hired by the homeowners' association, condominium operations can run like a well-oiled clock most of the time. However, once in a while, an owner or group of owners decides to do things on its own, which can unintentionally bring serious consequences upon the entire association and test the management team.

DILEMMA 1

A new condominium board member requests a repair bill be paid without the approval of the other board members. This bill is for work that was not part of your approved maintenance projects, and you didn't know about it. Do you appease him and pay the bill? Or alternatively, do you suggest that this new board member add the bill to the warrant for approval, which will be included at the next meeting of the board?



Article 4 of the IREM Code of Professional Ethics (the Code) covers protection of funds. Taking into account your fiduciary responsibility under this article, the ethical option is to inform the new board member that the bill must go through the approval process at the next board meeting before the bill can be paid. While it might seem like this is an appropriate occasion for an exception—new member, lack of training, the small amount of the bill—there is an order and approval for disbursing funds from a condominium. It is your responsibility to follow the prescribed procedures and refuse to pay the bill until it has been included in the upcoming warrant.

This speaks to the need for training of new board members, which should begin as soon as they join the board, so that these types of issues can be avoided. It is also a good idea going forward for all associations to set up educational sessions at their annual owner meetings to explain the condominium financial process and how invoices are handled.

DILEMMA 2

The Pool Committee decided to put up a sign in the pool area without first discussing its content with management and the board. The new sign states adult-only swim times in the pool between the hours of 3 p.m. and 5 p.m. The Federal Fair Housing Act includes familial status as a protected class. Knowing this, you believe the policy expressed by the sign is unreasonable and thus is a fair housing violation, as it discriminates against children. Do you ignore it? If not, what do you do?



Article 10 of the Code states that all members shall conduct business with knowledge of and in compliance with all applicable laws and regulations. As well-meaning as the Pool Committee is, permitting the association to have an adults-only pool rule has been held to be discriminatory and in violation of the Federal Fair Housing Act. You are obligated to tell the board that the sign has to come down.

Colleen P. Costa, CPM, is principal of CPC Management, LLC in Plymouth, Mass.

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Nancye Kirk, Managing Editor, Chief Strategy Officer



NOV

11/2-5
NAR Conference
& Expo
Location:
Boston
Visitor(s):
All Officers
Denise Froemming

11/9
Southern California
Inland Empire
Chapter - IREM
Income/Expense
Awards and
Installation Gala
Location:
Riverside, Calif.
Visitor(s):
Chip Watts, CPM

11/13
Tucson-Southern
Arizona Chapter -
Executive Council
and Installation
Dinner
Location:
Tucson, Ariz.
Visitor(s):
Chip Watts, CPM

11/15
Utah Chapter -
Outreach Visits,
Executive Committee
Meeting, and Chapter
Luncheon
Location:
Salt Lake City
Visitor(s):
Don Wilkerson, CPM

DEC

12/6
Sacramento Valley
Chapter - Holiday
Party and Installation
of Officers
Location:
Sacramento, Calif.
Visitor(s):
Don Wilkerson, CPM

**“OBTAINING
DATA IS GOOD.
TRANSLATING
THAT DATA INTO
KNOWLEDGE IS
POWER.”**

(P22)

**“DON'T STOP AT THE POLICY.
SET GOALS AND CREATE
ACTION PLANS.”**

(P20)

**“There is a new
generation of managers
willing to take on
economic volatility
and find the best solution
for any property.”**

(P30)

**“When I tell people that my goal
is to be a commercial property
manager, the next question is
usually, “What made you
want to get into that?”**

(P28)

**“...WHETHER YOU HAVE ONE
BUILDING OR A HUNDRED,
YOU STILL HAVE ROOFS TO MAINTAIN,
WINDOWS TO THINK ABOUT,
EMERGENCY RESPONSES AND
REGULATORY IMPACTS TO ADDRESS.”**

(P8)

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