

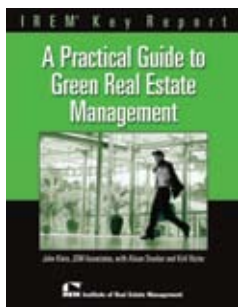
# THE RIGHT STUFF

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



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

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

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

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

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

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

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

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

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

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

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