

IREM[®] FACTS

An international membership community of real estate managers across all property sectors who are dedicated to ethical business practices and maximizing the value of investment real estate. An affiliate of the National Association of REALTORS[®], IREM is a trusted source for knowledge, advocacy and networking for the real estate community.

Founded: Chicago, Illinois, 1933

Membership: 17,890 individuals; 527 companies

Membership Categories:

CERTIFIED PROPERTY MANAGER[®] (CPM[®])
ACCREDITED COMMERCIAL MANAGER (ACoM)
ACCREDITED RESIDENTIAL MANAGER[®] (ARM[®])
ACCREDITED MANAGEMENT ORGANIZATION[®] (AMO[®])
CPM[®] CANDIDATE
ASSOCIATE
STUDENT
ACADEMIC

Assets managed by U.S. CPM[®] Members:

- Nearly \$2 trillion
- 11.4 million residential units
- 10.4 billion sq. ft. of commercial space

Total of U.S. market managed by members:

- Conventionally financed apartments – 42.8%
- Federally assisted housing – 35.0%
- Public housing – 8.2%
- Condos/co-ops/HOAs – 21.2%
- Senior housing – 7.6%
- Office buildings – 27.7%
- Medical Buildings – 13.6%
- Shopping centers/Retail – 8.8%
- Industrial/Industrial parks – 7.2%

Organization Structure: Led by a Governing Council consisting of all current chapter presidents, regional vice presidents, officers, ex-officio members and elected membership – supported by a staff of association management professionals.

Number of Chapters: 80 domestic; 14 international

Industry Information Resource:

• **IREM^{FIRST}** (www.iremfirst.org), often referred to as the “Google” of real estate management.

2012 Leadership:

President: James A. Evans, CPM[®]
Bruce G. Pollack and Associates, AMO[®], Grand Blanc, MI
President-elect: Elizabeth H. Machen, CPM[®]
Machen Advisory Group, Charlotte, NC
Secretary/Treasurer: Joseph S. Greenblatt, CPM[®]
Sunrise Management Co, AMO[®], San Diego, CA
Chief Executive Officer/Executive Vice President:
Russell C. Salzman, CAE, IOM

2012 Conferences:

Leadership and Legislative Summit
featuring Capitol Hill Visit Day
April 14-18, 2012
JW Marriott Hotel, Washington, DC

IREM[®] Fall Leadership Conference
October 16-20, 2012
New Orleans Marriott, New Orleans, LA

Key Education Offerings:

- Common Interest Developments: Managing Condominium Association Properties (CID201)
- Ethics for the Real Estate Manager (ETH800)
- Growth Strategies for Real Estate Management Companies (BDM601)
- Human Resources Essentials for Real Estate Managers (HRS402)
- Investment Real Estate Financing and Valuation (ASM603, ASM604, ASM605)
- Investment Real Estate: Financial Tools (FIN402)
- Marketing and Leasing (MKL404, MKL405, MKL406)
- Property Maintenance and Risk Management (MNT402)
- Successful Site Management (RES201)
- Sustainable Real Estate Management (SRM001)
- Today's Leadership Challenges (HRS603)

Key Publications:

- *Journal of Property Management* (published bimonthly)
- *Income/Expense Analysis[®] Reports* (five reports published annually)



IREM Institute of Real Estate Management

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IREM encourages diversity. We welcome individuals of all races, genders, creeds, ages, sexual orientations, national origins, and individuals with disabilities. Our organization strives to provide an equal opportunity environment among its members, vendors, and staff.

IREM[®] MEMBERSHIP & CREDENTIALING HIGHLIGHTS



CERTIFIED PROPERTY MANAGER[®] (CPM[®]) Designation

For individual real estate and asset managers working with large portfolios of all property types – residential, commercial, retail and industrial.

REQUIREMENTS TO EARN THE DESIGNATION ARE:

- **Education** – through IREM[®] courses, through other specific credentials, through academic achievement, or through 20 years of qualifying real estate management experience.
- **Experience** – minimum of 36 months of qualifying real estate management experience
- **Ethics** – promise to uphold the IREM[®] Code of Professional Ethics and pass the IREM[®] ethics course
- **Examination** – show competency in all aspects of real estate management by passing a certification exam. In addition, demonstrate the practical application of all that has been learned on the job and in the classroom through a written management plan



ACCREDITED RESIDENTIAL MANAGER[®] (ARM[®]) Certification

For managers of residential portfolios, including conventional apartments, federally assisted housing, public housing, condominiums, university housing, homeowners' associations and manufactured home communities.

REQUIREMENTS TO EARN THE CERTIFICATION ARE:

- **Education** – through IREM[®] courses, through other organizations, through academic achievement
- **Experience** – at least one year of residential property management experience
- **Ethics** – promise to abide by the IREM[®] Code of Professional Ethics and complete ethics education
- **Examination** – show competency in key areas of residential real estate management by passing a certification exam

ACCREDITED COMMERCIAL MANAGER (ACoM) Certification

For commercial site managers of office buildings, retail properties, industrial and other commercial properties.

REQUIREMENTS TO EARN THE CERTIFICATION ARE:

- **Education** – through IREM[®] courses, through other specific credentials, through academic achievement
- **Experience** – at least one year of commercial property management experience
- **Ethics** – promise to abide by the IREM[®] Code of Professional Ethics and complete ethics education
- **Examination** – show competency in key areas of commercial real estate management by passing a certification exam



ACCREDITED MANAGEMENT ORGANIZATION[®] (AMO[®]) Accreditation

Recognizes excellence among real estate management firms. AMO[®] Member firms manage approximately 2.6 million residential units and 1 billion net square feet of commercial space, the total value of which exceeds more than \$289.1 billion.

REQUIREMENTS TO EARN ACCREDITATION ARE:

- Maintain appropriate insurance coverage – to ensure financial stability and to protect owner's funds
- Pass an independent financial review
- Have a CPM[®] Member in an executive position to supervise management operations
- Promise to abide by the AMO[®] Code of Professional Ethics and Minimum Standards



IREM also offers four forms of non-credentialed membership:

CPM[®] Candidate Membership: for real estate professionals pursuing the CERTIFIED PROPERTY MANAGER[®] (CPM[®]) designation

Associate Membership: for real estate professionals who are involved in virtually any area of real estate management

Student Membership: for full time undergraduate and graduate students attending an accredited college or university

Academic Membership: for individuals teaching full- or part-time at a college, community college or university

IREM® HISTORICAL MILESTONES

19

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'33

Institute of Real Estate Management (IREM®) founded to educate real estate managers, certify their competence and professionalism, and define ethical practices.

'34

First *JPM®*, *Journal of Property Management* published.

'36

First IREM® course presented in Chicago.

'38

CERTIFIED PROPERTY MANAGER® (CPM®) designation created.

'45

ACCREDITED MANAGEMENT ORGANIZATION® (AMO®) accreditation created

'47

First edition of *Principles of Real Estate Management* published .

'50

IREM® membership reaches 1,000.

'72

Joseph Murray, CPM®, receives first J. Wallace Paletou award for devotion to improvement of the real estate management industry.

'75

ACCREDITED RESIDENTIAL MANAGER® (ARM®) program established within IREM.

'79

IREM® Foundation established as the Institute's research and administrative support arm.

'83

IREM celebrates 50th Anniversary.

IREM® HISTORICAL MILESTONES

'86

International Affiliate program launched.

'95

IREM signs first protocol agreement with Russian Guild of REALTORS®, marking the beginning of the Institute's expansion outside North America.

* www.irem.org launches

'98

First IREM® international chapter outside of North America is formed in Poland.

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'01

First Capitol Hill Visit Day/Leadership and Legislative Summit promotes awareness of industry's legislative concerns.

'02

IREM launches Associate membership program.

'05

IREM launches Student and Academic membership programs.

'06

ACCREDITED COMMERCIAL MANAGER (ACoM) credential created.

'07

IREM recognizes 20,000th recipient of its CERTIFIED PROPERTY MANAGER® (CPM®) designation.

IREM recognizes 15,000th recipient of its Accredited Residential Manager® (ARM®) certification.

'08

IREM holds year-long 75th anniversary celebration.

'09

IREM develops *Best Practices for Real Estate Management Services*.

'10

IREM became an authorized education provider for green programs sponsored by the NATIONAL ASSOCIATION OF REALTORS®; National Affordable Housing Management Association and the National Apartment Association Institute; U.S. Green Building Council; and the U.S. Department of Housing and Urban Development.

'11

IREM launches the *Journal of Property Management (JPM®)* in digital format as well as Income/Expense Analysis® Online Labs that track income and expense data over 10-plus years for five key property sectors.

IREM[®] MEMBERS' AREAS OF EXPERTISE

By Property Type

RESIDENTIAL

- Affordable housing
- Public housing
- Apartments (conventionally financed)
- Condos/Co-ops/HOAs
- Manufactured housing/mobile homes
- Military housing
- Senior housing
- Single family housing
- Student housing

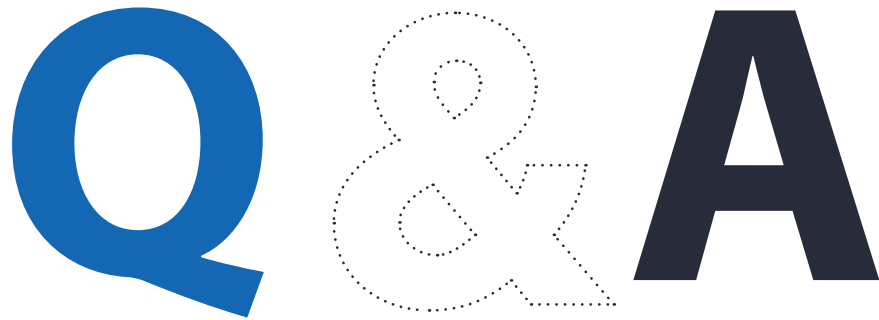
COMMERCIAL

- Industrial/warehouse
- Land parcel
- Medical buildings
- Office buildings
- Parking garages
- Self storage
- Shopping centers/retail

By Subject Area

- Accounting/finance
- Administration
- Appraisal
- Asset/portfolio management
- Brokerage/sales
- Business development/competition
- Communication skills
- Customer service
- Diversity training
- Emergency planning
- Environmental issues
- Facilities management
- Fair housing
- Government relations
- Human resources/workforce development
- International business
- Leasing
- Low income housing/tax credit
- Maintenance
- Negotiation
- Property management
- Risk management
- Site management
- Sustainability
- Tax increment financing
- Technology issues
- Troubled properties management

Authoritative IREM[®] spokespersons are available for interviews on a wide range of topics. Please contact us at (800) 837-0706, Ext. 6067 or pr@irem.org to set up an interview.



Frequently Asked Questions About Real Estate Management and Real Estate Managers

Q: How would you define professional real estate management?

A: Simply put, professional real estate management is the administrative operation and maintenance of properties to meet the objectives of their owners. It also involves planning for the future of the properties by proposing physical and fiscal programs that will enhance the value of the real estate.

Q: What are the primary responsibilities of real estate managers?

A: Their primary responsibilities are: (1) management of the physical site, (2) management of on-site and off-site personnel, (3) management of funds and accounts, and (4) management of leasing activities and tenant services.

Increasingly, real estate managers are being called upon to take on asset management functions, shouldering an ever-growing degree of responsibility for financial and strategic tasks.

Q: What sparked the development of real estate management as a function within the real estate industry?

A: The function resulted from a number of factors, but a major trigger occurred in the 1930s after lenders foreclosed on thousands of mortgages and discovered that real estate management required specialized skills.

Q: Is real estate management growing as a profession?

A: Yes, it is growing steadily because of these three concurrent trends: (1) simultaneous growth of the population and its requirements for space has increased the total number of all types of buildings, (2) a larger percentage of real estate is considered investment property and (3) there is increasingly wide acceptance of the fact that real estate management requires special training and education.

Q: Generally speaking, what is the primary goal that property owners—and therefore their real estate managers—strive to achieve?

A: That goal is usually for the property to reach its highest and best use, meaning that it generates the highest net operating income (NOI) possible and is being used in the best possible way based on its location, size and design.



Q: How do real estate managers determine the direction they will take to achieve the owners' goals?

A: They typically start by developing a management plan – an analysis of the current physical, fiscal, competitive and operational conditions of a property expressed in relation to the owners' goals. If these conditions are not compatible with attaining those goals, real estate managers generally use the management plan to recommend and support physical, financial or operational changes. Management plans also may be developed to evaluate the feasibility or practicality of plans owners have for their property.

Q: What are the typical components of a management plan?

A: Because of the unique aspects of each property, each real estate manager's management style and each owner's expectations, there is no definitive form for a management plan. But the typical components of a plan, in the following sequence, are:

- Regional analysis
- Neighborhood analysis
- Property analysis
- Analysis of alternatives, e.g. operational changes, structural changes and changes in use
- Cost-benefit analysis
- Conclusion and recommendations

Q: Can you describe the management agreement that formalizes the relationship between real estate managers and property owners?

A: A management agreement is a binding contract that establishes the manager's legal authority over the operation of a given property. The manager usually is an agent for the owner, serving as the owner's fiduciary or trustee of the owner's funds and assets associated with the property. The agreement establishes the relationship between the owner and the manager for a fixed period, defines the manager's authority and compensation for services provided, outlines procedures, specifies limits of the manager's authority and actions, and states financial and other obligations of the property owner.

Q: What are the ramifications of the real estate manager's role as an agent of — and therefore fiduciary responsibility to—the property owner?

A: In the role of agent, the real estate manager must exercise a high standard of care in managing both money and property for the owner (fiduciary capacity). Being a fiduciary creates certain legal obligations. The manager must be loyal to the interests of the client and not engage in activities contrary to that loyalty. This means scrupulous attention to the handling of the owner's funds and not accepting any fee, commission, discount, gift, or other benefit that has not been disclosed to and approved by the owner-client.

Q: With ethical practices clearly an important part of professionalism in real estate management, how can owners be reasonably confident that their real estate managers will hold themselves to a high ethical standard?

A: Owners should be aware that real estate managers who have earned any one of the four professional credentials conferred by IREM® – the CERTIFIED PROPERTY MANAGER® (CPM®) designation, the ACCREDITED RESIDENTIAL MANAGER® (ARM®) certification, the ACCREDITED COMMERCIAL MANAGER (ACoM) certification and the ACCREDITED MANAGEMENT ORGANIZATION® (AMO®) accreditation – must abide by the strictly enforced IREM® Code of Professional Ethics. In addition to the fiduciary responsibility called for as the owner's agent, the IREM® Code of Professional Ethics requires managers to hold proprietary information in confidence, to maintain accurate financial and business records for the managed property and to protect the owner's funds. The Code also outlines duties to one's employer, to former clients and employers, and to tenants and others; sets forth requirements for contracting management and managing the client's property; and addresses relations with other members of the profession and compliance with laws and regulations.

Q: When owners and real estate management companies hire real estate managers, what types of questions should they ask?

A: When seeking a real estate manager, ask questions directed to learning about the real estate manager's professional integrity, communication skills, analytical problem solving ability, and experience and reputation. Look for managers who have demonstrated experience in the areas of human resources management; physical property management; financial, risk and administrative management; communications and tenant/resident relations; and marketing and leasing. Holding a professional credential from a recognized organization such as IREM is one way to qualify potential managers. For a more in-depth list of questions, visit www.irem.org and download "Choosing the Right Real Estate Manager or Real Estate Management Firm" from the Owners/Investors section.

Q: Do IREM-credentialed members have any special assets/competitive advantages to offer their employers and owner/clients?

A: Yes. Among them:

- They have earned their credentials by meeting strict requirements in the areas of education, experience and pledging to adhere to a code of professional ethics that is strictly enforced by the association.
- They have ready access, via their IREM® membership, to the latest news, information and resources in the real estate management industry, enabling them to easily stay on top of their profession and continually sharpen their skills.
- They can access networking opportunities available to them through IREM® Chapter activities and national programs to draw on and benefit from the experience of others who have met the Institute's professional standards of excellence.

Q: How can I find CPM®, ARM®, ACoM and AMO® Members in my area?

A: Visit the IREM® website—www.irem.org—to "Find a Member." The directories are easily accessed databases that can be searched by location, company, and property type. Or, call IREM at (800) 837-0706, Ext. 4650.

Q: How can I get additional information about the real estate management profession, IREM and the credentials it confers as well as what it takes to earn them?

A: Again, visit the informative IREM® website, which is continuously updated. Or contact IREM:

- By e-mail: custserv@irem.org
- By phone: (800) 837-0706, Ext. 4650
- By mail: 430 N. Michigan Ave., Chicago, IL 60611
- By fax: (312) 661-0217



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IREM encourages diversity. We welcome individuals of all races, genders, creeds, ages, sexual orientations, national origins, and individuals with disabilities. Our organization strives to provide an equal opportunity environment among its members, vendors, and staff.