GLOBAL PRACTICES Diversification of property management in South Africa page 22
SUSTAINABILITY Greenhouse Gas Emissions page 24
PUBLIC POLICY Pros and cons of rent control page 38
TECHNOLOGY Worldwide impact of the EU’s General Data Protection Regulation page 40
PROTECTING YOUR PROPERTIES FROM HACKERS IS A NEVER-ENDING STRUGGLE, SINCE CRIMINALS ARE CONSTANTLY FINDING NEW WAYS TO BREACH SECURITY WALLS.
## CONTENTS

**MAY / JUNE 2018**

### FEATURES

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>GET READY TO M-O-V-E</td>
<td>Richard Lee, CPM, LEED AP</td>
</tr>
<tr>
<td>12</td>
<td>EARTH, WIND &amp; FIRE: A CASEBOOK OF NATURAL DISASTERS</td>
<td>John Salustri</td>
</tr>
<tr>
<td>26</td>
<td>FIVE STEPS TO IMPROVE MAINTENANCE</td>
<td>Jeffrey S. Lapin, CPM</td>
</tr>
</tbody>
</table>

### DEPARTMENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Department</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>ASSET MANAGEMENT</td>
<td>A</td>
</tr>
<tr>
<td>19</td>
<td>ETHICS</td>
<td>E</td>
</tr>
<tr>
<td>20</td>
<td>GLOBAL PRACTICES</td>
<td>G</td>
</tr>
<tr>
<td>22</td>
<td>PROPERTY SPOTLIGHT</td>
<td>P</td>
</tr>
<tr>
<td>24</td>
<td>SUSTAINABILITY</td>
<td>S</td>
</tr>
<tr>
<td>38</td>
<td>PUBLIC POLICY</td>
<td>P</td>
</tr>
<tr>
<td>40</td>
<td>TECHNOLOGY</td>
<td>T</td>
</tr>
<tr>
<td>42</td>
<td>TALENT MANAGEMENT</td>
<td>T</td>
</tr>
<tr>
<td>46</td>
<td>WHAT’S NEW</td>
<td>W</td>
</tr>
<tr>
<td>47</td>
<td>FOUNDATION</td>
<td>F</td>
</tr>
<tr>
<td>48</td>
<td>ON THE ROAD / AD INDEX</td>
<td>O</td>
</tr>
<tr>
<td>50</td>
<td>MEMBER UPDATES / NEW CPMS, AMO FIRMS AND CERTIFIED SUSTAINABLE PROPERTIES</td>
<td>M</td>
</tr>
</tbody>
</table>
This seventeenth edition of *Principles of Real Estate Management* highlights the current changes within today’s economy and their impact on real estate management, including online marketing techniques through social media and other outlets, the impact of sustainability, as well as sound maintenance techniques to keep any property primed for occupancy. Along with covering the foundations of real estate and economics, this edition also features more in-depth information on marketing and branding with additional images and graphics throughout.

**Get Your Copy Today at**

[www.irembooks.org](http://www.irembooks.org)
Risks. We encounter them every day, in our personal lives but also in our business worlds. It’s important to know which ones are worth actively engaging in and which need to be avoided—the more we plan for those kinds, the more “what ifs” we anticipate and proactively address, the better we can mitigate any fallout we may have to endure in the aftermath.

One such risk we have to contend with—one that seems to be in the news every day at the moment—resides in the area of cybersecurity. Now that we’ve all become so comfortable with transmitting information via the internet, how do we keep it safe from people who would use it for any number of reasons that could be destructive to our clients and business operations? As property managers, we are the keepers of a significant amount of sensitive data, and we’re charged with protecting that data from getting into the wrong hands. We reached out to some experts in the field of cybersecurity for their insights on how to manage the types of threats that come with navigating through virtual spaces; you can see the advice they have to offer on p32.

Then there are risks on the opposite side of the spectrum—natural disasters. They’re physical instead of virtual but they can be just as devastating. Several of our members recently found themselves in a variety of challenging scenarios brought on by Mother Nature’s temperament, and on p.12, they share their stories with us about what they faced and how their experiences shaped the ways they’ll plan for such disasters in the future.

When faced with an ethical dilemma, the IREM Code of Professional Ethics is what keeps us from taking risks that could be damaging to the people we serve and the businesses we run. Some situations we find ourselves in are less clear-cut than others, but applying the Code to our work can provide definition that will guide us to the right answers. If you want to see some of the ways in which this concept plays out, turn to p19 and ask yourself, “What Would You Do?”

We’ll never be able to anticipate every possible danger that will come our way, but with some planning and proactivity, we may be able to control them enough to make our business less risky.
THE CANADIAN GOVERNMENT’S FOCUS ON INVESTING BILLIONS OF DOLLARS IN TRANSIT INFRASTRUCTURE IS LIKELY TO CREATE REAL ESTATE OPPORTUNITIES FOR SEVERAL YEARS IN CITIES AROUND THE COUNTRY. The new lines will give Canadians the chance to buy affordable homes but still be able to commute to work in urban cores or other areas along the lines that are more strongly developed. And Vancouver’s TransLink transit system intends to finance some of its network by leasing space at its stations to retailers.

45% of the real estate executives that responded to the 2018 AMERICAS OCCUPIER SURVEY CONDUCTED BY CBRE, AMO, say they anticipate migrating to an activity-based workspace.

52% anticipate implementing some level of unassigned seating in their workspaces.

“The population of U.S. adults 65 and over will more than double by 2060, reaching 98 million.”

—Nathaniel Kunes, vice president of product management at AppFolio, Four Trends That Will Impact Rental Markets in 2018 (Forbes.com)

(45% of the real estate executives that responded to the 2018 AMERICAS OCCUPIER SURVEY CONDUCTED BY CBRE, AMO, say they anticipate migrating to an activity-based workspace.)

(52% anticipate implementing some level of unassigned seating in their workspaces.)

(45% of the real estate executives that responded to the 2018 AMERICAS OCCUPIER SURVEY CONDUCTED BY CBRE, AMO, say they anticipate migrating to an activity-based workspace.)

(52% anticipate implementing some level of unassigned seating in their workspaces.)
FLOCKING TO BIG CITIES, DESPITE THE COST
Favorite Locations: San Francisco; Seattle; Denver; Texas (Dallas, Austin, Houston); Ann Arbor, Mich.; Washington, D.C.; Boston; State College, Penn.
- Tech centers
- Cultural hot spots
- Good salary
- Entertainment/culture

SEARCH FOR BIG PAYCHECKS AND BIG HOMES
Favorite Locations: Riverside, Calif.; Texas (Odessa, San Antonio, Austin, Dallas, Houston); Washington, D.C.; Atlanta; Charlotte, N.C.; Miami
- Memory of Great Recession
- Spacious and affordable homes
- Good school districts, small commute
- Low cost of living

HOT WEATHER AND NOT JUST FLORIDA
Favorite Locations: Arizona (Phoenix, Lake Havasu City); Riverside, Calif.; Austin, Texas; Florida; Myrtle Beach, S.C.
- Sun belt metros
- Low costs
- Downsizing
- Hot weather, beach activities
- Museums, restaurants, cultural organizations

Source: realtor.com®, Lance Lambert

TOP TOTAL ANNUAL INCOME (TAI) BY METRO AREA—SHOPPING CENTERS

<table>
<thead>
<tr>
<th>Metro</th>
<th>Sample Size*</th>
<th>Median**</th>
</tr>
</thead>
<tbody>
<tr>
<td>WASHINGTON, D.C.</td>
<td>14</td>
<td>$39.97</td>
</tr>
<tr>
<td>SAN DIEGO</td>
<td>5</td>
<td>$30.88</td>
</tr>
<tr>
<td>AUSTIN, TEXAS</td>
<td>13</td>
<td>$26.73</td>
</tr>
<tr>
<td>ORLANDO, FLA.</td>
<td>10</td>
<td>$26.57</td>
</tr>
<tr>
<td>NASHVILLE, TENN.</td>
<td>6</td>
<td>$26.45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metro</th>
<th>Sample Size*</th>
<th>Median**</th>
</tr>
</thead>
<tbody>
<tr>
<td>DETROIT</td>
<td>9</td>
<td>$7.98</td>
</tr>
<tr>
<td>WICHITA, KAN.</td>
<td>6</td>
<td>$8.72</td>
</tr>
<tr>
<td>KNOXVILLE, TENN.</td>
<td>8</td>
<td>$10.73</td>
</tr>
<tr>
<td>BAKERSFIELD, CALIF.</td>
<td>6</td>
<td>$11.35</td>
</tr>
<tr>
<td>RALEIGH-DURHAM, N.C.</td>
<td>10</td>
<td>$13.60</td>
</tr>
</tbody>
</table>

*Minimum sample of 5
**Dollars per square foot of rentable area for actual occupancy
Data from the 2017 IREM Income/Expense Analysis®: Shopping Centers
Doing More than the Math

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

Real estate asset management is undoubtedly an analytical process that requires robust financial analysis skills and the ability to use them to evaluate everything from proposed leases to capital improvement projects. However, the job is not purely quantitative, as IREM research—based largely on interviews with more than 90 professionals from real estate investment management firms and service providers across the United States—has revealed.

“The best [asset managers] understand the bricks and mortar and the finance,” said an executive recruiter serving the commercial real estate industry. “Working from the cocoon of a financial model doesn’t truly take market dynamics into account. Some firms have the perspective that new information can be gleaned purely from analyzing data and they dismiss the importance of on-the-ground knowledge. It often leads to hiring mistakes.”

This interviewee advised real estate investment management firms interested in approaching asset management in a comprehensive manner to seek out real estate professionals with backgrounds more diverse than the “typical financial services profile.”

In order to accommodate the recruitment of practitioners with diverse skill sets, real estate investment management firms were encouraged to thoughtfully centralize and consolidate reoccurring financial analysis functions with a group of dedicated analysts supporting the asset management team.

One of the asset managers interviewed described the benefits of such an approach: “Financial analysis is somewhat centralized in our company so we can go out and hire people with different backgrounds to fill knowledge gaps on our team. It allows you to build an asset management department with the right combination of hard and soft skills.”

Involving real estate practitioners with different experiences and knowledge bases in this way was expected to prevent firms from “running real estate from behind a desk” without giving consideration to the unique challenges involved in operating or positioning individual properties.

Real estate investment management firms were also advised to evaluate asset man-
agers not only on their quantitative skills, but also on their ability to use financial analysis to make decisions and clearly convey information to their colleagues.

“Underwriting a deal isn’t that complicated,” said one asset manager working for a private equity fund, “so it’s all about building confidence in the valuation process and explaining the results in understandable terms.” Another asset manager working for a direct lender added: “Modeling skills without a real understanding of value drivers isn’t very valuable. That’s why it’s difficult for some people to make the move from being an analyst to being a decision maker. Asset management is all about decision-making.” Successful asset managers were described as those who use financial analysis to “identify problems,” “support recommendations” and “inform senior management.”

The ability to communicate the results of financial analysis to those reporting up to asset managers was perceived to be equally important. Strong leadership in the asset management space was said to involve “taking the time to explain financial decisions to property management and leasing personnel in clear terms” to help both of these groups better understand investment objectives. Communicating in this manner was widely viewed as an effective way to encourage buy-in to property-level business plans. On a final note, interviewees leading asset management departments stressed the importance of humility.

“We often put ourselves on the back for using financial models to make good decisions, but a lot of financial success in the real estate business is attributable to capital market flows and dislocations rather than nuts and bolts decision-making,” said an asset manager working for a publicly-traded REIT. “We need to remind our staff of that and avoid overcomplicating financial analysis when possible.” Doing so was expected to prevent asset management departments from engaging in analysis for analysis sake.

If asset managers need to understand more than just the financial side of the asset, what does this mean to those filling the property management function?

Operational experience is extremely valuable, but property managers and others interested in pursuing careers in asset management must recognize that there is simply no substitute for an understanding of real estate finance fundamentals.

“An understanding of basic real estate finance principles has to be there,” said an asset manager working for a private equity fund, “modeling, valuation and the ability to communicate financial performance. You have to plan for an education in real estate finance if you don’t already have one because asset management is all about seeing properties as investment vehicles.”

An interviewee working on behalf of an executive search firm argued that this type of education is imperative because “all asset managers have to understand the financial impacts of tactical decisions and how they flow through to investors.” Obtaining such an understanding is by no means impossible, and as an asset manager working for a publicly-traded REIT suggested, property managers should not be intimidated by the numbers: “Financial analysis serves as a barrier preventing many property managers from moving into asset management not because it’s hard, but because it is unknown. Property managers need to sit down with their asset managers and learn how operational issues and lease terms roll up into value.”

Mastering financial modeling techniques to evaluate leases and capital improvement projects is not only important for property managers interested in transitioning into asset management, but also for those who desire to do their current jobs well.

“The better you are at executing financial responsibilities quickly and accurately, the more time you have to interact with tenants and focus on your property,” said an interviewee representing a third-party real estate service provider. “We need to keep more quantitative people in the property management business for that reason.”

Another interviewee suggested that market dynamics are forcing many property managers to take on financial analysis tasks that have previously been outside their purview: “Asset managers are getting squeezed in terms of what they are responsible for; property managers are correspondingly responsible for higher-level financial and analytics than ever before—the shift is going to continue due to the pressure asset managers are under.”

Many of the asset managers interviewed stated that the best property managers they worked with had a strong enough understanding of real estate finance and valuation fundamentals to provide compelling support for the plans they put forward.

“We want property managers to lay out maintenance and capital improvement recommendations for the asset manager to consider, and it’s the asset manager’s job to make sure property managers have done a comprehensive analysis of those options,” said one asset manager working for a private equity fund.

An asset manager employed by an owner-operator reinforced the point by stating: “Property managers always think there are 50 things that need to be improved, but they need to think about the economic payback and whether there is an economic incentive to support their recommendations. You can’t overimprove a property, and you have to determine whether an improvement will move the net operating income. That’s all ownership cares about in the end.”

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.
get ready to

By Richard Lee, CPM, LEED AP
Now more than ever, property managers must become quasi-risk managers by adding a few more hats to their already full hat collection—statisticians calculating the slim “what if” percentages of catastrophes; psychologists predicting behaviors of potentially disruptive individuals; and investigators tracking and tracing evidence and leads.

A VALUABLE AND EASY-TO-REMEMBER STRATEGY WILL SEPARATE YOU FROM THE PACK AND KEEP YOU VIGILANT: “M-O-V-E”

MAXIMIZE AND LEVERAGE VALUABLE CONTACTS
OVERSEE TENANT PROFILE AND TENANT MIX
VERIFY INSURANCE PROTECTION IS ADEQUATE
EXERCISE YOUR FRENCH AND LATIN LANGUAGE SKILLS
DO YOU ACCEPT EVERY TENANT THAT APPLIES?

Of course not. In commercial real estate, every business poses a risk but some more so than others.

For example, which business poses more risk at your property? A or B?

<table>
<thead>
<tr>
<th>TENANT RISK PROFILE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> or <strong>B</strong></td>
</tr>
<tr>
<td>Custom window manufacturer</td>
</tr>
<tr>
<td>Automotive body shop</td>
</tr>
<tr>
<td>Cold storage warehouse</td>
</tr>
<tr>
<td>Precious metals re-seller</td>
</tr>
<tr>
<td>Self-defense school</td>
</tr>
</tbody>
</table>

Insurance brokers have proprietary “codes” assigned to tenants by different insurers and are evaluated on a case-by-case basis. Before executing a new lease or renewing a current one, inquire about how the insurance industry rates and evaluates risk classifications with your commercial insurance underwriters and brokers. Carefully selecting a well-balanced and diversified tenant mix can benefit all.

In today’s retail environment, with store chain closures and changing consumer shopping habits, shopping mall owners and managers are rewriting their strategic plans by diversifying to remain profitable through attracting other types of businesses including entertainment, gourmet food and wine tasting venues, supermarkets, fitness centers, medical, office and other special uses. It probably goes without saying that mall owners will evaluate the risks associated with different tenant mixes.
VERIFY THAT YOUR MANAGEMENT COMPANY’S INSURANCE COVERAGE IS ADEQUATE. Owners of firms and property management directors cannot be experts in every field, so asking the right questions and becoming savvy business managers can help control and manage internal corporate risks such as claims pertaining to directors, officers and key executives; worker compensation; and alleged negligence.

After all, as the old Benjamin Franklin adage goes, “An ounce of prevention is worth a pound of cure.” We as professionals grasp the concept, and it’s up to us as leaders to communicate this to our team and to emphasize how “the little stuff counts.”

Consulting with trusted experts in advance and seeking evaluations for risk assessment and risk tolerance provides the necessary tools to remain in business, and feeling adequately protected is certainly worth the ounce of prevention.

EXERCISE YOUR FRENCH AND LATIN LANGUAGE SKILLS. That is, incorporate these two terms into your day-to-day vocabulary: Force Majeure and Ad Valorem.

Force Majeure is a French phrase, translated to mean “superior force or irresistible power,” resulting from elements of nature as opposed to man-made; when put into context and application, it is an unavoidable or unforeseeable accident or occurrence preventing a party or parties from fulfilling a contract.

Learn the basics of Force Majeure and try to understand your insurance policy coverage limits and exclusions for it, along with lease clauses pertaining to lease terminations, defaults, loss rents and relocation expenses.

Although typically handled by an attorney, your involvement will help those impacted better deal with the matter at hand. Many landlords in parts of Texas, Southern Florida and Puerto Rico were faced with invoking Force Majeure in the aftermath of hurricanes Harvey, Irma and Maria.

Next, carefully evaluate how property taxes impact net operating income (NOI), since this expense category is one of the largest. Based on IREM’s Income/Expense Analysis® data for total U.S. open shopping centers in 2016, taxes and insurance accounted for 44.7 percent of total operating costs.

Ad Valorem is a Latin phrase meaning “according to value.”

The following illustrates how Ad Valorem could have impact on a property: It was recently reported that the structure of the Millennium Tower—a 58-story residential luxury condominium high-rise in downtown San Francisco—was allegedly sinking 17 inches and leaning 14 inches.

According to Riley McDermid, digital producer of San Francisco Business Times, “Condo owners in San Francisco’s sinking Millennium Tower have filed tax assessments estimating their homes are now worth $0, as issues surrounding the impact of the building’s unexpected movement continue to crop up.”

In addition to tax appeals, lawsuits have been filed by the vast majority of stakeholders—including homeowner Joe Montana, the legendary all-star quarterback of the San Francisco 49ers, who reportedly filed a lawsuit against the developer along with a property tax appeal.

This is just one example of Ad Valorem. It pays to get acquainted with your county assessor or board of appeals in the event you must file for a “reduction in value” or “calamity claim.” In some cases, if your clients are commercial property investors, it’s essential to understand how a refund from the tax collector must be reported to commercial tenants during the annual common area maintenance (CAM) reconciliation process.

In property management, when anticipating risks and preparing for the unexpected, simply remembering to make a M-O-V-E can make all the difference.

Richard Lee, CPM, LEED AP (Richard.Lee@cushwake.com) is property manager at Cushman and Wakefield, AMO, in San Francisco.
(This is the first of a two-part series. See the Sep/Oct issue of JPM® for Part Two.)
A safe, secure place to live and work is part of the American dream, and property managers are on the front lines of making that dream accessible. But what happens when nature intervenes?

In 2017, intervene it did, with hurricanes, floods and wildfires, all necessitating comprehensive, workable programs for minimizing disruption and hastening recovery. But no matter how inclusive a disaster recovery program may be, every situation is different, and as property managers themselves will explain, there are always lessons to be learned.

In the space of this article, it is impossible to cover every situation and provide a truly detailed guide to emergency preparedness. Luckily, IREM has already done that, in its comprehensive book, *Before and After Disaster Strikes: Developing an Emergency Procedures Manual*, now in its fourth edition (see sidebar on page 15).

In the meantime, here is a sampling of what fellow members experienced in the year past, and some advice they can share:
For those who live east of the Rockies in California, wildfires seem to be an annual occurrence. Jeff Bosshard, CPM, would beg to differ. “We’ve been in business over 40 years, and we’ve dealt with fires where multiple units were involved. We’ve never experienced a wildfire like this.”

Bosshard is president of multifamily operations at Woodmont Real Estate Services, AMO, in Belmont, Calif., managing 12,000 apartment units throughout Northern California and five million square feet of commercial assets.

In the early morning hours of October 9, 2017, Sonoma County came under surprise attack. With virtually no warning, wildfires erupted, “seemingly out of nowhere,” according to the Washington Post. They rode the back of 60-mile-an-hour winds, so strong that flames traveling a reported 100 feet per second would leap the six-lane Highway 101 that runs through the county. In the ashen wake of the fires, at least 42 people died and more than 5,100 homes were destroyed.

Governor Jerry Brown would describe the crisis as “one of the greatest tragedies California has ever faced.” In fact, California insurance commissioner Dave Jones reported in late January that insurance claims from the state’s 2017 wildfires hit $11.8 billion—the most expensive series of wildfires in the state’s history. Ten billion of that came from the Sonoma County fires.

The fires took their toll at Woodmont. Eight apartment communities and the regional corporate office were affected to one extent or another, with five of the apartment communities under mandatory evacuation and two out of the direct path of the fire’s trajectory under voluntary evacuation. In all, 2,000 Woodmont residents were rendered temporarily homeless by the fires. Bosshard paints a surreal picture of “half-mile-long lines of fire trucks” rolling down the street and evacuation orders blaring through loudspeakers, all in the middle of the night.

Thankfully, no lives were lost, but one eight-unit apartment building was destroyed. “The other assets sustained smoke, glass or water damage,” Bosshard recalls. By Woodmont’s count, total damages, still not fully assessed, are estimated at $7.5 million.

So how do you prepare for the unforeseeable? “Obviously, it’s important to have a plan in place for any type of disaster,” he says. “We had a longstanding emergency-response plan. We think it’s pretty comprehensive, but we learned some things from the wildfires.” More on that in a bit.

The essentials of the plan are fairly straightforward. Woodmont has identified management-level personnel throughout its service areas who serve on the front line, charged with “going out and assessing each building during and after an incident,” says the CPM. They also have established relationships with vendors that can service emergency needs. One such case in the midst of the fires involved air masks. “All the local stores were sold out. We called one of our regular suppliers in L.A., Maintenance Supply Headquarters, and within a few days they shipped 2,000 masks to our temporary offices.”

Notice he said temporary offices. The Santa Rosa emergency was made all the more complicated by a regional headquarters within the fire evacuation area. “It was the second most affected of our buildings,” Bosshard recalls. “It was uninhabitable for five weeks. We needed a temporary location for our Santa Rosa office so we could operate and get back on our feet.”

Luckily, locations are Woodmont’s business, and they quickly found temporary quarters in a nearby—but not too near—mixed-use office and apartment building they manage. Further, another vendor, Brook Furniture, provided furniture to fill it. “They even provided artwork to make it a little homier.”

With a makeshift headquarters in place, Woodmont could implement the in-place emergency-response plan. “We immediately set up a daily phone call between the senior executives at our office in Belmont and the Santa Rosa management team,” he recalls, these in addition to ad-hoc calls as necessary. “We did that for two weeks.”

Eventually, evacuation orders were lifted and by mid-November the last occupants returned. This in large part was due to another vendor relationship—their insurance carrier.

“Before the fires were fully contained, a senior adjuster from Travelers Insurance flew out from Philadelphia to review the situation and assist us,” Bosshard tells JPM®, “someone with the authority to make decisions” on such issues as the clean-up plan, which he approved. It should be noted that, given the scale of the damage, the interior and exterior clean-up program had to be customized on the spot, another advantage, says Bosshard, of a solid, longstanding carrier relationship.

While Woodmont had no legal responsibility to relocate or move its residents in such a massive crisis, it did assist with the eight families rendered homeless. Many other residents sought shelter with family, friends or area hotels. Communication throughout and restoring their homes after the fact were Woodmont’s major responsibilities, the former often hobbled by a lack of information in the midst of the crisis. “Many people thought we should know more than we did,” says Bosshard, “But all information from the authorities was on a need-to-know basis. We were often as much in the dark as anyone else.”

It also complicated accurate assessments for the four ownership entities impacted by the fires. Whenever new information
Emergency preparedness, in addition to ensuring life and property safety, is also a cost-saving strategy, at the very least in terms of occupant retention when the emergency is handled with professionalism and thought.

But it is also a cost. As pointed out in Before and After Disaster Strikes, “There will be upfront costs for emergency equipment and printing of emergency procedure manuals, in addition to costs incurred for the amount of time your staff spends creating the plan.” Thorough preparation, the book points out, may also call for upgrades in building systems, everything from sprinklers and alarms to windows.

“Further costs may be incurred if professional consulting services are solicited as part of development,” the book warns. Key among them would be an attorney—if the prep is done properly—because she or he, “can advise whether there are laws regarding public access or other issues that might affect your actions and/or liabilities in an emergency.”

Sound burdensome? Consider then, that, “Liabilities may also arise if you do not have an emergency plan in place or do not implement a plan to protect people and property.”

So better to invest now than to pay an even bigger price later.
Woodmont never experienced wildfires before last year. But even in locales where nature regularly rears its devastating head, total preparedness can be a reach. “Every event, every building during those events and every tenant and business in those buildings is different.” So says Robert Tyler, CPM, senior property manager in charge of seven commercial properties and a retail center for Rockwell Management Corp., AMO, some 850,000 square feet in the Houston area. (Rockwell’s portfolio also includes multifamily apartments throughout the Houston metropolitan statistical area.)

Even though Tyler, while at another company, had experienced Hurricane Ike in 2008, there were still lessons to be learned in the wake of Hurricane Harvey, a Category 4 storm that struck Texas in August of last year. The storm came packing 180-mile-an-hour winds and incurred a record-tying (with Katrina) $180 billion in damages and 82 deaths.

Seeing the storm coming, Tyler, who had just joined Rockwell, launched preparations. “We have a list of materials we keep on site for each building,” he says, and Rockwell stocked up. They also held hurricane preparedness meetings to define essential personnel, “like our engineers, security and me—those people who have to be on call.”

He also had time to do some critical upgrades to the program. “I’m a techie,” he confesses. “I upgraded our communication beyond email and signed up for a work-order system called Electronic Tenant Solutions that has an instant alert for all concerned personnel and tenants. It pretty much saved me. You can imagine trying to communicate with seven office buildings and about 500 tenants on the status of the emergency and their buildings. We rolled out the system just before the storm hit.”

Which it did on Friday, August 25, pushing a storm surge of up to 13 feet. Heavy rains would come for the next four nights. Thankfully, only two of the seven office properties in Tyler’s charge sustained serious damage, this from a combination of rains and flooding—12605 East Freeway on the east side of town and 4600 Highway 6 on the west. By far, it was the western asset that sustained the worst damage.

“The east building lost power because the electrical equipment was in the basement and under water,” he says. “We had to replace a lot of that and the HVAC equipment. We pumped all the water out and replaced the equipment pretty quickly. Some basement sheetrock also had to be replaced, but we were up and running within two weeks so tenants could function.”

The Highway 6 building told a very different story. First, nothing could be done in terms of bringing emergency supplies to the building since the National Guard had appropriated its raised parking lot to stage rescue operations for nearby neighborhoods.

While that was taking place at street level, the building’s roof was turning into a massive, 16,000-square-foot lake—the result of flooded streets cutting off drainage. Eventually drain lines separated, pouring water through the building and into the atrium. “Every corridor was a river,” Tyler recalls.

Oddly, certain roads provided better access than others. “Everywhere south and east of the building was underwater, cutting most of us off,” he says. “One of my tenants got to the building, and he draped a tarp over the entry to divert some of the water.” Even two weeks after Harvey, it would take two hours to navigate the streets as authorities performed periodic controlled releases of water from the reservoir close to the building.

Sheetrock and rugs had to be ripped out and replaced throughout the western asset. Tyler instructed his tenants prior to the storm to take their computers and what else they needed to work with and leave all the furniture. “Was it a perfect call?” he asks in a bit of Monday-morning quarterbacking. “Maybe not. But it was the better call to carry the burden of moving furniture and assuming the responsibility for it during remediation. We probably retained tenants because of that.” The west building came back online November 6 of last year.

Harvey’s toll on these two buildings alone is still being tallied, says Tyler, who remained on call throughout the storm—even while he evacuated his wife and two babies from his own home. (“Thankfully,” he says, “unlike others, I had the resources and the vendors to handle the reconstruction of my home.”) At this writing, he estimates the damages at about $2 million, the bulk of that naturally going to the Highway 6 asset.

LESSONS TO SHARE. Tyler’s primary message to other property managers is simple and clear: “Know your lease,” he advises, “and prepare statements that spell out for tenants what they need to do and what they should expect from you.” He says you need to make them aware of everything you know so they can plan for their business. But as you do so, “weigh the consequences of everything you tell them, and never overpromise. I can’t tell you the number of times we had to change the move-back dates.”

Finally, go the extra mile, beyond the lease. “Technically, some of our leases give us the right to continue charging rent while we recover the building after a catastrophic event,” he says. “That would leave a sour taste and cause us to lose tenants. I abated everyone’s rents from the period we determined that the buildings were untenable until they were back online. We filed the claim under our insurance rather than asking them to claim it under theirs.”
Watch for Part Two in the Sep/Oct issue of JPM, which will look at dealing with HUD in the aftermath of a crisis and earthquake preparedness: It’s not just for California.

A Houston street, post-Harvey.

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.
Highlighting the people and companies who are managing to make a difference in the real estate management industry.

IREM® REME AWARDS
FOR REAL ESTATE MANAGEMENT EXCELLENCE

INNOVATION. INDUSTRY LEADERSHIP. SUCCESS.

NOMINATE YOURSELF, YOUR COMPANY, OR A COLLEAGUE TODAY!

SUBMISSIONS DUE BY JUNE 1, 2018!
WWW.IREM.ORG/REME
Effectively managing risks often requires effectively applying ethical reasoning to them. Not doing so can imperil every aspect of your business, from your finances, to the physical wellbeing of your clients, to your and your company’s reputations. A strong ethical foundation is your guide towards safety when the waters get murky. Test your judgment by looking at the scenarios below, and determine how you’d react to minimize risk.

DILEMMA 1

You are a property manager responsible for a 125,000-square-foot office building. The asset’s Property & Casualty and General Liability insurance policies are coming due. You and your team have been successful growing rents and controlling expenses, meeting NOI projections and earning regular bonuses. When the policy renewal arrives for review, you note the Lost Income coverage no longer meets the project’s recent rent levels. Adjusting the Lost Income coverage will cause premiums to exceed budget, reducing projected NOI and possibly reducing your and your team’s quarterly bonuses.

Article 1 of the IREM Code of Professional Ethics (the Code) states a Member shall be diligent in protecting the interests and property of the employer and client and not engage in activity that could be construed as contrary to the interests of the client or employer. In addition, Article 8 of the Code states every Member shall make all reasonable efforts to protect a client’s assets from reasonably foreseeable losses. In this instance, knowingly underinsuring the asset’s potential income puts the asset at financial risk.

DILEMMA 2

You are an Executive CPM of an AMO Firm that recently spent months pursuing the purchase of a 360-unit apartment community on behalf of a client. Shortly after the acquisition closes, it is brought to your attention that various life-safety conditions exist on the property. However, you also learn that while the life-safety conditions do not meet current national and local safety codes, the conditions are “grandfathered” due to the age of the community. The cost of addressing the life-safety issues was not anticipated in the investment pro forma, and there is no legal obligation to correct the conditions.

Article 12 of the Code and Article 1 of the AMO Code of Professional Ethics (the AMO Code) specifically state neither a Member nor an AMO Firm shall engage in any conduct that is in conscious disregard for the safety and health of the persons lawfully on the premises of the client’s property. Although there may be unforeseen costs required to address the life-safety conditions, not addressing them creates significant liability risk for tenants, the management company and its client.

DILEMMA 3

While searching for a new property manager to fill a position in your AMO Firm’s growing fee management portfolio, the CEO of a large client asks that you interview a family member who has an MBA in Finance but no real estate experience. You have already met with three qualified candidates, all of whom have achieved their CPM designations and have years of real estate experience. However, the client is pressuring you to hire his relative.

By hiring the client’s relation, you and your AMO Firm may be at risk of running afoul of your company’s hiring practices and breaching local, state and federal laws. Article 11 of the Code and Article 10 of the AMO Code state neither a member nor an AMO Firm may deny equal employment opportunity and must comply with all applicable laws and regulations regarding equal opportunity. Any number of qualified candidates of various protected classes could construe the hiring of the client’s family member as discriminatory.

K. David Meit, CPM, ARM, (kdmeit@oculusrealty.com) is founder of Oculus Realty, LLC, in Washington, DC, and serves as its president & CEO.
In 2017, IREM launched an education program in Johannesburg, South Africa, yielding eight new CPM Members. Dr. Sam Azasu of the University of the Witswatersrand and Saul Gumede, CPM, of the South African Institute of Black Property Practitioners (SAIBPP) facilitated the partnership. Nandi Malindi, CPM, and Tabane Ramasala, CPM, were among the first group to earn their CPM designations through this program and share their insights into what it means to be a CPM in the South African property management industry.

PROPERTY MANAGEMENT IN SOUTH AFRICA
If you were to visit South Africa today, you would see a vibrant, dynamic landscape, equal parts dizzying metropolis and scenic wilderness. With the second largest economy in Africa, South Africa is one of the most progressive and industrialized nations on the continent. The South African property sector is valued at approximately $500 billion. But just a few years ago you would have seen a very different picture.

From 1948 to 1991, the South African government instituted Apartheid, a system of segregation or discrimination on grounds of race which severely disadvantaged all non-white members of society. Although Apartheid ended more than 20 years ago, the exclusionary policies and legislation of this regime have had lasting effects, particularly in the real estate industry. Most land and assets were appropriated from black owners during Apartheid and redistributed among the white minority by the government. When Apartheid ended, the black community was left at an extreme disadvantage for raising capital to acquire property.

The current South African government has made some strides toward reversing the effects of Apartheid. In 2003, Broad-Based Black Economic Empowerment (BBBEE) legislation was passed. This government act outlines policies that encourage black participation in the economy. In 2007, the Codes of Good Practice were instituted by the South African government, which lay out measurements of BBBEE to ensure that companies are following the policies designed to reduce inequalities. These include measurements of black ownership, management control, skills development, enterprise and supplier development, and socio-economic development.

In spite of these modernizing efforts, a great disparity still remains. Although the population is nearly three-quarters...
black, fewer than 10 percent of Real Estate Investment Trusts are black originated. Although there is a long way left to go, South Africa continues to make strides in recognition of the majority of the population.

THE ROAD TO BECOMING A PROPERTY MANAGER

If you ask anyone in the property management field in the U.S., you’re likely to hear that they entered it by accident—which is no different from our new South African CPM Members.

“I studied law as my undergraduate qualification at the University of Johannesburg,” says Tabane Ramasala, CPM. “However, in my final year of law I was fortunate enough to be mentored by a local developer (who I met at McDonalds), which prompted me to pursue a career in property management and development instead.”

Similarly, Saul Gumede, CPM, started out over 30 years ago as an accountant and followed a natural progression. The first South African to obtain the CPM designation 19 years ago, he says, “I started my property career working for Old Mutual Properties, a pension fund. Over the years I worked as a financial manager, regional property manager, portfolio manager, investment manager dealing with acquisitions and disposals, asset manager and assistant general manager for a medium-sized pension fund.”

However, there are programs that enable students to get involved in property management at a relatively young age, as was CPM Nandi Malindi’s experience.

“My journey started when I was still in high school,” she says. “I got enrolled in a program that was run by the government Public Works Department to educate learners about the property industry. They presented us with various kinds of careers in a practical, hands-on way. It was so important to me because I was in a government school and there was a huge lack of knowledge about property careers. Public Works assigned a mentor per four students who mentored us until we matriculated—that assisted me immensely. When I got to the university I already knew which field I wanted to study and which career path I wanted to pursue.”

SAIBPP, one of IREM’s partner organizations in South Africa, is an organization designed to help South Africans involved in property management. Founded in 1996, it is a membership-based nonprofit organization focusing on increasing black representation in the property management sector. Over its 22-year-long existence, SAIBPP has worked through various programs and events to provide networking and skill development opportunities for black professionals, in order to balance out the stark disparities within the industry. Additionally, SAIBPP helps to shape policies on a national level to enhance inclusivity.

IREM’s other partner, the University of the Witswatersrand, is one of South Africa’s finest institutions. Dr. Sam Azasu has been teaching there since 2011, where he designed and ran the Bachelor of Science and the Postgraduate Diploma programs that are now part of IREM’s partner programs.

According to Dr. Azasu, “Wits University is one of only two universities in Africa to earn two separate international rankings as a leading institution in the world. It is the only university in South Africa that features in the top 1 percent worldwide in seven defined fields of research, according to the 2007 ISI international rankings. Wits was ranked 24th in the world on the Alma Mater Index: Global Executives 2013 and is the highest-ranking tertiary institution in Africa on this index. It also counts among its alumni four Nobel laureates, including Nelson Mandela.”

THE VALUE OF A CPM DESIGNATION IN SOUTH AFRICA

In an industry that is struggling to diversify, what is the CPM designation really worth? In Tabane Ramasala’s view, “It is important to me as a young professional to distinguish myself within an industry which predominately consists of older, more experienced professionals.”

Around the globe, the CPM designation is respected and demonstrates that the earner is a trustworthy and quality professional.

“I take huge pride in being a CPM,” Nandi Malindi explains. “I’m so honored to be part of such an integrated community like IREM. The Institute is an international community of real estate managers. This is why IREM is important in the property management industry and it’s my dream that more South Africans become accredited CPM members.”

PUBLIC WORKS ASSIGNED A MENTOR PER FOUR STUDENTS who mentored us until we matriculated—that assisted me immensely.” —NANDI MALINDI, CPM
Uncertainty regarding enforcement of marijuana laws, and how those laws might change, can lead to headaches for property owners and managers. Robert S. Griswold, CPM, CEO of Griswold Real Estate Management, AMO (San Diego), is still recovering from a three-year headache caused by a medical marijuana store located in the city of West Hollywood, Calif. In this case, the lender on the property objected to the building being used for that purpose. Although marijuana retailing is tolerated in greater Los Angeles—particularly in a politically liberal community like West Hollywood—it is still illegal under federal law, and the terms of the loan forbade tenancy by an illegal business.

RECEIVING A PREDICAMENT
Griswold was appointed receiver of the property in 2012, with the assignment to get it sold and repurposed. At first, he thought that would be an easy task. As it turned out, the mission wasn’t accomplished until 2015.

“The people who were interested in buying the building lost interest when they found out the illegal business was there,” he recalls. “The jurisdiction didn’t really want them out; the owners’ attorneys were getting advice from government channels; the police were told not to bother them.

“This is a commercial property, located in the heart of West Hollywood. This neighborhood is in a foothills area, a high-rent district. It’s a cutting-edge neighborhood. Lots of people cruise that stretch of Sunset Boulevard, and you’ll see lots of billboards for the latest movies and albums and whatever the entertainment industry wants to promote.”

The building had about 5,000 square feet of rentable commercial space on two floors. About 1,500 square feet on the
street level was tenanted by a nail salon. The remaining 1,000 square feet of street-level space, plus 2,500 square feet upstairs, was occupied by the medical marijuana seller.

“The owners, who were an elderly married couple, were renting that space to themselves, and they had violated the terms of their mortgage by harboring a business that was illegal under federal law,” Griswold explains. “Los Angeles is basically a sanctuary city for marijuana, so shops like this are tolerated, but still, since selling marijuana is, strictly speaking, illegal, the owners were in violation—and consequently the building was in receivership. The lender didn’t want to foreclose—and the owners of the building knew that.

“They filed bankruptcy upon bankruptcy, first using his name, then her name, then a son’s name. I’ve handled more than 200 receiverships in the past five years and this one was the most remarkable.”

TENANT RELATIONS
Economically, the bank didn’t have a problem, Griswold recalls. The owner/renters had signed a long-term lease prior to the receivership: about $3 per square foot, well above market, compared to the approximately $2 per square foot that the nail salon was paying. It was a high-volume business in a prime location. Paying off the mortgage was not an issue.

“We wanted them out based on the illegal status of the business,” Griswold says. “This was not a low-key illegal business, it was heavily advertised.

“The incoming customers at this store were questionable. The nail salon continually complained that their customers were afraid to come there because of the sketchy people who visited the building.”

The receiver required the marijuana store to have security and the nail salon complained about that as well, Griswold says, since armed guards weren’t conducive to attracting customers. On the other hand, the marijuana store had been robbed at gunpoint several times. The building had an alcove entrance, so some interaction between the two operations was inevitable. The marijuana shop had a double-entry door, requiring customers to be buzzed in twice—and that, too, was off-putting to patrons of the nail salon.

PATIENCE AND PERSEVERANCE
“We applied constant legal pressure, but this got very little traction because of the attitude of the courts,” Griswold adds. “I was a receiver, and thus an officer of the court, so I was pretty much exempt from retaliatory litigation. My agents were indirectly protected, and nobody got hurt in the process, but the liability risk was higher than we had thought, so we had to have a high level of insurance coverage—umbrella policies and so on.”

Finally, over a three-year period, the owners ran out of legal options and delaying tactics.

“You can only insist you’re dying for so long, before you have to prove it,” Griswold notes. “If you have a hearing scheduled for tomorrow and your lawyer asks for a postponement because he claims you were rushed to the emergency room last night, it might buy you a month or two. Likewise, you might claim improper service of the notice of hearing. Attorneys have told me that this was a case study of how to hang onto the property as long as possible.”

IS IT WORTH IT?
Griswold admits that some property owners, and even some lenders, might take a more liberal attitude toward tenants of this type. Some might even find them desirable.

“It’s an open question, whether legalization in California will change this situation,” he concludes. “Shops of this kind could still violate the terms of a loan, because they’re still against federal law, and federal agents might at some point shut the business down, but lenders are more easy-going about it these days. I’ve had people call me—asking for a friend, of course—about the possibility of renting to a marijuana retailer. My advice is, don’t. The feds might crack down on you; you might have problems with your other tenants. It’s a slippery slope, and I say it’s not worth it. From a property management standpoint, it brings up lots of unanswered questions, and the slightly higher rent is not worth the risk to you.”

Joseph Dobrian is a contributing writer for JPM®. If you have questions regarding this article or you are an IREM Member interested in writing for JPM®, please email JPM@irem.org.
Real estate investors and owners are under increasing pressure to be transparent about how their operations either contribute to or mitigate the effects of climate change. Some companies respond positively to this pressure because they see climate change as presenting significant enterprise—and asset-level risks—and they see transparency as an opportunity. A policy of transparency on sustainability can garner goodwill among stakeholders and the community and create momentum for cost-saving programs.

One aspect of this transparency is how the company accounts for the release of greenhouse gases (GHG) into the atmosphere. Anyone who has used ENERGY STAR® Portfolio Manager® knows that the tool calculates GHG emissions for a particular property. But this only captures a small part of the overall picture. How do you aggregate GHG emissions across an entire organization and all of its activities?

A PROTOCOL FOR CARBON ACCOUNTING

Business operations extend far beyond the confines of a particular company’s offices and assets. Most businesses succeed through the use of a complex web of direct corporate operations, affiliates and partners, and supply chains. Real estate

The Three Scopes of Greenhouse Gas Emissions  
By Todd Feist
companies may have assets spread throughout a geographic area, often with service providers and suppliers according to region or market. Each has its own operations with associated GHG emissions.

The GHG Protocol Corporate Accounting and Reporting Standard provides specific guidance for inventorying GHG emissions. The scheme helps to determine what is relevant in an emissions inventory, where to set the boundaries of the inventory, and how to maintain the accuracy of an inventory across time.

THE THREE SCOPES
The GHG Protocol includes three “scopes” of emissions:

- **SCOPE 1: Direct GHG Emissions** — Emissions from sources that are owned or controlled by a company. Examples of Scope 1 emissions include those emissions from combustion in owned or controlled boilers, furnaces and vehicles.

- **SCOPE 2: Indirect GHG Emissions** — Emissions from purchased electricity, heat, steam or cooling consumed by the company. Scope 2 emissions are those emissions released by a power plant.

- **SCOPE 3: Other Indirect GHG Emissions** — Emissions that occur as a consequence of operations but from sources not owned or controlled by the company. Examples of Scope 3 emissions include emissions from the extraction and production of materials used in operations, the activities of service providers and employee commuting.

SEEING THE OPPORTUNITY TO COMBAT CLIMATE CHANGE
Many decisions go into establishing a GHG inventory according to these three scopes. Real estate managers need not know the specifics of carbon accounting; those specifics can be highly technical and are best left to internal sustainability professionals or external consultants.

Awareness of these three scopes has a significant advantage, though—you begin to see that all successful sustainability efforts help to reduce GHG emissions. Those actions at the property level that may seem to appeal only to a few tenants are likely having an impact on combating climate change when you consider their place in the three scopes.

When you understand the breadth of the three scopes, you understand not only the risk associated with GHG emissions from the operation of a real estate asset and company, but also the opportunity in making a significant impact in helping to reach societal carbon reduction goals and combat climate change.

Todd Feist ([tfeist@irem.org](mailto:tfeist@irem.org)) is sustainability program manager at IREM Headquarters in Chicago.
5 STEPS EVERY PROPERTY MANAGER
SHOULD TAKE TO IMPROVE MAINTENANCE

By Jeffrey S. Lapin, CPM
As a certified instructor teaching IREM’s maintenance course (now called Managing Maintenance Operations and Property Risk) and BOMA’s Design, Operation and Maintenance of Building Systems, Part I course, I am often asked by students how to improve the maintenance at their properties.

Most property managers have an informal maintenance program at their properties which often consists of a combination of in-house and contractor-provided repairs and maintenance procedures for HVAC, roof, electrical, plumbing and other systems. This approach, while common, is not sufficient to ensure that both preventive and corrective maintenance is done consistently, correctly per the manufacturer’s recommendations, at the correct intervals, and in such a way that it does more good than harm.

Moreover, many property managers do inspections of their properties on a more or less informal basis and do not always document the results and the follow-up items. While this approach is also common, it does not provide the property manager, supervisor or property owner with a sufficient paper trail in the event that a written record of such inspections and follow-up is needed for a legal claim or other reasons.

Following are the five initial steps that I recommend every property manager—despite the type of property managed—do as a starting point for a solid property maintenance and risk management plan:

### STEP 2: DETERMINE BASELINE MAINTENANCE CONDITION BY CONDUCTING A TOP-TO-BOTTOM INSPECTION WITH WRITTEN RESULTS

Once the goals and objectives for the plan have been determined and translated into clear, specific language that will be incorporated into the beginning of the plan, you can begin to determine your property’s baseline (starting) condition. This is done by conducting a thorough, roof-to-basement inspection with your team, which will then be documented via a written inspection form.

Your initial or baseline inspection should follow a logical sequence, methodically inspecting and noting the condition of each and every “maintainable” element of the property from top to bottom. Be as specific as you can about how things are at the start of the new plan. This will help you measure your progress in meeting the goals and objectives of the plan. And always use a detailed written checklist—which should be distributed to the entire team—and copied and placed into your permanent files, along with photos, diagrams, etc.

One other note about this step—do not assess blame for how things are today. You need to take a leadership role and make clear that the new maintenance plan and procedures will start now with no need or desire to point a finger at those responsible for current conditions. On the other hand, if rapid and measurable improvements toward meeting the plan objectives are not realized, it will then be time to determine the cause and make changes where needed.

### STEP 1: DETERMINE GOALS AND OBJECTIVES FOR THE MAINTENANCE PLAN

How do you know if you are achieving the goals and objectives of your maintenance and risk management plan if you do not have set goals and objectives for the plan? It’s like trying to drive from point A to point B without knowing where point B is. You will end up driving aimlessly.

First, map out the goals and objectives of your plan, guided by the owner of the property. The owner’s input is key because (a) It’s their property and their invested funds; and (b) They know what the overall objectives are for the property and why they purchased it. You will likely need to guide them through the options, but in the end, we exist to help our owners meet their objectives for the asset. Start by meeting with the property owner and asking the following questions:

1. How long do you anticipate holding this property?
2. Is immediate cash flow more important to you than long-term value appreciation?

This will tell you whether your plan should aim to do the minimum required to keep an old piece of equipment limping along or whether you should focus on replacing old, energy-inefficient equipment that could be repaired with newer, more efficient equipment that has a three-to-five-year projected payback period.

Take the following example about determining maintenance for a building’s roof: If it’s an older roof with a lot of leaks or trapped moisture between layers, or if it is not energy-efficient, you will likely have to either recommend a new roof or continue to baby the old one. If the owner plans to sell the property within the next year or two, he or she may prefer to maintain the existing roof and let the buyer deal with it.

You may suggest that a savvy buyer will likely deduct the cost of the new roof from the purchase price anyway. And in such a case, the owner would be better off in many cases to reroof now and enjoy the operational savings. But if the directive from ownership is not to spend the money on a new roof, then the objectives for your maintenance plan will be to keep that old roof as watertight as it can be.
STEP 3: IDENTIFY EACH COMPONENT AT THE PROPERTY WITH UNIQUE LABELING

LABEL: Now that you have physically inspected and identified each item to be included in the maintenance and risk management plan, it’s time to give each item a unique identifier, if possible. For the maintenance plan to work, you need to know what you’re maintaining.

In other words, if there are three chilled water circulation pumps for Building #2, physically label each pump with a unique name and number—for example, pump number one in Building 2 might be BLDG2CWCP1. It really does not matter how you determine the identifiers. Find a nomenclature that makes sense to you and your maintenance team members and start labeling.

GET SPECIFIC: The function of such labeling is twofold. First, it allows you to quickly and correctly reference each item in your plan if maintenance is needed. So for instance, if during your inspections, you see that the aforementioned chilled water circulation pump (Pump #1 in Building #2) is found to be leaking water on the floor, you can simply reference that exact piece of equipment on your inspection form instead of noting that “one of the pumps is leaking.”

TRACK MAINTENANCE: The second purpose of such labeling is to carefully track when preventive or corrective maintenance has occurred to that specific piece of equipment—the aforementioned pump, for instance. Labeling your machinery ensures you can easily reference the maintenance that has occurred (or not occurred) on that pump when it’s found leaking, thereby easily pinpointing the likely cause of the failure.

STEP 4: ASSIGN RESPONSIBILITY AND OBTAIN MANUFACTURERS’ RECOMMENDED MAINTENANCE PROCEDURES

Once the baseline condition of all these elements is documented and each item has been given a unique identifier, it’s time to assign responsibility for each component (HVAC, roof, electrical, landscaping, parking surfaces, etc.) to an individual. Now each assigned person—in addition to being held accountable—will take ownership of that element and be less likely to defer to others.

Each assigned person should then obtain the specific maintenance procedures recommended for that equipment. This will include the frequency of recommended preventive cycles and the individual steps that should be included in each maintenance cycle (e.g., visually inspect the evaporator coils for dirt). This is no different than taking out your automobile owner’s manual and finding what the car’s manufacturer recommends for frequency of oil changes, type of oil and the specific procedures for draining the old oil, replacing the filter and refilling with fresh oil.

Take the manufacturers’ specific recommendations and put them right into your maintenance and risk management plan sections for HVAC, plumbing, electrical, etc.

But what about non-mechanical items such as light fixture maintenance or parking lot maintenance? Obviously, you will not find the manufacturer’s specific maintenance recommendations for maintenance of your lighting fixtures or your asphalt parking lots. But you will find recommendations from industry trade groups such as the Asphalt Institute, for instance, which is the international trade association of petroleum asphalt producers and manufacturers.

STEP 5: ADDRESS HEALTH AND SAFETY ISSUES AS A PRIORITY

The final step is determining how to address the results found in the baseline inspection or subsequent follow-up inspections. Doing all the work it takes to set up our plan objectives, inspect the property and document all the maintenance procedures is worthless if you do not then follow up and address what was found.

So what should be tackled first? The things that are likely to result in the most risk are those that affect the health and safety of tenants, visitors and invitees to the property. For instance, a trip-and-fall or slip-and-fall condition—the most likely causes of expensive personal injury lawsuits—should be addressed immediately.

That means that if, during inspection, you discover a crack in the asphalt surface of the parking lot which is reasonably likely to cause an unsuspecting pedestrian to fall and injure himself, the property manager should stop and have it addressed before moving on. In practical terms, that means getting someone to go and get traffic cones, caution tape or other highly visible barricade material and create a physical barrier to prevent someone from tripping on it until it can be properly fixed.

Similarly, if you find during an inspection that an industrial building tenant has been storing drums of chemicals marked “Hazardous Materials,” and several appear to be leaking onto unprotected ground, you need to act immediately but may not be able to fully rectify the problem right then and there. In such cases, documentation of the findings (for instance, photos, an incident report and notifications to the tenant and property owner) is crucial to establishing that the property manager took reasonable actions to minimize the threat to the public.
TAKE THE FIRST STEP

Sometimes, the most daunting thing about fixing a problem like poor maintenance is admitting that you have a problem and getting help. Property managers are very busy and don't have much spare time. So just the idea of creating a detailed property maintenance and risk management plan with all the steps outlined here can be daunting and turn into a “someday” project.

But if you follow the steps here, starting with identification of the goals and objectives for the plan; determining the baseline condition of the property; identifying the property elements that need to be maintained; assigning responsibility and gathering the manufacturers’ recommendations for maintenance; and then, prioritizing the items that affect health and safety, you will be past the dreaded step of getting started. Then, it’s just a matter of continuously improving.

And the great news is that IREM is here to help you. The forms you’ll need for conducting detailed inspections, inventorying equipment and even setting up the maintenance procedures can often be found at www.irem.org. Moreover, the members of IREM are a great resource for you, starting with your chapter’s leadership team.

YOUR INITIAL OR BASELINE INSPECTION SHOULD FOLLOW A LOGICAL SEQUENCE, methodically inspecting and noting the condition of each and every “maintainable” element of the property from top to bottom.
Registration Now Open!

The Diplomat Beach Resort
Hollywood / Ft. Lauderdale, FL
September 26 - 29, 2018

REGISTER EARLY AND SAVE!
www.irem.org/GlobalSummit
HACKS CAN WREAK HAVOC, CYBER EXPERTS WARN

By Joseph Dobrian
PHISHING, WI-FI AND USB DRIVE VULNERABILITY

“The Department of Homeland security had told Equifax they needed to update their software, but they didn’t, and hackers exploited this vulnerability. Today’s hackers aren’t looking for complicated systems; they’re looking for opportunities. You want to stay on top of security tasks that are easy to do—like virus protection, like not accessing your bank on a public Wi-Fi. If you do the basics right, chances are you’ll have covered yourself.”

Piliouras explains that once a virus infects your computer, it could spread to whomever uses your website or your email. Phishing emails, which could affect your computer, are looking more and more realistic every day, but you can still usually tell if an email or a hyperlink doesn’t look legitimate. If you’re suspicious, don’t click.

“They’re waiting for you to do something stupid,” she says. “Don’t open emails that you don’t know; don’t click on links you aren’t sure of. Don’t store data that you don’t know how to protect. Don’t use a USB drive to create backup and then misplace it. A major problem was created when a company left out a box of used USB drives for people to help themselves: They were all infected with a virus.

“As new breaches come up, new products and techniques will be invented to counter them. Be sure you have active antivirus protection, and be very careful of your Wi-Fi network, because that is a real vulnerability. You don’t want to use an open Wi-Fi. You want intrusion protection devices: a sophisticated firewall. That will cost you a couple of thousand dollars. If you have a lot of assets to guard, if you want 24/7 monitoring, you could spend up to $100,000 a year on cybersecurity.”

Many people create security hazards by mixing their private lives with their business lives, for example, by doing their personal banking, or project research, on a company computer. And even if you have virus protection, you can still infect a network—so be sure your network is protected as well.

“You can get insurance for cyberattacks,” Piliouras adds. “It’s not that expensive, and I can’t imagine any company not having it. The Hartford sells a product called cybersecurity and business continuity insurance. It’s incredibly reasonable at first, but if you’re hacked many times, your rates will go up, so do what you need to do to protect yourself.”

CYBERSECURITY HAS BEEN A PROBLEM FOR PROPERTY MANAGERS SINCE THE INDUSTRY ENTERED THE DIGITAL AGE IN THE 1980S. As property management has become more and more computer-driven, cyber criminals have become more sophisticated and aggressive. Protecting your properties from hackers is a never-ending struggle, since criminals are constantly finding new ways to breach security walls.

A clever hacker can invade sensitive correspondence, interfere with financial transactions (and clean out your bank account), or hold your building for ransom by controlling its mechanical systems. But by staying on top of their techniques and adopting the latest countermeasures, property managers can usually foil a hack attack.

The industry recently got a wake-up call when Equifax, one of the world’s largest credit reporting agencies, suffered a data breach that exposed sensitive personal information from an estimated 143 million Americans.

What are some of the main cyber risks to property managers, and what should be done to prevent them?

Teresa Piliouras, Ph.D., CEO of the Weston, Conn.-based software development firm TCR, notes that today’s hackers tend to be more sophisticated and more malicious than the previous generation. But simply knowing the basics and attending to them will usually render your data secure.

“We used to think of hackers as people like the teenager in the movie War Games: people who are just trying to prove they’re clever,” she says. “Now, you have legions of hackers and cyberwars. People who think they’re safe are deluded. A hacker could infect your tenants’ computers with malware, or put in secret surveillance software to monitor you.
Staying on top of the technology is all very well, Piliouras notes, but one of the hugest issues in cybersecurity is human error. People need awareness training, she says, because they usually don’t know the various ways they might put their data at risk.

“Learn to tell each other, ‘I’m sending you this important document,’ if you’re not expecting it,” she urges. “You want people to be trained and you want them to change their behaviors. Getting people to be more security-conscious every single time they use the computer is the best way to stop the opportunistic hacker.”

**KEEPING EMAIL SECURE**

Melanie Wyne, J.D., senior technology policy representative for the National Association of Realtors (Washington, D.C.) says that phishing is the biggest cybersecurity problem for real estate professionals, and it’s often seen in connection with closings on a property. Updated versions of the “Nigerian scam” or the “Spanish Prisoner scam” are also common.

“It’s the same crowd of crooks, only more sophisticated,” she says. “They’re hacking into email accounts, then not doing anything right away: just watching. If you’re a real estate agent or a title officer, they read about the transactions you’re working on. They create emails, as you get closer to closing, that look like they’re coming from the Realtor or the title company. Then they send those to the customer, saying, ‘Wire your funds here.’ The customer’s deposit money or escrow money is wired to an offshore account—and it’s gone.

“That could apply to property managers, if you’re not aware of the threat and taking steps to keep your email and data secure. Property managers tend to hold onto more personally identifiable information than Realtors: credit history, social security data. Thieves find this valuable for identity theft.”

Wyne agrees with Piliouras that awareness of the problem is the first step to dealing with it. NAR has a toolkit on its website, she says, that helps real estate professionals put together a cybersecurity plan.

“Have strong passwords,” she urges, “and use different passwords for every website. Don’t share your passwords with business partners. If you have employees, have a policy of changing passwords periodically.

“Make sure you update your software when you get the pop-up. Usually security patches are contained in them, addressing whatever security threat has come up. Practice data hygiene. Be aware of what you’re collecting. What data are you bringing into your business that could be sensitive?”

Those data might include dates of birth, social security numbers, any government-issued ID number, credit card information and bank account numbers—which you might have stored for processing rental payments. These data might be stored on a hard drive, on your phone or with a vendor. Even scanners aren’t immune, since they contain hard disks.

“Know where you’re storing this information, and have a process for disposing of information you don’t need,” Wyne urges. “If you have former tenants you no longer do business with, if you still have files on them, that might be creating liability for you, so have a process to get rid of those files.

“To the extent you’re using third-party vendors, review your contracts with them; know what their security standards are. Consider having an indemnity provision in the contract, in case they have a breach and damages result.”

**IT’S NOT JUST THE BIG COMPANIES THAT GET HACKED**

Wyne stresses that property managers should not think that they’ll be overlooked by hackers because their businesses aren’t very big. The small to mid-sized companies can be the most vulnerable, she says.

“Many of our members think that hackers are coming after the biggest businesses, but that’s not true, since the biggest businesses can hire armies to lock down the information,” she explains. “Small companies can’t or don’t always do that. Moreover, 52 percent of small data breaches are not from hackers, but from vendor or employee negligence. That’s why training and education are all-important. You can hire a lawyer and draft the best security policy in the world, but if nobody else knows about it, you’ve wasted money. Constantly train and remind, to be sure it’s implemented.”

Cybersecurity isn’t just about protecting your company’s and your tenants’ money and data. The physical plant is also vulnerable to hackers. Robert S. Griswold, CPM, CEO of Griswold Real Estate Management, AMO (San Diego), notes that hackers can sometimes target a building’s whole operating system—HVAC, locks, elevators, etc.—or the systems of a whole portfolio of buildings. A hacker who can do this can hold those buildings for ransom, so to speak, disrupting the operating system till the owner pays him to go away.

“Are your buildings’ systems operating on an internet-based platform?” he asks. “Virtually all commercial or high-rise
buildings are, so that you can adjust a building’s temperature remotely, and so on. Well, some kid in Russia could hack in and do it for you. If you patch one hole, they’ll find another; it’s a cat-and-mouse game and you won’t be on the comfortable side of it for long.

“Sometimes, it’s not even your building that’s the issue. Often, the breach comes through a vendor, like the people who handle your HVAC, your elevators or your janitorial service. If hackers can infiltrate those vendors, they can get to a lot of buildings—like 12 buildings in a neighborhood—and control them. Don’t just think it’s just the individual property you have to concern yourself with. It’s the mid-size and smaller contractors that are likely to be less sophisticated, and thus more vulnerable. You need to have a cybersecurity specialist come in and analyze your building’s systems.”

E. Robert Miller, CPM, of E. Robert Miller & Associates (Burlingame, Calif.) works primarily as an expert witness in property management issues for all types of commercial and residential real estate. He says that while cybersecurity is definitely an issue for property managers to watch, he gives high marks to the property management business in general for staying on top of cybersecurity issues and avoiding severe breaches.

“I can’t remember the last time I had to testify against a CPM or an AMO, on any issue,” he says. “It happens maybe three times out of 1,000 cases. I’m sure it happens, but I’ve never been involved in a case where someone broke into a computer system.”

Paul Kastes, CPM, an independent property manager based in St. Petersburg, Fla. and northern Georgia, who also specializes in expert consultation and testimony; says he stays on top of security issues that concern income-producing properties: apartments, offices, shopping centers, strip centers and warehouses. He notes that part of handling security issues—whether or not they concern cyberspace—involves informing your tenants, both commercial and residential. He urges property managers to offer information on cybersecurity to their tenants. He also reminds managers to stay friendly with their local sheriff and police department, and to be particularly mindful of tenants who live on the ground floor and at the rear of a building, since they may be the most at risk of a physical security breach.

“If you’re not well networked with law enforcement, in some areas you might not get the help you need as fast as you need it,” he warns. “Fair housing laws prevent you from steering your more vulnerable tenants away from ground floor units. Informed tenants, who receive current and relevant information from management, are less likely to be the victim of a computer hack or a physical attack.”

KEY TIPS FOR PERSONAL CYBERSECURITY

Strong passwords might consist of a secret but memorable phrase that incorporates as many letters, numbers and symbols as each website or app allows. Mix upper- and lower-case letters and numerals. Don’t re-use passwords, and change them at least every few months. Encrypt all digital data, and only share sensitive information by encrypted email.

Never click on a link or open a file in an email from a sender you don’t know. In particular, don’t open files ending in .exe, .bat, or .pif unless you’re expecting them. If it comes from an address that you know and trust, still, do not open it unless the sender has warned you that it’s coming and what it consists of.

Be suspicious of messages in overly formal, incorrect or stilted English, especially if the email begins with a religious reference or a threat to suspend your account. If the email includes an offer that sounds too good to be true, it is.

Beware of cloud computing apps. They, too, can be vulnerable to cyberattacks. If you use one, make sure that you’re immune to liability if the vendor is hacked.
“Emerging Leaders” Also Emerge as REME Winners

JLL Mid-Atlantic was awarded the 2017 REME Award for Employee and Leadership Development by IREM for its Emerging Leaders Program, which was designed to identify talented professionals who aspire to leadership positions within property management and to accelerate their career growth through exposure to high-level leaders and training in the development of soft skills that are highly valued in the marketplace. Participants in the Emerging Leaders Program included property administrators, assistant general managers, lead engineers and assistant chief engineers.

The initial focus of the program was centered on the theme of executive and social presence, with a companion book of Presence: Bringing Your Boldest Self to Your Biggest Challenges, by Amy Cuddy. Leadership lessons came in various forms: book discussions, property tours, private sessions with senior JLL leaders (including the global CEO), workshops presented by professional speakers and in-house training facilitated by the JLL Emerging Leaders Coaches. Guest speakers during the 12-month program included JLL’s Global CEO, JLL’s CEO of the Americas and JLL’s President of Property Management for the Americas, among others. Additionally, outside speakers presented on topics such as mindfulness and well-being.

The Emerging Leaders curriculum was adjusted to align with what participants expressed as their leadership needs, which gave participants a sense of ownership in their own growth and development. The final requirement for participants before graduation—presentations on obstacles overcome, lessons learned and applied leadership principles—were inspiring and heart-warming.

“We say, ‘you get out of the program what you put into it.’ As a coach of the Emerging Leaders Program, it has been exceptionally rewarding to put in my experience, thoughts, talent, suggestions, training and ideas for the participants, and then receive back an abundance of growth and confidence in my own life as a result of this program. As their coach, it has been a joy to assist these exceptional men and women through their journey in this program as they face their fears and doubts, and stretch beyond their comfort zones,” states Carol Goodart, Senior General Manager at JLL.

This program ties together a group of committed individuals, selected by their supervisors, who have a great desire to grow in confidence, define their career paths and learn what it takes to lead. It is an active year of development where each participant is challenged to stretch beyond limitations and comfort zones, practicing public speaking, being exposed to other JLL-managed properties, attending motivational seminars and having opportunities to coordinate and lead in-house training. The result of the year-long program is positive growth and development, both personally and professionally.

Eighteen property management professionals completed the Emerging Leaders development program in its first year and 70 percent of those participants earned a promotion during the course of the program. JLL’s perspective is that the program is having a great effect on the commitment and growth of the employees who participate, with a minimal cost investment—and with that, JLL is creating a pipeline of high-value talents that will allow them to expand by offering top-quality professionals to lead and manage assets for their clients.
New REME Award Sits Upon SL Green’s “Energy Desk”

The 2017 REME Award for Corporate Innovation was awarded to SL Green Realty Corp. for its cutting edge Energy Desk platform. This real-time energy management platform developed by IES regularly manages building systems and provides valuable performance diagnostics and data every five, 15 or 60 minutes. In partnership with IES, SL Green implemented Energy Desk to enable communications from their buildings to their tenants, to the NYISO and ConEd (the local utility) control centers, and to the EPA’s ENERGY STAR Portfolio Manager. This means direct communication with their building management system, tenant submeters, utility meters and the grid operator in a fully integrated manner, saving SL Green time and money. The essential goal is to deliver year over year improvements to all key energy performance metrics.

The latest evolution of SL Green’s Energy Desk occurred when it automated energy consumption reports to facilitate its participation in the New York City Mayor’s Carbon Challenge. Eight buildings across eight million square feet were committed to Mayor de Blasio’s Carbon Challenge, a voluntary program focused on reducing energy consumption of the built environment. This program is aligned with the Mayor’s goal to reduce citywide greenhouse gas (GHG) emissions 80 percent below 2005 levels by 2050 (80x50).

SL Green committed to a 30 percent reduction in GHG emissions from base building systems and common areas. Additionally, they partnered with tenants who committed to a specific GHG reduction within leased spaces in their buildings. Enter Energy Desk to support this undertaking.

Together, SL Green and IES developed an automated web-based tool within Energy Desk to calculate and track GHG emissions on a monthly basis and create data reports required for the Carbon Challenge program. This tool also provides property managers with a clear visualization of the amount of carbon emitted in the base year benchmarked against every subsequent year. The platform allows users to superimpose a red line over the data that represents the base year carbon and a green line that represents the target year carbon so they are able to track their performance.

The expansion of the Energy Desk platform has given tenants unprecedented transparency in their energy usage and GHG emissions. To effectively align SL Green’s operational strategies with the Mayor’s carbon goals and successfully participate in the Carbon Challenge, collaborating and sharing data with tenants is critical, as tenants are responsible for 40-60 percent of a building’s energy consumption. Without tenant engagement, participation, and capital investments, New York City’s goal of an 80 percent reduction in carbon emissions by 2050 would be impossible.

Landlord-tenant collaborations and data sharing should be considered an exemplary practice for real estate management companies because it is widely recognized that landlord initiatives alone will not suffice in revolutionizing the sustainability of the built environment. The Energy Desk functionality developed by SL Green and IES is a prime example of a tool used to foster communication among all relevant stakeholders and ensure that sustainability programs are approached holistically.
Rent Control Legislation in 2018
By Ted Thurn

Rent control is a highly contentious issue in the property management world. Basically, rent control is a price control technique that limits the amount a property owner can charge for renting out a home, apartment or other type of real estate. Rent control acts as a price ceiling by preventing rents either from being charged above a certain level or from increasing at a rate higher than a predetermined percentage. The amount of rent permitted may vary across jurisdictions and property types but is generally set at a level considered affordable to renters.

Though rent control might seem like a new issue, it has been around for decades. In 1942, President Franklin D. Roosevelt signed the Emergency Price Control Act into law. The goal of the act was to prevent inflation in the booming, fully employed wartime economy by setting price controls nationwide. The Act, which was amended in 1947 to exempt new construction, expired in 1951. In 1951, New York, anticipating the withdrawal of federal controls, adopted a rent regulation system similar to the federal arrangement. From the late 1960s through the early 1980s, other cities subsequently adopted rent regulations, and by the late 1970s, 170 municipalities had rent regulation laws in place. However, in the 1980s, an “emerging conservative onslaught” effectively curtailed any additional rent regulation ordinances.

Currently, only four states—California, Maryland, New Jersey and New York—and the District of Columbia explicitly authorize local rent regulation. In general, the laws in these four states identify the jurisdictions that are permitted to adopt rent controls, the method to be used to calculate rent, and the properties that are exempt. Conversely, 27 states have laws that prohibit their local governments from adopting rent control. Nineteen states neither permit nor prohibit local rent control. In these states, local governments may be permitted to adopt rent control ordinances.

Passionate arguments abound supporting and opposing rent control. Proponents of rent control will point to its economic benefits for tenants and property managers. Tenants are comforted by the fact that an increase a property manager can charge is capped. In communities where rents in the open market have grown more quickly than the cap set by rent control laws, tenants may have saved hundreds or thousands of dollars. Property managers may also favor rent control since tenants will be motivated to keep their units. This can create a building full of tenants who do not cause problems and always pay their rent on time and in full.

However, arguments against rent regulation are numerous and encompass both economic and social effects. Some of the most frequently cited arguments against rent regulation include:

▷ IT REDUCES THE QUANTITY OF AVAILABLE HOUSING—Most economists assert that setting a price ceiling on housing reduces the housing supply in a market. With maximum prices set, there is less incentive to build new rental property.

▷ IT REDUCES THE QUALITY OF AVAILABLE HOUSING—Because rent control reduces the return on rental housing investments, it can lead to a decline in the existing rental quality as property managers faced with decreasing revenues may be forced to
reduce the amount they invest in maintaining and repairing existing housing.

➤ IT REDUCES A PROPERTY MANAGER’S INCENTIVE TO MAINTAIN CONTROLLED PROPERTY—
Rent control discourages property managers from maintaining their properties. When rent ceilings limit supply and turnover, landlords are less motivated to maintain properties in order to attract new tenants.

➤ IT DECREASES A PROPERTY MANAGER’S ABILITY TO MEET EXPENSES—
Because rent control forces rents below the market price, it reduces potential profitability of rental housing. This loss of revenue may make it difficult for a property manager to meet routine expenses.

Even with the many negative effects of rent control, lawmakers and tenant advocates are implementing initiatives to repeal laws banning cities from imposing rent control or limits to regulate rent increases. BELOW IS A SUMMARY OF SUCH RECENT ACTIVITIES IN CALIFORNIA, ILLINOIS AND WASHINGTON STATE, ALL OF WHICH ARE BEING CLOSELY MONITORED BY IREM.

CALIFORNIA
In January, ASSEMBLY BILL 1506, was considered by the Assembly on Housing and Community Development Committee. The bill would have given cities the authority to create new rent controlled housing by repealing the 1995 Costa-Hawkins Act. The Act prevents large amounts of housing stock from being covered under local rent control ordinances. The measure failed to pass by falling one vote short of the necessary threshold to move forward.

The threat to end current protections still exists, as there are efforts to place the Costa-Hawkins Act on the November 2018 ballot. Should it qualify for the ballot, the campaigns for and against repeal would likely be expensive and bruising.

WASHINGTON
Two bills addressing rent control, HOUSE BILL 2583 (HB 2583) and SENATE BILL 6400 (SB 6400), were introduced into the Washington legislature. The bills would permit local cities and counties to allow rent control on rented and leased residential properties as they see fit and would repeal the 1981 state preemption against rent control.

Hearings on both bills were conducted in their respective committees, and there was an abundant amount of testimony supporting and opposing the legislation. Proponents of the bill argued that it would give more affordable housing to low-income tenants, especially those living in the Seattle area. Supporters also spoke of the need to keep affordable housing in Seattle, and rent control was one of the tools in the “tool box” to allow low-income tenants to live, work and retire in Seattle.

As neither of these bills were voted out of committee, they are dead for the 2018 session. However, there is talk of reintroducing the legislation in 2019, when there may be greater support for rent control in the state legislature.

ILLINOIS
Rent control has become a campaign issue in the 2018 governor’s race. Democratic gubernatorial candidates J.B. Pritzker and Daniel Biss have announced their support for rent control and the legislation introduced by Representative Will Guzzardi. Rep. Guzzardi, a Democrat who represents Chicago neighborhoods on the Northwest Side, formally introduced a rent control bill (HOUSE BILL 2430) in February of 2017.

The bill contains a single written line: The Rent Control Preemption Act (RCPA) is repealed. RCPA is a 1997 law prohibiting cities and other local governments from enacting rent control measures.

Repeal of RCPA could eventually produce a number of unintended negative consequences for property owners, tenants and tax payers. As previously mentioned, rent control initiatives could create an environment of disinvestment and possibly neglect, as some property owners would be discouraged from maintaining and upgrading their properties because costs would rise but revenues will be fixed.

Ted Thurn (tthurn@irem.org) is director of government affairs at IREM Headquarters in Chicago.
May 25, 2018, is an important date for the European Union—and potentially for any organization that does business in the European Union or with any of its citizens. On that date, the EU’s General Data Protection Regulation (GDPR) goes into effect and will have a significant impact on anyone that collects, uses and processes “personal data.”

GDPR likely will take on even greater prominence when seen through the lens of the continued fallout created by Facebook and Cambridge Analytica, which have put the protection of customer data in the public eye like never before.

“What is particularly interesting for marketers, is that this scandal feels almost like a movie trailer for the upcoming GDPR legislation in May,” suggested Jess Geary, digital media director at Rapp UK, writing for The Drum. “This gives us a real working answer to the much-asked GDPR question of ‘how much do you think this will affect consumer behaviour on the whole?’ If this is anything to go by, then it will affect their behaviour to the tune of destroying brand trust along with billions in market share losses.”

The goal of GDPR is to give EU residents far greater control over their personal data. It directs how personal data may be collected, stored, transmitted and destroyed. And it provides for enormous penalties on those who fail to follow its directives: Fines of up to 20 million euros (nearly $25,000,000) or 4 percent of a company’s global revenue, whichever is larger.

Under GDPR, “personal data” is broadly defined to include a person’s name, address, phone, email, as well as economic, social, cultural genetic and mental characteristics. Photos, bank details, posts on social networking websites, political opinions, health information, computer IP addresses and more—also are considered personal data.

Although the focus may appear to be on data that is captured and stored electronically, in the end, it doesn’t matter whether the data is stored electronically on a server or on paper in a filing cabinet. Those holding these types of information will have to obey new, strict rules around transparency and accountability.

For real estate managers located in the EU, the implications of GDPR are obvious. There are many circumstances where

Compliance and Personal Data Protection

The EU is getting serious about data protection via the GDPR

By Nancye Kirk

The law impacts every business that markets and sells goods or services to EU residents online or holds personal data of EU citizens, even if the business has no physical presence in the EU.
property managers might hold personal data about tenants and residents, potential tenants, employees, customers, or as part of security arrangements. Property managers also are more likely to collect and process data to aid with things like energy efficiency. If a property management company collects data on when heating or lighting is used and processes this to increase efficiency, then it will have to gain consent from everyone involved under GDPR.

Businesses do not have to be located in the EU to fall under GDPR. The law impacts every business that markets and sells goods or services to EU residents online or holds personal data of EU citizens, even if the business has no physical presence in the EU. So that means if a company has no offices or staff in any EU country, and even no customers in the EU, but it in any way processes and stores personal data on EU residents or customers, it falls under the jurisdiction of GDPR. In short, if an organization does any business with the EU or with EU consumers, GDPR most likely will apply. This includes any U.S. business that targets EU consumers, including e-commerce companies; hotels, resorts, and vacation rentals; and apartment communities with EU residents. And associations like IREM, which have customers, students and members in EU countries.

In the near term, this could have limited impact on real estate management companies in North America and other countries outside the EU. In the longer term, GDPR could be a harbinger of things to come elsewhere in the world, and thus warrants attention.

Indeed, look no farther than the state of New York, where an increase in data breaches has resulted in the introduction of new legislation aimed at protecting New Yorkers’ personal data. The Stop Hacks and Improve Electronic Data Security (SHIELD) Act was introduced in the legislature there last November. Currently in New York, companies are not required to meet any cybersecurity requirements for personal information unless that data includes a social security number, and they are not required to report data breaches where user names and passwords or other authentication methods are used. Because of this, organizations are able to compile large amounts of sensitive data without being held accountable. The SHIELD Act could change this by requiring organizations that maintain and process the data of New Yorkers, whether or not they conduct business in New York, to put in place administrative, technical and physical information security measures.

Whether required by law or not, management companies should be assessing their privacy and data security risks and implementing policies and procedures to protect the personal information and data they maintain. Vigilance is particularly important as the law and industry guidance change and evolve to keep up with technological advancements.

Underlying GDPR is the concept that data protection should be on every company’s compliance checklist, and become standard operating procedure to the way organizations operate and not be treated as a casual afterthought—sage advice for companies everywhere and in all business sectors, including property management. With this in mind, some of the concepts on which GDPR is based and worthy of consideration even outside of the EU are these:

**CONSENT.** Any time that data is collected and processed, those involved will need to be informed to gain consent. This might be collected as part of a manual process or be entirely automated. Affirmative consent is required before processing of an EU consumer’s data. As stated in the GDPR regulations, that consent has to be “freely given, specific, informed and an unambiguous indication of the data subject’s wishes.” The request for consent must be provided in clear and plain language—no more of those long, legalese-packed terms and conditions—with the purpose for data processing attached to that consent.

**LAWFUL PROCESSING AND STORAGE LIMITATIONS.** The collection and use of personal data must be limited to that which satisfies the specific reason for which it was collected and should be stored only long enough to carry out that purpose.

**ACCESS TO DATA.** EU residents have the right to obtain copies of all data collected about them in a readily usable electronic format and to correct errors in that data.

**RIGHT TO BE FORGOTTEN.** Also known as erasure, individuals have the right to have their data erased “without undue delay.”

**NOTIFICATION OF BREACH.** GDPR specifies that a business has 72 hours after a breach is discovered to report it to the appropriate “supervisory authority” whenever the break is likely to “result in a risk for the rights and freedoms of individuals.” Of note is that 48 states in the U.S. plus the District of Columbia, Guam, Puerto Rico and the Virgin Islands have some type of data breach notification requirements that address who must comply with the law, definitions of “personal information,” what constitutes a “breach” and requirements for notice.

Nancye Kirk (nkirk@irem.org) is chief strategy officer at IREM Headquarters in Chicago.
The way we work is evolving as we continue to add more generations to the workforce. In order to stay competitive in this new workforce and attract and maintain the appropriate talent, companies are performing extensive research to understand and adapt. “It’s important to track millennials as a workforce because today they constitute 38 percent of the workforce—and this will grow to 75 percent by 2025.” (McGrady, 2016)

Recent research commissioned by Jive Communications in Orem, Utah, found that “flexible working hours, the option to work remotely, speedy technology and an open company culture are key to reeling in the millennials and actually keeping them around.” (Neely, 2018)

A recent Gallup poll shows that 60 percent of millennials would consider leaving their jobs if they didn’t feel engaged at work—and only half plan to be with the same company a year from now. (Rigoni & Nelson, 2016) The Jive study showed that the average millennial has already had three jobs in her lifetime. Most millennials start to look for another job before they’ve been with a company for three years, 24 percent are only at a job for six months to a year before they start looking for another job, and 30 percent start looking for a new position between 12 and 18 months.

MORE SIMILAR THAN THEY SEEM

But before we start the name calling, millennials may not be the job hoppers they are being accused of. The Pew Research Center reported that millennial workers are actually just as likely to stick with their employers as Gen Xers were when they were young adults. In fact, “among the college-educated, millennials have an even longer tenure than Gen Xers did in 2000 when they were the same age as today’s millennials.” (Fry, 2017) One factor that appears to be contributing to tenure is high levels of edu-
cation. “Among 25- to 35-year-old workers in 2016, 38 percent of millennial men and 46 percent of millennial women had completed at least a bachelor’s degree. The Gen X workforce back in 2000 had significantly lower levels of educational attainment: 31 percent of male 25- to 33-year-old workers had finished college, as had only 34 percent of female workers.” (Fry, 2017)\(^4\)

**WHAT’S IMPORTANT TO MILLENNIALS**

The number one reason millennials leave their jobs is because they don’t like the atmospheres of their offices. How can you adapt your office atmosphere to engage your millennial workforce and retain the talent you have developed?

**As a generation, millennials:**

- Need to find meaning in their work. They want to do something that matters.
- Want to understand how they fit in with their jobs, teams and companies. They want a job that fuels their sense of purpose and a manager who shows them how their efforts advance the company’s mission.
- Want to learn and grow. They want skills that make them competitive. Some 68 percent of millennials who strongly agree they have had opportunities at work to learn and grow in the past year plan to be with their organizations for at least another year. Surprisingly, only 39 percent of millennials strongly agree that they learned something new on the job in the past 30 days, and less than 50 percent strongly agree that they have had opportunities at work to learn and grow within the past year.
- Focus on education. Greater than 30 percent of millennials hold college degrees. This generation is entering the job market later with higher degrees and a higher level of debt.
- Need approachable managers. Managers should proactively lead conversations with employees about their futures with the company, their needs and their opportunities for advancement. Millennials think about their jobs as steppingstones and want to progress—but they may need their managers’ help to visualize a future trajectory within the company. By emphasizing millennials’ potential for advancement, managers communicate that workers don’t need to go elsewhere for more.
- Take risks. They came of age during a recession, and this experience made them wary of spending decades working for one company only to be laid off.
- Don’t just want a job—they want the job. Job fit is often prioritized over job pay for millennials. (Don’t forget, if they have to start their own companies, they will—the average age for millennial entrepreneurs is 27.)
- Prefer flexibility. Technology today means it’s possible to work essentially anywhere that has an internet connection, so many millennials expect at least some level of flexibility when it comes to their employers. Working remotely all of the time isn’t feasible for every situation, of course, but millennials expect companies to be flexible enough to allow them to occasionally dictate their own schedules. If they have no say in their workdays, that’s a red flag.
- Seek mentors. They are used to being supervised, as many were raised by what have been dubbed as “helicopter parents.” Receiving support from those in charge is the norm, not the anomaly, for this generation, and they expect that in the workplace, too.

Keep in mind that these are general assumptions about an entire generation of people, and there can of course be outliers.
OUTSIDE INFLUENCES
It’s also important to keep in mind that it’s not you, it’s them. You could be creating a culture that is engaging and attractive and your talent may still leave. Below are the top five reasons millennials are quitting jobs that they like:

1 Better Opportunities: 89 percent of millennials said they would stay with the same company for 10 or more years if just two criteria were met: opportunities for upward career mobility and a regular increase in compensation.

2 Relocation: 25 percent of millennials plan on making a geographical change in the next five years. If your company is local or regional, it will be hard to maintain that talent.

3 Return to School: 16 percent of millennials will go back to school to advance their careers. Companies should consider plans to provide flexibility for millennials who are pursuing higher education.

4 New Skills Development: It’s important to maintain an open dialogue and help millennials design a plan that best fits their talents. Managers should help them utilize the skills they possess and help them cultivate the skills they want to learn.

5 Change of Field: Perhaps the career the millennial selected wasn’t a good fit. It would then be best for the company and the employee if the employee pursued a role that better matched her unique combination of desired tasks and skill.

The most important talent management strategy for retention is communication—communication with all of your employees. Communicating openly and consistently will enable you to design a strategy that allows you to coordinate and develop career advancement plans for your employees that in turn allow them to feel successful and engaged in their roles.

REFERENCES
2Heraldextra.com, Neely, 2018, New study commissioned by Utah business looks at what millennials really want at work
3Gallup.com, Rigoni & Nelson, 2016, For Millennials, Is Job-Hopping Inevitable?
4Pew Research Center, Fry, 2017, Millennials aren’t job-hopping any faster than Generation X did
The need for leaders at all levels is one of the top critical issues facing all organizations, as identified in an executive survey by Deloitte University Press. This is certainly true in the real estate industry as companies are shifting their focus from being performance driven to relationship driven. Real estate professionals are spending less time in day-to-day operations and more time leading the people who manage properties.

This *Leadership Handbook for Real Estate Professionals* provides the blueprint for both individuals and organizations to develop and harness the leadership skills required for success in today’s economy.
CRT Labs (Center for REALTOR® Technology) has created a device—a little larger than a credit card—with incredible capabilities. The device provides real-time reports on the temperature, humidity, air pressure, light intensity, sound intensity, CO2 levels, VOC levels and even particulate matter. Rosetta Home connects to a slew of consumer products and platforms currently on the market, making automation a breeze.

[www.rosetta-home.org](http://www.rosetta-home.org)

---

Try a SMARTenna+ configuration. The amplified indoor antenna is a bit bulky, so you might have to mount it on the wall or have it sit on the table, but the device houses seven different virtual antennas inside, giving you a wider range of signals you could capture from up to 60 miles away. Pair it with Stream+ (a sister product) and gain multiple tuners, Android support and a free subscriptionless channel guide.

[www.channelmaster.com](http://www.channelmaster.com)

---

3D printers are here to stay, but their prices aren’t quite as accessible yet. Da Vinci Nano 3D is hoping to change that with a line of portable single-color 3D printers that only require a mobile app to run. The applications of printing a plastic part substitute become a much needed cheap reality.

Price: $229

[www.xyzprinting.com](http://www.xyzprinting.com)

---

Wouldn’t it be great if you could leave a restaurant as soon as you wanted after finishing your meal? Barclaycard is doing for the restaurant industry what Uber did for the taxi industry. Its Dine & Dash is a small device that sits atop each table and scans the table occupants’ phones upon arrival. The app charges for the meal and allows the guests to pre-arrange the
tipping scale and whether or not they’d like to split the bill. Barclaycard is testing Dine & Dash in London and hopes to bring the devices to market later this year.

05 / CertainTeed Bufftech® Brookline Fencing
Privacy for your tenants doesn’t have to mean industrial-looking fencing surrounding your properties. The new Bufftech Brookline range of vinyl horizontal privacy fencing from CertainTeed offers sturdy and stylish designs to keep curbside appeal high while keeping overly curious eyes out. Available in two textures, three colors and four multi-chromatic blends, Bufftech Brookline fencing is easily customizable to complement a variety of outdoor spaces. Made from PVC and reinforced with steel for extra support, this fencing is built to withstand harsh weather conditions. And the use of ColorLast™ fade protection means it’s able to look great even longer.

www.certainteed.com

06 / Pencil-In
Pencil-In gives your digits a break by enlisting the help of your iDevice camera to save data you need to hold onto. Capture an image of a business card; Pencil-In will pull the pertinent details from it and create a new contact for you. Capture a document containing schedule information (dates, times, details), and the app will pull it and drop it into your calendar. It also give you the option to manually edit whatever it pulls before you save the final entry.
Available on: iOS
Price: Free
ON THE ROAD

MAY
5/1-3
IREM Midwest Regional Meeting
Location: Indianapolis
Visitor(s): All officers, Denise Froemming

5/8-9
International Real Estate Management Conference
Location: Jersey City, N.J.
Visitor(s): Chip Watts, CPM

5/14-19
NAR Legislative Meetings & Trade Expo
Location: Washington
Visitor(s): All officers, Denise Froemming

5/22-25
IREM Japan Leadership Conference and Annual Meeting
Location: Kumamoto, Japan
Visitor(s): Don Wilkerson, CPM, Denise Froemming

5/29-31
IREM Canada Leadership Conference and REIC AGM
Location: Montreal
Visitor(s): All officers, Denise Froemming

JUNE
6/13-16
NAA Conference
Location: San Diego
Visitor(s): Denise Froemming

6/14
New Mexico Chapter Luncheon
Location: Albuquerque, NM
Visitor(s): Don Wilkerson, CPM

6/20-22
IREM Northeast Regional Meeting
Location: Boston
Visitor(s): All officers, Denise Froemming

6/23-26
BOMA Annual Conference & Expo
Location: San Antonio
Visitor(s): Denise Froemming

AD INDEX

<table>
<thead>
<tr>
<th>ADvertiser</th>
<th>Website</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAM</td>
<td><a href="http://www.CHAM.us">www.CHAM.us</a></td>
<td>45</td>
</tr>
<tr>
<td>EZ Checks</td>
<td><a href="http://www.ezchecks.biz">www.ezchecks.biz</a></td>
<td>45</td>
</tr>
<tr>
<td>IREM Global Summit</td>
<td><a href="http://www.irem.org/GlobalSummit">www.irem.org/GlobalSummit</a></td>
<td>31</td>
</tr>
<tr>
<td>IREM Leadership Handbook for Real Estate Professionals</td>
<td><a href="http://www.irembooks.com">www.irembooks.com</a></td>
<td>45</td>
</tr>
<tr>
<td>IREM REME Awards Call for Entries</td>
<td><a href="http://www.irem.org/REME">www.irem.org/REME</a></td>
<td>18</td>
</tr>
<tr>
<td>Salsbury Industries/ Mailboxes.com</td>
<td><a href="http://www.mailboxes.com">www.mailboxes.com</a></td>
<td>48</td>
</tr>
<tr>
<td>Yardi</td>
<td><a href="http://www.yardibreeze.com">www.yardibreeze.com</a></td>
<td></td>
</tr>
</tbody>
</table>

Mailboxes.com
1-800-624-5269
Call us for a free quote or catalog!
The Awards Committee of the IREM Foundation solicits and encourages nominations for its Professional Recognition Awards—each of which celebrates superior individuals who make valuable contributions and show extraordinary dedication to the real estate management industry and, in so doing, enhance the stature of the profession. The purpose of these awards is to publicize, motivate, encourage and suggest role models for real estate management professionals and the industry.

Submit a ballot today! Information about the process can be found online at www.iremfoundation.org. You may also email foundation@irem.org with any questions you have. Your ballot submission activates the nomination process, which helps us identify the next recipient of the following awards:

**J. WALLACE PALETOU AWARD** — for significant contributions to the real estate management industry

**LOUISE L. AND Y.T. LUM AWARD** — for distinguished contributions to the real estate management profession through education, publishing or the advancement of professional and ethical standards

**LLOYD D. HANFORD SR. DISTINGUISHED INSTRUCTOR AWARD** — for outstanding contributions to the profession by serving as an IREM Instructor

**HOW TO APPLY:**

Nominees for the awards have to be nominated by a CPM in good standing with IREM.

Nominators must submit a Nomination Ballot to the IREM Foundation.

Nominees will be notified by the IREM Foundation of their nominations and will be asked to submit nomination forms by June 1.

Selected recipients will be presented with their awards during IREM’s Global Summit in Ft. Lauderdale, Florida, in September.

- **2017 AWARD RECIPIENTS FROM LEFT TO RIGHT**
  - Louise L. and Y.T. Lum Award Recipient Gregory Cerbana, accepting on behalf of Recipient W. Dean Weidner (not pictured)
  - J. Wallace Paletou Award Recipient Michael B. Simmons, CPM
  - Lloyd D. Hanford, Sr., Distinguished Instructor Award Recipient Larry R. Johnson, CPM
  - Lloyd D. Hanford, Sr., Distinguished Instructor Award Recipient Eric B. Storey, CPM
  - J. Wallace Paletou Award Recipient Guoqiang Pan, CPM
CAREER MOVES

Lisa Hale-Meindl, CPM, ARM, was promoted to vice president of operations at EdR, AMO. Lisa has been with EdR since 2003 and prior to her promotion served as a senior regional director.

Denver-based Pinnacle, AMO, has promoted Amy Cooley, CPM, to vice president. In her new role, Cooley is putting special focus on employee development, launching several local programs to boost recognition and foster mentorship.

Melody Federico, CPM, has been appointed Executive Director of the HOMECorp Board of Trustees. Based in Montclair, N.J., HOMECorp creates and maintains housing that preserves economic diversity, ignites community revitalization and fosters financial empowerment. Federico also serves as Treasurer for IREM’s New Jersey Chapter.

Ayre & Oxford, AMO, based in Edmonton, Alberta, has recently promoted several IREM Members to new positions. Rose Evans, CPM, ARM, is now the company’s president; Robyn Brown, CPM, ARM, has moved into the position of vice president, focusing on condominiums and commercial property; Paul Jones, CPM, has also been promoted to vice president, but with an emphasis on residential client support and new business marketing strategies; and Liz Gray, ARM is now a senior property manager, focusing on residential staff and site support.

AWARDS & RECOGNITION

For the fifth straight year, the Florida Community Association Journal (FLCAJ) Reader’s Choice Awards has named Sentry Management, AMO, its Platinum Level winner in the Best Homeowners Association Management Company category. This means that Sentry, based in Orlando, has won top honors in their category since the awards program began.

IN MEMORIAM

Member R. Bruce Campbell, CPM, passed away March 18, 2018, at his home in Homeland, Md. Campbell had been a CPM for almost 50 years; he shared his passion for teaching with IREM Members by serving on its faculty and became the recipient of IREM’s Lloyd D. Hanford Sr. Distinguished Faculty Award in 1991.

CORRECTION: Dean Holmes, who recently joined Quad-Real Property Group, was incorrectly identified as a CPM in the Mar/Apr issue of JPM®. He is a CPM Candidate. We apologize for the error.
AMO FIRMS & SUSTAINABLE PROPERTIES

NEBRASKA
Kevin P. McKeon, CPM, Omaha

NEVADA
Sunshine L. Bono, CPM, Las Vegas
Robert E. Perkins, CPM, Las Vegas
Lindsey M. Juriaan, CPM, Reno

NEW YORK
Keith A. Flores, CPM, ARM, Albany
Orisha R. Lampkin, CPM, ARM, Brooklyn
Jeffrey A. Uvezian, CPM, Locust Valley
Stephen C. Giambrone, CPM, Staten Island
Jacqueline Shafer, CPM, Troy

NORTH CAROLINA
Stephanie H. Hovis, CPM, Charlotte
Douglas J. Little, CPM, ARM, Charlotte
Renae D. Miller, CPM, ARM, Charlotte
Brittany L. Krahe, CPM, Raleigh
Adriana S. Balan, CPM, Waxhaw
Gale Wallace, CPM, Wilmington

OHIO
Emily S. Dennis, CPM, Euclid

TENNESSEE
Adelyn G. Ortlieb, CPM, Nashville

TEXAS
Brian D. Harris, CPM, San Antonio
Madelyn J. Lane, CPM, ARM, San Antonio
Adam Lynd, CPM, San Antonio
Warren LeGrow, CPM, Dallas
Olivia V. Loudis, CPM, Dallas
Linda Malone, CPM, Houston
Janice Walker, CPM, Houston
Jessica Jordan, CPM, Richmond
Dusty McGuire, CPM, Round Rock
Laura K. Ngole, CPM, Rowlett
William M. Cole, CPM, The Woodlands

VIRGINIA
Stephen Kurtz, CPM, Arlington
Mary Shriver, CPM, ARM, Charlottesville
Mary Catherine M. Johns, CPM, Reston
Andrew J. Patacca, CPM, Richmond
Jessica R. Braden, CPM, Roanoke
Melody M. Almonte, CPM, Virginia Beach

WASHINGTON
Kelly Zarling, CPM, Issaquah
Wesley Jones, CPM, Seattle

WISCONSIN
Ben Krautkramer, CPM, Marathon
Alexander J. Brackman, CPM, Wauwatosa

CANADA
Stacy Elliott, CPM, Edmonton, Alberta
Sarah Hughes, CPM, ACoM, Toronto, Ontario
Amanda Loveless, CPM, ARM, Fort McMurray, Alberta
Gord Kinney, CPM, London, Ontario
Yolan M. Bowen, CPM, Toronto, Ontario
Charles Wyman, CPM, Yellowknife, Northwest Territories

REPUBLIC OF KOREA
Seung Yoon Moon, CPM, Seoul

JAPAN
Daisuke Hashimoto, CPM, Aichi
Soichi Igami, CPM, Aichi
Kuniyoshi Ohta, CPM, Aichi
Nobuya Kitajima, CPM, Akita
Tomofumi Kuboshima, CPM, Chiba
Hajime Nishimura, CPM, Fukuoka
Shinsuke Toda, CPM, Fukuoka
Ikuo Sasamoto, CPM, Gifu
Masayuki Iwata, CPM, Hiroshima
Ryoichi Chiba, CPM, Hokkaido
Ryotaro Omi, CPM, Hokkaido
Nobuyuki Kumazawa, CPM, Kanagawa
Ken Ueno, CPM, Kanagawa
Daichi Noda, CPM, Kumamoto
Naoya Taniguchi, CPM, Kumamoto
Tetsuya Kouda, CPM, Osaka
Tomoya Yamaguchi, CPM, Osaka
Chizuru Harada, CPM, Saitama
Yusuke Hasegawa, CPM, Tokyo
Naoyuki Kambayashi, CPM, Tokyo
Hayato Mizushima, CPM, Tokyo
Tetsuya Obara, CPM, Tokyo
Souichi Yamanaka, CPM, Tokyo

NEW AMO FIRMS

ARIZONA
The Muller Company, AMO, Tempe

DISTRICT OF COLUMBIA
Capital Area Real Estate Services, LLC, AMO, Washington, D.C.

ILLINOIS
Garrison Group, Inc., AMO, Springfield

INDIANA
Wilkinson Asset Management, LLC, AMO, Bloomington

NORTH CAROLINA
AAIMS Property Management, Inc., AMO, Fayetteville

RHODE ISLAND
Peregrine Property Management LLC, AMO, Rumford

NEW CERTIFIED SUSTAINABLE PROPERTIES

CALIFORNIA
Amador Village Apartments, Hayward
Stanford Villa Apartment Homes, Palo Alto
Broadstone at Stanford Ranch, Rocklin
McKenzie at Natomas Park, Sacramento
Woodland Meadow, San Jose
MODELING SKILLS without a real understanding of value drivers isn’t very valuable. That’s why it’s difficult for some people to make the move from being an analyst to being a decision maker.

ASSET MANAGEMENT IS ALL ABOUT DECISION-MAKING.
You can only insist you’re dying for so long before you have to prove it.  
(p23)

“Sometimes the most daunting thing about fixing a problem like poor maintenance is admitting you have a problem and getting help.”  
(p30)

THE MOST IMPORTANT TALENT MANAGEMENT STRATEGY FOR RETENTION IS COMMUNICATION—

COMMUNICATION WITH ALL OF YOUR EMPLOYEES.  
(P44)
A refreshingly simple way to manage your properties.

Software built exclusively for small to mid-sized owners and managers.
See it for yourself at YardiBreeze.com | 800.866.1144