CUSHMAN &
WAKEFIELD

ASSET SERVICES insights

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Commercial Real Estate Insights and Trends

from Cushman & Wakefield's Asset Services Experts

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Editorial

Cushman & Wakefield continues to grow in size and in scale, but what remains consistent is our unwavering commitment to putting our clients first. We understand that one of the most important strategies we can bring to our investors and their portfolios is stability. Our Investor Services platform provides an advantage through cross-selling, offering owners comprehensive and tailored solutions for their real estate portfolios. In partnership with agency leasing, our management professionals act as the investor clients' ambassador every day in properties across the country, provide an outlet to garner market feedback and insight to drive future purchasing decisions, and work to ensure optimal financial results throughout the asset life cycle.

It is when we leverage our internal relationships, share knowledge, and ensure our clients always remain our number one priority that we effectively surround our clients with a comprehensive real estate solution that not only enhances the return on their investments, but opens the door for Cushman & Wakefield to mature existing client relationships.

This edition of Asset Services Insights offers thought leadership and trends from our real estate experts. The steady increase of Chinese real estate investment in the Bay Area, using energy retrofits as an investment tool, and the benefits of outsourcing management will all be addressed in this issue.

As Cushman & Wakefield, we have a solid road map for where we are currently and the key business drivers that will take us where we want to go. Let's work together to ensure enhanced cross-selling, strong employee and client retention, and superior service delivery so our Investor Services platform continues to be the first and right choice for our clients.

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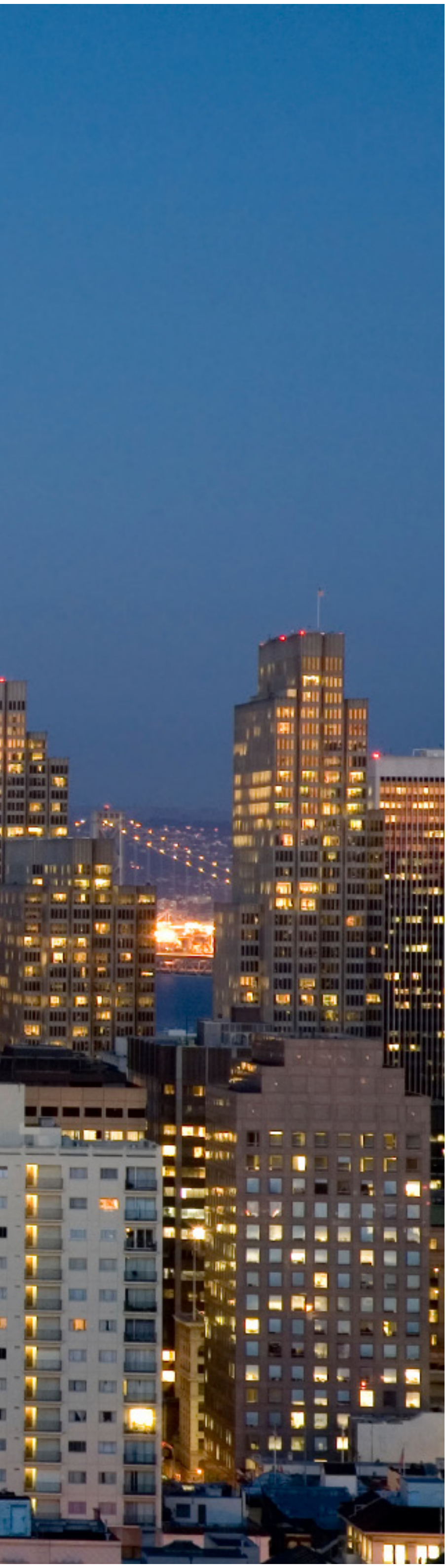
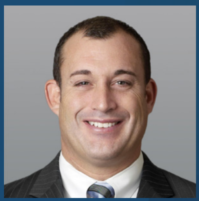


THE MUTUAL BENEFIT OF A POSITIVE **Broker/Property Manager Relationship**

Throughout my 20-year career in real estate management, I've noticed that the most successful property managers and agency leasing brokers have a mutual understanding and respect for each other's specific roles in the commercial real estate industry.



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A successful management team is composed of a property manager, an assistant property manager, a property administrator, and a maintenance technician. A truly effective property manager will always actively engage the leasing team. Many mutual benefits develop from this relationship, especially in circumstances where assets do not allow for dedicated, onsite personnel.

THE FOLLOWING CRUCIAL POINTS ARE WAYS TO DEVELOP ENGAGEMENT AND POSITIVE RELATIONSHIPS BETWEEN PROPERTY MANAGERS AND LEASING TEAMS.

Include both groups in property inspections and tours.

The benefit of another set of eyes can never be underestimated. Each individual looks at different aspects of a building, some of which may impact showings or property tours. Also, including brokers on this tour allows for the exchange of operational ideas on upcoming projects and an informal leasing update.

Provide current rent rolls on a regular basis and highlight lease expirations.

This simple step allows brokers to get ahead of renewals and to interact with tenants before they begin considering other alternatives.

Accompany the leasing team in important tenant meetings.

Periodically, the property manager may be silent, but other times, the property manager may provide valuable insight and clarification to building-related questions during these meetings. In addition, the property manager's presence shows the tenant that we are approaching the overall management of the property as an inclusive team.

Include brokers in budget discussions.

The broker is ultimately responsible for completing deals. A skilled broker is familiar with market expense comps, and their input can help the property manager determine whether cuts should be made or scopes should be adjusted. The inclusion of the broker in budget discussions allows the property manager to present the reasoning for major expenses and/or increases, thus preparing the broker with adequate information if he or she should be questioned by a potential tenant.

Develop a rapport between agency leasing and property management teams.

By sharing informal visits or going to lunch, we can all better learn and understand the specific roles within our industry and successfully assist one another.

Share a monthly executive summary.

By sharing this report, the property manager is providing the broker with a brief overview of the important activities at the property throughout the month. Sharing the executive summary allows the broker to be well-versed on all aspects of property operations in advance of speaking with the asset manager.

THESE ESSENTIAL POINTS LEAD TO ONE KEY ELEMENT: COMMUNICATION.
IF BROKERS AND PROPERTY MANAGERS DEVELOP A POSITIVE RELATIONSHIP, THIS WILL LEVERAGE A WHOLESOME, EFFECTIVE PROPERTY MANAGEMENT TEAM THAT THRIVES WITH OUR CLIENTS IN MIND.

THE BENEFITS OF

THIRD-PARTY MANAGEMENT

Should your investor client consider outsourcing the management of their real estate assets?

In today's competitive real estate market, building management is more than just daily operations and maintenance. Building professionals are customer service representatives, accountants, lease administrators, IT coordinators, HR departments, mechanics, engineers, and project managers. Given the complexity, every investor of real estate eventually wonders whether outsourcing management of their assets is a smart business decision.

The answer depends on each organization's resources, capabilities, and goals for their portfolio and overall business. The following questions may help you determine whether your client should consider outsourcing the management of their assets to a real estate services firm such as Cushman & Wakefield.

Is your client interested in saving on costs?

Outsourcing eliminates owner costs related to specialized services including human resources, accounting, and engineering operations. Through Cushman & Wakefield, owners and investors have access to:

- A robust suite of in-house services
- A global procurement platform with preferred supply, construction, and other vendor relationships
- Technology critical to efficient building operations, all of which allow for capital investment in other areas of the business

How important is the quality of the people to your client?

Every owner wants the most qualified people to oversee their assets, but finding and retaining those individuals can be challenging. Property management leaders associate themselves with industry-leading property management firms that devote considerable resources to the training and career development of their management professionals, ensuring consistency in performance, safety, and processes.

Is managing properties diverting resources from your client's core competencies?

Successful owners and investors focus on raising capital, identifying business opportunities, managing funds, and delivering returns. Outsourcing property management to Cushman & Wakefield minimizes any resource allocation not associated with these core competencies—and peace of mind is guaranteed because the processes, policies, and activities performed conform to a program tailored to a specific asset/portfolio, its tenants, and the owner's best interests.

Do your client's staffing needs fluctuate?

Cushman & Wakefield has the ability to re-deploy professional resources to offer partial or fully dedicated staffing based on each client's unique situation. We recognize that the decision to acquire or sell a property can be independent of the property staffing dilemma, so upon sale of a property, the management agreement automatically terminates with no wind-down costs incurred.

Is your client concerned about risk management and mitigation?

Management and mitigation of the risks involved in owning property can be stressful. Cushman & Wakefield has a library of best practices and similar experience to proactively solve for a multitude of property issues. Should the need arise, we can also activate in-house resources devoted to transitions and quality control, client accounting, crisis management, and law to manage the details of a complex challenge.

Is your client well educated about quality control?

Hiring a third-party manager maximizes quality control. Access to best practices across a multitude of functions, critical industry benchmarks (BOMA EER and IREM Income/Expense Analysis), tenant satisfaction measurements (Kingsley Associates surveys), SOC 1 compliant internal controls, and additional resources dedicated to transitions and quality control, lease provision and abstraction management, operating expense reconciliations, certificates of insurance, and random onsite compliance audits allows Cushman & Wakefield to ensure best-in-class service delivery and compliance.

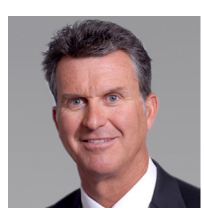
Does your client want to maximize the tenant experience at their properties?

Cushman & Wakefield's Asset Services team acts as the owner clients' ambassadors all day, every day in properties worldwide. Therefore, every property, client, and tenant benefits from the lessons learned and best practices developed from a combination of scale and local market knowledge.

For corporate, institutional, and private commercial real estate investors seeking additional luxury, Cushman & Wakefield also offers Private Label solutions, which align our platform with a client's brand and mission.

Is your client as informed about commercial real estate as they should be?

Information is critically important to efficient building operations, cost control, tenant services, and maximum portfolio value. Cushman & Wakefield allocates significant resources to the collection and analysis of data pertinent to service performance. Clients benefit from this knowledge of market environment, trends, functional innovation, and technology implementation, among other information.



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THE BAY AREA

"THE SAN FRANCISCO BAY AREA IS ONE OF THE MOST DYNAMIC AND COMPLICATED COMMERCIAL REAL ESTATE MARKETS IN THE COUNTRY,"

says Sandra Boyle, Senior Managing Director of Asset Services in Northern California. "Technology, finance, and tourism are the key components of the economy, all supported by a highly educated workforce, diverse industries, population, and architecture which continue to attract investment and CRE expansion, and keep our business very interesting."

BAY AREA SNAPSHOT

Northern California's Bay Area encompasses the cities and metropolitan areas of San Francisco, Silicon Valley/San Jose, and Oakland, along with smaller urban and rural areas. It's home to some of the world's finest wine country, waterfront towns, and dramatic beaches, as well as world-leading innovation and industry. Drive the Bay Area loop and you'll experience lively cities, Napa and Sonoma, the techy zeitgeist of Silicon Valley, some of the best restaurants in the country, towering redwoods, rugged coastal hills, lush agricultural regions, and inland waterways. Well-known professional sports teams entertain Bay Area residents including the San Francisco Giants and the Oakland A's (baseball), the Golden State Warriors and the Sacramento Kings (basketball), the San Jose Sharks (ice hockey), and the San Francisco 49ers and Oakland Raiders (football).

Approximately 8.7 million people call the nine-county region home, an increase of 6.6% since 2010. The Bay Area is the second-largest region by population in California, after the Greater Los Angeles area. It is expected to remain one of the fastest-growing regions in the U.S. over the next decade, thanks to the plethora of jobs as well as the abundant natural attractions and the benefits of urban living.

BAY AREA ECONOMY AND EMPLOYMENT

The San Francisco Bay Area is a magnet for professionals, with strong employment growth over the last 26 quarters. In recent months, Bay Area job growth has begun to flatten, but this is following several years of staggering employment gains, and this metric remains at historical highs. With a total labor force surpassing 4.1 million, the Bay Area employs more than 3.9 million of its residents; its unemployment rate in 2Q 2016 matched last year's rate of 4.2%. The national average is 4.9%. Many companies continue to expand business across the region.

Professional and business services employ the most people in the Bay Area, followed by educational and health services, government jobs, leisure and hospitality, retail trade, and computer and electronics manufacturing. New opportunities in the tech field include robotics, virtual reality, and driverless cars.

> "Research and development as well as life sciences are critical to the Bay Area economy, and require specific real estate expertise, which Cushman & Wakefield provides," said Sandra.

The Bay Area real estate market, fueled by new development and innovative tenant build-outs, requires specific real estate professionals who truly understand asset management and the tools it takes to underwrite new projects as well as operate buildings with critical infrastructures and complicated tenant use.

ECONOMIC CHALLENGES

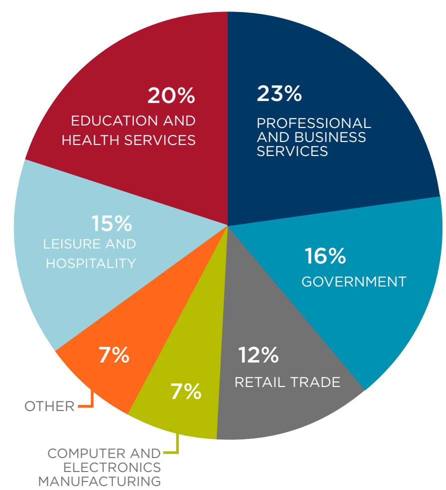
Even with all of the Bay Area's assets, it's important to note that three primary issues will impact future growth if not proactively addressed.

COST OF LIVING/HOUSING: A fast-growing population, regulatory issues, scarcity and cost of land, and high construction costs add up to a shortage of housing. A pipeline of 23,000 multi-family housing units are now under construction, with another 81,000 proposed, but the new supply will still not meet anticipated demand.

MASS TRANSIT WOES: The area's highways are at overcapacity. People rely on buses, subways, ferries, or the light rail system to get around—as well as planes, bikes, cars, and carpooling—however, the area's rail and bus options are not completely integrated, and are overwhelmed. Expansions and a high-speed light rail are proposed, but are yet to become reality.

HOMELESSNESS: The Bay Area, and San Francisco in particular, has a homeless epidemic with no clear-cut solution, although multiple public and private resources have been trying to find one for decades. This is a subject of discussion for everyone in the Bay Area, from executives in board rooms to tech workers to tourists.

ECONOMIC DIVERSITY



OTHER: *construction; financial activities; information; wholesale trade, other services; transportation, wholesale, and utilities; durable and nondurable goods; mining and logging.*

EDUCATION

Most people are familiar with Stanford, University of California-Berkeley, University of California-San Francisco, Santa Clara, and University of California-Davis, but there nearly 100 other options for students. The Bay Area offers private and public institutions, research universities, and liberal arts colleges. Schools work hard to compete for the brightest high school students—and keeping them in-state later creates a brainy workforce for area companies.

According to the 2015 census, 42.4% of Bay Area residents have Bachelor's or graduate degrees. In San Francisco, 53% hold Bachelor's or graduate degrees. With more than 7,000 college-degree-holders per square mile, San Francisco has the densest clusters of educated workers in the entire U.S.

Note: Any local will tell you that "The Big Game"—a battle between UC-Berkley's Golden Bear mascot and the "tree" from the "Farm" at Stanford creates a fierce rivalry.

BAY AREA REAL ESTATE

Cushman & Wakefield employs more than 800 professionals in the Bay Area including more than 350 brokers in 15 offices. In 2016, local business journals ranked Cushman & Wakefield as the Top Commercial Real Estate Brokerage Firm in San Francisco and Silicon Valley, and Top 3 in the East Bay, Peninsula, Sacramento, and North Bay markets. According to CoStar, Cushman & Wakefield leased more square footage Bay Area-wide in 2015 than any other firm. In 2015, Cushman & Wakefield had more than $11.7 billion in transaction volume. Cushman & Wakefield's Asset Services team ranked No. 2 in the Bay Area with 49.5 million square feet (msf) of assets under management—46.5% industrial and 46% office.

ASSET SERVICES

The Bay Area remains near the top of investors' wish lists—Silicon Valley/East Bay and San Francisco/Peninsula were among the top 10 markets in the US in 2Q, with $5.54 billion total sales. Office accounted for 55% of the total investment activity ($3.04 billion), followed by multifamily ($1.08 billion) and retail ($290 million).
Asset management clients in the Bay Area are open to change in the workplace including added amenity space in lobbies and buildings to compete with the new construction, and pop-up retail or food carts to enhance the tenant experience.

A trending challenge for owners is to contend with higher density occupancy, in some cases down to 100 square feet (sf) per FTE. More people generate higher expenses including janitorial, elevators, accommodation of bicycles, 24/7 ingress and egress to the building, security, and more HVAC use.

"If tenants are happy and healthy in their buildings, these buildings remain well-leased and asset values are enhanced over time. Asset Services is rightfully proud of our reputation for incredible service to our tenants in Northern California, and of our resulting, enviable market position," said JD Lumpkin, Executive Managing Director, San Francisco Market Leader.

OFFICE

Seven distinct office markets comprise a total office inventory of 260.1 msf. The largest of these is San Francisco County, at 77.2 msf, with Santa Clara County (Silicon Valley) not far behind with 70.5 msf.

The Bay Area office market slowed over the first half of the year but that is coming off several years of record expansion. In the first half of 2016, leasing activity totaled 12.2 msf, down from 17.6 msf in the first half of 2015. Technology firms still drive leasing, with the top four deals of 2Q including Qualcomm (380,000 sf in San Jose), Fitbit (306,000 sf in San Francisco), Lyft (206,000 sf in San Francisco), and Stripe (102,000 sf in San Francisco). The three San Francisco transactions were subleases—generally fully built-out space with very little capital expenditure needed. Sublease availability has climbed sharply over the past two quarters, but quality space has been moving quickly.

Expect Bay Area office activity to expand for the next 12-18 months, but at a more measured pace.

BAY AREA: **BY THE NUMBERS**

THE OFFICE

800
employees

$11.7B
2015 transaction volume

ASSET SERVICES

184
professionals

49M
square feet managed

$15.5M
revenue

CAPITAL MARKETS

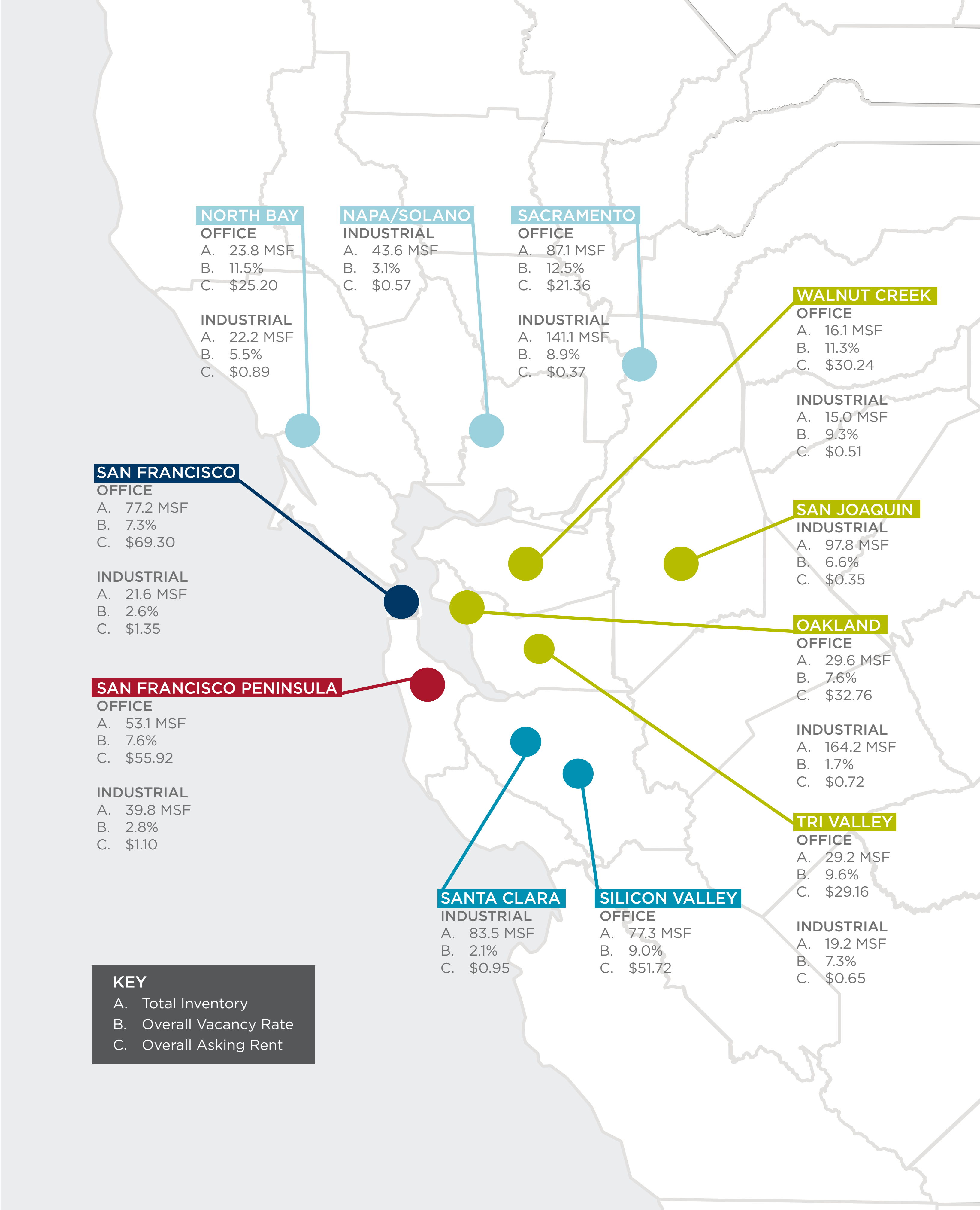
$36.6M
revenue

LEASING

$203M
revenue

PROJECT MANAGEMENT

$6.6M
projects managed



NORTH BAY
OFFICE
A. 23.8 MSF
B. 11.5%
C. $25.20
INDUSTRIAL
A. 22.2 MSF
B. 5.5%
C. $0.89
NAPA/SOLANO
INDUSTRIAL
A. 43.6 MSF
B. 3.1%
C. $0.57
SACRAMENTO
OFFICE
A. 87.1 MSF
B. 12.5%
C. $21.36
INDUSTRIAL
A. 141.1 MSF
B. 8.9%
C. $0.37
WALNUT CREEK
OFFICE
A. 16.1 MSF
B. 11.3%
C. $30.24
INDUSTRIAL
A. 15.0 MSF
B. 9.3%
C. $0.51
SAN FRANCISCO
OFFICE
A. 77.2 MSF
B. 7.3%
C. $69.30
INDUSTRIAL
A. 21.6 MSF
B. 2.6%
C. $1.35
SAN JOAQUIN
INDUSTRIAL
A. 97.8 MSF
B. 6.6%
C. $0.35
OAKLAND
OFFICE
A. 29.6 MSF
B. 7.6%
C. $32.76
INDUSTRIAL
A. 164.2 MSF
B. 1.7%
C. $0.72
SAN FRANCISCO PENINSULA
OFFICE
A. 53.1 MSF
B. 7.6%
C. $55.92
INDUSTRIAL
A. 39.8 MSF
B. 2.8%
C. $1.10
TRI VALLEY
OFFICE
A. 29.2 MSF
B. 9.6%
C. $29.16
INDUSTRIAL
A. 19.2 MSF
B. 7.3%
C. $0.65
SANTA CLARA
INDUSTRIAL
A. 83.5 MSF
B. 2.1%
C. $0.95
SILICON VALLEY
OFFICE
A. 77.3 MSF
B. 9.0%
C. $51.72
KEY
A. Total Inventory
B. Overall Vacancy Rate
C. Overall Asking Rent

INDUSTRIAL

Bay Area industrial real estate includes small production, distribution, and repair facilities in San Francisco to massive warehouses for eCommerce and logistics users in the East Bay and beyond. The region comprises nine distinct markets with 507 msf of inventory. The largest markets are East Bay Oakland (164 msf), San Joaquin (98 msf), and Santa Clara County (Silicon Valley) (84 msf).

Many major 2Q leases were signed for new construction or yet-to-be constructed buildings. The largest deal was Tesla (1.003 msf) in the East Bay Pleasanton submarket of Livermore. In San Joaquin, Amazon took 1.001 msf in Tracy, and UPS signed for 746,000 sf in Lathrop. In the southern East Bay Oakland market, two major leases were signed as well—Living Spaces took 354,000 sf in a building now under construction in Fremont, while FedEx renewed for its 320,000 sf in Newark.

RETAIL

In the Bay Area, you'll find retail catering to every taste and budget. Urban streets of San Francisco, lifestyle centers featuring shopping and entertainment in San Jose and Walnut Creek, as well as malls and strip centers throughout offering consumers myriad choices in shopping, food, and entertainment. Real estate metrics reflect this diversity, as well as that of the local Bay Area economies.

For San Francisco investors, Cushman & Wakefield is currently managing about 2.9 msf, and working toward more. We recently signed three property management agreements in San Francisco totaling 650,000 sf of Union Square retail, including 6x6, the Phelan Building, and the Tiffany Building.

SAN FRANCISCO RETAIL SNAPSHOT: Flagship store openings, expansions, and relocations have kept this market busy. Millennial consumers are driving demand for more activity-centric bars/restaurants, for example SPIN, which features a bar, restaurant, and ping pong social club. Union Square is a great example of a "high street" location, offering a variety of retail brands from mid-level to luxury, and average asking rent, still rising, now stands at $685 psf. In 2Q, the vacancy rate for high street retail San Francisco was 2.7%. The non-high street retail (shopping center) vacancy rate for San Francisco, San Mateo County, and North Bay was 4.3%. Of the roughly 40.5 msf of shopping center inventory tracked, roughly 1.7 msf of space was available at the end of 2Q, but most of that space was Class B or C product. The shopping center average asking rent for this region as of 2Q was $21.28 psf on a triple net basis.

EAST BAY SNAPSHOT: Shopping center vacancy in the East Bay region stood at 5.8% for the 51.5 msf of inventory at the end of 2Q. Recent occupancy growth has been driven by development, with new projects accounting for much of the growth. Average asking rent was $24.04 psf on a triple net basis. The East Bay is also notable for having the

area's largest inventory of both power and regional centers, which are defined by properties of at least 300,000 sf, along with lifestyle centers.

SILICON VALLEY SNAPSHOT: In 2Q, shopping center vacancy was 5.5%. Much of the 2.1 msf of space available, out of 37.3 msf, was in Class B or C projects. Average asking rent in 2Q was $29.04 psf on triple net basis. We are tracking 651,000 sf of retail under construction in Silicon Valley, the largest project being Almaden Ranch, a 350,000-sf shopping center development in south San Jose, anchored by Bass Pro Shops.

"The last six years have generated remarkable growth in the Bay Area and throughout Northern California. Tech companies, historically concentrated in Silicon Valley, are now the primary drivers of growth in every submarket and certainly in San Francisco. While this growth has created stresses and strains, it has also generated unprecedented employment and income gains," said Mike Kamm, Market Leader, Northwest Region.

> "Unlike past tech booms, this one is different in that tech can no longer be narrowly defined. Rather it has become embedded into virtually all industries and segments of society, and as a result, all of these industries want to have some sort of presence in the Bay Area today and into the future," said Mike.

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chinese investment in the bay are

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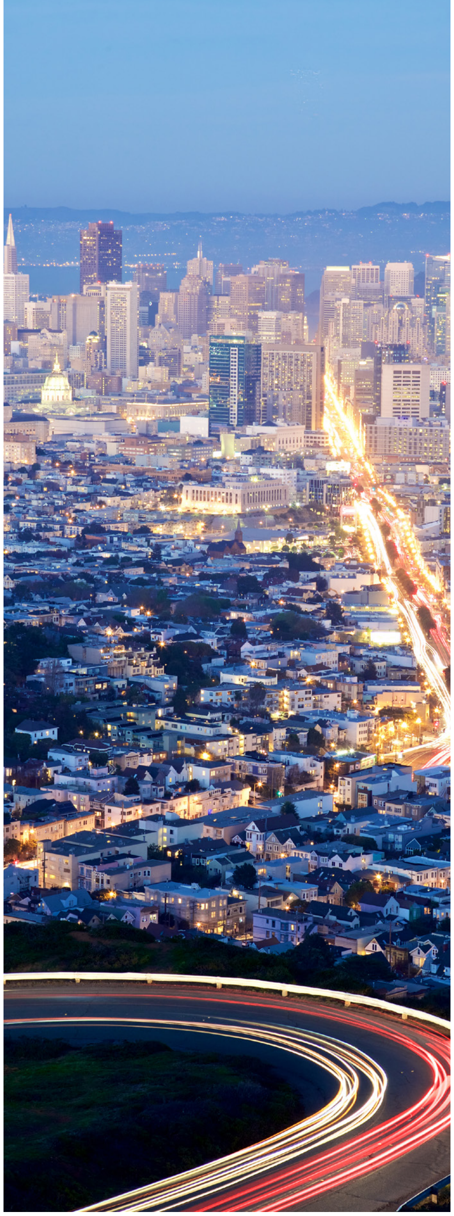
Fostered by a century and a half of interaction, China and Northern California's Bay Area have deep economic and cultural ties.

From the 1850s to 1900s, San Francisco's Chinatown was the port of entry for early Chinese immigrants from the Guangdong Province of Southern China. Fast forward to 2012, and 21.4% of the population in San Francisco was of Chinese descent—the highest percentage of any major U.S. city.

It's not surprising that in 2016, familiarity, as well as solid economic fundamentals, makes the Bay Area an attractive place for Chinese individuals and companies to invest their capital. Inbound Chinese real estate investment has increased from 2014 to the present. A Real Capital Analytics study shows that $471 billion has been invested in the U.S. in the last four quarters, and $91 billion of that in California. The built office environment has been the largest growth area, but development opportunities are garnering interest because of the perceived higher return from the low cap rates paid for the existing office product.

Chinese investor dollars are fueling the growth of San Francisco, the Peninsula, Silicon Valley, and East Bay, and are also precipitating the California housing bubble—35% of all residential real estate in California is acquired by overseas Chinese investors, $22 billion in the year ending 2014.



building relationships

With their high level of involvement in the local economy, building relationships with Chinese investors is a Cushman & Wakefield priority in the Bay Area. The Asset Services team has diligently pursued these relationships—from understanding the intricacies of Chinese culture and business practice to eliminating language barriers in our communication and presentations to these potential clients.

We have spearheaded a platform in San Francisco to share best practices—since 2013, our team has been pitching and winning business using a custom marketing approach, participating in symposiums, and consulting with our Chinese investors about how we can better serve them. In addition, the Bay Area recently hired Xinyi McKinny, fluent in Mandarin and English, as Senior Managing Director, China Direct Investment, further signaling our firm's commitment to this client sector. She also works with the Greater Los Angeles team.

Cushman & Wakefield in the Bay Area has been very active and supportive of both ChinaSF and AsiaSF, two initiatives of the San Francisco Center for Economic Development Department sanctioned by Mayor Ed Lee. We have coordinated with these organizations to deliver quarterly market updates to investors; served as keynote speakers for events such as the ContinuumSF 2016 Innovation and Credit Conference (which targeted the Chinese and Asian investment community); and sponsored events. In September of this year, our team embarked on a one-week road show to Beijing, Shanghai, and Shenzhen to provide market knowledge to Greenland, Kylii, Oceanwide, HNA, and 100 other major companies with an inbound U.S. investment strategy specific to the Bay Area.

asset services strategy

When we work with Chinese clients, we align early in the process with their teams, which gives us an opening to introduce the full suite of investor services Cushman & Wakefield offers: Valuation & Advisory, Marketing, Leasing, Project & Development Services, and Asset Services. For one recent Class-A development, we provided due diligence including site inspections, budgeting, lease review, and financial reviews. We've provided 10-year cash flow assumptions and an Argus run, and coordinated outside consulting teams including structural professionals and environmental consultants.

We've learned that working under consulting agreements has been a successful model to promote ongoing business. A great example of success with Chinese investor clients is the work with Oceanwide Holdings, which has a development project that will become San Francisco's premier mixed-use project. It is comprised of two towers and a retail podium, nearly 3 million square feet (msf). The office tower will be the second tallest building in San Francisco comprising 1.1 msf. The second tower will house the Waldorf Astoria hotel, and each of the towers will house a total of 265 residential condos. We have been under a consulting contract for 18 months aligning with architects, planners, contractors, and internal project management teams on the design development for the project.

helping our clients succeed

We explain to our Chinese investor clients that we are their partner through the market cycles to ensure sound asset management practices. We take a practical approach to cash flows, capital planning, and budgeting, which are practices very different in China. We also caution investors against aggressive pricing for development projects, utilizing our research department to forecast what rising vacancy and/or a drop in high-water mark rent structures will do to their returns. Analyzing a proforma at today's market rates and expense benchmarks can be risky in the built environment because of the fluctuation in the commercial real estate fundamentals.

More importantly, we also assist our clients with the burdensome interpretation of both California and San Francisco land-use regulations, building codes, LEED, and energy regulations that could affect their decisions on both development and operations. For example, we explain intricacies of Title 24 and the code that has increased our electrical costs by $17-$20 per square foot (sf) on retrofits or ground-up development. We explain the need for unisex restrooms, or how to meet or achieve zero net energy in commercial space by 2030 to meet an AB32 regulation.

a bright future

Our Bay Area real estate market is a magnet for international investors, which is a sign of confidence in our economy and our culture. Our international investors know their investments are going to meet or exceed their anticipated returns and that their capital will be safe for a long period of time.

Through our specialized platform at Cushman & Wakefield, including resources that help us better understand Chinese business, culture, and language, we are very well-prepared to capitalize on opportunities, and align with our international clients in a way that continues to create a robust and deep global pipeline of new business.

My personal experience with our Chinese community has been very rewarding. I invite you to follow my journey on WeChat.
To access WeChat, download the app on your smartphone. Type in code name SandraLee.

C&W SERVICES

Collaborative Service Delivery

TO MEET THE NEEDS OF OWNERS, TENANTS, AND THE PROPERTY MANAGERS WHO SERVE THEM

A 2015 Deloitte survey of 800 executives about post-M&A integration showed that less than 30% are successful in exceeding their synergy targets, while nearly one in five failed to meet them.[1] Teams from Asset Services and C&W Services are working hand-in-hand toward succeeding at an extraordinary synergy opportunity. The goal: working together to advise superior client service while working toward the capture of $275 million in services that are currently subcontracted to competitors of C&W Services.

C&W Services is an affiliate of Cushman & Wakefield that delivers janitorial, maintenance, and landscaping services to more than 600 clients across North America. With 14,000 employees, C&W Services has a 65-year history of service excellence, and its recurring revenue stream represents nearly a fifth of the firm's overall income. However, C&W Services is a new name in facilities services to many of Cushman & Wakefield's Asset Services clients.

"Over the past two months, we've worked closely with Afton Trail and Tim Michel to gain a better understanding of specific ways we can add value to property management teams," said Jeff Walters, Vice President, Facility Solutions & Support Hub for C&W Services. "We listened to hundreds of colleagues and came to understand that we need to focus on three areas of value add: driving tenant loyalty, creating owner satisfaction, and becoming an extension of the management team."

C&W Services recently undertook in-depth interviews and surveys to find out exactly what qualities drive customer satisfaction; and to ensure we meet those expectations. Feedback came from 149 property management colleagues, representing nearly 2,000 individual properties totaling more than 200 million square feet.

In answer to the question, "What drives improved tenant satisfaction and loyalty?", Cushman & Wakefield property managers ranked performance, proactive service quality, communication, and quality of team as the highest drivers of satisfaction.

"C&W Services has always focused on operational excellence in our specific areas of expertise—cleaning, maintenance, etc.," said Jeff. "But our interactions with so many property managers helped us widen our perspective to understand how to meet the unique requirements of three key constituents in any property: its owner, its tenants, and the property team."

As part of the interviews and surveys, property managers were asked to articulate the value proposition to these key groups.

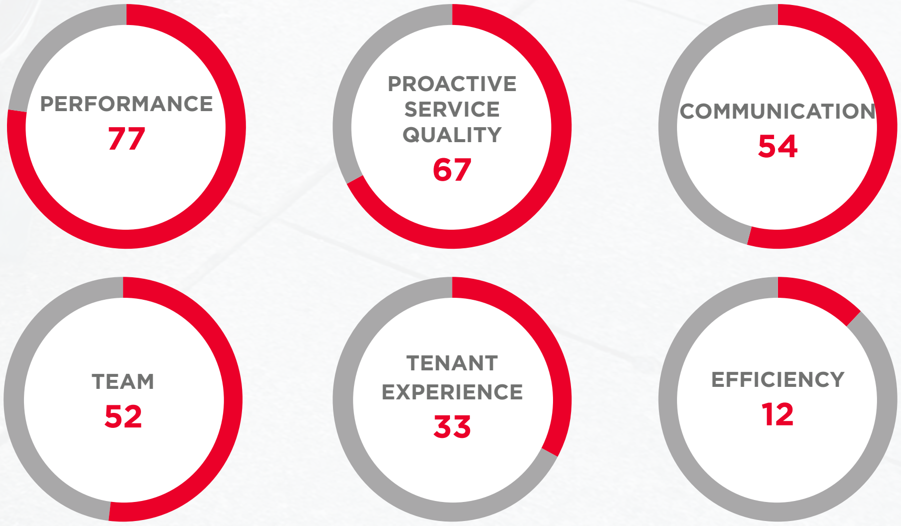
The overall feedback was very consistent, but various regions also proved to have specific priorities. For example, property managers in some markets identified the ability of a facilities services firm to support

> “***Our interactions with so many property managers*** helped us widen our perspective to ***understand how to meet the unique requirements of*** three key constituents in any property: ***its owner, its tenants, and the property team.***”
>
> Jeff Walters
> Vice President,
> Facility Solutions & Support Hub

sustainability programs as an additional high priority, while other regions highlighted the availability of skilled labor as a top concern.

The next step in the evolution of a collaborative model for appropriately addressing potential synergies is work between the regional operational leadership of Asset Services and C&W Services. Not only will we work together to develop more compelling RFP responses and better service delivery, but our ultimate goal is to create an extremely close-knit Cushman & Wakefield/C&W Services property team—one whose seamless operations can't be replicated by any other firm in the industry.

SURVEY RESULTS: WHAT DRIVES IMPROVED TENANT SATISFACTION AND LOYALTY?



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1. https://www2.deloitte.com/us/en/pages/mergers-and-acquisitions/articles/integration-report-2015.html


BUILD
FITNE

DING ESS:

Where you work is getting **smarter** and **healthier.**

From self-driving cars to Fitbits, the world around us is getting smarter and healthier. Commercial buildings can be an integral part of this trend. Cushman & Wakefield's Sustainability Services team has been a leader in enabling smart and healthy buildings since 2009; today, we can help you embrace the latest trends in technology and wellness.

BUILDINGS WITH A BRAIN

What does it mean for a building to be smart? According to the World Resources Institute, "It is not enough for a building to simply contain the systems that provide comfort, light, and safety. Buildings of the future must connect the various pieces in an integrated, dynamic, and functional way."[1] Smart buildings deliver many benefits, including energy cost savings, better tenant comfort, and enhanced marketability. Read on for details on the smart technologies that are already proven, on the cutting edge, and shaping the future.

ALREADY PROVEN

While innovators are designing futuristic new gadgets every day, certain smart building technologies are already proven and here to stay—with a few genius upgrades.

SUPER SENSORS

Sensors are smart devices that enable machine-to-machine communication to adjust building operations in response to real-time conditions. These ingenious time and money savers range from the humble thermostat to occupancy sensors and even sophisticated window-systems that react to changing daylight.

Recent advances in sensing and building technology bring more functionality and customization than ever before. For example, new smartphone-centric security solutions can automatically grant access when the system senses an authorized user nearby. No more forgotten, lost, or stolen keys and access fobs! Smart parking garages can enhance the parking experience as well as garage revenues. A major REIT executive recently said that most parking garages are "shockingly unsophisticated" after seeing a 12% to 15% rise in parking revenues from installing cameras and revenue control systems.[2]

ADVANCED ENERGY MONITORING

Gone are the days when a monthly energy bill was a building owner's only way of measuring energy use. Today, smart meters can provide energy data daily, hourly, or even in real-time. Intelligent energy monitoring is only half the story, however—human brains are still required to maximize building performance.

In a recent post for the Cushman & Wakefield blog, Asset Services East and West Region Engineering Leads, Lee Dunfee and Michael Turzanski, outlined the value proposition for smart energy monitoring.

> "HVAC systems make up, on average, half of a typical office building's total utility costs. Real-time data regarding system operations and energy consumption better equips building operators to make timely, informed decisions to reduce operating expenses."

Since implementing this advanced metering technology solution in 2009, Cushman & Wakefield's Engineering Operations platform has seen more than a 10% reduction in energy consumption across our managed portfolio.

Better data enables operations professionals to make better decisions. Nonetheless, even experienced operators can miss energy-saving opportunities. The Sustainability Services team's Advanced Building Optimization Service (ABOS) engages a "brain trust" of senior engineers to deliver no- and low-cost operational improvements based on building performance data. In one recent example, the ABOS process resulted in a 26% annual energy cost reduction—in a building that was already a top performer.

REMOTE COLLABORATION TOOLS

Nearly all organizations now use technology tools to enable remote collaboration. From instant messaging to video conferencing, these tools have revolutionized where work gets done. According to Cushman & Wakefield Global Chief Information Officer Adam Stanley, "The influx of tech-dependent Millennials into the workforce, combined with increasing pressure to streamline communication and access to information, has made inroads into the business practices of even old-school brokers and traditional owners and investors."

Collaboration tools, such as BlueJeans, are changing real estate markets. Many companies now lease less space than before as more employees work from home, and the rise of coworking has altered our vision of what a workspace looks like. Most surprisingly, these tools are driving occupancy from major markets to secondary and tertiary ones. In the recent article "The Case for Working in Silicon Valley and Living in the Rust Belt,"[3] Bloomberg reported young, educated tech workers are fleeing high-priced San Francisco to telework from more affordable cities like Detroit and Cleveland.

THE CUTTING EDGE

While some smart technologies are already in widespread use, others are just beginning to realize their potential. These cutting-edge smart building offerings are the next big thing.

VIRTUAL/AUGMENTED REALITY

If the only augmented reality application you've heard of is Pokémon GO, you're missing out on a major new trend in the commercial real estate industry. In fact, Adam Stanley recently named virtual/augmented reality (VR/AR) as the "next wave of commercial real estate technology." Don't know VR from AR?

Augmented Reality is when the visible natural world is overlaid with a layer of digital content. Virtual Reality places the user in another location entirely. Whether that location is computer-generated or captured by video, it entirely occludes the user's natural surroundings.

With Augmented Reality technologies like Magic Leap, virtual objects are integrated into, and responsive to, the natural world. A virtual ball under your desk, for example, would be blocked from view unless you bent down to take a look at it.

Virtual reality enables tenants and buyers to tour a space from anywhere in the world—even in a building that doesn't exist yet. Cushman & Wakefield is a leader in VR tours; most recently for Park Tower, a 16-story, Class-A office building in Costa Mesa, California. "You can only show so much through a photo," says Robert Lambert, a Director in Cushman & Wakefield's Irvine office.

Augmented reality also holds promise for commercial real estate applications. Imagine "painting" a raw space with interior architecture, finishes, and even furniture for a tenant tour. On the operational side, AR could drive significant efficiency improvements—building engineers could view maintenance and repair diagrams superimposed on the actual equipment.

CROWDSOURCING BUILDING OPERATIONS

A new app called Comfy aims to "turn every employee's smartphone into a 'remote control for the office.'"[4] It allows occupants who feel too warm or too cool to adjust a building's HVAC system using a smartphone app. Comfy connects directly to the building automation system and responds based on users' preferences and location. Over time, machine learning finds the optimal settings to keep everyone comfortable.

Cushman & Wakefield client Beacon Capital Partners (BCP) is currently piloting Comfy in two of its buildings. According to BCP Asset Manager Shane McLaughlin, Beacon chose to investigate Comfy for three main reasons: increasing energy savings (Comfy claims to reduce HVAC usage by 20%), enhancing marketability to technology companies, and improving building staff efficiency (Comfy claims to reduce hot and cold calls by over 90%).

SHAPING THE FUTURE

The current wave of technology innovations is already revolutionizing how we use and operate commercial buildings. Meanwhile, the next wave is on the horizon.

SELF-DRIVING CARS

Self-driving cars will have a profound effect on commercial real estate (among other things). The possible impacts of self-driving cars range from obvious to surprising. It's not a huge leap to recognize that fewer cars will mean smaller parking lots and garages for commercial buildings. A more indirect effect could be the revitalization of currently out-of-favor outer suburbs of major cities; long commutes are less painful when commuters can read, watch movies, or catch up on work instead of white-knuckling through traffic.

3D PRINTERS

The 3D printer has the potential to profoundly alter the commercial real estate industry, especially the landscape of retail and building construction.

Retail storefronts are being reimagined as immersive showrooms, where shoppers try out products to be shipped to their homes, by formerly web-only companies such as eyeglasses merchants Warby Parker.[5] In the future, retailers may use brick-and-mortar locations to showcase items that are downloaded and printed at home.

3D printers will also impact building construction. An Italian architect has invented a mega 3D printer known as D-Shape that "prints" concrete, cement, and other construction materials to fabricate entire buildings. D-Shape Enterprises partner Dan Bernard recently claimed that the printer could even use lunar rock to create structures on the moon![6] In addition to enabling construction in far-flung and forbidding locales, proponents claim 3D printing could reduce construction costs by 25% in less-exotic locations. D-Shape is currently testing its technology by printing a striking 2,400-square-foot home in upstate New York, complete with pool and carport.[7]

> "When (not if) self-driving cars become the norm, the need for personal vehicles will drop dramatically. There will be **PROFOUND CHANGES FOR FREIGHT DELIVERY, TRANSPORTATION NETWORKS, AUTO MANUFACTURES, DEALERS, AND CONSUMERS ALIKE.** Entire industries and employee labor sheds will be reshaped."
>
> -Ken Ashley, Broker, Cushman & Wakefield, Atlanta

BUILDINGS FOR THE BODY

At the same time buildings are getting brainier, they are also getting better for your body. Paralleling the trend of health and fitness in our overall culture, innovators are developing new ways to promote wellness in the workplace. Incorporating these advances can help investors draw tenants, and help organizations attract and retain the best talent.

WELL BUILDING CERTIFICATION

With big-name supporters like Leonardo DiCaprio and Deepak Chopra, the new WELL Building Standard is a science-based system for creating healthy commercial buildings. Like the Leadership in Energy and Environmental Design (LEED) rating system for environmental sustainability, WELL offers certification for commercial buildings and interiors. It focuses on seven elements of health that are affected by the indoor environment: Air, Water, Nourishment, Light, Fitness, Comfort, and Mind.

AIR

According to the International WELL Building Institute (IWBI), clean air is crucial to good health. Accordingly, the Air section calls for design and operational practices that promote good indoor air quality. Many of these practices are already embedded in local building codes and regulations across the United States. To achieve higher certification levels, WELL projects can choose to implement optional approaches intended to improve air quality.

WATER

Water makes up nearly two-thirds of our bodies, which means that having access to clean water is a must.[8] WELL's basic water requirements mirror regulations already in place to protect drinking water in the United States. Buildings in developing countries may need to take additional steps to meet these criteria. Optional credits are available for employing additional strategies to encourage occupants to stay hydrated.

NOURISHMENT

Nearly every day, we are bombarded with healthy-eating messages from a mind-boggling variety of sources. However, the food readily available in our buildings often doesn't measure up—just check your office vending machine. The WELL standard calls for lots of fruit and vegetable options, plus clear food labeling requirements.

LIGHT

Light affects the human body in profound ways. WELL's lighting specifications are designed to promote alertness, good digestion, and restorative sleep. The conditions are intended to harmonize workspace and ambient lighting with our bodies' daily rhythms, and maximize natural daylight.

FITNESS

The Fitness section of the WELL Standard intends, unsurprisingly, to encourage physical activity. Many of its components call for amenities already seen in many commercial buildings, such as onsite exercise facilities and proximity to parks. The unsung hero of the fitness world, however, is the stairwell. WELL's requirements turn building stairs into fitness equipment, using signs and lighting to invite occupants to climb.

COMFORT

Healthy buildings meet smart buildings in the WELL Comfort section, since thermal discomfort—feeling too hot or too cold—is a common complaint in commercial buildings. In addition to temperature preferences, the WELL Standard also addresses topics such as ergonomics, noise, and even unpleasant odors.

MIND

The WELL Standard states, "While mental and physical health are often conceptualized as separate domains, our minds and bodies are inextricably connected."[9] Therefore, the Mind category seeks to improve mood, decrease stress, and promote awareness as a key component of overall health and well-being. The requirements cover a wide range of design elements and activities, from indoor fountains to workspace privacy. As with the other categories, the Mind section includes criteria that many organizations already include in their policies, such as matching employee charitable donations.

GETTING STARTED WITH WELL

Many of WELL's requirements are already standard for good-quality buildings in the U.S., and there is an approximately 30% overlap with LEED requirements, which means that many buildings are already well-positioned to achieve certification. The Cushman & Wakefield Sustainability Services team currently has WELL projects under way and is happy to offer expertise to answer questions, support pitches, or manage the WELL certification process.

ACTIVE DESIGN

Active Design is an innovative set of design guidelines that encourage people to move in the workplace. "In today's winning workplaces, creating opportunities for physical activity and movement can have profound effects on office dynamics and company culture as well as health and well-being of the employees," says Cushman & Wakefield Senior Vice President Alex Spilger. He adds, "As companies compete to recruit and retain top tier talent, innovative active design features such as treadmill workstations and climbing walls, can highlight a firm's commitment to health and fitness, encourage social interaction, and bring a sense of fun and energy to the work place. Light physical activity also promotes blood flow that can aid in creativity and productivity, thus contributing to a company's bottom line."

As in the WELL Building Standard, Active Design principles encourage building occupants to use stairs rather than elevators to travel between floors. Another example of these design principles is to strategically place shared resources, such as cafeterias, copy rooms, and meeting spaces "a pleasant walking distance" from workspaces. These shared functions could even be distributed to every other floor rather than on every floor in a building, of course, this strategy only works if employees are able to use the stairwell! Finally, Active Design encourages thoughtful building programming, such as lobby-level retail, to encourage walking during the day.

READY TO GET SMART (AND HEALTHY)?

Synergies between the smart and healthy mean that a little investment can go a long way. The Cushman & Wakefield Sustainability Services team is available to help with a wide variety of building upgrade projects, including the Advanced Building Optimization Service, WELL certification, wellness program planning and implementation, and exploring automation tools such as Comfy, as well as recognition programs such as LEED and ENERGY STAR® certification. Contact us to get started!

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2. https://www.bisnow.com/washington-dc/news/property-management/where-vornado-and-bozzuto-execs-see-property-managements-next-big-tech-disruptions-62741
3. http://www.bloomberg.com/news/articles/2016-07-19/the-case-for-working-in-silicon-valley-and-living-in-the-rust-belt
4. https://comfyapp.com/
5. http://www.wsj.com/articles/warby-parker-adds-storefronts-to-its-sales-strategy-1416251866
6. https://www.bisnow.com/boston/news/technology/technology-taking-real-estate-to-new-places-62842?rt=22245
7. https://dshape.wordpress.com/2015/04/27/renderings-details-unveiled-for-extraordinary-3d-printed-home-in-new-york/
8. http://water.usgs.gov/edu/propertyyou.html
9. https://www.wellcertified.com/standard

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the **ABC**s of **MOB**s

(...and other healthcare assets)

ASC, OIG, TJC, FSED, LTACH... What do these mean?

Healthcare real estate is full of acronyms. Some describe the types of tenants you might find within a medical office building. Others abbreviate regulations or regulatory bodies, and some are shorthand for the assets themselves. If all these acronyms spell confusion (and possibly a headache), here's a primer to help you navigate the world of healthcare real estate.

MOB: Medical office building, one of the core types of healthcare real estate assets, generally found on or near hospital campuses, though proximity to a hospital campus is not a requirement. Medical office buildings house physician practices, imaging (x-rays, CT scans) as well as other diagnostic tools and additional healthcare services required by patients.

ASC: Ambulatory Surgery Centers can be found as tenants in MOBs or as stand-alone assets. These types of facilities are used for same-day surgeries and procedures such as colonoscopies and some orthopedic procedures. ASC tenants can include hospital departments, physician practices or joint ventures between the two and will include medical gases and anesthesiology capabilities.

UCC: Urgent Care Centers are popping up everywhere, including in traditional shopping centers. These centers provide care for non-emergent conditions, such as colds, flu, sprains, and fractures.

FSED: Free Standing Emergency Departments are essentially emergency rooms minus a hospital. These stand-alone ERs provide immediate care for life-threatening conditions and are licensed as emergency rooms. Patients are treated and stabilized in the FSED and then transported to the appropriate care facility for additional treatment or monitoring.

TJC: The Joint Commission, formerly known as the Joint Commission for the Accreditation of Hospital Organizations (JCAHO), is one of the primary regulatory bodies responsible for assuring that hospitals and healthcare systems meet legislative requirements for delivering care. TJC accreditation is comprehensive, and the agency's reviews extend to the facilities where care is delivered, including MOBs.

OIG: Office of the Inspector General (of the U.S. Department of Health and Human Services (DHHS), the agency that houses the Centers for Medicare and Medicaid (CMS)) includes the attorneys and legislative teams responsible for enforcing regulations associated with Medicare and Medicaid reimbursements, including assuring compliance with Anti-Kickback Statutes (AKS) and Stark legislation.

LTACH: Long-Term Acute Care Hospitals are licensed hospitals designed and staffed to provide (as the name suggests) long-term acute care for patients who are very ill and require 24/7 access to physicians, nurses and other specialists. Patients are often discharged from Short-Term Acute Care Hospitals (STACH), the hospitals where patients go to have babies or be treated for appendectomies, heart attacks, and similar conditions, to LTACHs.

Still feel like healthcare real estate is "alphabet soup?" For a more comprehensive and detailed list of healthcare real estate acronyms, and the assets, regulations, and tenancies they describe, please reach out to Cushman & Wakefield's Healthcare Practice Group (you guessed it: HCPG) and connect with other Cushman & Wakefield asset services professionals and resources to help you speak the language of healthcare real estate.

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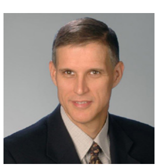
ENERGY RETROFITS

Plan + Design + Implement + Perform

A building doesn't have to be new to be efficient. Creating more efficient building systems results in a lower operating cost and a higher return on investment, and today's real estate owners are using energy retrofits as an investment opportunity.

Energy retrofits take on two forms: conventional energy retrofits and deep energy retrofits. Conventional energy retrofits are system modifications that focus on isolated system upgrades and a quick payback (typically less than three years) such as retro commissioning, HVAC system upgrades, BAS system upgrades, and lighting system upgrades. A deep energy retrofit achieves greater energy savings by utilizing a more holistic, design-centered approach.

Deep energy retrofits are more extensive and involve significant overhauls or replacements of building systems. Every energy retrofit project should begin with an integrated team charrette where key stakeholders and experts work together to create realistic and achievable energy goals and objectives based on the building's life cycle and the energy project's life cycle cost analysis. Stakeholders may include: ownership, building management, building engineers, MEP engineers, structural engineers, utility representatives, automation contractors, and fire alarm contractors.



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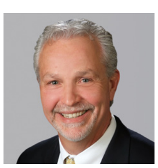

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Once the team has clearly defined the energy retrofit project, **four important phases** need to occur to ensure the project meets its performance and energy goals.

PHASE 1

PLAN

When chartering an energy retrofit project, the first step is to retro-commission (RCx) the building's mechanical, electrical, and plumbing (MEP) systems to meet the design specifications and performance expectations of the original design to improve the way building systems function together. This process not only creates a baseline for performance, but allows for an accurate payback analysis of system retrofits based on energy savings. Throughout this process, the engineering team should develop a sound understanding of individual system component performance, as well as the way the systems interact with each other. Energy use should be benchmarked and analyzed early in the process to determine potential energy savings opportunities. Cushman & Wakefield requires annual benchmarking through the US Environmental Protection Agency (EPA)'s ENERGY STAR® Portfolio Manager to better understand how the building is performing when compared to similar buildings nation-wide.

PHASE 2

DESIGN

To finalize the scope of the energy retrofit project, detailed energy savings and cost estimates are performed to confirm the project budget and expected economics. For large upgrades, a computer-simulated energy model is used to capture interactions between various systems. An integrated design process is key to pull together information from important team members, such as the contractor to confirm the budget and the commissioning agent to begin reviewing the system design. Having licensed professionals design and engineer system upgrades is critical in capturing the whole system picture and implementing the best long-term strategy.

PHASE 3

IMPLEMENT

Once the project is developed and financing is in place, implementation of changes can begin. Modifications may occur for one upgrade or multiple phases. Commissioning should be included in this process to coordinate across contractors, review submittals, perform site observations, test equipment operation, and monitor operation. Any necessary metering upgrades should be installed at this time, along with the integration of the Building Automation System (BAS) with monitoring software to set the stage for ongoing optimization.

PHASE 4

PERFORM

With an integrated design process, well-coordinated implementation, and thorough commissioning, the upgraded building will be ready for ongoing high performance. To confirm and maintain this performance, ongoing commissioning and monitoring (MBCx) should be incorporated. If the BAS has been integrated with monitoring software during commissioning, ongoing commissioning can be cost effectively executed over the first year of operation to confirm operation during changing weather and occupancy conditions. Energy consumption should also be monitored throughout the year using demand interval data to evaluate the energy use after the upgrade. At the end of the first year, the energy savings can be documented and a new baseline set for comparison in future years. Throughout operation, executing a proactive maintenance plan will help ensure the building stays on track with project goals.

newsroll

our recent headlines and updates

SPOTLIGHT: CUSHMAN & WAKEFIELD IS NOW THE SECOND LARGEST MANAGEMENT FIRM IN FLORIDA

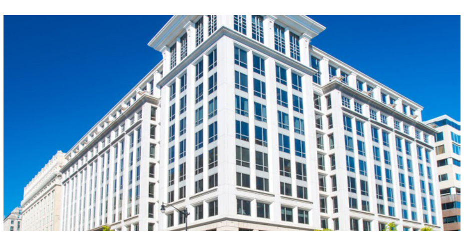
Our Florida Market has grown substantially over the course of the year with the acquisitions of Gibson Realty Group and Taylor & Mathis of Florida, LLC. The addition of these firms has increased our management footprint in Florida by 16.6 msf, making Cushman & Wakefield the second largest management firm in Florida.

Taylor & Mathis, the most recent acquisition, manages and leases a portfolio of office and industrial properties totaling 12.5 msf for key clients such as UBS Realty Investors, MetLife, L&B Institutional Fund, IP Capital Partners, AEW Capital Management, and PGIM. Notable managed properties include MetWest International, 355 Alhambra, Wells Fargo Center, One Biscayne Tower, and Datran Center. The Taylor & Mathis team consists of 130 professionals across Tampa, Orlando, and South Florida. This addition brings the total number of professionals in Florida to nearly 600, a 20% increase in personnel for the state.

“Taylor & Mathis of Florida has built a client-centric company with great talent,” said Hank Brenner, President of Taylor & Mathis of Florida. “Coming together and combining our company culture, people, and vision with the team at Cushman & Wakefield, we knew that we had a winning equation to provide high-level, white-glove service to our clients across the state.” Congratulations to everyone involved in making these acquisitions a success. Your dedication to bolstering our platform and creating an enhanced service experience for our clients does not go unnoticed.

One Liberty Place and The Shops at Liberty Place were announced as winners of BOMA Philadelphia’s TOBY Awards in the Over One Million Square Feet category and the Urban Retail category, respectively. These buildings will move on to compete at the Mid-Atlantic Regional TOBY Awards, held in April of 2017.

Judy Purviance-Anderson has recently been named a 2016 BOMA Fellow, the Building Owners and Managers Association International’s highest level of recognition for ongoing contributions to commercial real estate. In addition to her recent accomplishment with BOMA, Judy was featured on The *Colorado Real Estate Journal’s* blog in a post highlighting her individual accomplishments and emphasizing her work as part of the management team at 1670 Broadway in downtown Denver.



200-250 Central Avenue in New Jersey and 1401 H Street NW in Washington, DC, were recognized by Cushman & Wakefield client, TH Real Estate (formerly TIAA) as part of their Four Diamond Awards. These properties exhibited outstanding performance based on property management governance score card results.

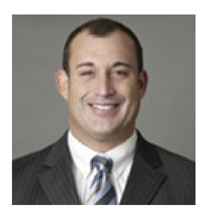
Michael Lanning of our Kansas City, Missouri office was inaugurated as 2017 Institute of Real Estate Management (IREM) President at this year's IREM Fall Conference, held October 18-21. In addition, Marla Maloney, President, Asset Services, Americas, was a featured speaker at this gathering of successful asset services executives from around the world. Cushman & Wakefield is an IREM Corporate Partner. This partnership builds a strong connection between both organizations and our shared commitment to advancing the real estate management industry and maximizing the value of real estate assets through trained, professional, and ethical practitioners.

The Citadel Building has been awarded the 2015 Watts to Water Visionary Award. Watts to Water is a sustainability program dedicated to the reduction of energy and water consumption in the Denver metropolitan area. As a result of Cushman & Wakefield's initiatives, the building experienced 22% cost savings between 2013 and 2016, and an increased ENERGY STAR® score of 87.

Mary Doyle, Boston Asset Services City Lead, was named one of *Banker & Tradesman's* 2016 Women of Fire. Each year, *Banker & Tradesman* sets out to find the most talented, ambitious, innovative, and philanthropic women who are achieving excellence and making a difference in a traditionally male-dominated industry. Congratulations, Mary!

The *St. Louis Business Journal* has named Cushman & Wakefield the top office property management firm in St. Louis. Cushman & Wakefield's 168 property management professionals manage 21 msf of space across the market. Notable properties include: U.S. Bank Tower, One Financial Plaza, Westport Plaza, BJC's medical office portfolio, and Timberlake Corporate Center.

Paul Krimm has been named Managing Principal of the Columbus, OH, office. He will maintain his leadership role as the Columbus City Lead for Asset Services. Paul's new responsibilities will include new business development, operational excellence, community/civic leadership, and recruitment of top brokerage and property management talent. Congratulations, Paul!



CUSHMAN & WAKEFIELD

ASSET SERVICES INSIGHTS
FALL ISSUE - 2016