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ASSET SERVICES

insights

SUMMER 2018



**Commercial Real Estate
Insights and Trends**

from Cushman & Wakefield's
Asset Services Experts

editorial

What a great first half of 2018 for Asset Services! We have continued to grow our platform and business, develop our industry-leading talent, and implement new technologies and processes to equip our teams with the best tools and resources to serve our clients.

In this issue of *Asset Services Insights*, we discuss strategies to provide value for our clients — energy management best practices for operational efficiency, aligning to our clients' goals and objectives to provide exceptional customer experiences, and effective management of co-working spaces to protect our clients' investments. We also recognize some of our outstanding leaders for their service to Cushman & Wakefield and their colleagues.

Let's maintain our dedicated client focus and strong team collaboration as we enter the second half of 2018. I look forward to achieving our goals and building upon the success we've had, establishing Cushman & Wakefield as the leading property management firm in the industry!



Marla

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THE ENERGY MANAGEMENT EVOLUTION

Best Practices
for Success

Although the commercial real estate industry has slowly adopted full-scale energy technologies, evolving energy regulations and standards are prompting real estate owners and operating teams to better understand and report on asset energy performance. Historically, many business leaders viewed energy management as a low-level priority and opportunity that offered insignificant cost savings to their bottom line.

However, attitudes toward energy management and technologies are shifting dramatically to meet public demands for increased transparency concerning companies' environmental impacts and corporate social responsibility.



According to a [report](#) from PricewaterhouseCoopers and EnerNOC, the world's leading provider of energy intelligence software, **total energy spend is a top-five corporate expense category.**

Now more than ever, companies are seeing how their approach to energy directly impacts their cost structure, risk profile, resilience, and brand value.

Whereas before energy data translated to the numbers on a utility bill, new technology helps companies create informed energy management strategies that can deliver bottom-line results. In order to maximize impact and return on investment (ROI), real estate owners and operators must optimize existing energy management processes, a step that is often overlooked, but necessary to then plan for technology integrations and mitigate risks to energy performance.

OPTIMIZE

Energy management is defined as the organized planning and implementation

of an energy conservation strategy. To develop an effective energy management strategy, real estate owners and operators must first understand and optimize a building's existing infrastructure and energy performance, such as where and how energy is consumed and the financial impacts to the property and operating expenses. Oftentimes, energy reduction initiatives are started without adequate knowledge of key building systems and controls or current energy performance.

UNDERSTANDING CURRENT INFRASTRUCTURE & AUTOMATION

A building's electrical, lighting, and HVAC systems all consume energy; therefore, a clear understanding of these current system conditions is integral to any energy management strategy. The basics of optimizing start-and-stop times of an HVAC system and minimizing run-times can save hundreds of operating hours per year, leading to significant savings. Balancing the effective conditioning of occupied spaces without over-cooling and initiating simultaneous heating and cooling conserves energy.

Property teams must also understand a building's sequence of operations, including occupant HVAC system adjustability and system set points. The sequence of operations and operating protocols should be reviewed often as the building loads and use change.

An important infrastructure detail to analyze is the level of automation. What is automated? How is it automated? Is more automation required? Careful consideration must be given to selecting and

COMPONENTS OF AN ENERGY MANAGEMENT PLAN

- Clear goals for energy and sustainability initiatives and identification of the energy management team
- Description of the building construction, system types, operating hours, and sequence of operations (mechanical, electrical, plumbing, etc.)
- Understanding of current energy performance, load profiles, and energy consumption characteristics
- Completed and/or planned energy project details with savings and payback information
- Energy projects budgeted for future consideration

implementing an energy management system (EMS) that is engineered to control and optimize various system components to produce overall system efficiencies.

ENERGY OPERATIONS TRAINING

Training those who will operate these systems and technologies and collect the data is paramount to achieving optimal system performance. Automation system vendor contracts often include on-site training or training at vendor facilities in the form of webinars, sit-down classes, or actual site-specific building automation system training.

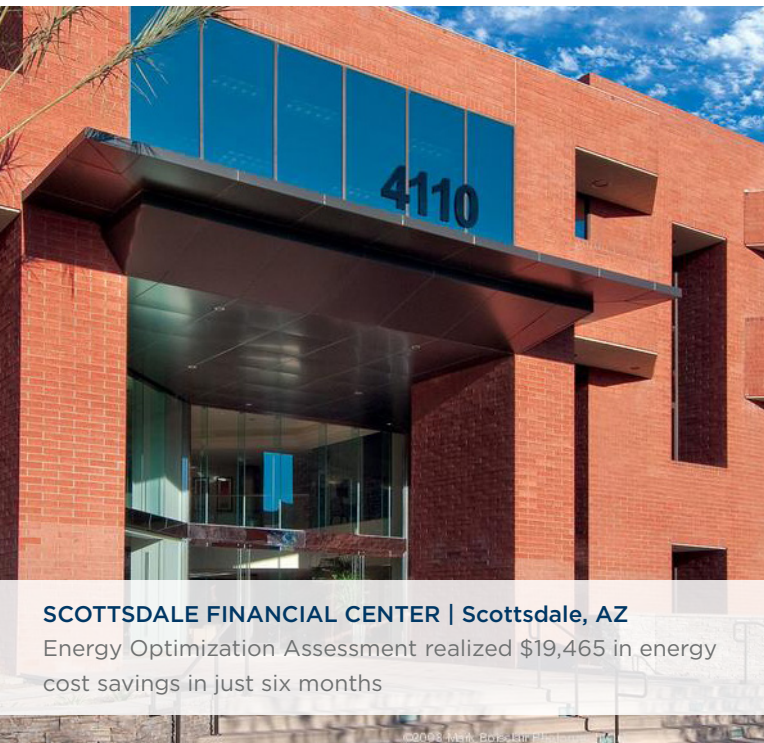
ENERGY OPTIMIZATION ASSESSMENTS

Regular audits of operating strategies and establishing energy management best practices help real estate owners and operators make informed decisions when investing in smart building technology. Cushman & Wakefield's Energy Optimization Program focuses on low/no-cost energy conservation measures that can be implemented immediately to improve energy performance, including sound maintenance practices.



201 SOUTH TRYON | Charlotte, NC

Energy Optimization Assessment achieved 11% in cost savings, equating to \$38,000 in a six-month period



SCOTTSDALE FINANCIAL CENTER | Scottsdale, AZ

Energy Optimization Assessment realized \$19,465 in energy cost savings in just six months

A key step in performing an energy audit is to gather and analyze a building's energy performance data, which includes examining past utility bills, energy usage trends, and load profiles. In addition, all building equipment must be inspected to ensure it meets commissioning and maintenance standards to help correct operational deficiencies.

After analyzing a building's energy usage and existing equipment, property teams can provide ownership with a summary of recommended energy conservation measures. Cushman & Wakefield recently completed an Energy Optimization Assessment for a client that achieved 11% in cost savings, equating to \$38,000 in just six months.

PREVENTIVE MAINTENANCE

Once a building is built and begins to consume resources, building systems naturally experience deficiencies over time in performance and efficiency. Preventive maintenance helps minimize rising maintenance costs, energy consumption increases, and a decline in occupant comfort due to failures in building systems or deteriorating equipment. Building operations and maintenance should always include some level of retro-commissioning and calibration along with continuous review of the operating sequences.

Monitoring based commissioning (MBCx), defined as collecting, storing, analyzing, and reporting on operational data to optimize energy performance and efficiency, should be part of a continuous building improvement plan. MBCx combines ongoing energy system monitoring with retro-commissioning (RCx) practices to provide substantial energy savings and improve building performance and compliance.

The adoption of new technology to improve operations and reduce energy costs can be an exciting venture. But bypassing the basics of energy management can cause complications in the long-term reliability and efficiency of the building systems. A review of the current energy performance, design intent, sequence of operations, and controllability of existing systems is necessary to determine the next steps for integrating energy technologies.

Cushman & Wakefield uses the below criteria to help identify reputable energy technology providers and their scope of offerings. Potential providers can be classified in more than one category.



REPORT: Centrally track, manage, and report utility consumption and cost to develop meaningful trend insights



REDUCE: Identify opportunities to reduce utility spend with little to no investment



OPTIMIZE: Leverage real-time data to auto-correct building faults and drive more complex reductions and retrofits



TRANSFORM: Manage all building data through one platform, work-order system automation, and IoT integration



INTEGRATE

Energy data can enable tracking against goals, benchmarking performance

across business units, budgets, and accountability at the single building level. The advanced use of energy technology can provide visibility into critical data to see clear relationships among energy and costs, productivity, and other defined business measures.

Our teams often partner with third-party service providers offering specialized services to ensure the optimum, integrated solution is implemented at the property. For example, [Lucid](#) is an energy analytics and fault detection company that provides an industry-leading BuildingOS IoT data platform. The platform combines data from building systems, sensors, costs, and operations to power energy and sustainability, building analytics, and portfolio reporting applications that can enable building owners and managers to make informed energy and building operations decisions.

BENCHMARKING TECHNOLOGY

One of the most effective tools for benchmarking energy performance is [ENERGY STAR® Portfolio Manager](#), created by the Environmental Protection Agency (EPA). With ENERGY STAR Portfolio Manager, property teams can track energy, water, and waste consumption for one building or an entire portfolio, all within a secure online environment. Forty percent of commercial building space is benchmarked using ENERGY STAR Portfolio Manager.

DATA ANALYTICS

Data analytics is available for multiple building systems, including HVAC, security, elevator, lighting, and fire and life safety systems. Systems are more efficient when analytics can be shared across system architectures, and integration creates a truly “intelligent building”.

With advances in HVAC controls and the adoption of technologies such as fault diagnostics and detection,

machine learning, and deep dive data analytics, malfunctioning of HVAC systems can quickly be detected and resolved, leading to more reliable operations and energy savings.

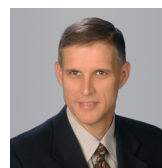
Data analytics is only as good as the individuals who receive and act on the information. Training and vendor support is critical for property teams to translate data insights into actionable plans to improve building energy performance. Quality data translates to quality information, quality conversation, and quality decisions.

PROTECT

When employing energy management technologies, it is imperative to protect systems and data from hackers and other harmful sources. Because the Internet of Things (IoT) connects all devices in a building, hackers can gain control of systems that have remote access and damage multiple systems simultaneously, thus adversely affecting the properties we manage.

Property managers, engineers, and IT security personnel all have a role in managing cybersecurity. Practicing appropriate cyber protocols, such as carefully regulating the opening and closing of ports, using and maintaining firewalls, segregating the building management network from all tenant or occupier-facing networks, changing device default settings, controlling and monitoring vendor access to engineering systems, and practicing good password hygiene, are key ways to mitigate threats to building management networks. Continued maintenance and security of system architecture is necessary, including that of BAS/EMS, security systems, fire and life safety systems, elevator systems, and other systems with remote access.

New energy technology, evolving government energy regulations, and shifting public sentiment around companies' environmental impact are powerful trends that demand businesses perform better. As the industry moves toward increased energy technology usage, property management teams must optimize energy technology operations for the assets they manage, plan for technology integrations, train their teams, and incorporate data security into mitigation and response plans. Following these steps is key to implementing effective energy management strategies that produce energy cost-savings, efficiency, long-term results, and, ultimately, ROI for clients.



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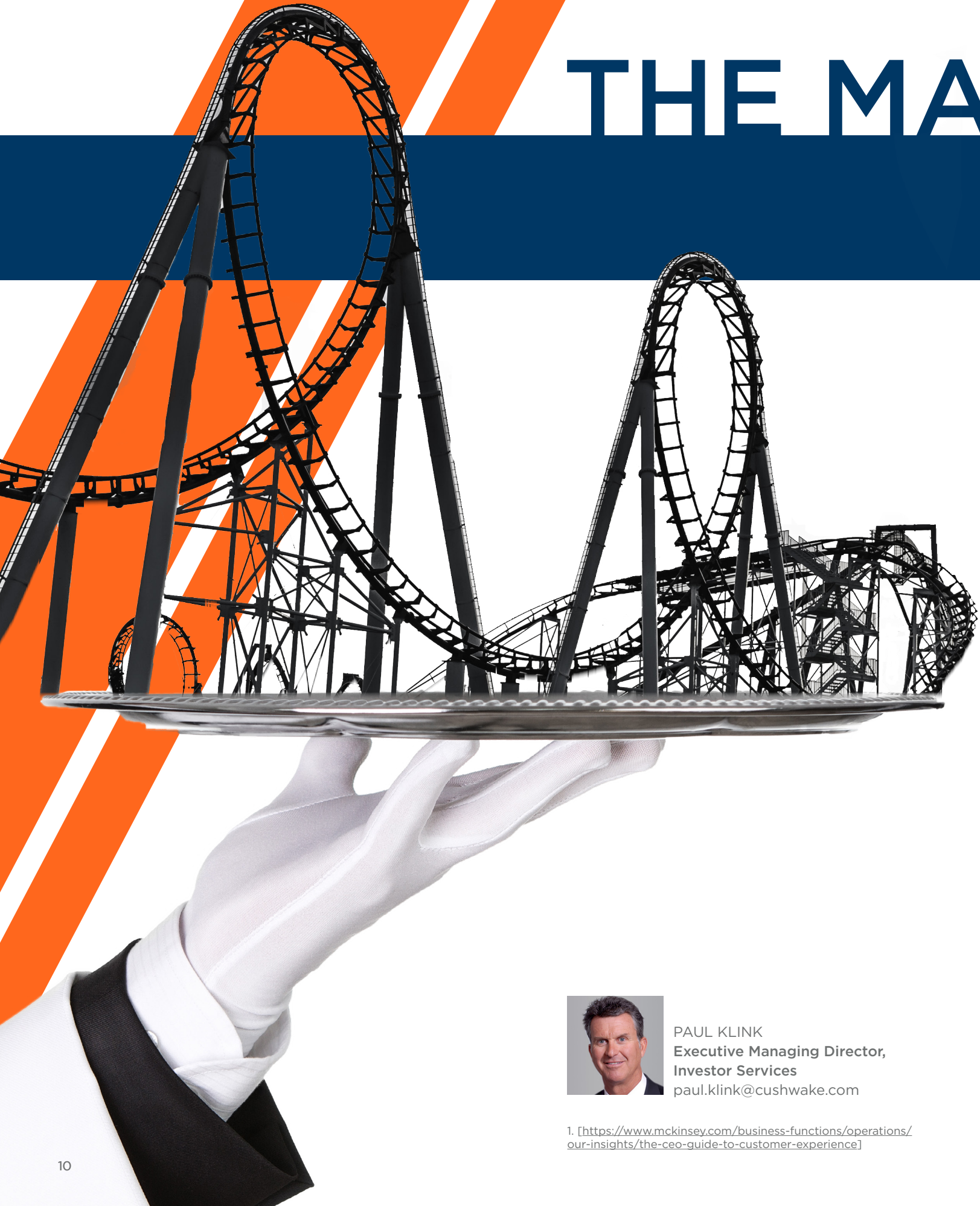


Quality data translates to quality information, quality conversation, and quality decisions.



[Click to download an Energy Optimization One-Pager](#) to share Cushman & Wakefield's Asset Services Engineering platform and services with your teams and clients. For further support, please contact the Asset Services Engineering team of [Mike Turzanski](#) (West), [Lee Dunfee](#) (East), and [John Damiano](#) (Tri-State).

THE MA



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1. [<https://www.mckinsey.com/business-functions/operations/our-insights/the-ceo-guide-to-customer-experience>]

IN ATTRACTION:

Delivering Experiential Real Estate Services in the Experience Economy

Apple. Amazon. Disney. Ritz Carlton. Verizon Wireless.
Cushman & Wakefield!

Goods and services have grown increasingly commoditized, creating a dynamic shift toward buying an idea or experience over a product or service. The world's most respected customer service brands understand customer loyalty is no longer something you can purchase, but that it must be earned through consistent, positive experiences that keep customers coming back for more. These companies are capturing customer loyalty through dynamic, hospitality-centric customer experiences and good old-fashioned customer service.

The commercial real estate industry is no different. While high-quality products and services are still key components to success, gone are the days where a building's creative design or service offerings can differentiate an asset from its competitive set in the market. Today, successful building owners and operators understand distinguishing perceived value of an asset and fostering tenant loyalty requires leveraging a building's products and services to create a memorable customer experience, reflective of the client's goals and objectives.

Know Your Clients' Strategic Goals & Objectives

Real estate is a business of vision; timing; and aspiration, and a knowledge of how to integrate storytelling into a property achieves a lasting positive experience for our customers. To deliver a strong customer service experience, property managers must understand their clients' goals and objectives for their assets.

With a subtle injection of entertainment built around the design, layout, and identity of the property, property managers can create an emotional connection with tenants, transforming their workplace into a destination. As our clients invest in capital improvements to boost the tenant experience, asset marketability, and ROI, property managers should engage tenants as active participants in these property investments to positively affect tenant perceptions and loyalty.

"You must have passion for your work, your people, your tenants, and your clients' investments to create a desirable customer experience and welcoming environment," says Marlene Diaz, Director of Asset Services in Miami. "People remember how you make them feel, and your passion and storytelling can make a huge impact on people's impressions."

Understand Your Customer

Providing quality customer experiences extends far beyond daily operations and requires cultivating meaningful relationships with tenants. Every tenant mix demands a unique experience based on their needs and preferences, such as responsiveness to requests, the level of security, conveniences of amenities, available property technology, or a sense of community and social interaction.

Digital tools can improve the tenant experience with multiple communication touchpoints, speed of service delivery, and customized customer experiences. Property enhancements such as a website, tenant portal, or mobile app are solutions for communicating with tenants. Knowing your tenants and how they communicate and want to be communicated to helps property managers deliver the right solutions for a seamless tenant experience.

“I expect my team to know their tenants and what is important to them,” Marlene says. “This communicates we are invested in our tenants’ comfort and experience, and provides insight for us to truly make a difference.”

Technology, such as data from a tenant portal or mobile app, can also help teams gather insights and develop intelligent tenant satisfaction strategies. Active solicitation of feedback through structured surveys, such as Kingsley Associates’ Tenant Survey, allows owners and managers to objectively measure tenant experiences; identify areas for improvement; and tie their improvement plan to operational KPIs and goals that increase portfolio occupancy, enhance competitive positioning, compare personnel performance, prioritize capital expenditures, and improve tenant retention.

Build a Culture from Within

According to McKinsey & Company¹, many companies overlook the need to transform their internal constituents, especially their support functions, into excellent customer service operations. Companies must understand and measure employee needs and drivers of satisfaction as part of their external customer-centric transformation. Every leading customer-experience company has motivated employees who embody the customer and brand promise in their interactions with consumers and are empowered to do the right thing.



“When hiring, I’m always looking for people who understand customer service and creating an experience,” says Siobhan Stapleton, Associate Director of Asset Services in Los Angeles. “If a person has no financial or property management experience, yet has demonstrated a knowledge of customer service, they have a strong foundation for this business and can learn the operational tasks.”

Taking the time to invest in talent and mentor teams on best practices ensures the culture of customer service is truly instilled in every team member.

“Every week, my team and I discuss tenant engagement strategies and provide feedback to improve our activities and tenant relationships,” Siobhan says. “If I do not invest in my team, I see the impact on our performance and the quality of experience we provide for tenants.”

As the experience economy continues to evolve in burgeoning markets, real estate owners and operators must think differently about competitive advantages. Storytelling and emotive experiences, along with convenience and themed ambiance, will become key differentiators of properties and real estate brands that otherwise offer the same products and services as their competitors. It is imperative that property managers align themselves to their clients’ goals and objectives, understand their tenants’ needs, and build a customer-centric culture within their teams to create a cohesive tenant experience and enhance the value of their clients’ investments.

THE TOOLBOX

Tenants are twice as likely to renew their lease in an environment where they have strong relationships with management staff, quick response times, and achieved communication preferences. Service excellence requires a hands-on approach and should always extend beyond the management agreement.

Cushman & Wakefield has prepared a variety of resources to assist our management teams in developing a meaningful tenant relations program at their property.



[Courtesy Card](#)



[Email Communication Suite](#)



[Event Templates](#)



[Tenant Newsletter](#)



[Tenant Welcome Packet](#)



[Thank You Card](#)



[Property Brochure](#)



[Building Signage Suite](#)



[Tenant Appreciation Ideas](#)

Natural light brought in through skylights and glass facades. High ceilings adorned with reclaimed wood beams. Art murals and gallery spaces spanning open floor plans provide bright and airy working environments filled with life and inspiration. Various spaces, each designed to offer unique experiences, encourage creativity and productivity.

It's no secret there is an ever-increasing demand for co-working spaces. They provide a change of scene from the traditional office; cater to our insatiable demands for flexibility, service, and culture; and stimulate maximum productivity and collaboration.

From performance to utilization, co-working has had a significant impact on commercial real estate — specifically landlords and building operators. From 2005 to 2017, the number of independent workers in business services occupations grew 21%.¹

Co-working has prompted landlords to make significant investments, not only into creating highly functional and attractive spaces for tenants, but also into the base building, including improved HVAC capacity, restroom expansions, integrated security technologies, and overhauled elevator transportation to accommodate dense co-working populations. This approach can yield significant financial returns for investors, increase employee productivity, and enhance building marketability with contemporary design concepts and technology. However, if these

investments are not properly protected or the impacts of co-working tenants are not fully understood, operating expenses can easily spiral out of control, thus adversely affecting asset value and ROI. Given the financial impacts of co-working on the bottom line, property management teams provide value by controlling operating expenses and carefully overseeing co-working tenants' unique requirements to maximize ROI and create a harmonious tenant experience.

CO-WORKING CONFIDENCE



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1. Bureau of Labor Statistics (BLS); Thumbtack
[<https://www.thumbtack.com/blog/futureofwork/>]



WORKING ESSENTIAL

STRATEGIC
MANAGEMENT
OF CO-WORKING
SPACES TO PROTECT
ASSET VALUE



CO-WORKING FINANCIAL MODEL

Co-working companies employ a rent arbitrage model, charging their customers more than what they have to pay their landlords. These flexible space operators sign 10 to 15 year leases with landlords but offer their customers short-term or month-to-month options.

“There may be periods of time in the economic cycle where co-working customers find the services unaffordable and decide to cancel their membership, thus leaving the co-working provider with an asset and liability mismatch,” says Caitlin Simon, Managing Director, Cushman & Wakefield Investor Services.

Despite co-working business models being somewhat risky, investors are still opting for long lease terms, which are required given the significant tenant improvement (TI) investment.



ENERGY AND BUILDING SYSTEMS

Co-working has a significant impact on building systems and energy usage. While employee density has increased over the years, co-working spaces are sometimes five times as dense when compared to a traditional office. In co-working spaces, the average square footage per person can range from 65-100 square feet compared to the 200 square feet per person in commercial offices.

More stress is placed on a building's HVAC system to regulate temperatures in a densely populated work area, increasing the potential need for additional package units. It is important these types of additional costs are captured in the tenant improvement allowance. Mechanical engineers must review all construction plans and verify that the existing system can provide the correct air flow for co-working tenants. This diligence prevents future issues with building systems that cannot handle the unique requirements of co-working spaces.

Critical to managing utility costs is establishing accurate measurement systems that enable net electric/net utility leases. Co-working spaces can be separately metered to track energy usage and ensure the co-working tenant pays for costs incurred outside of “normal” working hours. “Normal” working hours must be defined in the lease in order to accurately meter these spaces.

Increased stress is also placed on elevators to transport more people and at varying hours throughout the day, which can cause delays. Destination dispatch is a solution to minimize elevator wait and travel times by grouping passengers by floors to avoid unnecessary stops. Elevators are cued to travel to specific floors, helping to reduce energy costs and organize lobby traffic, as people move toward a designated elevator for their floor. Encouraging the use of stairs where and when appropriate can also help alleviate elevator and lobby traffic congestion.

LEASE OBLIGATIONS

Co-working tenants bring a new element to lease obligations for tenant improvements and construction. Co-working spaces typically experience more wear and tear due to their communal nature, which often spills out into building common areas.

The increased foot traffic of co-workers can affect the building's image and aesthetics. Other tenants or prospective tenants might notice the run down state of co-working spaces and common areas, affecting tenant retention and building marketability.

“Some co-working spaces are now five years into use, and the materials are breaking down,” Caitlin says. “The maintenance costs can be higher and more frequent to renovate a space used by a dense, diverse population of workers.”

If there are gray areas on whether the landlord or the tenant assumes financial responsibility for refurbishing the space, this can cause a serious problem for property managers in controlling operating expenses and capital expenditures. There is the risk that the co-working tenant cannot afford the required maintenance costs, which can then fall on the landlord.

The financial responsibility for refurbishing co-working spaces, and possibly building common areas, must be clearly stated in the lease and strictly enforced. In addition, property managers must approve all contractors and oversee their work to ensure it complies with building standards.

SECURITY

With co-working tenants, security becomes an elevated concern due to high foot traffic in and out of buildings at different hours. Most co-working tenants want 24/7/365 access to the building. Security in a multi-tenant building is compromised by co-working tenants because they license space to different types of users.

Security check-in points must be well organized to accommodate more people and avoid overcrowding entrances to buildings during peak working hours. Co-working tenants should follow the same protocol as other tenants when obtaining building access for their co-workers.

In some cases, the co-working tenant may request their own security desk or kiosk to process their users or visitors. To contain security costs, it is key that a security specialist review the scope of co-working tenant leases. If necessary, the lease should identify business hours and underwrite any additional security costs outside of those hours, such as extra lobby guards and/or cameras, dedicated control for building access at the front desk, and exclusive use of certain elevators.

On the other hand, co-working companies provide an advantage for landlords and property managers by offering technology and innovation. From virtual doormen, smart conference rooms, to remote check-ins, co-working companies can help landlords and property managers meet rising expectations around building technology.

JANITORIAL AND MAINTENANCE

With a greater density of people per square foot than in a traditional office setting, co-working spaces require more intense cleaning and maintenance routines. Whether it's more frequent trash removal, changing light bulbs, fixing

door jams, or replacing the grout in tile, these repairs and the additional staff to service frequent maintenance requests impact operational costs and asset value.

Increased restroom usage can equate to higher supply expenses and potential overcrowding. The overflow of co-workers migrating to other floors to use the restrooms can create inconveniences and liabilities for other tenants. This issue may require a co-working tenant to install restrooms in their space, adding additional build-out costs. A co-working tenant's lease must specify their level of financial responsibility for supplies and cleaning/maintenance expenses that exceed the standard services and accommodations.

To minimize costs, some co-working companies pay for their own janitorial services, and property managers must ensure the janitorial specs conform to building expectations. These third-party providers should be insured and go through the same process as other vendors to gain building access. Potential issues can arise when co-working tenants do not utilize union contractors and janitorial services to upkeep their spaces. The requirement to use union labor must be carefully specified in lease language, if the city in which the building resides requires the use of union labor.

Property managers should work with asset managers on the security deposit and Letter of Credit (LOC) to ensure the tenant is in compliance with their lease. It is important the tenant is not in default on their lease before investing in improvements.

The market demand for co-working space continues to grow exponentially and has no signs of slowing down, with the positive effect of leasing space that may otherwise be undesirable. Failing to understand co-working tenants' impacts on property operational costs can negatively affect tenant satisfaction, building efficiency and marketability, asset value, and, most importantly, ROI. Property managers must exercise due diligence when managing co-working tenants and provide solutions to contain operating expenses and protect their clients' investments.

GOING FOR GOLD



Takenaka International wanted Heron Tower to become the first asset in their portfolio to pursue and achieve a LEED designation, specifically targeting LEED Silver. But, the New York Asset Services team of Joe McCausland, Property Manager, and Tai Jance, Chief Engineer, had another idea: **Gold**.

The management team worked tirelessly to exceed owner expectations and achieve LEED Gold status through upgraded plumbing and air conditioning fixtures, as well as a brand new Building Management System (BMS).

“Takenaka’s target at Heron Tower was LEED Silver, and we are beyond pleased to have exceeded the expectation,” Joe says. “Our vendors and general contractors worked hard to find areas of improvement and sustainability savings where they demonstrated their ability to meet the strict requirements set forth by the US Green Building Council.”

Built in 1987, Heron Tower is a 27-story 154,023-square-foot boutique office building located in the Plaza District at 70 East 55th Street. The property offers tenants an exclusive club-like atmosphere with concierge and doorman services, tenant controlled HVAC, direct electric, and a state-of-the-art telecom including Ethernet with T1 back-up. Heron Tower is surrounded by high-end restaurants, five-star hotels, and luxury retail.

Over a two-year period, building management replaced and upgraded hundreds of the interior and exterior AC units with an additional 200 set to be installed in 2018 and 2019 for a complete building retrofit. A select number of plumbing fixtures were replaced with low-flow features to meet the pre-requisite, and the balance of fixtures and faucets were replaced during a three-month performance period for further reductions.

The installation of a state-of-the art BMS played an integral role in helping the building's conversion to LEED Gold as it did not have one before the summer of 2017. The BMS allowed for night setback and scheduling of AC units for sizable energy savings. Variable frequency drives were also installed on the condenser water pumps and cooling towers to aid in increasing Heron Tower's ENERGY STAR® score.

LEED, or Leadership in Energy and Environmental Design, is the most widely used green building rating system in the world and a globally recognized symbol of sustainability achievement. Cushman & Wakefield currently manages more than 200 LEED certified buildings across our 700 million-square-foot Asset Services portfolio, with more in pursuit.



I strongly encourage other management teams pursuing LEED designations to utilize the resources available on the USGBC website, such as the project checklist,” Joe says. “This will help you identify the points to pursue, the associated requirements for each, and determine if they are attainable at your property.”



400-500 kilowatts in electrical savings per month



reduced potable water usage to **39% below average** baseline



diverted 60% of ongoing waste from landfills



raised ENERGY STAR® score to 78, **up 11 points** from previous score



LEADERSHIP

IN ACTION

Cushman & Wakefield's [Ben Comm](#), Senior Managing Director of Asset Services, recently received the Sidney Glassman Award from the Apartment & Office Building Association (AOBA) of Washington, DC. This prestigious award recognizes senior management commercial real estate professionals for their outstanding leadership and exemplary work in the areas of education, training, management, administration, and legislation.

We sat down with Ben to reflect on what this award means to him, his 30+ year career in commercial real estate, and the property management profession.

> How does it feel to have won the AOBA's Sidney Glassman Award?

It's humbling and the most prestigious award that someone in my position within this industry can win. I've been active in BOMA and AOBA for 20 years in Washington, DC. At the awards ceremony, I had the opportunity to give a speech and enjoy the evening with my colleagues. The event was so much fun.

> How did you get started in commercial real estate? And what are the biggest lessons you've learned working in this industry?

I started in commercial real estate in 1984 and since then, I've consistently learned that you're going to make a lot of mistakes. The key is learning from them, and it's very much a learning process in our relationship-oriented business. I continue to learn something every day.

> Concerning today's market, what are the biggest challenges facing commercial real estate firms, specifically in property management?

Hiring. It's hard to find great people to fill the roles of both property managers and engineers. It's a challenge due to an employee-driven market. Wages are higher, and people are being offered above-market rates. This causes frequent turnover, which pressures firms to provide the best in order to recruit and retain top talent.

> How have you successfully established and maintained strong relationships with clients?

The best way to stay in the good graces of clients is to do a good job. And to do a good job, you have to hire quality people. It's all about the people in this business. You must communicate well with your clients. Talk to them, whether it's quarterly, annually, or weekly. Some clients need a different touch than others. Communication and providing the best possible service are key.

> Besides property managers, what other property management roles play a key part in achieving client objectives and satisfaction?

The engineer role is the most important concerning property management. And the team of property manager and engineer? They need to be essentially married — that's how unified they need to be. They need to have a great working relationship since they have to work hand-in-hand to take care of the building, the tenants, and ownership. The property management team also needs to have a solid relationship with their vendors. They should treat vendors with respect and maintain compatibility. These are the people who clean your building, plow your snow, and keep the HVAC maintained. Everyone needs to be treated with mutual respect.

> How has your team's dedicated client focus built Cushman & Wakefield's reputation as a leading property management firm in DC?

Our recent wins have been assignment retentions. New ownership retains our teams because of the great work we do with the asset and how we clearly communicate the value we provide tenants and owners. Hiring the best people for an assignment, the resources we provide owners (accounting, construction management, etc.), and communicating with tenants are part of our success. Clearly, we put the "value" in adding value to a property.

> What advice would you give investors with regard to managing their assets?

Hire Cushman & Wakefield. And have faith in what we do. Property management and asset management are very important, but sometimes we are considered the "back of the house" because leasing is so important. But maintaining the property and keeping tenants happy, while providing sound financial reporting, put us in the front row.



Photo: 2017 Sidney Glassman Award recipient, Harald Mangold of Scott Management, congratulates 2018 award recipient, Ben Comm

People of INFLUENCE

Cushman & Wakefield has some of the industry's best talent working with us every day. Our teams consistently deliver superior service to our clients, and it does not go unnoticed!



JESSICA BELTRAN
Assistant Property Manager
Dallas

"Jessica is a rising star on the Dallas team. She is committed to excellence and always strives to provide the highest level of service to her clients and tenants. We look forward to watching Jessica grow within Cushman & Wakefield."

-Christy Means, Dallas City Lead

Jessica Beltran started her career as a Parking Manager. Her drive and passion quickly advanced her to her current role where she is responsible for the management of Urban Towers, an 850,000-square-foot office building. Jessica won BOMA's prestigious 2018 Lonestar APM of the Year Award for service excellence.



SURESH BALGOBIND
Chief Engineer
Florida

"Suresh is a true professional, and we are very lucky to have him leading our engineering division in Orlando. Whether it be a routine building issue, a complex system error, or leading his team of professionals, he always brings value, understanding, and resolution to the matter at hand."

-Tim Rivers, Florida City Lead

Suresh Balgobind has more than 20 years of experience in the management of office, healthcare, industrial, and retail facilities. He is Chairman for the Engineering Committee of BOMA Orlando and holds SMA, FMA, RPA, and LEED Green Associate certifications. Suresh is trained in HVAC, plumbing, electrical, and carpentry.



BRIAN MCCANN
Managing Director
New York

"Brian approaches every opportunity with a professional, creative, and solutions-focused mentality. He is a tremendous leader and provides great mentorship for his team."

-Rick Aurilio, Interim Tri-State Region Lead

Brian McCann has been with Cushman & Wakefield since 1984 and currently serves as a Managing Director in New York, overseeing assignments for clients such as New York Life, TH Real Estate, and the United Nations Development Corporation.



“[MY MENTOR] SHOWED CONFIDENCE IN ME AND LET ME DO PIECES OF HIS JOB BEFORE IT WAS OFFICIALLY MINE.”



Q&A: **JAVIER TORO**

As the chief engineer for The Citadel and 215 St. Paul, two Class A office buildings in Denver totaling 157,513 square feet, Javier Toro embodies the culture of our Asset Services’ engineering platform with his passion for his role, his teams, and dedication to delivering bottom-line results for clients. We interviewed Javier about his accomplished career and the lessons he has learned along the way.

Photo: The Citadel and 215 St. Paul Property Management Team - Javier Toro, Chief Engineer; Angi McDaniel, Property Manager; Candy Persichetti, Property Administrator; Cody Tallent, Maintenance Technician

Q. HOW DID YOU GET YOUR START IN BUILDING ENGINEERING?

A. I began my career in 2001 as a maintenance technician and was responsible for a portfolio of buildings in the Cherry Creek submarket of Denver. When my boss and mentor was set to retire, I was presented the opportunity to become chief engineer for The Citadel.

Q. WHAT HAVE BEEN SOME OF YOUR GREATEST ACCOMPLISHMENTS IN YOUR CAREER?

A. When a new owner purchased The Citadel, I was given the opportunity to create a formal plan to generate substantial energy savings for the building. Our plan yielded a 31% decrease in KWH and 28% cost savings between 2013 and 2017. The building’s ENERGY STAR® score also improved from 56 in April of 2009 to its current score of 92, which is a tremendous accomplishment for our team and the client. It has been exciting to be part of the process and to assist the client with their sustainability goals.

Q. WHAT IS YOUR FAVORITE PART OF YOUR JOB?

A. I enjoy working with tenants and solving challenges to ensure they are comfortable and happy to come to work. Each day is different, whether it’s plumbing, electrical, painting, etc., and I like the variety of work I do. From a leadership perspective, it is very satisfying to help my teammates learn and grow in their profession.

Q. WHAT ADVICE CAN YOU OFFER FOR OTHERS WHO WANT A CAREER IN OUR INDUSTRY?

A. Find a mentor you want to emulate and someone who has your best interests in mind. My mentor helped develop my skills and gave me exposure to tenants and vendors so I could build relationships with them. He showed confidence in me and let me do pieces of his job before it was officially mine. I try and pay it forward by taking the same approach with my team and creating a work environment that fosters teamwork, open communication, and constant learning.



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WAKEFIELD**

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