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COMMERCIAL CONNECTIONS

NAR.REALTOR/COMMERCIAL-CONNECTIONS

ASSET MANAGER TINA RENEE MCCALL, CCIM, OF ATLANTA

MANAGING FOR RETURNS

DEMAND GROWS FOR ASSET SPECIALISTS

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NATIONAL ASSOCIATION OF REALTORS®

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A WONDERFUL WORLD

WE'RE ALL STEWARDS OF THE LAND AND BUILT ENVIRONMENT.

LESLIE ROUDA SMITH, 2022 PRESIDENT
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Getting outside to see the wonders of our natural world is an incredible tonic—and a chance to reflect on our responsibilities as real estate professionals.

My husband, Brian, and I own 733 rough, beautiful, and wild acres in Texas. It's a habitat for great horned owls, deer, wild hogs, many bird and butterfly species, and mountain lions. We have 240 acres of drought-tolerant native grasses—some as tall as a person—that provide nesting habitats and prevent runoff. More than 400 acres of hardwood forests reduce carbon, and 83 acres of bottomlands help reduce the severity of flooding to other communities. We love to walk the property with our kids and with visiting school groups, listening for the sounds of wildlife. It brings us well-being. And it's a place that reminds us every day of the importance of caring for the land.

While land conservation is my family's passion, good stewardship is critical to the built environment, too. Many of the speakers at the National Association of REALTORS®' first C5 Summit drove home that point. Speakers in several panels said they're eager to wrap their arms around solutions that cut waste, reduce carbon emissions, and increase buildings' resilience. With global real estate floor space predicted to double by 2060, one speaker said, the industry needs to address sustainability head-on.

NAR is doing just that through our 10-year Sustainability and Resilience Plan, released in 2020. The plan encourages all three levels of the REALTOR® organization—national, state, and local—to be good stewards through actions that focus on environmental, social, governance, and resilience benefits.

We're setting the bar high with the modernization of our Chicago headquarters—our Master Vision Project—completing the most sweeping updates to the building since 1962. The project was initiated in 2018. Under normal operations, we expect to see up to 25% in energy savings from the installation of new mechanical systems and a 75% reduction in energy consumption from the new elevator system. Materials, resources, and waste tracking all aim to meet LEED standards. In fact, a primary focus of the project is to maintain the LEED Gold rating for existing building operations and maintenance that NAR earned in 2011. Meanwhile, NAR's Washington, D.C., building will achieve LEED's Well Certification after we complete its remodel in 2023. This certification, recognizing the highest level of air and water quality, emergency preparedness, and cleaning and sanitation standards, has taken on greater significance with COVID-19.

Besides operational savings and environmental benefits, sustainability offers other benefits for our businesses. Investors recognize extreme weather as a business risk, and insurance can only go so far. Increasingly, investors view infrastructure resilience as more than just a competitive advantage. *(See "Green by Necessity" in the Fall 2021 issue.)*

To be leaders in creating healthy, vibrant communities for citizens of all income levels and for the generations that follow, we need to prioritize *communitywide* sustainability, not just for the buildings we own and operate but also for infrastructure we enjoy, including transportation and broadband internet. NAR has been a strong advocate for infrastructure improvements; we supported many elements of the bipartisan infrastructure legislation, including investment in broadband, that passed in November. At the same time, we've been vigilant in finding ways to mitigate regulatory burdens. The better we are at developing industry-based solutions, the less need there will be for government intervention.

I look forward to leading NAR on this and other critical issues as your 2022 president. Please join me in making energy efficiency, sustainability, and resiliency a part of the plan for your business and for the buildings you own, manage, and develop. Join me in learning how you can advance land conservation in your area. And, finally, join me in making outdoor time a priority in your life. It's so important to health and well-being, and it's the best way to stay in touch with what your community—your *whole* community—needs.

MULTIFAMILY DRAWS PROPTECH ADVANCES

ENGAGEMENT APPS AND HARDWARE OPTIONS TAKE ON NEW SERVICES AND MODELS.

By Glenn Felson, managing director, Kastle Systems

FELSON

The multifamily sector remains extremely robust, creating opportunities for multifamily property technology to expand not only into new amenities and services but also into new models. A growing number of players in tenant engagement apps are entering the multifamily space.

NEW PLAYERS IN TENANT ENGAGEMENT

One company recently launched its product, Sugar, with a slightly different focus. While Sugar offers traditional services like access control and visitor management, its primary focus is to build community. According to founder and CEO Fatima Dicko, "As residents spend more time at home, the demand for products that enhance in-building experiences will continue to grow."

Another proptech company, HILO, offers a service that works across CRE and multifamily, with a tenant experience network that connects people to their building community, neighborhood, and city. The program allows people to access rewards, content, services, and other residents—whether they're in the office, working from home, or mid-commute.

HARDWARE OPTIONS BASED ON INTEGRATION

Providers typically require hardware for services like access control and visitor management. To ensure adoption, tenant engagement apps must include a necessary utility, like access control. Without that component, the app may become just another overlooked icon on tenants' phones. For example, tenants can order food delivery through most engagement apps, but if they're not already using the app regularly, chances are they'll go directly through a service like DoorDash or GrubHub. When you increase residents' reliance on an engagement app, in theory, that should lead to greater use of other app features.

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Some hardware manufacturers integrate with other solutions, like third-party access control providers. Others provide end-to-end solutions and choose not to integrate. ButterflyMX exemplifies an open system. Its intercom offers robust two-way audio and video communication, allowing residents to speak with visitors and unlock doors from their cell phone. Although ButterflyMX has its own end-to-end solution, it allows integrations with third-party systems. By contrast, Latch, which offers a suite of proprietary wireless locks and intercoms, chooses not to integrate with third parties. Although its operating system integrates with in-unit solutions like Google and Honeywell, the hardware doesn't currently integrate with third-party tenant apps or other access control solutions.

WHAT'S NEXT?

The next wave of advances in multifamily proptech services will most likely take place inside residential units. Amazon is testing services like grocery delivery where the delivery driver enters an apartment and puts food into the refrigerator. Assuming we can get comfortable with situations that are unfamiliar or even uncomfortable, the possibilities are endless. *(For more on where proptech is heading, see "Future of Proptech Investment," page 19.)*

Editor's note: This article was adapted from "Tech Checks Into Multifamily," published in the summer 2021 edition of Commercial Investment Real Estate *magazine.*

MANY HAPPY RETURNS

COMPANIES AND BUILDING MANAGERS GEAR UP FOR OCCUPANCY.

As frontline building management professionals and tenants prepare for post-pandemic occupancy, they've developed plans and outfitted buildings to support safety, comfort, and well-being. And even though companies plan to accommodate remote work, they say many employees lack access to stable, high-speed internet services at home.

These are a few results from a return-to-occupancy survey of more than 450 facility and building managers and real estate consultants in the U.S. and Canada, conducted between June and August 2021.The Counselors of Real Estate was among the corporate sponsors for the survey, which was conducted by commercial real estate adviser Blue Skyre IBE and market research company HarrisX.

SUPPORTING WORK-FROM-HOME COSTS

Companies plan to support working from home by providing or reimbursing employees for software (70%) and office equipment such as printers, computers, and mobile or landline phones (69%) and by offering well-being reimbursement (46%). Nearly half (45%) say they'll support working from home by offering new financial subsidies for home expenses such as rent or mortgage reimbursement and insurance. However, 40% of respondents estimate at least half of the employees at their facilities lack high-speed internet connectivity at home to facilitate remote work.

REOCCUPANCY PLANS PUT SAFETY FIRST

Eighty-six percent of managers say leadership's top concern is the safety, health, and well-being of employees, occupants, and visitors. Building managers are preparing for potential COVID-19 surges: 60% have a documented contingency plan, and 30% are preparing one.

Nearly all respondents (94%) say their buildings either have been or are being equipped with improved HVAC air filtration systems. Two-thirds of buildings will have hand sanitation stations and frequent cleaning of high-touch areas, and 62% of those surveyed say temperature checks will be required to enter the office.

HOW THE WORKSPACE WILL CHANGE

Fifty-five percent of respondents say they plan to have more than half their staff spend at least three days in the office; 23% say workers will spend 50% of their time in the office; and 21% expect most staff to work remotely most of the time.

Three-quarters of building managers surveyed plan to increase the number of conference and meeting rooms with networked audio and visual capabilities, while nearly two-thirds foresee more conference rooms for 10 or fewer people and more outdoor meeting areas. Despite the increase in work from home and anticipated changes to the workspace, more than half (54%) say their organization isn't planning to change their real estate footprint by either increasing or decreasing square footage.

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FOUR STRATEGIES FOR SUBLEASING

MAKE SURE SUBLESSORS HAVE REALISTIC EXPECTATIONS.

By Rachel Antman, public relations consultant, and founder of Saygency

Sublease space in the first quarter of 2021 accounted for more than 30% of inventory in places like Manhattan, Toronto, and Austin, Texas, while, in San Francisco, it reached an astonishing 50.4%, according to a recent report by Cushman & Wakefield. Yet despite the glut, some brokers have succeeded.

CONSIDER THESE FOUR IDEAS:

1. **Don't overlook the obvious: other building occupants**—Arthur Draznin, principal owner of Draznin Real Estate Advisors in New York City, emphasizes the importance of contacting every tenant in the building where the sublease space is located. "One never knows who may want to expand, and the best place for a tenant to expand is within its own building."
2. **Define characteristics of suitable prospects**—Arlon Brown, SIOR, senior vice president of Parsons Commercial Group in Southborough, Mass., narrows the list of potential sublessees by defining criteria of likely candidates. For example, he recently marketed a sublease space in a Class B building in downtown Boston. In his analysis, the space was most suitable for a nonprofit. Accordingly, his team obtained a good list of nonprofits in metropolitan Boston and contacted the president or CFO of each. The process saved time and energy.


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3. **Offer special incentives**—Bert Rosenblatt, co-founder of Vicus Partners in New York City, has observed more firms offering double commissions and $10,000 Amex gift cards. Charles Tatham, SIOR, CEO of Tatham Property Solutions in Paris, says his firm is paid out of the sitting tenant's savings. Consequently, outside brokers don't have to split their fee.
4. **Use technology, but don't neglect traditional outreach**—Draznin advocates online video tours, virtual reality headsets that enable prospective tenants to experience walkthroughs, and 3D visual models. Nevertheless, he says there's no substitute for bringing brokers on in-person tours. Another low-tech option is the plain old phone call. A personal call is a great way to direct a prospect's attention to his opportunity.

Creative marketing strategies can generate results only when sublessors and building owners have realistic expectations. Brown has seen many would-be sublessors put their space on the market at only 10% or 15% below what they're paying. "As time creeps on, they get down to a year left on a lease. That's when they cut the price to a fire sale. But very few people want a sublease for only a year." Brokers should counsel their clients to ensure such situations don't arise.

Sublessees and their brokers should act quickly while the market still favors tenants. With supply decreasing but still high, sublessees can enjoy significant space upgrades.

Editor's note: This article was adapted from "Creative Strategies for Marketing Office Subleases," published in the fall 2021 issue of SIOR Report.

EARNED WISDOM

UNDERSTANDING THE FAMILY DYNAMICS OF LAND AND FARM DEALS IS GOLDEN.

There's no substitute for learning more about your profession from someone at the top who's experienced ups and downs over time. That's the premise for "Confessions of a Land Pro," a series of video blogs from RLI's Future Leaders Committee. In a recent episode, longtime broker Randy Hertz, ALC, shared a wealth of ideas and tips with fellow RLI member Eric Zellers of Ary Land Co., in Tulsa, Okla. Hertz, who earned an MBA from Harvard Business School, runs Hertz Real Estate Services in Nevada, Iowa. His company manages 600,000 acres of farmland and averages more than one farm sale a day.

1. **Communication**
   - Learn the language your clients and prospective clients speak about the specifics of their farms, ranches, and other properties.
   - Communicate and understand the emotional complexities of farm and land deals. "The families we work with aren't always functional," Hertz says. "If there are brothers and sisters involved in their parents' land, they don't always see eye to eye. Sometimes we've got to be the glue that helps them navigate the process. And we have to keep the lines of communication open."

2. **Technology**
   - Use video wisely. Hertz works with 34 commercial drone pilots to take a bird's-eye view of the properties his company manages and sells, and he recently hired a full-time video editor.
   - Embrace technology ranging from lidar topographical tools that can identify a property down to the inch to other GPS and mapping tools, online auctions, and 360-degree land tours. Seek to optimize your business and better serve clients through tech advances.

3. **Relationship building**
   - Keep an ear to the soil by staying in touch with clients and prospective clients well before and after a sale. Hertz has a database of more than 65,000 farmland owners and sends them newsletters and check-ins regularly. "We keep a dialogue open, because you never know when a life change happens and they may need us," Hertz says.
   - Connect with emerging land buyers. "About half of farm owners are 70 years old or older. There are some big transitions ahead as land is passed down to the next generations."

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Finally, be ready to change not only one life but the life of a family for years to come. In one case, Hertz's firm helped a widow properly value the farm she was preparing to sell. The result was an increase from $1,500 to $3,000 per acre—a difference that allowed her to create a more significant financial legacy for herself and her loved ones.

BIG GROWTH AHEAD FOR DATA CENTERS

PROPERTY MANAGERS WITH THE RIGHT BACKGROUND CAN MAKE A NATURAL TRANSITION.

By Robert Fuller, CPM, CCIM

The number of data centers developed, bought, and sold has exploded worldwide. Indeed, data centers have stepped into the spotlight as a prominent asset type.

Because of the similarities across asset types, a property manager experienced in other property types can successfully transition to managing data centers. No credentialing or degree requirements are needed, but a financial and mechanical background is extremely helpful.

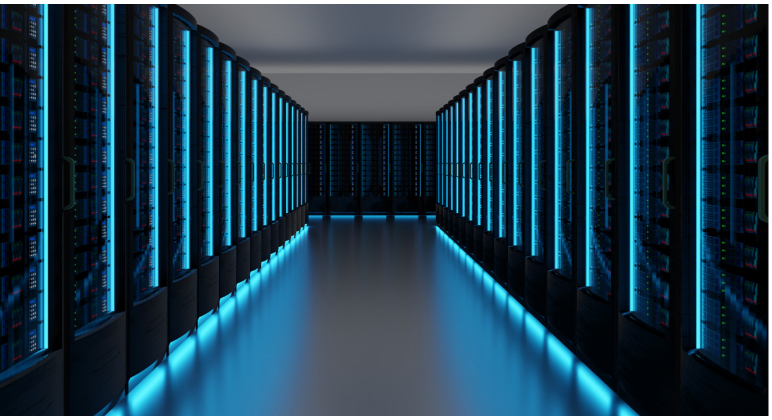
WHAT ARE THE RESPONSIBILITIES?

Property management responsibilities include financial budgeting and asset management, electrical and HVAC maintenance, utilities and energy usage, environmental and regulatory requirements, life safety and security, and cleaning and janitorial operations. These areas demand close attention because neglect will result in an inefficient and costly operation.

Despite data centers' similarities to other asset types, managing the centers is unique because it's especially crucial to monitor and report utility usage and the amount of energy consumed on a timely basis. The centers have to comply with demanding environmental and regulatory requirements.

DATA CENTERS GOBBLE ENERGY

Devices using the internet have been adopted at a tremendous rate, exponentially increasing worldwide energy use. Research



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reports have cited that data centers in the U.S. alone use more than 90 billion kilowatt-hours of electricity a year, requiring roughly 34 giant—500 megawatt—coal-powered plants to produce that electricity. Globally, data centers in 2020 used roughly 416 terawatts, equal to about 3% of the total electricity consumed worldwide last year.

Industry experts expect this energy consumption to double every four years, making it much more important for data centers to effectively use renewable energy sources such as wind energy and solar power.

Advances in renewables haven't caused coal to disappear as an energy source. A data center property manager is positioned to reduce energy use and drive up efficiency, thereby reducing energy costs and the center's carbon footprint.

FUTURE OF DATA CENTERS

Virtually all companies use some form of technology, which means data centers are becoming an operational backbone of every industry. In addition, the workforce supporting and maintaining data centers is huge, including IT infrastructure professionals, software developers, IT security engineers, and server and cabling technicians. A traditional workforce also supports the centers: accountants, marketing professionals, brokers and leasing agents, engineers, and, of course, on-site facility managers. This bodes well for the future of data centers and the next generation of real estate professionals.

Editor's note: This article was adapted from "No Longer Just a Niche," published in the September/October 2021 issue of the Journal of Property Management.

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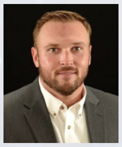

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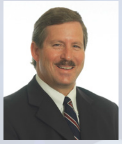

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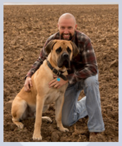

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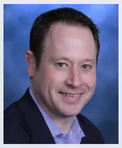

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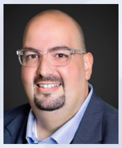

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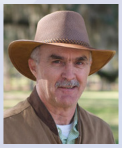

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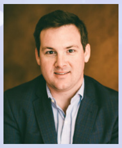

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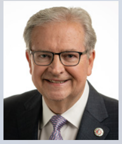

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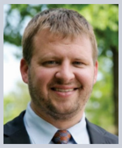

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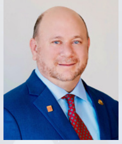

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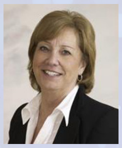

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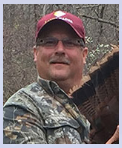

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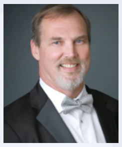

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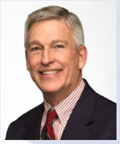

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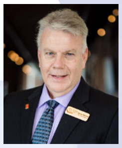

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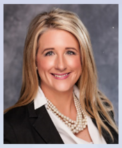

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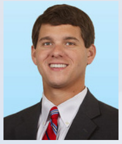


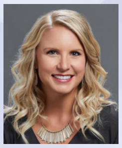
Allen Wilkerson, CCIM, SIOR
Vice President
Colliers International
Central Carolina REALTORS® Association

TENNESSEE

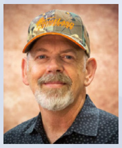
Geoff Hurdle, ALC
Broker-owner
Hurdle Land & Realty
Eastern Middle Tennessee Association of REALTORS®

Jerry Petzoldt
CEO
TCI Group–Jerry Petzoldt Agy
Northeast Tennessee Association of REALTORS®

TEXAS



Alison Blalock, CCIM
Commercial Agent
WestMark Cos.
Lubbock Association of REALTORS®



Andy Flack, ALC
Broker
Homeland Properties
Tall Pines Association of REALTORS®

Here and on pages 2 and 15, Tina Renee McCall of Bridge Investment Group, shows visitors around Lenox Park, an office project in Brookhaven, Ga. Bridge Commercial Real Estate led a $7 million repositioning of Lenox Park with renovations that included move-in-ready spec suites, a state-of-the-art tenant conference center, and inspiring outdoor spaces. Bridge also launched "Abridge," dedicated to providing flexible-term space and á la carte amenities for tenants with short-term needs.

COMPLEXITY DRIVES GROWTH OF ASSET MANAGEMENT

TODAY'S COMMERCIAL REAL ESTATE DEALS REQUIRE A STRATEGIC AND ANALYTICAL PROFESSIONAL TO MANAGE RISK AND CREATE VALUE.

By Paula Hess

As the complexity of commercial real estate deals has increased, so too has the realization that a professional with an eye on local and macroeconomic trends is needed: an asset manager. This strategic thinker possesses the mindset and skill set to manage and mitigate risk, engineer cash flows, and collaborate closely with property managers to boost values of properties and portfolios.

Asset management professionals draw from a range of disciplines, including brokerage, property management, business, economics, finance, and accounting. In addition, they serve all sectors and levels, from sole proprietors to Wall Street portfolio managers. As a result, the asset manager role is shrouded in an unnecessary layer of confusion.

BLURRED LINES

"The work of an asset manager is not new," says Blaze L. Cambruzzi, partner at Pennsylvania-based True Commercial Real Estate, "but the concept of a professional doing it may be what's new."

The asset management role has its roots in 1980s tax reform and post 9/11, when low interest rates pushed fixed-income investment into mortgage-backed securities, says Cambruzzi. A self-described "data analytics personality" and real estate professional with commercial brokerage and acquisitions experience, Cambruzzi left his position when the 2008–09 financial crisis hit, earning a master's degree in real estate financing and focusing on where the industry was headed. Paradoxically, he observes, many real estate master's programs are under the school of architecture despite a major industry pivot: the placement of capital directly for investment not from real estate developers and construction firms but from Wall Street equity and debt. "You need a different model and approach—above and beyond the property manager—to sustain that," says Cambruzzi, who also holds a master's in business administration, "and that is at the asset management level."

An asset manager brings a level of engagement to a property that exceeds what one would consider typical for a property manager collecting rents, paying the bills, and administering leases. For example, a property manager might see a tenant and property coming up for renewal and simply sign the tenant to another five-year term. "As an asset manager, I have to look at a loan coming due in 2023–24. If I take this five-year lease, that term will come due six months after my refinance, so when I go for refinancing, I might not get the best rate. Also, I have a bump scheduled for a year after I refinance. If I can move that bump up a year, that's when the appraisal will happen and the bank determines the building's value, and that's to our benefit."

From Renee Savage's vantage point, the asset manager is the analytical problem solver. Savage, CPM, CCIM, is secretary/treasurer for the Institute of Real Estate Management and president of San Diego–based Casavida, a property management company with a portfolio of boutique residential properties. A property manager looks at the one- to three-year time frame on a property, she says, while the asset manager is looking at five-plus years. "It's a different lens," acknowledges Savage. While she delineates the roles, Savage does not discount the property manager role, "because the property manager can make or break the asset manager's success, and part of that asset manager's role is to explain the long game."

Savage describes herself as "more on the operational asset manager side, that step above the property manager." She analyzes capital improvement projects—will they create value or maintain the asset at its current value?—and ensures that rental rates are properly set and the property manager is controlling expenses.

An industry trend is causing an overlapping of roles, Savage says. “You’ll hear a property manager tell an owner, ‘If I spend $20,000 at turnover on an apartment unit, I can get X many more dollars in rent and your payback comes in under X years.’ That is asset manager thinking, and property managers who’ve been in the business a long time are picking up that train of thought, so we are seeing blurred lines.”

When Cambruzzi launched True Commercial Real Estate four years ago, the company operationally split asset management from property management. “Our [asset management] contracts are with property owners and investors,” he says. Still, he recognizes that most clients in secondary and tertiary markets will not bring on an asset manager in addition to their property manager. “In reality, it ends up being a function of your property management service, so you might charge a premium to do asset management.”

John Viggers, CPM, CRE, entered real estate after his early years running a small-town bank and being a stockbroker, an experience that gave him deeper financial perspective. When the 2008 financial crisis hit, Viggers was elevated to president of asset management for NAI Global and won contracts with three national banks to manage their distressed properties. In that role, he and his teams established local brokerage and property management to stabilize and prepare assets—shopping centers, office, and multifamily properties—for disposition.

Viggers, who is currently senior vice president, Cushman & Wakefield Iowa Commercial Advisors, West Des Moines, Iowa, notes, “Roles and distinctions between property management and asset management are being blurred as managers are being tasked with so many roles and duties due to the growing complexity of our industry and deal making.”

“Quality asset managers need to think strategically and look, breathe, and act like an owner. They need to have that CEO mindset, because, ultimately, they are the boss of that asset,” Viggers says. “They report to an investor or a board of directors, but they need the mindset that ‘I’m responsible for a bunch of businesses that happen to be commercial properties and my job is to be the CEO.’”

On the higher echelons of asset management, Tina Renee McCall, CCIM, managing director at Bridge Investment Group, oversees the public company’s asset management team and office strategy. “The Bridge Office team has financed, acquired, leased, or managed 275 properties across the U.S., completing approximately $3 billion of transactions,” she says. “We currently manage 13.4 million square feet of commercial office.”

The asset manager term is used universally, she notes, but “I would separate it further: debt asset management and equity asset management; my team members are equity asset managers. I use the term asset management and investment manager synonymously.”

QUICK START GUIDE

Asset managers offer these tips for expanding your expertise into asset management:

- “Read the IREM research report ‘What Real Estate Asset Managers Do’ by Dustin Read, Ph.D., J.D.”
  —JOHN VIGGERS

- “You need experience in brokerage and property management. You need to know how brokers work and how deals get done because you’re going to have to be the mastermind and craft these things.”
  — BLAZE L. CAMBRUZZI

- “Try to get a CCIM designation from the CCIM Institute, because it’s probably one of the best educational goals outside of a high-level MBA.”
  —MICHAEL HIRONIMUS

- “As an analyst looking to break into asset management, know Excel inside, outside, upside down; understand discounted cash flows and how to use that top row of your financial calculator. Know how to use ARGUS, a discounted cash flow software. We use it every single day as we evaluate values for our office product.”
  —TINA RENEE MCCALL

- “The Certified Property Manager designation from the Institute of Real Estate Management offers an asset management track, three or four classes that address financial analysis and decision-making.”
  —RENEE SAVAGE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An economics and appraisal background launched her real estate career, and in this strategic role, she spends a significant amount of time talking to and collaborating with tenants, brokers, and property managers; scanning information and data to understand the drivers of local and macroeconomic trends, such as inflation and supply chain issues, for potential impact at the local level; and creating property-specific business plans. Simply put, McCall says, what an asset manager does is find and create value for the building and investors. For instance, when Bridge Investment Group purchases underamenitized and underpopulated buildings in high-growth markets, McCall and her team renovate, add amenities, and build spec suites and white boxes. "Then, we will hire the best leasing team in that market and drive those occupancy and rental rates, creating value for the asset. We are seeing good returns and success across the United States. The average hold is three to seven years, and it's fun to see what you can do in that time."

On the other end of the asset management spectrum, Michael Hironimus, CCIM, is managing assets for individual real estate investors. He began his career in private investment, followed by 10 years with Kidder Mathews on an industrial-retail team, before becoming sole proprietor of Duckridge Realty Advisors, West Linn, Ore.

"I noticed there was a need for private asset management. Many investors don't have the time, expertise, or wherewithal to invest properly into commercial real estate, so I saw a niche: high-net-worth clients and family institutions."

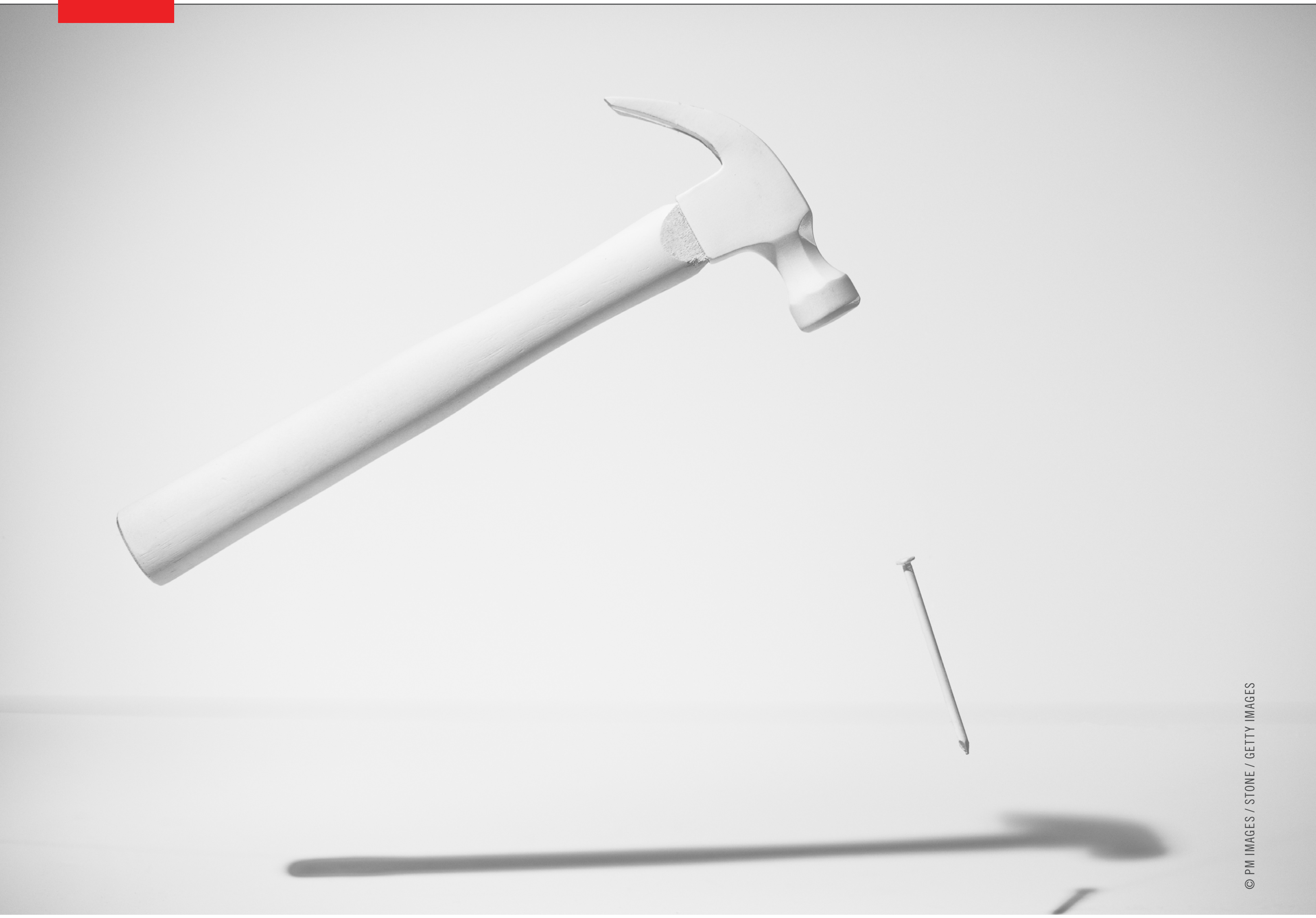
These clients run the gamut from a client with a single $3 million property to another with nine properties worth $80 million–$85 million. Hironimus' services include driving rental growth; sourcing and analyzing debt; procuring financing; assisting with back-end tax strategies, accelerated appreciation, and cost segregation; and mitigating risks. He looks at what the investors are trying to accomplish—cash flow, legacy portfolio—because that drives the risk profile. "Then, we formulate goals. We focus on risk management and making clients aware of future risks and pitfalls."

When he was hired to recruit a new leasing team he was paid hourly on retainer, but compensation for asset management or portfolio management typically is based on a percentage of net operating income. The rationale: "Property managers usually take a percentage of gross operating income, but we're focused on the income and expenses—trying to optimize and streamline the expenses. That fee structure aligns our interests with those of our investors."

Hironimus sometimes plays the role of teacher or psychologist, helping a complacent investor—for example, someone who isn't collecting the correct market rents or who is deferring improvements—to get back on track. He recently saved a client several hundred thousand dollars in one year. "The idea with asset management is you take clients who are more passive and replace it with active management. That's what real estate needs."

Property management remains critical to the profitable functioning of buildings. But as the business grows in complexity, the need for active financial management will solidify the role of and demand for asset managers.

Paula Hess is a Los Angeles–based freelance writer and former senior editor of California Real Estate Magazine.



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WHEN TO STRIKE

COMMERCIAL BROKER LIENS ARE A CRITICAL TOOL, BUT THEY SHOULD BE USED RARELY—AND WISELY.

By Carol Weinrich Helsel

It's a broker's worst nightmare: A big sale is about to close, and the party obligated to pay the commission signals he or she won't pay it or won't pay the full amount owed. Or, in leasing, the event triggering a commission—for example, occupancy or receipt of the first month's rent—occurs with no payment. What's a broker to do?

Litigation is an option, but it may not be worth it for smaller commissions. Depending on your state, you may benefit from a commercial broker lien law, which protects sale and lease commissions. A 2020 compilation by the National Association of REALTORS® shows that 36 states have commercial broker lien laws. A small number fall under mechanic's lien laws, but most specifically address broker commissions, thanks to local broker efforts supported by state REALTOR® associations. *(See "Advocating for Lien Laws," page 18.)*

Placing a lien on a property is usually the last course of action. It clouds the title, making it nearly impossible to settle a sale unless the seller escrows the amount of the claimed commission. On a lease, a lien could violate the loan documents and be considered a default by the lender. A lien on a tenant's interest in a property could be a violation of the tenant's lease by the landlord as well.

“Assertion of the lien is an important step in resolution. But legal language can be tricky. Brokers must ask what they did to effect the transaction.”

THE HAMMER THAT NEVER FALLS


GOLDSMITH

In most situations, the mere threat of a lien will bring the parties to the table to discuss a resolution. “It’s the hammer that never falls,” says Jim Goldsmith, an attorney with Mette Evans & Woodside in Harrisburg, Pa., who has represented the state and local REALTOR® associations. “The assertion of the lien is an important step in resolution.”


DAVISSON

“The lien law is like having a big stick,” says Delaware broker Pete Davisson, CCIM, SIOR. The mere passage of a lien law in his state in 2013 significantly reduced brokers’ need to file. “Developers seem more inclined to test the waters [by holding back payment] than building owners or investors,” says Davisson, a founding partner with Jackson Cross Partners.


GARLAND

Lorie Garland, assistant vice president of legal services for Ohio REALTORS®, believes the broker lien law is a powerful tool. She warns, however, that “brokers who record a spurious or materially inaccurate lien can be liable for any damages incurred by a person having a legal or equitable interest in the property.”

DOT THE I’S AND CROSS THE T’S

Lien laws vary by state, but most spell out the time frame for notice and filing, lien notice contents (required documentation), and process for waiving or extinguishing a lien. Other provisions routinely include priority of payment, properties covered, and assignment of attorney fees. It’s common for the non-prevailing party to pay the attorney fees. Ohio REALTORS® didn’t have such a provision in the state’s original lien law, but they successfully advocated for an amendment, which went into effect in March of 2021. “The ability to recover reasonable attorney fees and costs has helped our members stay out of court,” Garland says. “It eliminates the scenario where the client assumes the broker will not pursue a lawsuit because the attorney fees might exceed the value of the due commission.”


HELSEL

Too often, brokers find themselves lacking the necessary documentation to file a lien. “The first thing a broker should do is determine what the law requires,” advises Goldsmith. Most states require a written and signed contract for providing “licensed services” in exchange for a fee. That’s not always easy. “There are a lot of commercial deals that never get listed,” says Jim Helsel, CCIM, CPM, owner of Helsel Inc., REALTORS®, in Harrisburg, Pa. “I always try to get something in writing—ideally a letter, but an email is better than nothing and can help with negotiation.” *(Helsel is the author’s spouse.)*

“Legal language can be tricky,” says Goldsmith. “Brokers must ask themselves what they did to effect the transaction.” For example, is it sufficient if the seller produces the buyer or lessor with no contact with the listing or cooperating broker? A skilled attorney can be creative in what constitutes a “licensed service,” notes Goldsmith, but a contract clearly defining the services provided in exchange for a fee is essential for a successful lien. Brokers should familiarize themselves with the lien law and work with counsel to create a standard contract that will stand up to the scrutiny of the law.


ZIMMERMAN

Deena Zimmerman, vice president of SVN Chicago Commercial, advises new agents to carefully review the brokerage section of the lease to ensure correct documentation. “I’ve seen brokers lose out because they didn’t notice that their name was not in the lease agreement as representing one of the parties to the transaction.”

REPERCUSSIONS OF FILING A LIEN


KELLER

Because a broker can meet the statutory requirements to file a lien does not necessarily make it the right course of action. “I learned a long time ago that the last thing I want to do is escalate problems with a lease by bringing an attorney to the table,” says Kris Keller, CCIM, of Keller Williams ONEChicago. “It usually leaves a sour taste in the mouth of the landlord, who may have other properties for which we’d like to be the leasing agent.”

HRABCAK

Some brokers get a more aggressive response. Greg Hrabcak, CCIM, a Columbus, Ohio, broker in the commercial division of HER, REALTORS®, had a landlord's broker threaten to run up legal fees if he filed a lien. "The other brokerage had in-house counsel, and I knew they could bleed us to death, but I felt it was my duty to file the lien on behalf of the associate broker who put together the deal." The parties eventually settled, with Hrabcak's firm getting half of the owed amount. Hrabcak says in most cases, the warning of a lien is enough.

ADVOCATING FOR LIEN LAWS

Eighteen U.S. states and territories have no broker lien law or have narrowly designed circumstances under which a broker might address nonpayment of commission. Jim Hochman, an attorney with Chicago-based Schain Banks, has assisted with the passage of a broker lien law in 19 states—almost always in conjunction with the state REALTOR® association. Opposition usually comes from developers, builders, and title insurers. Hochman works to show special interest groups that there are no "innocent victims" in a broker lien law. He offers these insights for those interested in pursuing a lien law:

- **It may take more than one legislative session.**
- **Legislators want to hear from reputable, known brokers in the state.**
- **Involve the state REALTOR® association.**
- **Engage brokers who have "been in the trenches" and can speak to the issues.**
- **Know what has happened in other states.**

"Lien rights are rarely asserted, and litigation is even rarer," says Hochman, who compared litigation statistics before and following the introduction of a broker lien law. "Lien laws dramatically reduce litigation," says Hochman. "The right to lien discourages folks from taking a run at denying or reducing the broker's fee."

HERB

Greg Herb, CRB, owner of Herb Real Estate in the Philadelphia area, also is hesitant to file a lien. "I want to be a problem solver, not threaten litigation," says Herb. "We file to find a resolution," he says, but he admits it is uncomfortable. "It's tempting to turn the other cheek, but that's not good for our industry."

REPUTATION MATTERS

Helsel recalls weighing the risk of filing a lien for a multiproperty sale that would generate only enough funds to cover the sellers' debt and broker commission, with no proceeds for the sellers. The co-listing broker had a personal connection to one of the sellers. "She begged me not to do it, believing they would pay," Helsel says. "She was correct, and I was glad not to have filed. It was apparent, though, that they knew of my concern. One seller still won't speak to me. Any time you upset a client," he says, "others may unfairly judge you—and your reputation,"

The agents in Zimmerman's firm routinely discuss the possible need for a lease lien. "To avoid offending a client," she says, "we try to write agreements to cover ourselves in the case of nonpayment, such as retaining the security deposit, but some landlords won't agree. If we have any concerns, we lien the property."

Some firms file liens as a standard business practice, primarily for large transactions. Delivering the notice of lien with the contract minimizes the suggestion of distrust. Still, it may be off-putting to the seller or lessor. Firms should also detail in writing the actions that will extinguish the lien.

ROLLING THE DICE

Most brokers agree that the real value of the lien law is forcing a discussion around a resolution. Davisson recounts one incident in which a developer client wanted to change the commission structure in a land sale transaction arbitrarily. "I could have easily used the broker lien, but we would have lost the opportunity to work with this developer going forward," he says. "The threat of the lien led to a resolution satisfactory to both parties, and we were able to continue the relationship with the developer." Davisson's view is that "a piece of the pie is better than no pie at all."

A willingness to seek a mutual resolution is the prevailing sentiment. None of the brokers interviewed for this article regretted their decisions not to file a lien—even in instances where they lost money. "I believe most people are fair," says Helsel, "but you roll the dice every time."

FUTURE OF PROPTECH INVESTMENT

WHICH TECHNOLOGIES ARE GAINING TRACTION FOR INVESTORS AND REAL ESTATE PROS?

By Duke Long, entrepreneur in residence, Second Century Ventures

The ink may never have time to dry on proptech investment record books as each new record smashes the previous one. In the first half of 2021 alone, equity and debt investment in U.S. proptech totaled $8.5 billion, surpassing the total amount of capital invested in all of 2020, according to GCA, an adviser in the proptech market. An impressive 50 proptech M&A transactions were announced in the first half of the year. This incredible amount of financial support for proptech amid the global pandemic is a profound indication of the desire for new real estate technology solutions across the real estate industry.

Specific categories within the proptech arena, and adjacent categories like contech (construction technology), insurtech, and fintech, continue to attract a sizable share of the funding pool. Four categories to note with topical new solutions from the startup community:

BIG DATA AND ANALYTICS

Through a single cloud-based algorithmic data platform, **Biproxi** aims to transform commercial real estate trasactions from list to close. **Remarkably** offers a powerful marketing platform geared to help multifamily teams manage portfolio and property performance.

ARTIFICIAL INTELLIGENCE

Using a proprietary parametric design technique, **Parafin** uses AI algorithms to rapidly generate optimized design concepts, budgets, and investment proforma for real estate developers.

SUSTAINABLE CONSTRUCTION TECHNOLOGY

Energy-Producing Retail Realty has gained traction with developers in the Northern California and Nevada region over the last year through its renewable energy technology pilot programs.

SOFTWARE AS A SERVICE

Notable new SaaS solutions include **Leasera**, a commercial property management platform developer; **Valcre**, an end-to-end commercial real estate appraisal solution; and **Cove**, a dynamic platform to connect physical and digital experiences through both easy-to-use apps and custom in-person service solutions.

SECOND CENTURY VENTURES

Additional areas of the CRE market are ripe for innovative approaches in the post-COVID era including lodging, travel tech, and return-to-work solutions.

As funding continues to pour in, the appetite and competition to find the best new solutions grow. The beneficiaries: all real estate stakeholders, investors, lenders, brokers, agents, property companies, governments, and individual homeowners. Technology solutions aren't the be-all and end-all of commercial real estate; it remains a person-to-person business. But technology is a key component of nearly every aspect of the transaction. Used well, it enhances the work you do—and whether you adopt new solutions or not, you can be assured tech entrepreneurs will continue to seek ways to fundamentally change the business.

NURTURING NEW PROPTECH

More than a decade ago, the National Association of REALTORS® had the foresight to make a strategic investment to support the proptech sector and equip its members with the tools needed for future market conditions. Founded in 2009, Second Century Ventures and its REACH scale-up program manage a portfolio of more than 150 technology companies from around the globe, each addressing some aspect of the diverse property ecosystem. SCV is the most active global real estate technology fund, scaling its portfolio companies across the world's largest industries including real estate, financial services, banking, home services, and insurance.

Interested in tracking the latest news and events in proptech? Follow NAR REACH on LinkedIn.

OWNERS, HEIRS FACE THREATS TO STEP-UP BASIS

SO FAR, LEGISLATORS HAVEN'T TOUCHED THIS IMPORTANT PROVISION, BUT IT'S CRITICAL TO CONTINUE DEFENDING TAX RULES THAT ENABLE A STEP UP TO FAIR-MARKET VALUE AT INHERITANCE.

By Evan Liddiard, CPA, director of federal tax policy, National Association of REALTORS®

Owners of commercial property and real estate investors have found 2021 to be perplexing and frustrating. Not only has the pandemic continued to hammer values and cloud the outlook for recovery, but some in Washington continue to push proposals that could mightily increase taxes on owners of appreciated capital assets. The bipartisan infrastructure bill signed by President Joe Biden Nov. 8 didn't include these troublesome provisions, but it's good to be aware of these ideas because they're likely to resurface.

Tax increase ideas are nothing new, but with a social safety net bill on the docket and needing funding, we can't ignore the possibility that property owners may have to soon pony up more to Uncle Sam. Along with other potential increases, recommendations exist that would change the tax treatment for those who bequeath and inherit property. Let's look at how such transfers are treated in the law today compared with proposals that would drastically change the rules.

HOW THE CURRENT LAW WORKS

Property owners who hand down assets to their heirs are not taxed on the appreciation in the property's value during their lifetime, and those who receive the assets are given a step up (or step down) in the tax basis of the property to its fair market value generally as of the date of the decedent's death. This is widely known as "step-up" and has been a staple of our tax system for over a century.

> **Example 1:** Jim dies owning land he purchased for \$30,000 in 1971 and leaves it to his niece, Sophia. The FMV of the land on the date of Jim's death was \$500,000. Had Jim sold it before he died, the sale would have generated a capital gain of \$470,000. The gain would have been taxed at a rate as high as 23.8% (including the net investment income tax). However, Sophia receives a step-up in the tax basis of the property to \$500,000, so she will pay tax only on any future appreciation and only if and when she sells it.

PROPOSAL TO SWITCH TAX BASIS FROM STEPPED-UP TO SUBSTITUTED

For years, opponents of this current treatment have flailed it as a loophole for the wealthy that must be closed to make the U.S. tax system fairer. Their solution has been to switch heirs from a stepped-up to a substituted tax basis, usually the price paid by the decedent. In this way, when and if inheritors decide to sell, they would have to pay tax on any value increase from the time their benefactor purchased the property. However, lawmakers are pondering concerns ranging from the forced sales of family businesses and farms to pay the tax to the difficulty of determining how much Granddad paid for the property.

> **Example 2:** In the example above, let's say substituted basis has replaced stepped-up basis. Instead of being \$500,000, Sophia's tax basis would be just \$30,000, the same as Uncle Jim's. Suppose two years after she inherits the property, she sells it for \$530,000. Rather than a capital gain of \$30,000, she would face a gain of \$500,000. Thus, Sophia's tax would be many multiples of what she would owe under current law.

WHITE HOUSE PROPOSAL

This spring, a new proposal emerged, and President Joe Biden endorsed it to help offset the cost of his legislative priorities. This plan would tax decedents' estates on any unrealized capital gains that exceeded \$1 million per person. This would be true even if the heir did not sell. Thus, the Treasury's take would come faster and not depend on the inheritor's cashing in on the property.

> **Example 3:** Let's say, at death, Uncle Jim also owned stocks and bonds valued at \$1.5 million, for which he paid \$500,000. Including the land he leaves to Sophia, Jim's total amount of unrealized gain is \$1.47 million. The excess over the \$1 million exemption, or \$470,000, would be taxed to Jim's estate as a capital gain.

MARK-TO-MARKET PROPOSAL

Going well beyond even the president's proposal, Sen. Ron Wyden (D-Ore.) put forward an idea to tax increases in the value of capital assets even before the owner dies and regardless of whether the assets are sold. This concept, known as "mark to market," would require those with more than $1 million in annual income or $10 million in assets to pay capital gains tax annually on any net increase in the assets' value.

> **Example 4:** Let's say Jim meets the income or asset test of the Wyden proposal. He would have to pay tax on the net increase in the value of his tradable capital assets each year of his life. For nontradable assets like real estate, tax due on the gain each year would be determined by a look-back charge once the property was sold or bequeathed.

WHERE THE PROPOSALS STAND

NAR and other groups have vigorously opposed these changes, and this advocacy appears to have been effective. None of the three proposals made it into the infrastructure legislation and, so far, none has been added to other bills moving through Congress. Still, it's too early to rule them out entirely. And even if property owners dodge a bullet on attacks to the step-up basis this year, you can be sure these tax increase ideas are not going away.

RESEARCH

HOT RENTAL MARKET

Multifamily demand remains robust, with positive net absorption of 1.06 million apartment units since the second quarter of 2020 and asking rents rising 11.4% year over year on average across 390 markets tracked by CoStar. Meanwhile, construction has declined compared to pre-pandemic levels, indicating that rent increases will remain above 10% in 2022 and vacancy rates will hover at below 5%. Read the National Association of REALTORS®' monthly Commercial Market Insights report at *nar.realtor/commercial-market-insights.*

PROFIT CENTERS ▸

In these 21 markets, investors may be able to find profitable deals on multifamily properties. This NAR analysis identifies metro areas with at least 250,000 people, vacancy rates of 10% or lower, year-over-year asking rent growth of at least 5%, and a cap rate of at least 5% (data as of 2021 Q3).

	Y/Y Market Asking Rent Growth	Vacancy Rate	Cap Rate
Lincoln, Neb.	7.2%	2.7%	10.8%
El Paso, Texas	11.8%	2.8%	10.5%
Detroit	7.7%	4.5%	9.7%
Manchester, N.H.	13.7%	1.4%	9.4%
Akron, Ohio	6.0%	3.4%	9.0%
Albany, N.Y.	5.3%	2.4%	8.8%
Louisville, Ky.	6.1%	5.9%	8.7%
Poughkeepsie, N.Y.	6.6%	3.3%	8.5%
Baltimore	11.5%	3.5%	8.5%
St. Louis	7.1%	6.4%	8.4%
Lehigh Valley, Pa.	11.5%	1.4%	8.4%
Daytona Beach, Fla.	16.5%	3.9%	8.2%
Memphis, Tenn.	11.8%	9.3%	8.1%
Portland, Maine	6.7%	2.9%	8.1%
Cincinnati	7.0%	3.9%	8.0%
Dayton, Ohio	7.4%	4.3%	8.0%
Trenton, N.J.	9.1%	3.9%	7.9%
Toledo, Ohio	8.5%	3.8%	7.8%
Hartford, Conn.	6.9%	3.3%	7.7%
South Bend, Ind.	10.8%	7.3%	7.5%
Pittsburgh	5.6%	4.0%	7.5%

SOURCE: OCTOBER 2021 COMMERCIAL MARKET INSIGHTS. NAR ANALYSIS OF COSTAR DATA.

THE TAKEAWAYS

C5 SUMMIT BROUGHT NEW PERSPECTIVES AND HEIGHTENED VISIBILITY FOR PARTICIPATING COMPANIES AND MARKETS.

This fall the National Association of REALTORS® hosted its inaugural C5 Summit in New York City, bringing together experts on topics ranging from post-pandemic office demand to new sustainability mandates. We followed up with three REALTORS® who attended the summit to learn about their business and their conference takeaways.

T. Dallas Smith is president and CEO of T. Dallas Smith & Co., the largest African American-owned commercial real estate firm in the U.S. focused on exclusive tenant and buyer representation. Based in Atlanta, the company has affiliate offices in Boston, Dallas, Los Angeles, San Francisco, San Diego, and Short Hills, N.J. Smith is slated to be president of the Atlanta Commercial Board of REALTORS® in 2023. At C5 Summit, he was on stage for sessions on brokerage success and diversity, equity, and inclusion.

It has been a great year for us. A lot of our clients, because of the nature of their business, have done extremely well during the pandemic—FedEx, AT&T, Microsoft, Airbnb. However, I want to acknowledge that the past two years have been extremely tough for many, many people. In his book *The Power of Broke* (2016), Daymond John said some of his most brilliant ideas came from the fact that he didn't have any money when he co-founded FUBU. He had to think outside the box. That was me in 2007. When the recession hit, I was broke. I knew that to succeed, I needed to enlarge my tent. The way I've done that is to get licensed in other states. I started in the southeast and grew from there. We'd do a transaction in, say, Tennessee, and the client would come back and say, "Dallas, I've got an issue in Albuquerque. Can you help me with that?" And the answer is always yes. Today, we are licensed in 16 states with partnerships across the country.

In 2020, members of my team—Dexter Warrior, Corey Ferguson, Leonte Benton, and Cedric Matheny—and I were blessed to represent Microsoft on a large lease transaction. I recall being at an Atlanta Commercial Board of REALTORS® meeting in 2019. We were wrapping up the meeting, and I mentioned to John Heagy of Hines, who was board president, that we had a client looking for space. We thought Microsoft would need about 250,000 square feet, and I asked John if he had any inventory coming on the market. He mentioned two spec office buildings, Atlantic Yards, that were being developed by Hines and Invesco Real Estate. Long story short, Microsoft took both buildings—523,511 square feet.

That shows the value of being engaged in the REALTOR® organization. It's an interesting dynamic; you're working with competitors for the betterment of the industry—but you're also gaining exposure for yourself. That's also my big takeaway from C5 Summit. When you put yourself out there, you expose yourself to what's happening in other markets, and you expose others to your company. That's so critical. My goal, at this stage in my career, is to bring more people who look like me into commercial real estate. I want to be able to say that I helped diversify this industry that I love and that has been good to me for 40 years.

Janet Rodriguez Judd, CIPS, CRS, a broker-salesperson with RE/MAX Results, in St. Louis, has been in the real estate business for 36 years. She was 2021 president of Missouri REALTORS®. She's a RE/MAX Lifetime Achievement Award winner and part of the RE/MAX Hall of Fame. In 2022, Judd will chair NAR's REALTOR® Safety Advisory Committee.

I work primarily in residential real estate but do some investment work for clients who want to generate income investing in single-family homes. I'm located in West County, a suburb about 25 miles from the center of St. Louis. This year, the market has been really different. I've got clients located across St. Louis, and I'm getting more people moving back to St. Louis from other areas of the state. They want to be closer to their family or work from home remotely. Lack of inventory makes it a challenge.

I stay current on commercial real estate in my market through a network of professional contacts I've made over the years. Residential and commercial real estate are intertwined, but you have to make the connections. If we're selling houses in record numbers, those homeowners need new refrigerators, lawnmowers, carpets, drapes, and so on. Those businesses are leasing or buying space from our commercial colleagues. So, it's kind of like a team sport.

As Missouri REALTORS® president, I traveled across the state talking to legislators about issues important to our commercial and residential members. (As a former police officer, I also make it a point to talk to our members about safety.) At our state association conference, I had the opportunity to interview the governor of Missouri, Michael L. Parson. I didn't want him to stand behind a podium and give a political speech, so he graciously agreed to an Oprah-style interview. We talked about how he started his first gas station, worked as a sheriff, and ended up in the cattle business. He was scheduled to talk for 20 minutes but stayed for an hour. He later invited me to go on a trade mission trip to Israel and Greece. We'll be talking to investors, government officials, and business executives about buying real estate and starting companies in Missouri. It's a wonderful opportunity for the state.

One of the most interesting takeaways from this year's C5 Summit was the opening speaker, Greg Lindsay, who discussed "15-minute cities"—the idea of people having everything they need within 15 minutes. If you didn't attend C5 this year, plan on it for next year *(Aug. 15–17, 2022)*. You'll hear from smart, articulate speakers, and I truly believe it will become a vital meeting for our industry.

Kitty Wallace, ABR, RSPS, is managing broker with RE/MAX Integrity in Cle Elum, Wash. She served as president of the Washington REALTORS® in 2020. She's vice chair of the National Association of REALTORS® Broker Engagement Committee and chaired the REALTORS® Political Action Committee Major Investor Council in 2019.

I sell a mix of residential and commercial properties and vacant land in a rural market east of Seattle. This has been the best year of my career. Employers' response to COVID-19 has meant that many people can work from anywhere, which means more people are discovering Cle Elum. My sleepy town of 2,000 was named in the top 25 vacation home markets by NAR.

With increased demand for residential comes the need for more commercial and retail options. Our biggest challenge this year is that we lack the commercial and industrial zoning to meet the demand. We are actively working with our local, county, and state governments to get rezones and zoning variants. We need to help our elected officials nationwide understand the needs and lobby for rezoning to meet the commercial needs post-COVID.

I've served on the leadership team of Washington REALTORS® the past five years. We've had an ongoing goal to bring more value to our commercial members and one way we've done that is through participation in the international real estate conference, MIPIM, in Cannes, France. MIPIM's cancellation in 2020 due to COVID-19 made us look for other ways to bring value. It made sense to participate in NAR's C5 Summit. For me, the greatest takeaway from C5 was the networking. We loved collaborating and sharing ideas with other states.

You never know where your next sale will come from. While at C5, I connected with speakers who talked about how to leverage social media. After I thanked Kristin Rebeck [vice president of advisory services for Edge Commercial Real Estate, based in the Washington, D.C., area] for sharing great content, she messaged me. When she saw I was from Cle Elum, she told me her brother had just moved there and would be looking for a home. Later, I wrote a social post about C5 Summit, and the CEO of our Kittitas County Chamber of Commerce reached out to learn more. They'll want to participate in our efforts in 2022.

When you're going to conferences, either as an exhibitor or as an attendee, be prepared to make the most of your time. As the COVID-19 delta variant raged, we were concerned about how C5 would turn out, but we decided to bring our "A game." Washington REALTORS® collaborated with the Seattle-area Commercial Brokers Association, the Washington State Commercial Association of REALTORS®, and Greater Seattle Partners on the creation of a website and a project book featuring properties, notable sales comparables, and economic and market overviews throughout the state. Understanding that nobody would want to pack this large data bible, we made the book digital, which allowed us to share a business card with the QR code. We've laid the foundation to continue our participation in C5 Summit as it grows in size and influence.

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