



nerej

IREM attends Fall Leadership Conference in New Orleans

November 08, 2012 - Rhode Island

At the recent Institute of Real Estate Management's Fall Leadership Conference in New Orleans, Technology, training, and trends in real estate property categories topped the agenda during the opening session. Two senior executives commented on the trends that will be shaping the major property categories in a panel discussion moderated by Jim Evans, IREM's 2012 president. Karen Whitt, Colliers International's president & COO of U.S. real estate management services and Fred Tuomi, president of property management for Equity Residential joined IREM president Jim Evans in a discussion forum addressing the trends of both commercial and residential real estate management. In a recent article by Paul Rosta, senior editor of Commercial Property Executive, Paul shares the ideas of these executives and I think they are interesting observations for property managers.

Karen Whitt pointed out that some 40 percent of the nation's distribution space is becoming obsolete as retailers require 30-foot and 36-foot clear-space heights. She also cited e-commerce and the Panama Canal expansion as among the forces that are changing client needs.

Whitt also noted that real estate management is affected from a declining footprint of office space, from 300 square feet per user to 200 square feet on average. And as the popularity of Apple stores shows, retail "has become about the experience of shopping, not just buying."

On the multi-family front, Fred Tuomi, president of property management for Equity Residential, cited demographic and economic factors that are propelling the apartment business citing the entry of the Millennial generation into the work force, the postponement of home-buying and marriage. One striking statistic from Equity Residential's portfolio: 43 percent of the REITs units are rented by a single occupant, and of those residents, 51 percent are women.

Both panelists weighed in on the strategic issues that concern owners and managers of all property categories. "Clients want knowledge; what they get is data," Whitt said. A 50-page report is usually far less valuable to clients than insight into the global, local and national trends that will specifically affect their investment and development decisions, she asserted.

On a related note, Tuomi challenged the effectiveness of the use of technology today. Real estate managers and others have plenty of sophisticated tools at their disposal. "What I'm not seeing our industry doing right now is leveraging that technology to reduce your cost of operations," he said.

Addressing the anticipated nationwide shortage of property managers, the executives brought up some similar qualities that they look for in recruitment. New professionals can be trained in finance and operations, Whitt observed; however, she added, "You cannot train people to have that energy level, that passion, that enthusiasm." For his part, Tuomi said, "I look for the sparkle in their eyes" and the ability to connect with people. "You can hire for attitude, then train for skills. It's very important to have that welcoming personality."

Asked about his approach to hiring seasoned managers, as opposed to less experienced recruits,

Tuomi explained, "We don't have that many seasoned professionalsâ€”we grow our own." A pitfall of hiring veterans is that they can be what he called "overly seasoned, meaning that they're baked and they think they know it all," he said.

The most valuable quality a veteran manager can bring to the job is a never-ending thirst for knowledge, Tuomi commented. "What I look for is not, 'I can bring to you my world of expertise,' but 'I can bring to you my curiosity.'"

Richard Hitt, CPM, is a senior property manager with Phoenix Property Management Inc., Warwick and is the president of IREM-Greater R.I. Chapter No. 88, Providence, R.I.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540