

Remote Control

Effective Oversight of Widespread Offices

By Nancy Crotti

Global communications may make the world seem smaller, but they have not necessarily brought people closer together. In business, communication across hundreds or thousands of miles can produce challenges in managing teams—and by extension, properties.

When it comes to property management, “location, location, location” may be a liability, but it doesn’t have to be. A handful of experienced executives agree that hiring the right on-site managers, keeping them engaged and closely tracking owner and tenant satisfaction can make a big difference.

Retail property management firm Phillips Edison & Co. looks for people who focus on customer service and can anticipate, prevent and solve issues at a property, according to Eric Richter, vice president of property management for the Cincinnati-based company.

The best property managers have financial savvy and business management skills, said Michael Lanning, senior vice president with Cassidy Turley. Lanning oversees the office’s approximately 11 million-square-foot commercial portfolio as well as landlord/agency project leasing.



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“They’re in essence running their own companies,” said Lanning, the Institute of Real Estate Management’s secretary- and treasurer-elect. “In a lot of instances, we can train them with their people skills.”

Sunrise Management in San Diego strives to provide a consistent operational infrastructure for its property managers, according to president & CEO Joe Greenblatt. Sunrise employs 400 to manage 13,000 multi-family units in California, Arizona and Nevada. The company writes its performance standards into the property manager’s job description.

“We know what our expectations are,” said Greenblatt, IREM’s 2014 president. “Absent that, it can be chaotic.”

Lanning has six teams that work remotely in clients’ office and medi-

The Takeaway

- ✓ Hire the right on-site managers, keep them engaged and closely track owner and tenant satisfaction.
- ✓ Set up regular check-in and check-back conference calls—and stick to them.
- ✓ Take care to coach remote employees about changes in business practices.

cal-office buildings. Cassidy Turley surveys tenants about their satisfaction with the buildings and their managers. “We do that with the majority of our properties nationally so we’re able to judge, really, the service that our managers are providing,” Lanning said. “We’re always trying to measure the consistency of the services we provide.”

Some companies advocate a team approach to remote management. Sunrise employs a senior manager, property manager, assistant property manager, property administrator and engineer for each group of properties. Some site managers serve specific clients, while some teams manage geographically grouped properties with different owners. Sunrise on-site managers report to regional managers at a ratio of about 8-to-1, Greenblatt noted. “There’s no magic number, but we’re very sensitive to overloading regional managers,” he added. “That is a very common practice in the industry.”

Other companies prefer fewer supervisors. Alter Asset Management oversees office and medical-office properties in its hometown of Chicago as well as in Florida, Atlanta, Virginia and Phoenix. All on-site managers report to two senior executives. “I think we have a better handle on what’s going on for all of our outside owners,” said Kelly Peters, one of those senior vice presidents. Alter Asset Management’s parent company, The Alter Group, owns 20 percent of the properties it manages.

“We can make sure everything is running properly, the finances are working,” Peters said. “We try to differentiate ourselves by having a more personal connection with our owners.”

Critical Communication

Keeping in touch is the toughest task, executives agreed. “Our biggest challenge with everybody spread out is to keep communication going and not make them feel like they’re floating in space by themselves,” Peters said. Richter termed time zone differences a major challenge for Phillips Edison, along with ensuring consistent vendor sourcing.

While executives said they hold regularly scheduled telephone and/or video conferences, as well as site visits, they could do more, according



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—Joe Greenblatt, CPM

to Jeff Hiller, director of learning and development for JB Training Solutions Inc., a Chicago-based business-training firm. (Hiller is scheduled to facilitate a presentation on the topic during IREM’s fall leadership conference in October.) He advised setting up a weekly Monday-morning conference call and an end-of-week check-back. Convening the first and second Monday and skipping the third will not fly, he said, especially with Millennial employees. “It’s like bad parenting,” Hiller said. “You can’t blow schedules and expect the younger person to buy into it all.”

Too busy to change work habits to engage or re-engage the remote workforce? Too bad, Hiller said. “Wherever you work, you have to correspond to your business as a manager and make time for them,” he explained. “You have to manufacture time.”

Hiller advised shuffling responsibility for running conference calls among employees once a month. He also suggested breaking the call format with an occasional webinar in which higher-ups use video conferencing to display articles and other content that gets their point across.

Another tactic is to obtain employee cell phone numbers and chat periodically one on one about how they are doing and the work challenges they are facing, within appropriate boundaries.

In addition, “nothing beats getting out and visiting properties from a leadership, supervisory perspective,” noted Greenblatt. Executives may visit to recognize employee achievement or punctuate a message. But they should rarely show up unannounced. “It’s a need-driven practice. It’s not something we do as a matter of course,” Greenblatt said. “We don’t want to manage through a culture of fear. We get much more from it being a positive experience.”

Climate, emergencies, regulations and business culture can pose

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their own challenges. Climate may seem like a no-brainer, but a regional manager who oversees properties in Northern California and Arizona must be prepared for snow in the former and extreme heat in the latter, Greenblatt said.

JLL recently rolled out an emergency preparedness system that notifies tenants and employees in their preferred manner of communication (email, text message, phone call, et cetera) about emergencies. That included Tropical Storm Iselle, which hit Hawaii in August and knocked out power to about 25,000 people. None of JLL’s shopping centers had to close due to the storm, but its Red Flag system was “set up and ready to go,” said Janine Christian, senior vice president & director of retail property management for the Atlanta-based company.

JLL also has a training and transition team that works with employees throughout the year. The team’s members vary by topic, such as security. “We did a training on ‘the active shooter’ to be ready, because you just never know when that’s going to happen at one of our centers,” Peters said.

Property managers must also keep up with municipal, county, state

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and federal regulations and practices. These can pose unforeseen challenges to owners of properties in multiple markets. For example, Peters said one of her company’s clients uses a real estate tax-consulting firm for its properties nationwide. A local property manager noticed that the firm performed a property valuation at a different time of year than the county did, resulting in very different figures. The owner heeded Alter’s advice and hired a local tax consultant for that property. The eagle-eyed site manager saved the owner “hundreds of thousands of dollars.”

Culture may be the trickiest aspect of remote property management, according to Greenblatt. For example, longtime employees may need extra coaching about changes in business practices. Others accustomed to offering deals on rent in the Great Recession’s down market may need training to change their approach for today’s stronger market. “The solution that you provided someone last year in Los Angeles may not be the same solution in Santa Rosa, Calif., or in Tucson,” he added.

Peters had some final words of advice: Ignore top performers at your peril. “If everything is going well for them, you still need to pay as much attention to them as those managers struggling with property issues,” Peters said.

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