

THE Registry™

BAY AREA REAL ESTATE JOURNAL

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Publisher

Vladimir Bosanac
vb@theregistrysf.com

President

Heather Bosanac
415.738.6434
heather@theregistrysf.com

Editor-in-Chief

Sharon Simonson
408.334.2512
ssimonson@theregistrysf.com

Sales & Marketing Director

Hector Quintana
408.728.7352
hquintana@theregistrysf.com

Creative Director

Karyn Charm

Photographer

Jason Steinberg

Writers

Alfred J. Bru, Heather Fox,
Marie-Anne Hogarth,
Jessica Saunders, Sharon Simonson,
Aimee Lewis Strain, Sasha Vasilyuk

Contributors

Joe Gillach, Rob La Eace, Matt Slepín

Advertising

408.728.7352

Printer

Bay Area Graphics
www.bayareagraphics.com

News

news@theregistrysf.com

Feedback

letters@theregistrysf.com

Subscriptions

subscriptions@theregistrysf.com

Mission Statement

The Registry is a real estate journal that aspires to fulfill the need of Bay Area professionals for accurate, unbiased and timely news, analysis and information.

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Contributors



Joe Gillach

Anatomy of a Deal,
pg. 18

Joe Gillach joined Tiburon-based Ratel Investments LP as a principal in 2003 and is responsible for leading the company's asset-management and operating efforts. He has extensive experience purchasing and managing multi-unit residential properties in the San Francisco Bay Area. Prior to Ratel, he held senior marketing positions at various companies including Oracle Corp. and Sun Microsystems Inc. Gillach was also a member of the marketing practice for the management consulting firm Booz Allen Hamilton Inc. He serves on the boards of the Marin Agricultural Land Trust, a nonprofit agricultural land conservation organization, and GreenbyDesign, a green consumer commerce and content company. He is also a member of the board of advisors for Noribachi LLC, an early-stage venture accelerator focused on clean-technology companies.



Rob La Eace

Where There's Smoke,
There's..., pg. 28

Responding to emergencies as a firefighter in a variety of uncertain situations and diverse neighborhoods taught Rob La Eace a lot about how people should be treated, not only during a crisis, but also in everyday problems. Today, these same skills are an asset to those who work with this San Francisco native in his career as a broker associate with McGuire Real Estate. The tools he puts to work as a firefighter are what makes the difference to the clients Rob works with as an agent. While it may help that Rob is the type of guy with a warm smile and a friendly attitude, his professionalism, organization and drive to succeed are what make him stand out in his career. Working in his fifth year in the industry, Rob is in touch with his clients' needs and with the city—putting a local's perspective to work.



Matt Slepín

Thinking Outside
the Job, pg. 29

Matt Slepín is managing partner of Terra Search Partners, a San Francisco executive search and human capital consultancy focused on the real estate industry. Slepín has over 20 years experience in leadership, management and functional roles within real estate. His extensive career in executive search has given Slepín a unique and rich perspective on the ever-changing landscape of commercial real estate.

Thinking Outside the Job

Unemployed could get to work by solving others' problems.

By **Matt Slep**

Many individuals in the real estate industry are talking about interim talent and temporary jobs these days. We believe that this is a compelling strategy both for companies as well as job seekers in the marketplace. Given the dynamics of the real estate business, it is a particularly appropriate approach in our industry right now. As recruiters, we champion companies building great teams and great cultures for the long term. This indeed is our *raison d'être*.

But these are not normal times. The real estate business is going through a painful deleveraging and labor re-adjustment that is not only affecting property values but has also resulted in difficult staff reductions. At first, it was mostly rightsizing (i.e., cutting the fat), but now it is clearly downsizing, and some companies have now cut into the bone.

Yet in this shift, assets still exist and must still be managed. In stable markets, owners and developers handle buildings while lenders and investors play a fairly passive, oversight role, stepping in only when there are problems. Now, however, problems are rampant, and lenders and investors are taking an active role either through oversight or in the out and out takeover of properties.

We believe most firms will choose to manage these assets themselves in hopes of stemming the downward spiral of property values. But banks and private equity investors are not staffed to handle these responsibilities. Banks, in particular, are the furthest behind the curve. Often slow to admit to the true magnitude of their problems, they are not adequately prepared for the tsunami of assets coming their way. As this tsunami crests and falls, they will have the choice of quickly flipping assets at a fire sale or holding and managing them through the downturn in hopes of maintaining or even increasing value over time.

If they choose the more active role, these institutions will need to secure additional resources through hiring permanent staff or outsourcing. It is obvious that these institutions will be loath to take on new permanent staff to handle a temporary problem, particularly at a time when they have been downsizing. Therefore, we believe that they will most likely pursue an outsourcing strategy, through either hiring consultants or by hiring temporary or project-based personnel. We believe that the hiring of temporary workers, particularly given the extraordinarily high number of talented out-of-work real estate professionals, should be a major part of their strategy.

Looking at this from the standpoint of an out-of-work real estate professional, the question becomes: How can you strategize a search for employment in this marketplace? We are advising job seekers to treat their situation non-traditionally and to look for opportunities rather than jobs. In an era where there are very few open full-time positions, and the competition is intense, job seekers must adapt their expectations and language to capture the chances that do exist to be involved with projects and to propose creative arrangements to help companies solve their problems.

Asking questions such as How can I help?, What can I do?, Do you know someone with a problem who can use my assistance? expands networking conversations from a 10 degree window to a 40 degree win-

dow. We believe this change in perspective and expectation will make a huge difference for those seeking work and is clearly appropriate for the time.

So, with workers happily open to finding project-based or temporary work and employers reluctant to hire full time workers for what will hopefully be just a window of time, there is most certainly a role for interim work arrangements in the real estate business. Talented people come in all stripes and at all levels, from senior executives down to associates on the food chain, and in all disciplines, from property managers and accountants to entitlement professionals to construction managers. There are also out-of-work people from all sectors of the business, who can help solve broken condo deals, retail projects, hotels, office buildings and practically anything else under the sun. All of these skill sets and experiences are needed by banks, asset managers, special servicers, receivers, appraisers, developers, nonprofits, government and others who have cut too far into the bone and now have a raft of property problems to solve.

Many of these requirements will be filled by consulting firms or developers-turned-consultants. But many institutions will not want to sign up for the potential conflicts of interest with a developer and would prefer a more no-strings-attached assistance. We've heard that banks and other institutions have received hundreds of proposals from established firms as well as two-to-four person start-ups. Headhunters are also shifting their practice to help place talent and create a real estate talent bank to help match out-of-work real estate professionals with these types of project-based or temporary opportunities.

This recession will be deep and painful, and it will take some time before the real estate industry stabilizes. During this interim period, we are all trying to survive, stay active in the business and continue to build our contacts, experience and resumes. No one knows when we will see the new day or what it will look like, but it is clear to us that this period will have to include atypical employment as a meaningful part of the human-capital landscape. ■

Matt Slep can be reached at 415.433.2016 or matt@terraresearchpartners.com.

