

WORK+SPACE®

BUSINESS + REAL ESTATE + DESIGN + CULTURE + CONSTRUCTION

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Delivering Excellence

As Hughes Marino's Core Value #2, we take delivering excellence to heart. To emphasize how seriously we take this value, here's how it is defined for our team: *"Excellence is our BRAND. Passionately pursue excellence in everything you do. Deliver unprecedented service. Pay attention to the details. It's the intangibles, like relationships, our caring service, and going above the call of duty, that differentiate us. Strive for competitive greatness by delivering excellence."* It's a strong call to action, but it keeps us grounded in every action we take to ensure we are delivering the best services, both to our clients and our own team.

In this issue of *WORK+SPACE*®, we hope to deliver unprecedented service by providing you with valuable advice for the exciting journey of your business. As always, we highlight the critical impact that company culture plays in the success of business and building an award-winning team, and are excited to announce our Culture and Design Consulting Service as an added layer of the in-depth skills we offer. In addition to sharing ideas on how to enhance company culture, we are passionately committed to educating our clients in every aspect of commercial real estate. Paging through this issue, you will find advice on what to look out for when leasing space, project and construction management tips on office acoustics, expert advice on an upcoming leasing accounting standard, as well as design inspiration to liven up any workspace.

As a staunch advocate for tenants, we value each relationship we build, and welcome each client as part of our extended family. With our mission to go above and beyond to deliver excellence in every aspect of tenants' commercial real estate needs, we are honored to be considered a thought-leader in the industry and to represent some of the brightest companies across the nation.



Jason Hughes
Chairman & CEO
Hughes Marino

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About Hughes Marino

Hughes Marino is an award-winning commercial real estate firm that was founded on the belief that it is impossible to represent both tenants and landlords without a conflict of interest. Our team has been exclusively representing tenants and buyers for more than 25 years, delivering best-in-class service and unmatched expertise to companies across the nation.

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HUGHES MARINO

BOMA-Enemy of the Common Folk (aka Building Tenants)

By Jason Hughes

It should come as no surprise who BOMA answers to; after all, it's short for Building Owners and Managers Association. But it's almost become comical, (if it weren't so painfully expensive to corporate tenants everywhere), how every few years BOMA figures out creative new ways to "grow" already existing buildings. Yep—they actually grow (at least in all senses other than physically).

Virtually every office lease includes language that stipulates that landlords will "measure" the building space using "BOMA Standards." By having a third-party measure the space, people tend to think it must be fair. Instead, it's ridiculously abusive to tenants—and foolish logic to the remainder of the population (landlords excluded).



Jason Hughes
Chairman & CEO
Hughes Marino

For example, this past September, BOMA decided that all office building terraces and balconies, including building rooftops that are "finished," are now defined as "rentable" space—meaning you now have to pay for it. Additionally, vertical penetrations between floors (air conditioning ducting, etc.) are also "rentable space"—as they are now considered "Building Services Space." Of course! "That makes total sense!" said nobody ever—except landlords!

It's outrageous that we are in a world where tenants, who are the ultimate customers, continue to have BOMA and their

landlord clients pull all the strings. How do they get away with this? They've created collective bargaining with BOMA and the large real estate brokerage companies who all rally around to defend them—as that's how they feed their kin.

What can you do?

What can you do to defend yourself? Join ACT (Association for Commercial Tenants) at actrealstate.org—a nonprofit based in Los Angeles specifically created to protect corporate tenant's rights. The idea is that if we can create an anti-BOMA organization filled with like-minded companies who are tired of annual increases in square foot measurements for the same space—and other benefits that ONLY help landlords—then a united voice can stand together for a common cause. Maybe then tenants can feel that THEY are the customer given their rent pays for EVERYTHING when it comes to commercial real estate and all the providers who trickle down the feeding line. ACT gives tenants a seat at the table and is a champion of the underdog. It is time to let your voice be heard! □

Jason Hughes is chairman, CEO and owner of Hughes Marino. A pioneer in the field of tenant representation, Jason has exclusively represented tenants and buyers for more than 25 years. Contact Jason at 1-844-NO-CONFLICT or jason@hughesmarino.com to learn more.





A Simple Equation for an Outstanding Company Culture

By Shay Hughes | CSQ Magazine

Even before creating Hughes Marino, we always had an intense desire to break the mold and revolutionize our antiquated industry. We were determined to start a company that didn't yet exist in the cut-throat and oftentimes unethical commercial real estate industry, and hoped it would be a breath of fresh air for both team members and clients.

We wanted to create a company built on a foundation

based on core values and an amazing company culture, where our team would feel more like a family, rather than coworkers in cubicles competing against each other. We wanted to be confident that our clients would receive outstanding service no matter whom they were speaking with, and walk away with an inspiring, positive impression of our impeccable team of people and best in class service.



Shay Hughes
President & COO
Hughes Marino

It's funny how it works sometimes. By focusing less on financial gains and more on building the most amazing team we could envision, we've achieved great success, both from a financial and growth perspective, and also by creating an award-winning culture. As a byproduct of following our instincts in what we believed was the right way to grow a company, we are humbled and honored to be recognized as a culture leader nationwide:

- #7 Best Workplace in the Nation**
- *Fortune Magazine*
- #2 Top Company Culture in the Nation**
- *Entrepreneur*
- #1 Best Place to Work in every region we serve**
- *Business Journals*

What does company culture have to do with success in commercial real estate? It has positioned us as a disruptive leader in our industry, attracting both impressive talent and

clients eagerly knocking on our doors, all the while enjoying the journey alongside a team who we consider family. The good news for other companies is that this business model can be replicated by any business in any industry.

Our beautiful workspaces are beacons of inspiration to both our team members and clients. Our dedicated practices of appreciation and recognition in the workplace are constantly driving our team to deliver excellence. We believe that happy team members make happy clients, and the flood of emails we receive from clients expressing both gratitude and awe of the service they've received (and the team members they've interacted with) prove that theory perfectly. In fact, many of our clients are so inspired by the company culture they experience firsthand when working with our team that they ask us to help them emulate what we've built at Hughes Marino.

As you can imagine, an outstanding company culture is a vital part of the equation for the success of any business, and I am regularly asked how we've developed such an outstanding culture at Hughes Marino. While nothing great comes easy, what I can tell you is that it all boils down to a very simple equation:

Core Values + Amazing People = Outstanding Company Culture

Here are two important aspects to our equation of success that have led us to cultivate an award-winning company culture.

Develop Meaningful Core Values

While some businesses have core values on their website as a way to fulfill a requirement, quantifying what values mean the most to you and your team is a great way to solidify the "backbone" of your company. These values can also act as a compass to direct every aspect of your operations. At Hughes Marino, our ten core values guide how we conduct business, how we treat our clients and team, and how we hire new team members. With the first two core values being "always do the right thing" and "deliver excellence in everything we do," we can never go wrong! For companies that haven't yet defined core values, here are a few questions we asked ourselves that may help you get started, too!

1. **Who is at your company today?**
2. **What attracted everyone to work there?**
3. **What are the qualities that bind you as human beings?**

Bringing your entire team together to identify and discuss answers from these three questions can point you in a great direction towards developing core values that can help guide your hiring, team retention and the way you do business!

Build and Nurture an Amazing Team

The first step to building a dream team is to never compromise on hiring, no matter how dire the situation is to fill a position. Protect your team like family, and interview as if you were searching for someone to live in your own home. We would rather have our existing team members wear many hats than settle on hiring a new team member that won't mesh with our cherished company culture. In the end, it will save a lot of painful and awkward situations, not to mention the time spent hiring, training and nurturing a not-so-perfect fit, as that is valuable time that cannot be taken back. After all, those individuals deserve to be working at a place where they can thrive and belong too, so by never compromising on hiring, it's a win-win for both parties!

Another way we filter candidates is by ensuring they share our same core values. We have found that by placing our values out into the world, they attract people that share common values and are eager to be a part of what we are building. Once you find and establish an all-star team, be sure to nurture them to ensure they feel fulfilled and happy to set foot into your office every single day. What activities does your company organize to nurture a positive atmosphere? By providing weekly groceries, hosting monthly birthday celebrations, organizing all-team events and having ping-pong and billiards tournaments, we never pass up an opportunity to have our team bond as a family and appreciate the amazing group of people that they get to work with every day!

Culture is what you make it to be, and it begins with values and people. We took a major risk when we set out to disrupt the status quo of the commercial real estate industry, and I am so thankful we took that leap many years ago. By establishing our ten core values and finding the most amazing people possible, we are making a powerfully positive impact in our industry and are grateful for the success we've achieved on behalf of our clients as a high-performing team. Is it time to transform your company culture? By following this simple equation, I can ensure the possibilities to finding success are endless! □

This article first appeared in CSQ Magazine.

Shay Hughes is president, COO and owner of Hughes Marino, where she plays a key role in all aspects of the company, including internal operations, marketing, business strategy and end-to-end management. Contact Shay at 1-844-NO-CONFLICT or shay@hughesmarino.com to learn more.

Leasing Office Space as a *High-Growth Startup*

By Star Hughes-Gorup

In metros across the U.S., the next Salesforce, Google, and Facebook are expanding their business operations and planning strategically and tactically for their growth trajectory. While the growth is certainly extremely exciting for these upstart, high-flying innovation firms, the process of forecasting and mapping out their future growth can pose one of the biggest challenges: their office space.



Star Hughes-Gorup
Senior Vice President
& Director
Hughes Marino

Historically, the office space world has not catered to high-growth startup firms—as most leases are for a minimum of 3 years (most common is 5), and office space is generally not a very liquid item on a firm's financial statement! Because of this, company executives grapple with the unpredictability of their development and the necessity of protecting and maximizing growth possibilities.

One of the most significant issues for leadership involves handling the size of their office footprint, and understanding

the options available in the marketplace as the company grows. Too often, executives are confounded by the office leasing environment, as their broker presents a 3 to 5-year lease for 10,000 feet of space, only then to face massive complications six months later when their growth buildup necessitates 20,000 square feet.

Many executives believe there are no alternatives to the 3 to 5-year lease scenario, and instead choose co-working spaces that provide month-to-month flexibility. While this presents a quick fix, it also carries a price tag that is 5-to-10 times higher than traditional space, proving that it pays to plan ahead!

Across the country, we receive countless questions from technology, software and digital media firms searching for answers and solutions to their high-growth dilemmas. The good news for these companies is that there are proven strategies that can alleviate the pressures of rapid expansion from a space and leasing perspective, and we are happy to provide a few helpful tips.

Utilize the Portfolio

One of the best solutions for high-growth organizations is to align with a large-scale landlord, which holds a considerable

asset portfolio of office properties. As examples, in California, two such companies—The Irvine Company and Kilroy Realty Corporation—own millions of square feet of space, which tenants can leverage to their advantage. In this scenario, a tenant would enter a standard 3 to 5-year lease agreement for 10,000 square feet, and then when the need to expand arises, the company is able to grow inside the corporate portfolio.

Recently, a Hughes Marino software and digital media client utilized a corporate ecosystem of properties to grow from 7,000 square feet to 12,000 square feet, and then again to 20,000 square feet in an Irvine Company building. This benefits both the tenant and the property owner, because they benefit from keeping a tenant who is now paying more rent as a result of their expansion. This strategy can be implemented across geographies, buildings and market opportunities. The key to implementing this strategy is working with a broker who understands the ownership and financial structures of these landlords and who can effectively negotiate on the tenant's behalf, a strategy that our team at Hughes Marino utilizes on a regular basis.

Know Your Rights

One of the most effective and commonly adopted solutions is the Right-of-First-Refusal (ROFR) and Right-of-First Offer (ROFO). In these scenarios, a lease contract includes language, which conveys to the tenant the option to match the terms and conditions of additional leased space offered to a third-party. As an example, consider a tenant who is currently leasing 10,000 square feet of space in a building with 5,000 more square feet of adjacent space. If the property owner receives interest from a third-party to lease the 5,000 square feet of available space, they first must approach the existing tenant to determine if they would activate the ROFR provision and match the new third-party lease proposal.

The ROFO condition stipulates that a landlord must approach the tenant first, before offering to the marketplace any space: adjacent, contiguous or in the building, which the current tenant occupies. The ROFO is not as powerful a tenant tool as the ROFR, however each has specific strategic value relative to expansion plans. In each case, the tenant is mitigating some market risk by purchasing short-term protection on future space.



Landlords typically aren't proponents of the ROFO and ROFR because these solutions transfer the negotiating power from their hands to the tenant. A landlord would rather see a scenario where a tenant had to sublease their space, while concurrently paying rent on a new space. The tenant could be liable for financial costs on two properties. While dual-agency brokers are far more apt to protect the landlord's interest than the tenants in a negotiation, a tenant-only representation firm will always have the best interests of the tenant at heart, ensuring the best possible outcome.

Understand the Phase-In Option

The strategy of rent phase-in allows a tenant to lock in their tomorrow, while controlling their cash flow today. As an example, a recent Hughes Marino digital marketing client utilized this approach to secure 20,000 square feet of space on the first day of the contract, while only paying for their initial needs of 10,000 square feet. Under the lease terms, the tenant secured the economies of scale in the design and flow of the full space, but paid rent on 10,000 square feet for the first 6 months and on 12,000 feet in months 7-12. Thereafter, the lease rate applied to the full 20,000 square feet. The phase-in is a great solution for tenants to manage their growth timeline.

Consider Short-Term Leases

While 75 percent of office leases are 3-5-year deals, short-term 1-year leases are available. Another Hughes Marino client, an app developer, has moved office spaces year-over-year to incrementally ratchet up from 3,000 to 7,000, 9,000 and 12,000 square feet. While these 1-year contracts tend to be pricier, they do offer flexibility for the tenant.

Each of these strategies must be tailored to the client's unique situation, business blueprint and growth cycle in order to maximize the future success of the client and their growth. Critical to negotiating the right lease for high growth technology companies is working with a broker who has the market intelligence in the firm's locale. Tenant improvement allowances, ROFO and ROFR disclosure timelines and the money partners and financial backing of a corporate real estate entity are just a few of the issues a broker must consider in a lease proposal to set any business up for success. □

Star Hughes-Gorup is senior vice president and director at Hughes Marino. As a key member of Hughes Marino's industry-leading brokerage team, she specializes in tenant representation and building purchases. Star makes frequent media appearances to speak on business issues from a millennial perspective and blogs at starhughesgorup.com. Contact Star at 1-844-NO-CONFLICT or star@hughesmarino.com.

SPACES WE LOVE

BUMBLE BEE SEAFOODS' HISTORIC HEADQUARTERS

By Star Hughes-Gorup



If you've ever visited San Diego and attended a Padres game, chances are you've seen Bumble Bee Seafoods' amazing headquarters in the outfield of Petco Park, inside the historical Showley Brothers Candy Factory Building. It might be the coolest location—and building, for that



Star Hughes-Gorup
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matter—in all of San Diego! Bumble Bee's new space represents a 180° turnaround from its previous headquarters. With an open floor plan and lots of amenities throughout, the historical building's original brick and timber structure has been left exposed with polished concrete walkways to give the space a true "fishing industry" ambiance.

Their glass conference room provides a rustic feel with an intricate wood table and unique light pendants hanging from

the ceiling which adds to the ambience. With a lunchroom that opens to an outdoor patio facing Petco Park and a coffee bar located on the second floor, Bumble Bee focused on creating more "living" space than "office" space for its team to enjoy. It's the perfect space for team members to gather to partake in views and action of the bustling downtown streets below.

Bumble Bee made sure to incorporate historic touches at every turn. Throughout the space you'll find huge, wall-sized graphics of fishing boats and tuna factories, in addition to many framed black and white fishing industry photos from years past.

The custom furniture throughout the space was built using recycled materials from the fishing industry. And the carpet that is used? It's made from recycled fish netting! The end result is an impressive corporate headquarters which truly embodies the long history of the Bumble Bee brand, all while boasting the earmarks of modernity. Congratulations to Bumble Bee Seafoods for a beautiful space! □



The dining area of a Hughes Marino project for La Jolla Pharmaceutical Company features an open ceiling with stunning wood elements to add to the design of the space.

Can You Hear Me Now? A Tenant's Guide to Office Acoustics

By Steven Gorup

As office space evolves for the changing needs of a mobile workforce and businesses continue to embrace open office floor plans, the understanding of the impact of office acoustics is becoming more and more critical, as new architecture and designs are delivering both successes and unintended consequences.

Workspaces with trendy elements such as open ceilings, sealed concrete floors and glass walls are just a few examples of the aesthetics and essentials that define today's modern office space. Intended as both economic and cultural rationales to lower costs and foster collaboration, as well as to attract and retain talent; the consequence is that privacy has taken a backseat, often affecting productivity due to increased noise levels.



Steven Gorup
Vice President
Hughes Marino

A *Harvard Business Review* article cites two studies indicating that noise issues are a serious concern to both employees and management. First, excessive sound was the largest negative related to privacy, and second, each day workers clocked 86 minutes of reduced worktime due to noise levels.

While we doubt office space is destined to return to office-centric plans with closed doors and stuffy meeting rooms, there are definitely areas for

improvement. How do companies reach a happy medium, creating a collaborative environment with private space and lower noise levels? That's the million-dollar question. By considering the following acoustical aspects for your space, you will be well on your way to setting up your office for success.

Construction Considerations

Unquestionably, the primary causes of elevated noise levels in open office layouts are hard surfaces and direct air gaps between spaces. From a construction perspective, sound transmission can be moderated by taking a close look to identify areas where sensitive information may be discussed, and have walls run 'full-height' from the floor to the structure above. Additional insulation can also be added in walls and to HVAC ductwork. Even the smallest gaps shouldn't be ignored. The space between the end of the wall and the window mullion is common culprit for sound transfer. Fabric wrapped panels, which are typically added to conference rooms, can also work well in workstations or on common area office walls.

Provide Communal Areas to Foster Collaboration

One of the difficulties in the design of office environments is the balance between collaboration space, gathering space

and exclusive workspace. A good design must incorporate communal areas such as: breakout spaces, lounges, recreation areas and even phone booths, alongside dedicated quiet private work areas.

Explore Open Ceiling Solutions

While open ceilings can be architecturally stunning, they can also add to the noise level of the space. Solutions can range from adding sections of cost effective Acoustical Ceiling Tile to a more expensive spray applied acoustical insulation. For design flare, ceiling clouds, such as Armstrong or Whisperwave products can be positioned horizontally or vertically, and come in a variety of shapes and sizes and provide a creative energy to a workspace, while also controlling sound levels.

Research Acoustical Products

No construction or design is perfect, and change is often necessary. The marketplace is flooded with acoustical products and solutions ranging from fiber textiles, technology panels and wool and felt coverings. Brands such as Kirei, FilzFelt and Snowsound USA, are good examples to begin your research.

Mask Conversations

Adding in sound to a workspace can also reduce the effect of loud noise. Sound Masking, according to industry-leader Cambridge is: "Ambient background sound engineered to match the frequency of human speech for greater speech privacy." Installing sound masking systems can be a cost-effective solution and also can raise concentration rates as the machines drown out surrounding noises and conversations.

Absorb Sound Through Flooring Solutions

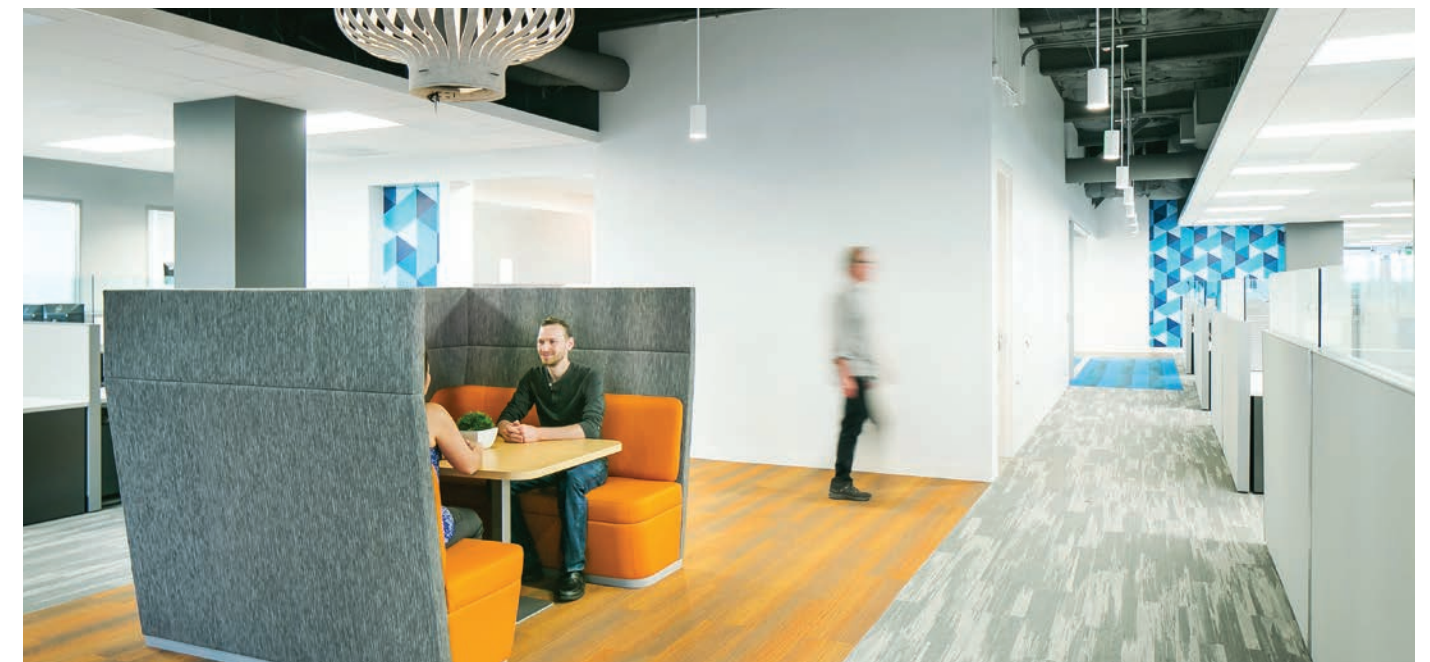
What your team walks on can make a large impact too. The hard surfaces of concrete and luxury vinyl tile flooring amplify sound, so consider carpet, or area rugs as decorative and logical solutions.

Add Partitions for Privacy

While open space arrangements tend to enhance visibility and collaboration, additional privacy elements should be considered. Orientation of furniture as well as workstation panel heights and materials should be taken into consideration during the planning stage. While there is no magic number to the height of the partitions, furniture showroom tours can allow teams to experiment and determine what employees feel is a meaningful balance of privacy and engagement.

With so many noise mitigation offerings out there, researching the best approach for your company can get overwhelming if not handled by an expert. By contacting one of our Hughes Marino program, project and construction management professionals to help strategize the best approach for your company, you can rest assured our level of experience on this topic will help achieve exactly what you want for your workspace. □

Steven Gorup is a vice president of Hughes Marino's program, project and construction management team. Contact Steven at 1-844-NO-CONFLICT or steven@hughesmarino.com to learn more.



A collaboration area for Marsh & McLennan, a recent Hughes Marino project. Photo courtesy of Ryan Garvin Photography.

2 WAYS TO WOW YOUR TEAM & Retain Top Talent

By Shay Hughes

In today's highly competitive business climate, creating an outstanding company culture is critical to attracting the nation's top talent. While drawing talent to a company is one battle, an even larger challenge is retaining an amazing workforce.

Since opening our doors, our team's happiness has always been a top priority, and the rewards have paid ten-fold. We are fortunate to be recognized by *Fortune* and *Entrepreneur* as one



Shay Hughes
President & COO
Hughes Marino

of the top company cultures in the nation and have been ranked the #1 Best Place to Work in every region we operated in last year. Best of all, we have nurtured an outstanding team of people who have incredible work ethic, and who treat one another like family. I can truly say it has been such a rewarding experience for our team!

Over the years, we have watched many of our ideas blossom into practices that have played a major hand in the happiness and fulfillment of each of our team members, as well as shape our award-winning company culture. Here are two of our most cherished practices, in hopes to inspire other businesses as well!

Make Welcoming New Team Members a Fun Experience

The power of a first impression is critical, with both clients and team members, and is an opportunity that every company should embrace. Creating a super positive experience for new teammates from the beginning can play a huge factor in retaining top talent in the workplace. At Hughes Marino, every new team member's first day is packed with fun activities as well as an organized orientation planned by our talent engagement team to ensure that they feel as welcomed and appreciated as possible. As an added special touch, each new team member is gifted with a goody-bag packed with Hughes Marino gear, books from some of our favorite business coaches, notebooks, inspirational quotes and our signature WOW cards. (More on these later!)

Embrace Recognition in the Workplace

Giving heartfelt recognition and appreciation at work, especially publicly in front of the entire team, might be a rare occurrence, but it is often a missed opportunity for team members to feel appreciated and fulfilled in their careers.

Chairman & CEO Jason Hughes and I always make a point to recognize our team members as much as possible in a variety of ways—including via email or in front of the entire team at our team meetings. We even begin some of our meetings by going around the entire room and asking each team member to share the name of someone they are appreciative of and why. We have found that these activities have spurred some of the most inspiring and powerful moments we have—and we encourage every company to give it a try.

WOW Cards—Our Invitation to You!

Years ago, we made a conscious decision to take the concept of recognition one step further. We aimed to empower each team member with the ability to honor their peers for going above and beyond, and for truly creating a “WOW” worthy moment. This idea has taken on a life of its own in the monthly presentation of our “WOW cards!”

At the beginning of each year, everyone on our team is given five WOW cards, designed by our marketing mavens, to recognize one another for selfless acts. A team member could be recognized for leading a challenging project, organizing a fun event, or even for a random act of kindness displayed

outside of the office—the possibilities are endless for the amount of wow-worthy moments that touch the hearts of our teammates. An added bonus is that each card is worth \$50, but the monetary value is nothing compared to the impact of being recognized and appreciated in front of the entire team.

WOW cards have grown to become one of our favorite elements of every team meeting. The outpouring of gratitude inspires each one of us, and it sometimes even brings people to tears. These simple WOW cards have shaped our culture into the loving and supportive atmosphere that Hughes Marino has today.

The waves of positivity experienced by practicing appreciation and recognition in the workplace can have a tremendous impact on both teammates and clients, and we are so grateful to experience this at Hughes Marino on a daily basis. Happy people make happy team members, and if they feel appreciated and loved, amazing things will happen! Our 2018 WOW card template is available on our blog, so please feel free to download them to use for your own team. We hope you consider giving them a try and would love to hear how these practices impact your company culture!

Wishing you and your team a year of WOWs! □





New Lease Accounting Standard Has Finance Departments Scrambling

By Ed Muna

With the required implementation of new lease accounting standards around the corner, real estate and accounting departments across the country are working feverishly to prepare for the new Financial Accounting Standards Board (FASB) Rule, ASC 842.

What is ASC 842? This new standard requires lessees to record lease obligations that are longer than one year on the company's balance sheet as a Lease Liability and Right-of-Use Asset. Prior to the modification, financial lease rights and obligations only needed to appear on the income statement. ASC 842 requires that both operating and capital leases are now subject to the balance sheet provision.



Ed Muna
Senior Vice President
Hughes Marino

While this new directive on lease obligations was issued in February of 2016, its implementation and compliance are set to begin for public companies in January 2019 and private companies in January of 2020. The time lag left many CFOs feeling secure that their teams could institute the proper methodologies, gather and discern the requisite financial data and conform to the new Accounting Standards Update (ASU) in short order and without utilizing extensive resources.

Unfortunately for CFOs, the implementation is proving to be far more complicated than originally thought. Right now, with 2019 compliance looming, executives are viewing ASC 842 as a complicated puzzle, and are pressing to meet the challenge.

Over time, the reporting will be beneficial as a means to improve transparency and align with revenue recognition

standards; however, navigating the ASC 842 labyrinth in the now truncated time window requires that accounting departments receive information and financial input from their facility team members, auditors and property landlords.

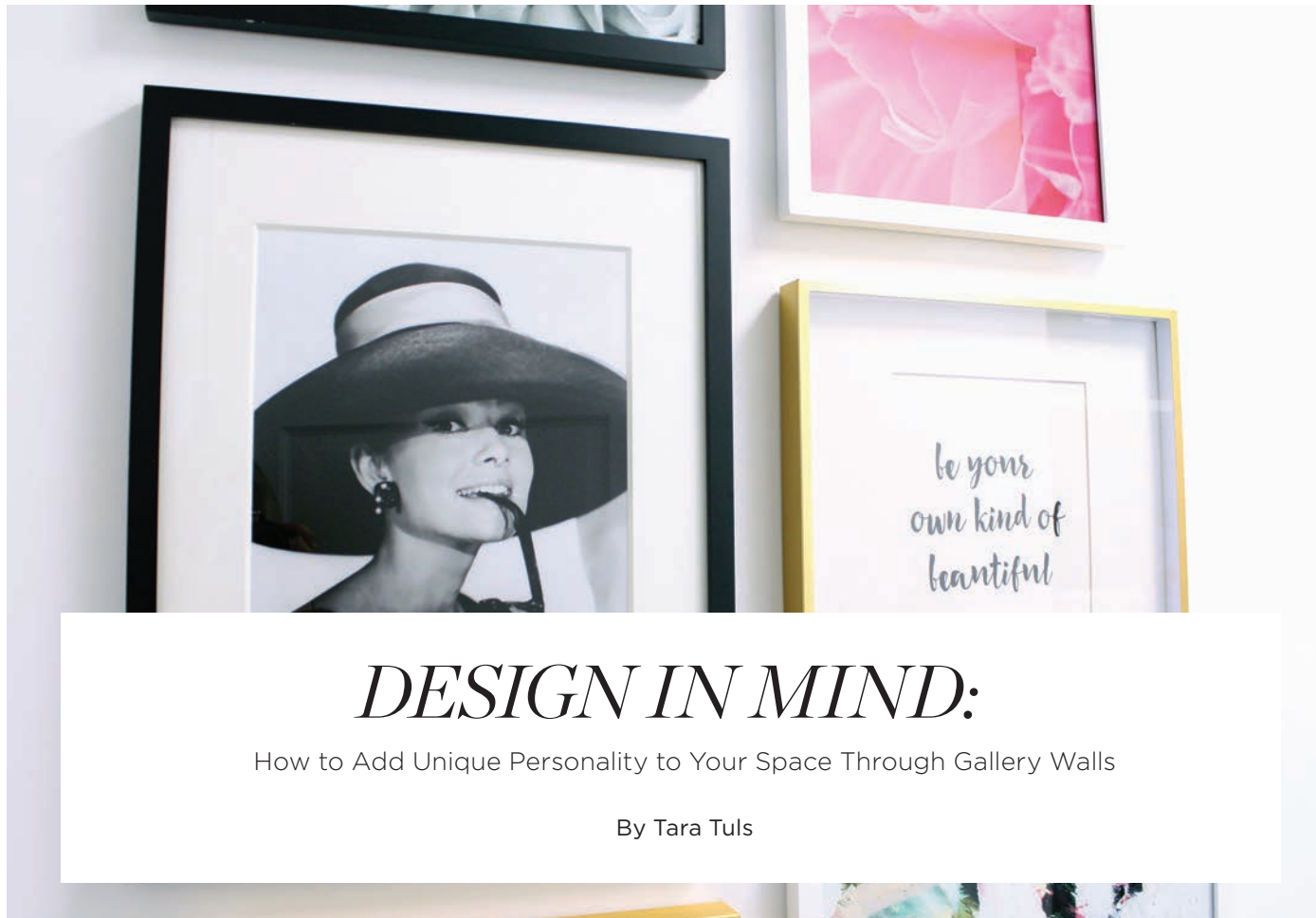
Even more so, leveraging the expertise of an experienced lease administrator can create certainty and provide clarification on a host of ASC 842 issues. A recent EY survey stated that only 27% of organizations believe they are on track and confident of meeting the deadlines.

The data collection aspect of ASC 842 compliance is a central component for tenants. The tools required for this exercise go well beyond spreadsheets and a simple examination of lease documents. In many cases, a software solution may be the best option for a business, particularly if there are numerous leases, multiple business lines, or varying structures and renewal options.

While a firm's balance sheet will ultimately convey the Lease Liability and Right-of-Use Asset figures, the formula will involve more than a present value calculation.

Feel overwhelmed? At Hughes Marino, our Lease Administration team works side-by-side corporate tenants to gather and calculate the information needed to properly capitalize the leases for the balance sheet. Contact one of our talented and experienced lease professionals to facilitate accounting compliance with ASC 842. □

Ed Muna is senior vice president of Hughes Marino's Lease Administration and Audit Services, where he helps tenants address issues that arise during their occupancy. Contact Ed at 1-844-NO-CONFLICT or ed@hughesmarino.com to learn more.



DESIGN IN MIND:

How to Add Unique Personality to Your Space Through Gallery Walls

By Tara Tuls

Gallery walls have a way of adding character to a space and telling a story that is sure to be attention-grabbing. They're fun, trendy and a great way to make the room feel warm and welcoming. We feature gallery and family photo walls at each of our Hughes Marino offices to add personality wherever we can, and are often asked how we add such flair to our spaces. While creating a gallery wall can sometimes seem overwhelming, we are happy to share a few helpful tips to help you get started on your exciting project. You're sure to have a great experience transforming your blank canvas into an amazing, curated collection that reflects the personality of your office!



Tara Tuls
Graphic Designer
Hughes Marino

1. Choose a Theme

Deciding what story you want to tell is the first step in creating a captivating gallery wall that's unique to you and your team. First, brainstorm by writing down what inspires you the most. Do you like views of city skylines? Is there a favorite quote (or core value) that you and your team live by? Or maybe you want

to display your team's family photos, like we do at each of our offices. Write down anything you think might fit the look of your space to get the creative juices flowing. Once you have a list on paper, narrow your ideas down to three or four of your favorite concepts.

Another important aspect to take into consideration is the color scheme. Your office may already have a theme or a color palette that you want to reflect. If not, choose a color family that will be your main focus. For our Seattle office gallery walls, we selected art and prints with vibrant bursts of emerald green and pink to match the furniture and art pieces displayed throughout the space, and added in gold touches to complement our fixtures throughout. Identifying a color scheme can really help narrow down your favorite art pieces by using color as a guide!

If your office has enough color as it is, another route to consider is a black and white gallery wall. Each of our offices feature family photo walls displaying our favorite family photos in grayscale format. Converting a collection of unrelated and possibly mismatched photos to black and white is a simple way to unify all of the images. Plus, black and white imagery goes well with any décor and adds an element of elegance to your space!

2. Frame Your Ideas

It may sound counter-intuitive, but sourcing the frames before selecting your art can really help the selection of art pieces. Although there are a lot of frames to choose from, there is even more art, which can get overwhelming! By choosing your frame style and color in a variety of sizes found at your local home store, you can visualize what size of art prints to order and avoid having to crop the art or buy custom frames if the art is not a standard size.

You can either purchase frames that are the same color, such as all white or all black, or mix it up by combining a trio of colors, as we did in our Seattle office by combining black, white and gold frames. Another way to tie the frame selection together is to select a style of frame that is available in a variety of sizes and colors. It helps the overall design to have one cohesive element, whether it's the color or style of the frames, to tie the collection together!

Once you nail down your frame style, decide whether you want your gallery wall to be symmetrical or asymmetrical, but don't overthink it! If you'd like the placement of art to be symmetrical, choose one to two frame sizes. If you want the art to have more variety in size, choose three to four frame sizes to keep the art placement asymmetrical. Another recommendation? Try not to arrange your pieces too rigidly. Gallery walls have a beautiful way of making spaces inviting and comfortable, so often times, the less perfect the formation, the better!

3. Source the Art

Don't worry about the exact placement of these prints just yet. Depending on the size of the wall, as well as the size of the art, try to find 7-10 pieces to fill your frames. Once you find the

perfect pieces that follow your concept, color scheme and frame sizes, you are well on your way to finalizing your visual story!

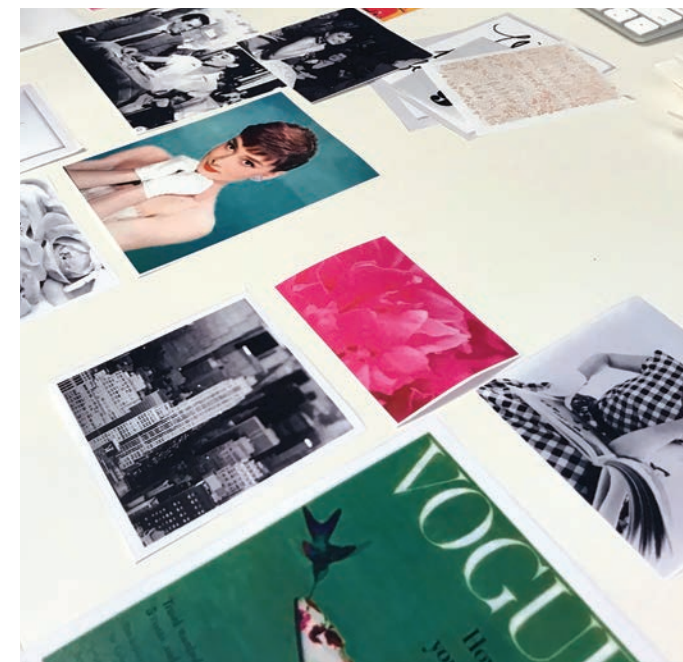
If you are arranging a family photo wall, we recommend asking each of your team members to provide both a horizontal (landscape) and vertical (portrait) orientation photo option to give flexibility when arranging your photos. Once everyone submits their options, you can lay out the photos and switch them around until you find the perfect combination of sizes and orientations. Our family photo walls feature a balanced variety of 5"x7" and 8"x10" frames. The more options you allow, the easier it will be to find each photo's perfect fit!

4. Finalize & Hire a Professional

You're almost finished putting together your story! You've sourced your frames and art, and the final step is to display for the world to see! By hiring a professional art hanger to hang your frames, you will save a lot of headaches, and allow you to have a conversation about your ideas while also receiving expert advice. A professional can hang the frames to make sure they are aligned correctly and won't damage your walls in the process. If you want to take this project on yourself, start by visiting a local frame store for the proper tools and some friendly advice from the framing staff.

Now, it's time to admire your display. Step back and enjoy the journey of creating your own beautiful gallery wall! We hope these tips help you to tell the story of your space, and would love to see your creations! Email your photos to enjoythejourney@hughesmarino.com or tag them on social media with [@hughesmarino!](https://www.instagram.com/hughesmarino/)

Tara Tuls is a graphic designer at Hughes Marino. Contact Tara at 1-844-NO-CONFLICT or tara.tuls@hughesmarino.com to learn more.





2018

HM Mini Goals— *The Year of Generously Giving to Others*

By John Jarvis



- JANUARY:** Random act of kindness
- FEBRUARY:** Appreciate our first responders
- MARCH:** Honor our Veterans
- APRIL:** Take care of kids
- MAY:** Show some love to seniors
- JUNE:** Random act of kindness
- JULY:** Feed the hungry
- AUGUST:** Protect our environment
- SEPTEMBER:** Random act of kindness
- OCTOBER:** Acknowledge our heroes
- NOVEMBER:** Support the arts
- DECEMBER:** Random act of kindness

We had a fantastic run with the 2017 HM Mini Goals program at Hughes Marino. It was so encouraging to see clients and friends join in alongside our teammates as we continuously strive to be impeccable with our word twelve times a year (and have some fun in the process).



John Jarvis
Senior Vice President
Hughes Marino

For 2018, we decided to shake things up a bit and bring focus to our cherished Core Value #8—Generously give to others. Be sure to read our blog to see the powerful inspiration behind the concept.

Want to play along? We would be happy to have you on board! For those of you new to our HM Mini Goals program, each month our participants are tasked to pay kindness forward and/or “give generously” to an organization or an individual in each of our communities, someone who is making the world a better place. There are different ways to “give,” so feel free to donate your time, your talent or your treasure, and then share your story with us on social media.

We are happy to report that we have already witnessed and heard some inspiring stories in the first few months of 2018! Our very own Marketing Manager Elizabeth Carvalho surprised

her local urgent care center with coffee and treats, as a way to thank a nurse that showed her compassion in a time of need. Our Marketing Director Briana Waris sent thank you notes to police departments across the community, and anonymously paid for lunch for the table next to her. Senior Vice President David Callahan gifted each of our Los Angeles team members with a Starbucks mug as his random act of kindness—on his very own birthday! I donated to an organization that trains wilderness first responders. Heather, Hope and Sophia Fox have made two trips to deliver treats and dinner to their local fire stations, and our friend Angela also delivered a pie to her local fire fighters. Kindness is contagious, and we are happy to lead an effort to positively impact our communities across the United States!

We can't wait to see how you uplift and impact the lives of others with kindness and generosity! Tag your photos with #hminigoals and share your photos with us by emailing them to minigoals@hughesmarino.com. Thank you for joining us this year to support our mission to make a positive, lasting impact on the communities that we call home! □

John Jarvis is a senior vice president of Hughes Marino, where he specializes in tenant representation. Contact John at 1-844-NO-CONFLICT or john@hughesmarino.com to learn more.

CHEERS TO SEVEN

Exciting Years!

A peek into our 7th Anniversary event, filled with inspirational discussions, delicious food and plenty of #hughesmarinogear!



Our whole team gathered in front of our polka dot mural at our headquarters for a family photo!



Our marketing maven team snapping a selfie with President & COO Shay Hughes!



Hughes Marino brokers Tucker, Travis, Sean, Will and David discussing appreciation in the workplace.



Left: Chairman & CEO Jason Hughes introducing business coach Mike Robbins to the team. Right: Business Coach Mike Robbins discussing best practices for communication and the importance of gratitude and appreciation.





CULTURE & DESIGN CONSULTING

ANOTHER SERVICE WE ARE PROUD TO OFFER



As you may have read throughout this issue of *WORK+SPACE*®, a strong company culture has the potential to have a monumental impact for team members, for clients and the community. It also can be critical to winning business and attracting talented individuals to any team. Hughes Marino has been nationally recognized for our outstanding and tight-knit company culture, and we love sharing how we've achieved these successes. In addition to our real estate expertise, we are proud to offer our culture and design consulting services with companies across the nation.

A thought-leader in the business world, President & COO Shay Hughes speaks to companies looking to attract the nation's top talent and build a strong culture. She also shares insights on how company culture and office design can dramatically affect the success of any company. From the importance of core values, to our welcoming living rooms with weekly fresh floral deliveries and playful works of art at every turn, Shay's nurturing instincts combined with her eye for detail and warmth has cultivated inviting spaces for clients to enjoy, and an environment where our company culture thrives.

Interested in hearing Shay's insights on culture and design? Reach out to her directly at shay@hughesmarino.com to learn more. □

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SEATTLE • NEW YORK



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