

WORK+SPACE®

REAL-TIME PRACTICAL SOLUTIONS FOR BUSINESS LEADERS NAVIGATING TODAY'S ENVIRONMENT



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AUGUST 2022 | ISSUE NO. 14

BUSINESS + REAL ESTATE + DESIGN + CULTURE + CONSTRUCTION

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PUBLISHER'S NOTE

Together, Moving Forward

It is with great joy that we share with you the first printed issue of our Work+Space® Magazine since the pandemic began in March 2020. If the last two years taught us anything, it solidified the importance of connection, togetherness and family. This issue, we are embracing the theme of onward and upward, with positive momentum, and a renewed sense of community—both within our offices, and amongst our clients, family and friends. Business leaders have experienced a lot in the past few years, and like us, they're likely eager to gear up for the second half of 2022 and move onward into 2023.

With each passing day, businesses are moving forward and their respective teams are returning to the office on a regular basis. As such, we tried to include as much information as possible to help leaders navigate the current climate. In the following pages, you will find our outlook on best practices for in-office and hybrid policies, the latest office design trends, a spotlight on the industrial real estate market, as well as tips for monitoring lease agreements and office relocations. We hope the inspirational message by Jesse Itzler will serve as a foundation for reprioritizing and motivating business leaders and their teams, both personally and professionally, for a more fulfilling life. It's all impactful information, and we hope these articles bring some guidance to you as we continue to navigate this ever-changing world.

On a personal note for our company, we are so fortunate to continue to experience great progress and growth. An important highlight of 2022 has been the privilege to assist thousands of companies in navigating their real estate opportunities this past year. We've also experienced the rapid growth of our amazing team, with the opening of new office locations on the near horizon.

We hope you enjoy this issue, and we wish you continued success and a bright adventurous summer ahead. *Onward!*

Sincerely,

Jason Hughes
Chairman, CEO & Owner
Hughes Marino

Shay Hughes
President, COO & Owner
Hughes Marino

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About Hughes Marino

We are a global corporate real estate advisory firm representing companies on tens of thousands of projects, helping develop and execute on winning strategies. Our team specializes in all aspects from negotiations, construction and capital markets to facilities and portfolio management. We are proud to be one of the most award-winning companies in the country.

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A Commercial Real Estate CEO's Take on

RETURN *to* WORK

BY JASON HUGHES

A flip of the calendar marked what seemed so surreal—the two-year anniversary of the pandemic—and this new way of life, and more importantly, a new way of work. As we all settle into the 'new normal' of our lives socializing, living with COVID-19, and of course, our work life, one thing remains still a bit uncertain, and in the flows of an ever-changing direction—the return to work in the office environment.

While many business leaders want teammates back in the office full-time, five days a week, utilizing the office space they pay rent on, others are taking an approach to a more adaptable, modern way of utilizing office space, while taking care of teammates and revamping what it means to 'work from the office.' I've been in the commercial real

estate industry for more than 33 years, have seen a lot, and can tell you this—from economic downturns to natural disasters, to advanced technology, to more convenient ways of life—one thing remains true and will hold to the test of time—ninety-eight times out of one-hundred, employees will thrive and be more successful when working from the office, than from a completely remote, work from home model. That being said, life changes, and the office should reflect those changes as well. I offer the following insights for leaders to consider as they too navigate their return to office, and what the future holds:



Jason Hughes
Chairman & CEO
Hughes Marino



No. 1: Every geographic market and submarket are unique and have nuances based on the industry sectors and available office space.

This should be considered when developing an office plan to accommodate your business needs while taking care of your teammates. In San Diego, for example, some markets are experiencing opposite ends of the spectrum in rental and occupancy rates. Many suburban markets are doing well, however, the opposite is true for downtown San Diego, where there is record space availability with nearly zero activity. Similar stories can be found in most cities throughout the nation. Returning to “the office” in a downtown, still largely a ghost-town, won’t provide the same energy (and thereby attractiveness) as a well-occupied suburban campus with amenities and services available to all.

No. 2: Every industry acclimates at its own pace and goes through different economic life cycles.

For example, the life science industry has been red hot for more than five years, but there is a slowdown coming. Biotech stocks are down across the board, which has a domino effect on raising capital. Meanwhile, every landlord that can convert or build space for the sector is under construction. Slowing demand and increasing supply never seems to work out well for landlords over the long-haul. This will push rents lower and vacancy higher, creating an opportunity for other potential uses.

No. 3: Human beings are social creatures by nature.

A forced long-term quarantine due to a worldwide pandemic causing prolonged loneliness, boredom, anxiety and increased medical and health challenges is easier to adjust to when that is what the entire world is doing—and your life literally depends on it. Some people who are lucky enough to have multiple houses with separate offices, or a separate office space in their home, and a support system for childcare, chores and the routine errands of life, might not feel the same as those in a studio apartment where their home “office desk” is also their dining table or modified closet. It’s still way too early to understand the psychological effects of the pandemic, and it might be said that the same people who like working from home now will not like it for much longer, especially when others are at the office being stimulated and thriving with real human interaction, collaboration and building relationships.

No. 4: Leaders and managers are all different and have varied styles of communication and performance management.

Some roles are truly better to be handled from the office. Some managers may need to engage in person at times with their team to be effective and to continue to maintain the collaborative nature of the work environment. While there are certainly roles that can be performed remotely, when necessary, as proven by the pandemic lockdowns, such as customer service and many professional services, it doesn’t mean the long-term effectiveness will be sustainable. There are simply too many factors that influence performance to think that working away from the office evermore will be as effective as working from an office, even in a hybrid model.

No. 5: The office has been a successful business tool for centuries.

The first office building was built in 1726 in England. The Old Admiralty (Ripley Building), was the first purpose-built office building—many of the Royal Navy’s smaller offices were consolidated into Somerset House, as the first purpose-built office block throughout the 1770s. That was nearly 300 years ago. The odds are that two years of WFHome won’t completely obscure 300 years of WFOffice, no matter how technologically-advanced our work style and adaptability becomes.

No. 6: Big companies are continuing to invest in office space regardless of the pandemic.

The big tech companies have added tens of millions of square feet to their office footprint over the last two years—during a global pandemic. What do they all know that others don’t? Why would they be in such rapid growth of OFFICE SPACE, and research and development space, if they thought no one would return to it? They likely have retained the most intelligent minds on the planet paying millions of dollars for studies and forecasts to advise on the best solution of a work environment—so I don’t think we should take this lightly. There is something to be said for the social and collaborative nature of working from the office, even in a hybrid situation, for two or three days per week.



In our company, I often remind our team to avoid confirmation bias as to their take on the future. That is, what we believe tends to be reinforced as truth because of one’s experience. Unfortunately, one’s experience may be a very small, and scientifically unsupportable, dataset, thereby perpetuating biased thinking. If we continually communicate that “everyone is downsizing,” others might think they should too. If we communicate that “employees will never return to the office,” others may think their employees won’t either. Your world then becomes a self-fulfilling prophecy. Meanwhile, at this stage in the post-pandemic work world, I believe it’s too early to know for sure what the future holds, and given so many factors (see items #1-6 for starters), I think it is important to dig in and figure out what’s right for each individual organization and team.

Consider this. As the pandemic continued, what became apparently clear to great leaders is that culture will dictate your company’s morale and productivity. Maintaining or implementing a permanent hybrid work model, seems to be the best of both worlds for the time being, according to Lazlo Bock, former chief of Google human resources and current CEO of Humu, who explained in a recent Bloomberg article, “employee productivity and worker happiness, is a 3+2 schedule, in which three days are spent in the office, and two are remote.” This combination, he says, “gives individuals the chance to build relationships in-office and work on individual tasks that are easier at home.”

While many employees and companies adapted to full-remote work from home, work productivity didn’t falter,

but what became clear, and reported in some studies, is the “workforce productivity per hour worked has dropped. People are working longer hours, taking fewer breaks and working on weekends because it’s become impossible to turn off work,” Bock said.

The interesting thing is, we will know over the coming decade what a post-pandemic work situation looks like, but for now, as a leader of a company with more than 120 teammates to consider, I’m willing to make the best decision based on the current facts and feelings of my team, rather than take such a rigid position of a complete return to office based on something that is still too new. In the meantime, I recommend taking an in-depth approach to engaging with your teammates, by conducting surveys and communicating openly about wellness plans and guidelines for COVID-19 precautions, to maintain the culture you’ve worked hard to create, increase employee trust and morale, protect employee mental health, safeguard against employee resignations, and to better your company for long-term success. Onward! □

Jason Hughes is chairman, CEO, and owner of Hughes Marino, an award-winning commercial real estate company with offices across the nation. A pioneer in the field of tenant representation, Jason has exclusively represented tenants and buyers for more than 30 years. He writes about topics in commercial real estate from a tenant’s perspective on his blog, Downtown Dirt. Contact Jason at 1-844-662-6635 or jason@hughesmarino.com to learn more.

JESSE ITZLER SHARES WHAT IT MEANS TO BE A “Spiritual Billionaire”

BY SHAY HUGHES



The words “spiritual billionaire” don’t exactly conjure up thoughts of an entrepreneur or author, and certainly not a former rapper, but that couldn’t be further from the truth. Our friend, best-selling author and business mogul, Jesse Itzler, is the very definition of a spiritual billionaire. We’ll get into that in a minute, when we explore what he means by “spiritual billionaire” and where his inspiration comes from, but first, a little background on Jesse.

From his earliest days as a rapper with Run DMC, to co-founding Marquis Jet, partnering with ZICO Coconut Water and selling it to Coca-Cola, marrying his incredibly successful wife Sara Blakely (founder of Spanx), and writing two *New York Times* best-selling books, *Living with a SEAL* and *Living with the Monks*, Jesse is about as accomplished as it gets, yet as grounded, authentic and humble as they come. He is constantly aspiring to build his life resume and ultimately striving to be what he has coined

a “spiritual billionaire.” The story behind Jesse’s inspiration is truly heartwarming, and we were lucky enough to hear it firsthand during an intimate conversation we hosted for our clients and friends who recently spent an hour with him.

Everyone who has a chance to spend time with Jesse knows he is a world-class storyteller and always has amazing, often funny and incredibly touching experiences to share, drawing on his own life as a father of four, ultra-athlete, husband to a genius businesswoman and serial entrepreneur himself. In his most recent conversation with us, Jesse shared that his quest to be even more spiritual came with the recent passing of his father, as he reflected on the exceptional and spiritual life that his father led. Being a spiritual billionaire like his father is something Jesse aspires to be in his own



Shay Hughes
President & COO
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life, and he shared how he views this as an opportunity for others to do the same.

With hard-working, humble roots, Jesse grew up in Brooklyn, where his father owned a successful plumbing supply business. It wasn’t glamorous work, but his dad provided a stable life for Jesse’s family. Jesse said his father was never a billionaire in financial terms, but his father was the ultimate *spiritual billionaire*, the only currency that really matters in life. This was profoundly represented to Jesse when he was researching retirement homes for his mother after the passing of his father. The evaluation process didn’t include analysis of bank accounts, connections or social status, but was based on a retirement grading system of wellness, known as “SIPPS”—*social, intellectual, physical, purposeful*, and as Jesse emphasized, *spiritual*. Jesse explained the value of being a spiritual billionaire is the ultimate multiplier in life. One can have billions of dollars in the bank, but if they don’t

have anything else of value in their life, they ultimately have nothing. In other words, being a financial billionaire multiplied by zero spiritual wealth equals zero. He encouraged everyone to spend more time on the spiritual side of the equation, as that is the true multiplier of life.

Jesse’s father practiced random acts of kindness before they were popularized, by hosting extended family, neighbors and members of the community for holidays when they had no other place to go. This made a lasting impression on Jesse to do more good in the world and recommit to being more of service to the community. Throughout his discussion, Jesse reminded us that the qualities of someone who developed their spiritual side are not skills that are taught, but rather qualities we all can choose to possess—like generosity, passion, empathy, kindness, authenticity, humility, trustworthiness and compassion.

HERE ARE FOUR INSIGHTFUL WAYS JESSE SHARED ON
how to be a spiritual billionaire:

01

Put your SOUL into whatever you do.

To Jesse this means that if you are going to do something, you need to do it well, be present and put your *whole soul* into it. He encouraged us to be “where our feet are: be focused, intentional, present and give your soul.” He explained you can’t outsource soul, and that if you aren’t going to put your soul into something, be it a presentation, a career, a new hobby or starting a company, then don’t waste your time, because the winning competition will put soul into it, and you are only being a disservice to yourself. Jesse further explained that there is an energy to how you show up in life, in work, with your family, friends and colleagues, and they can tell when you pour your *soul* into it.

02

Practice urgency with 25% of the free time in our days.

It’s human nature to have routines and schedules to stay on task and to accomplish what’s needed throughout the day, especially for so many who are parents with children, chauffeuring between work and school, life errands, social activities, sports and homework. For others it might be caring for an elderly parent or a sick family member. We all have commitments, priorities in our everyday life that need to be taken care of, and often we push those unique and extraordinary, life-changing opportunities off to *someday*.

Jesse explained how he approaches every day with urgency to maximize his time to accomplish what he wants, and broke it down by the numbers: 75% of our time equates to working, eating, sleeping and screentime (for most of us). What are we doing with the other 25% of our time? He expressed that it’s important to have urgency and be particular with that remaining 25% of our time by spending it with the people we love and doing the things we love to do. Further explaining that time is undefeated—the only way to beat time is to take action and when you do so, time can’t take that away from you. So take that trip with your family or put down the phone to do something memorable with your kids, because time can’t take away that experience and the life resume you build.

03

You can master a skill in one year by practicing 18-minutes a day.

Often the things we think are impossible to accomplish are actually very easy to do, and the key to success is learning strategies to help us achieve them. Jesse shared with us the quintessential “Rule of 100,” which explains that if you invest 100-hours in one year in a single discipline, you will be better than 95% of the world’s population. What a concept! His example: if you were to read for 18-minutes a day, as an average reader, you will have read 20 books a year, or could have learned a new language! The key is to be consistent, accountable and take it one step at a time. Imagine what you could accomplish, the person you could become, the experiences you could have, if you gave yourself that time each day.

04

Don’t underestimate the joy of volunteering and giving back.

In those moments where you are overwhelmed or feeling down, the one thing to help stop that feeling is to help someone, and to flip the momentum around by performing an act of service. By volunteering for a local organization, paying the tab at a restaurant for a family, serving meals to those in need, or giving back in any small way, you can instantly feel more uplifted and help make the world a kinder place. The healing power of volunteering and helping others has been studied, and benefits both parties tremendously, and will build your life resume as a spiritual billionaire.

Jason and I have always believed in being of service in the community, and have implemented a volunteer program at Hughes Marino, providing volunteer time off to every team member to help causes that mean the most to them. We support many nonprofit organizations and have made this a high priority as one of our core values is to generously give to others.



In addition to making time for ourselves and our life experiences as a spiritual billionaire, Jesse also reminded us to prioritize our life first, put on our schedule what we want to experience first, and then execute—and most importantly, be mindful and strategic with our precious time, because it’s a scarce resource that should not be wasted.

After listening to Jesse’s incredibly inspiring ideas on how to increase our opportunities to be a spiritual billionaire and positively impact others, we all left feeling more energized and inspired to invest more time in ourselves, those we love and our communities, and seize every opportunity we have to live a generous and fulfilling life. It was a wonderfully reflective message to share with our clients, friends and team, and we hope Jesse’s message inspires you too. □

Jesse Itzler—Entrepreneur. Author. Keynote Speaker. To learn more, please visit Jesseitzler.com or connect with him on Instagram at [@jesseitzler](https://www.instagram.com/jesseitzler).

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THE

INDUSTRIAL REAL ESTATE

ROLLERCOASTER—BUCKLE UP!

BY MIKE PALEO

The industrial real estate market has been on a fast-moving rollercoaster ride through the pandemic, and it's not slowing down just yet. While the general public is pausing cautiously for a recession-like dip, industrial developers are feverishly battling for the front seat of the ride. Most leaders and business owners who lease space in manufacturing and distribution have heard "your rent is going up"—but behind the scenes, the institutional real estate owners have given cause for concern. If you're looking to engage in the industrial real estate market soon, here are a few trends impacting this high-flying industrial market that seems to only be blindly speeding up.

SUPPLY CHAIN DISRUPTION

We've been talking about supply chain disruptions and the impacts on goods and materials since March of 2020. As the pandemic quickly spread, it changed how items moved throughout the global economy. Goods shipped overseas caused months-long delivery delays, drastically increasing freight costs. Every industrial product type from last-mile distribution centers, raw land for containers and trucks, and cold storage space continued to be in high demand causing rental rates to soar.

LAND IN SHORT SUPPLY

One of the primary reasons behind the increasing cost of developable land is a shortage of land. In Southern California for example, land scarcity is particularly noticeable in areas where warehouse space is desperately needed, as most of the area has already been developed. This results in companies competing over the limited supply available, driving up costs and even pushing out smaller players. In areas like Orange County, the Inland Empire and Los Angeles, which are close to both ports and residential areas, it can be particularly challenging to find a good spot to develop. In response to this shortage of land, we have seen some of the larger institutional developers turn to building multi-story industrial buildings, increasing the value of the land by increasing the total property square footage—they are building "up, not out."



Mike Paleo
Senior Vice President
Hughes Marino

DEVELOPMENT COSTS INCREASING

Raw land is not the only facet of the industrial real estate market experiencing a jump in pricing. We have also seen the cost of raw materials and construction labor increase as well. Costs for concrete and steel have doubled and even tripled over the past couple years, and construction delays due to supply chain issues are causing havoc on initial estimates.

ONSHORING FROM ASIA IMPACTING U.S. BORDER MARKETS AND MEXICO

Supply chain disruptions have caused manufacturers to rethink their production strategy. Major manufacturers have set up production closer to home so that goods are created near the buyer. This helps manufacturers avoid bottlenecks at the ports and any other supply chain issues that may be caused by COVID outbreaks in other countries. Mexico has been a major winner in the effort to make supply chains more resilient. In 2020, Mexico saw a 514 percent increase in bids from U.S. companies looking to bring production closer to home, and that trend is continuing. Developers are finding wide open development opportunities in rural border towns from Calexico, California to El Paso, Texas.

UP TO THE CHALLENGE

While the industrial real estate market has its challenges, it is possible to enter or change your position in the market. We can't stress enough how critical it is to utilize a tenant representation expert that specializes in the industrial sector to ensure companies reach the best outcome for their requirements and teams. The experienced team at Hughes Marino is not only staying on top of market trends, but is also thinking outside-of-the-box to help our clients meet their current needs. With confidential, no conflict driven guidance and specialized tactics, we are proud to be able to help our clients navigate their complex buyer and tenant needs effortlessly. □

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IN THE OFFICE POLICY

HYBRID *Versus* REMOTE

By Kristin Christensen

As companies continue to navigate the work environment policy in a post-pandemic world, approaching office space with their teams as a top consideration is vital to businesses staying competitive. With attraction and retention of employees at the forefront, companies want their teams to enjoy their workspace and office environment, while also considering their emotional and physical well-being, and adapting to optimize their workflow and productivity, regardless of where the work is taking place. As companies implement policies in this new work environment, most are mandating some sort of a return to office, ranging from a few days a month, to a weekly hybrid model. While these policies can sometimes be met with hesitancy, there are luckily many strategies businesses can consider to help make the adjustment easier, and even enjoyable for their teams.

Pre-pandemic remote work was actively promoted only by a handful of companies, and was seen more commonly in higher leadership roles as a benefit of service and loyalty to the company, while others utilizing remote work would have been flat-out frowned upon. Now, in today's world as we continue to navigate the waves of the pandemic, a fluctuating economy, lifestyle changes, growing families and an overall preference of a hybrid and flexible work model, this has certainly become a necessity for companies to consider across all industries and roles.



Kristin Christensen
Interior Design
Director
Hughes Marino

When evaluating a return-to-work policy, it's important that business leaders consider these insights:

1. CULTIVATE AN ENVIRONMENT THAT ENCOURAGES MEANINGFUL COLLABORATION.

Over the past six months, we've noticed employee's preference to be in the office occasionally is on the rise. Regardless of industry, location or generation, the number one reason employees like being in the office is to collaborate and celebrate with their team and colleagues. Companies that understand this are implementing more areas for brainstorming and innovation zones, as well as providing fun opportunities to connect within the workplace, with team lunches or meetings to break up the day. That way, they can take what they've developed with their teams in the office and focus on heads-down work at home in a quieter, more focused environment.

2. DESIGN A WORKSPACE THAT MAKES TEAM MEMBERS FEEL AT HOME.

Along with office design, interior designers have also had to rethink the work experience, and design with *more* emphasis on how people will use the space, especially for the work activities people can't do remotely, like collaboration, deeper in-person connection, coaching and mentoring. A top priority is to make the office a place where people want to be. A boring and outdated office space will no longer suffice in this modern age, and will most assuredly affect overall employee retention, morale, engagement and ultimately the culture. The goal is to now create the kind of space where employees *want* to be (that they can't get at home) that has a culture that supports flexibility. By providing different areas in the office that are conducive to various modes

of work, companies can allow their teams to freely move about and work where they please. This gives them a similar experience to the mobility they find working from home, with the amenities and collaborative face-to-face interactions as a bonus to being in the office.

As the office has become more appreciated for its event and brainstorming space, something people missed when working from home, it's vital for it to be a comfortable workspace that feels welcoming and serves as a reenergizing extension of home. By including modern furnishings, high-quality coffee and refreshments, snack selections, modern kitchen appliances, ample windows allowing for natural light and views, accessibility to outdoor relaxation and activity spaces, and local dining options, the office can feel like a nice escape from the everyday home office and its limitations.

3. INCORPORATE WORK AND PLAY IN THE SAME SPACE.

The office needs to be a place that offers functional space that far exceeds one's home furnishings and continues to be a place where a company's mission, culture and collaborative force can instill a sense of teamwork and promote innovation.

There are plenty of residential amenities and features that enhance a space for team members and bring a bit of fun and play to the environment. Companies can consider enhancements such as family photo gallery walls, colorful and inspiring artwork, game tables, soft lighting, upgraded restrooms and amenities, and a variety of music and ambient noise. We also encourage placing importance on team well-being with added amenities such as full-gyms and outdoor relaxation, as well as areas to socialize.



4. A SPACE WITH TECH TO CONNECT.

The office environment is more than just walls and workspaces, but also a hub of easily-accessible technology to support the team. With hybrid work becoming the 'norm,' office spaces *must* have the tech capabilities to support collaboration, education and socializing. Technology is aiding and reshaping how we all work, and the way we work all together, both in office or at home. There are a number of strategies that can be deployed to optimize usage of spaces from high-speed internet and connectivity for those collaborating across different office locations and time zones, dedicated video conferencing rooms and capabilities that take into consideration where they will occur and how often, and designate rooms specifically for that purpose, such as the popular trend of "Zoom Rooms"—technology-enabled spaces designed to make all team members (or clients) feel included, no matter where they are working.

Another trend we are seeing with a lot of companies is an open floorplan, with all-hands collaborative spaces for team members who are required to be in every day, as well as space to accommodate those who come in less frequently. Some companies may consider replacing assigned workspaces with a hoteling system, which could lead to a more effective use of space and a less formal environment. Alternately, some companies will assign everyone a dedicated workspace, no matter how many days they are in the office, which allows them the opportunity to express their identity and personality at their work desk. The entire open office layout concept is changing, switching to feature private offices that are unassigned and allocated on an as-needed basis for meetings or focused work.

As companies focus on creating warm and welcoming spaces where their team members can come together to collaborate, mentor, coach and thrive, they will be the most successful in receiving a positive response when returning to the office. At Hughes Marino, we believe office design and company culture truly work hand-in-hand to inspire teams and have the ability to positively impact businesses in many ways. Our Planning + Design team is proud to help our clients shape the perfect functioning workspace for their teams in order to enhance space and productivity, and we hope to help play a small part in assisting companies adapt to the ever-changing world we are living in. □

Kristin Christensen is an interior design director at Hughes Marino, an award-winning commercial real estate company specializing in tenant representation and building purchases with offices across the nation. Contact Kristin at 1-844-662-6635 or kristin.christensen@hughesmarino.com to learn more.



LEASE ADMINISTRATION BEST PRACTICES *for Businesses*

What to do when
you have outgrown
the usefulness of
a Microsoft Excel
spreadsheet

BY MICHAEL CAVELL





It is truly remarkable, and just a bit worrisome, how many people use Microsoft Excel to keep track of their real estate lease information. While it works well if you are only tracking a few key dates and terms for one or two leases, if you have six or more locations, Microsoft Excel is definitely not the best solution to monitor one the biggest expenses for your company.

HERE ARE THREE REASONS WHY:

1. It can't track all important minute lease details.
With Excel, you are going to capture what you think are the key dates and basic terms of each lease. Maybe you list the security deposit and the rent schedule, which takes up 6, 7, maybe 8 columns, and that's about it. Except the lease is 84 pages. You will almost certainly be missing numerous important details that really need to be tracked.

2. Excel is a passive data storage system.
It only works if (or when) you remember to open the file and update it. Most executives are too busy to find and research their leases in order to double-check what should be charged and passed-through them by the landlord, and they instead choose to simply trust the invoice provided by the property manager. The problem here is that most invoices have errors—and nearly 100% of the time it results in tenants paying more than they should.

3. Excel is definitely not the best tool for tracking the myriad details in lengthy leases across multiple properties.

Every time you get a statement from your landlord, you need to remember the relevant provisions of the lease to give that bill some context, so you can decide whether it is fair and reasonable. But again, the lease could be 84 pages or more. For example, you might get one letter about operating expenses, and need to remember what the lease indicated in section 12, then you receive an estoppel certificate, and you need to remember what it indicated in section 42. Or, you get a tax notice, and need to remember what the lease stated in section 28. Over the full-term of the lease, how many times will you need to retrieve the lease, find the correct section and review the language to try and determine whether the landlord got it right? This presents an extensive chance for errors and unfortunate overcharges that could cost your business thousands (if not millions).



What's the alternative to tracking real estate lease information?

As explained, while Excel is an extremely useful program, it wasn't created as a tool to monitor lease dates for businesses, and can open the door to costly mistakes. This is why it's important to have a dedicated in-house team member who understands the lease(s) inside and out, who can properly compare statements to ensure the business is being properly billed. If a business doesn't have an in-house team member for this role, we heavily encourage hiring an outsourced experienced lease administrator as an extension of their own team, that specializes in monitoring leases and identifying any errors that can save money. At Hughes Marino, our best practices for onboarding a new Portfolio Lease Administration & Advisory (PLA) client are as follows:

- Abstract the lease(s) to identify and capture key clauses and lease sections for better accessibility in a searchable system.
- Upload the lease to a secured cloud, using our professional-grade lease administration software.
- Utilize advanced and accelerated searching for key words to make information retrieval effective and efficient.
- Enter all key reminders connected to dates and penalties, including critical terms and conditions.

As a trusted advisor, it's important that we provide timely and accurate information. Our team builds "fail-safes" into our processes, allowing our clients peace of mind that the data is validated and that all critical components have been addressed.

Of course you might consider providing the operating expense statements to your accountant or controller, but understand that they are not lease administrators and almost certainly not experts in real estate leases. It is likely not the best use of their time, and expecting them to become expert in an esoteric sub-domain of commercial real estate is just a bad idea. Another option could be to hire your own full-time, experienced lease administrator, if you want to take on another full-time salary with benefits. Our team has a combined more than 100 years of lease administration experience; we've seen a few things and are here to help.

With the confidence that your leases are being professionally monitored and managed, you can focus on your business and your people—and that is the very best way to excel. □

Michael Cavell is senior vice president of lease administration & audit at Hughes Marino, an award-winning commercial real estate firm with offices across the nation. Michael is a part of Hughes Marino's Portfolio Lease Administration & Advisory team and helps tenants address issues that arise during occupancy. Contact Michael at 1-844-662-6635 or michael.cavell@hughesmarino.com.



Mike Cavell
Senior Vice President
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& Audit
Hughes Marino



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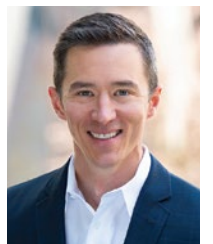
In Business & In the Office, MCG Health is All About *Collaboration*

BY OWEN RICE

MCG Health provides unbiased clinical guidance that gives healthcare organizations confidence in their patient-centered care decisions. Through artificial intelligence and technology solutions, infused with objective clinical expertise, MCG enables its clients to prioritize and simplify their work. Their products help support appropriate levels of care for patients. By using MCG solutions, hospitals and insurance companies can ensure that patients receive the right level of care.

For years, MCG had leased space in an office building in downtown Seattle. It was during the pandemic that MCG realized that the space would no longer support the innovation and drive of their team. Working with architecture firm Perkins & Will, MCG has transformed their new office space into an open, collaborative environment that welcomes team members with innovative design features, incredible views and plenty of natural light.

Their first big change came while shifting their physical address to one of Seattle's most iconic towers, Columbia Center. Here, a multi-tiered, landscaped plaza welcomes tenants into a stunning, three-story atrium with more than a dozen retailers—everything from fitness, dining printing and auto-detailing. The building features a full-service fitness center, along with a 40th-floor Sky Lobby that houses a conference center for meetings large and small. It's an environment that fosters creativity and collaboration and—as noted earlier—those themes carry right into the MCG office as well.



Owen Rice
Executive Vice President
Hughes Marino

The inviting reception area leads into a two-story work-and-play lounge connected by an open and architecturally dramatic staircase. Nearby seating promotes the company's values of gathering together to work, eat, celebrate or socialize.

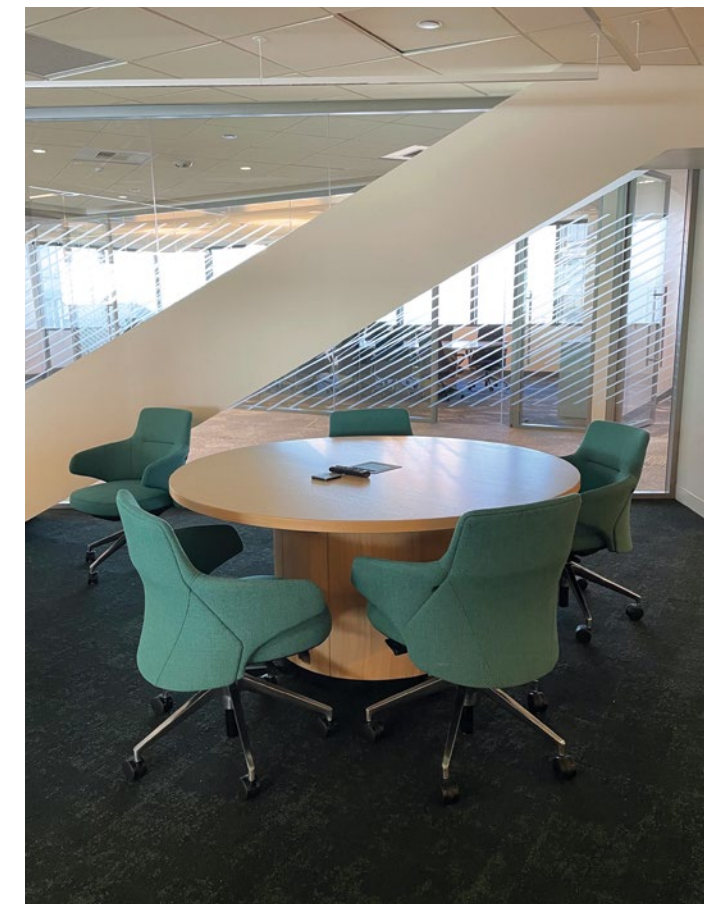
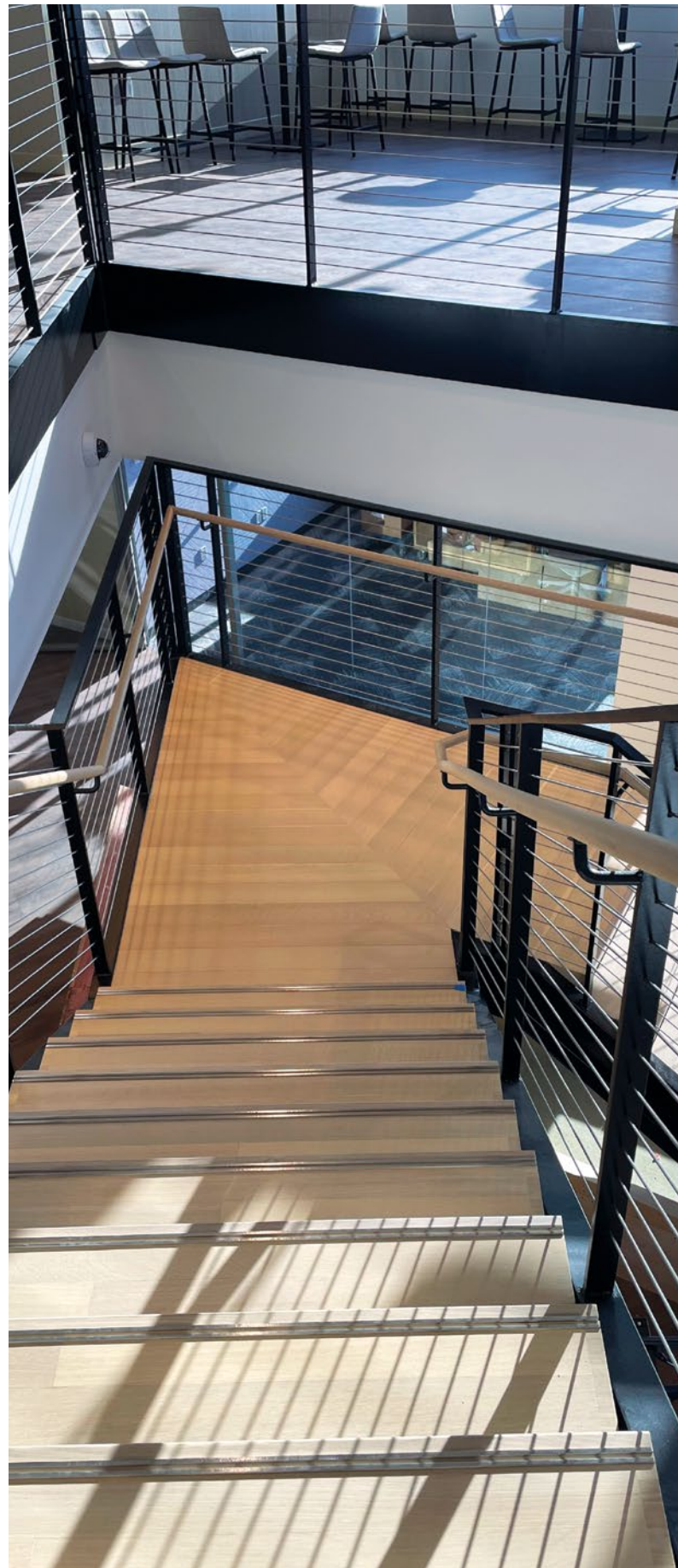
Private offices have been eliminated in favor of a "free address" system with very few assigned seats. Places along the interior core of the office have been set aside for phone rooms, focused work areas and quiet spaces, which leaves the generous space between the core and the expansive windows to be available for tables, chairs, seating nooks and common areas. Team members are also able to enjoy the different iconic Seattle vantage points throughout the space, including views of the Olympic Mountains, Puget Sound, Downtown, Mount Rainier, Lake Washington and Bellevue.

One of the best places to take advantage of the spectacular scenery is MCG's large, open kitchen with natural cool colors that resemble the sky. A long, marble island—perfect for enjoying a cup of coffee or mealtime discussion—fronts a generous countertop which features all the amenities of home and is stocked with coffee machines, filtered water dispenser, blender, toaster, microwave and more. For a change of scenery, there are several high-top tables and chairs near the windows to take in the view.

MCG team members have access to various conference rooms set off by glass walls, as well as colorful alcoves where team members can tuck in with their devices for teamwork. Color is also used to indicate the wayfinding scheme around the office, denoting different halls and doorways.

It's always nice to see an office design that meshes with a company's core values. In the case of MCG—which promotes patient-focused guidance powered by collaboration—their office space promotes employee-focused design, also powered by collaboration. The team members love their new space, and this inviting, free-flowing, flexible environment will support MCG's important work for years to come. □

Owen Rice is an executive vice president at Hughes Marino, an award-winning commercial real estate company with offices across the nation. Contact Owen at 1-844-662-6635 or owen@hughesmarino.com to learn more.



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TIPS TO CONSIDER WHEN RELOCATING YOUR BUSINESS

By the Hughes Marino Project & Construction Management Team

Moving a business can be a major project to say the least, and anyone who has relocated their company location can attest to the massive challenge. Over the many years of representing companies in their lease negotiations, as well as assisting in planning, build out, tenant improvements and expansions, our team at Hughes Marino has gained

extensive knowledge observing the intricacies of moving a business, and we love sharing as much insight as possible to help our clients feel prepared and informed. Planning ahead and remaining organized throughout the process proves essential to ensuring the move goes as seamlessly as possible and will have your team feeling excited to take the next step in the journey.

In order to help our clients navigate their complex relocations, we have developed an extensive and free downloadable checklist available on our website to help companies get started on the right foot. Along with our handy checklist, here are four takeaways to consider as you relocate your business:

1. Plan Ahead

The more time you allow for planning, the better, and the more successful you will be when moving day arrives. We recommend planning a minimum of three months to a year before making a move, based on your needed move-in date. When establishing this timeline, companies should focus on appointing a moving committee or move champions, who are typically comprised of team members from facilities, IT, HR, operations and other interested and qualified contributors to establish a relocation budget. We recommend considering whether a third-party move management consultant should be hired to help alleviate the time burden so your team members can focus on their normal role and responsibilities. We also suggest talking with your tenant representative to review the existing lease for restoration requirements to return the current space, as well as meet with the landlord to inform them of your intention to relocate and planning to end your existing lease on its expiration date.

2. Create Moving Teams by Department

There are plenty of logistics to cover when nearing two months out from the moving date. This includes gathering furniture layout plans for team members' new workspaces, scheduling meetings with each department lead and moving team, and working with your IT department on moving tech gear properly and safely. For biotech companies, it's critical to prepare any lab equipment that may need to be transported to the new location, considering any unique transportation requirements for a safe relocation. Another pro-tip for staying organized—we highly recommend assigning numbers to a moving plan that correlates to a particular location, workspace or teammate, which will help expedite the load-in and move-in process day of. By labeling spaces and correlating boxes by number, the move team can quickly determine which boxes and furniture items go where, ensuring nothing gets lost during the transition.

3. Create an Internal and External Communication Strategy

Communication is key and will help your team have a smooth transition from one space to another. A few months out is also a prime time to begin crafting a communications plan for social media, clients and press releases announcing the move, scheduling and begin the planning of an office-warming event, finalizing security protocols for the move,

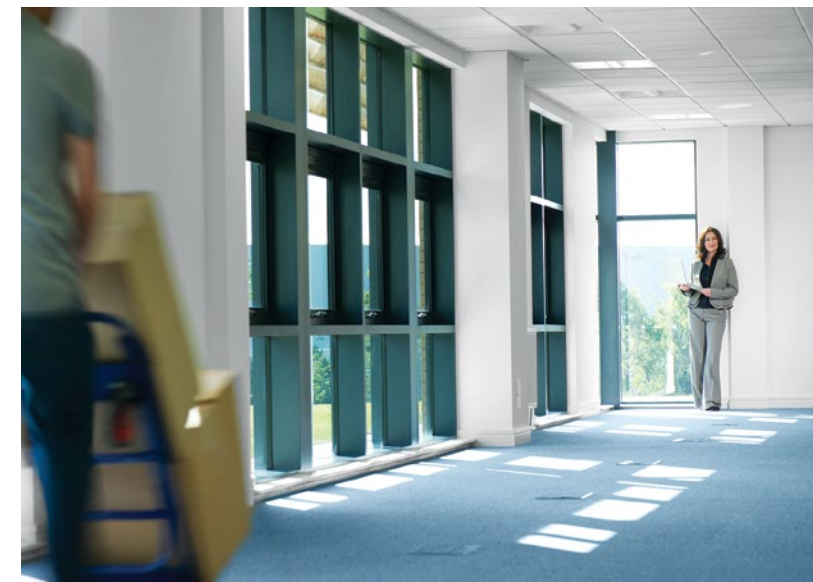
locking in storage if needed, and more. This is also the time to go over any moving insurance needs. About a month before moving, we advise that companies make sure the new location is added to the lobby directory and also fine-tune any parts of the moving schedule that might need adjusting. Two weeks prior to the move, we recommend planning tours of the new space, as well as prepping welcome packets and swag bags for your team members. In the days leading up to a move, we encourage providing new security ID cards and entry passes, and organizing general on-site help for move-related support.

4. Create a New Location Support Strategy

The day has come, and your team is excited to begin the next chapter in your new space. Moves can be as exciting as they are challenging in getting into a routine and feeling established in a new environment to tackle your work. This is why it is imperative to continue to communicate and provide access to teammates who understand the lay-of-the-land and can answer questions, and provide direction and support as everyone gets settled in. During the week of the business move, we suggest distributing on-site contact lists and establish a central common center to assist team members as they get acclimated to the new location.

Whether you enlist the help of an external team or handle your business move in-house, proactive communication and organization are key. Our team has extensive experience and is happy to offer our services both to find and build out the perfect space before your office move. We look forward to assisting your team, and hope these tips (and our checklist) help you on your journey! □

Hughes Marino's industry leading program, project & construction management team has unmatched expertise in every type of commercial building project from tenant improvements to ground-up build-to-suits. With decades of experience, our project managers, engineers and LEED APs offer practical insights for the construction management professional.





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Stories & *GROWING* (AGAIN)

LOOKING BACK AND CHARTING THE COURSE AHEAD FOR LEADERSHIP DEVELOPMENT AND CONTINUING GROWTH AT HUGHES MARINO

By John Jarvis

*A*s a reflection of where we were when Hughes Marino first began, where we are now, and where we are headed, here is a fun look back to when I first stepped into my leadership development role in 2013, when we were just 32 wonderful human beings with shared core values and a roadmap for how we would grow.



John Jarvis
Senior Vice President
Hughes Marino

This article was originally published April 17, 2013.



As one of the founding brokers at Hughes Marino, I work as a licensed commercial real estate broker and a project team leader. We help companies to make great real estate decisions. After 26 years doing this work I am happy to report that I really love what I do. In 2012, I was asked to take on additional responsibility as Vice President of Leadership Development. There was no job description. It would be up to me to define the role, and I accepted the challenge.

First, let me say, I am not a very good cheerleader. I would not make a good “in your face” personal trainer. I am not that guy. But I am a people person and curious by nature, I am always thinking about leadership, and about personal growth, so it is a natural fit for me to work with our team to define our leadership development goals together. Since I get to choose, we are going to talk a lot about leadership and about storytelling.

We launched Hughes Marino in 2011, with 11 original wonderful team members. In just two years, we have grown to a collection of 32 ultra-high performers who play well together as a team. 32 teammates, each with a wonderful story to share. 32 stories and growing. Love the idea that every person has a story. Let’s get better at sharing our most authentic stories with one another. How many stories will we grow to over time? Honestly, the sky is the limit. Currently, the tallest building in the world is the Burj Khalifa at 163 stories, but buildings are constrained by physics and weather—we aren’t.

How Will We Grow?

How will we grow as a company? We will grow as a company when we grow as individuals. This is a cool concept with tremendous power. It reinforces the message that we are interested and vested in one another’s growth and development. It also reminds us that we cannot grow unless our people are growing. We have borrowed and adopted from author Joe Calloway, the edgy and accurate phrase, “If you are as good as you are going to be, then you can’t work here!” Love that. Not every workplace could get away with saying that. We can, and we do.

We invest a tremendous amount of time and energy in our culture. We are all about trust, communication and an absence of fear. We strive for excellence, authenticity, appreciation and humility. Successful speaker, author and coach Mike Robbins has helped us with a few of these concepts. Thanks Mike. And on our own we also decided to rally around three core competencies. We call it “Lead-Write-Present,” and it goes something like this.

Lead

Each of our team members has an opportunity to practice leadership through community service. Stepping forward and accepting a leadership role on a non-profit board is a perfect opportunity to practice leadership. First and foremost, it must be an authentic commitment by an individual with passion for the organization. We don’t join boards to get business. And once you are on the board, why not step forward and lead a committee, or an event, or become the



board chairperson! The leadership role will take you deeper into the mission of the organization where you can make a bigger impact, and it will also force you to organize a team, and lead. Every experience makes us stronger and smarter, and better at working with people. This is how we grow.

Write

Each of our team members is expected to write. Some write better than others, and we all need the practice. And the more we write, the more we realize that the hard part isn’t the writing. The hard part is the thinking. What are you going to write? What do you have to say that is fresh and interesting? And how are you going to say it? Once you get your thinking straight, the writing is easy. We expect our team members to be thought-leaders in the commercial real estate field, moving the conversation forward. We expect our team members to write, and to practice thinking and writing all the time. Not all of that writing gets published, but a lot of it does. Our website is loaded with great content and recent articles written by our teammates. We are moving the conversation forward, and it feels great. This is how we grow.

Present

If you think about it, we all make a living presenting, from the moment of our very first job interview. Whenever we meet new people, we introduce ourselves, we tell them what we do, hopefully we make some kind of connection, and if we are on our game, we have a chance to convey a sense of who we really are at our core. It isn’t always a formal “presentation,” and make no mistake we are always “presenting.” These first

opportunities are precious, and it is paramount that our team is able to convey in that moment who we are, what we are all about, how we add value, and why the work that we do is so important. Robert Frost said, “All the fun’s in how you say a thing.” And that is the point. We all have a story to tell, and good stories bring people together. Yeah, let’s get better at storytelling. This is how we grow.

How am I doing? Do you like my writing? Hey, at least I am practicing, right? Hopefully some of these ideas are fresh. Hopefully they move the conversation forward. If you want to hear more, reach out and let’s find a time to get together. I’d love to hear your story.

2022 Update: The tallest building in the world is still the Burj Khalifa, and Hughes Marino is catching up, having now grown (in spite of a pandemic) to 120 stories. While our company has expanded tremendously over the past ten years, we have remained true to our core values, and that feels good. By encouraging each other to lead, write, and present, we have grown as a team—and we have grown as individuals—a lot. I thought this would be a good moment to reflect on this. Now I am excited to see what the next 10 years has in store! Yep, this is how we grow! □

John Jarvis is a senior vice president of Hughes Marino, an award-winning commercial real estate company specializing in tenant representation and building purchases with offices across the nation. Contact John at 1-844-662-6635 or john@hughesmarino.com to learn more.

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