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Pampering TENANTS

Unico Properties uses customer service to boost occupancy amid difficult market

By **Kim Crompton**

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Chrissy McCullough, Unico's property manager here, says the company sponsors periodic "feel-good" events for its Bank of America Financial Center tenants.

—Staff photo by Kim Crompton

Unico Properties LLC, a Seattle-based real estate concern, entered the Spokane market just two years ago, but is making strong gains in filling space in its high-visibility downtown property and is earning praise from some of its tenants for its customer service.

Unico bought Spokane's largest office building, the 20-story, 328,000-square-foot Bank of America Financial Center, at 601 W. Riverside, and an adjacent eight-floor garage facility from a publicly traded real estate investment trust for \$36 million in early 2007. Since then, it has made several million dollars worth of improvements to the building and has boosted

occupancy to 94 percent, up from about 78 percent when it bought the building.

One of the most visible of its improvements was a renovation of the plaza on the north side of the building, which it completed last August. It also has converted a basement space into a gym, shower facility with lockers, and bicycle-storage area for card-access anytime use by tenants, and it currently is wrapping up a \$1 million-plus upgrade of the building's elevator systems.

Aside from such capital expenditures, though, Unico says it puts a heavy emphasis on customer service by staying in close touch with tenants and addressing their needs and problems quickly, as well as by keeping its properties well maintained and secure.

At the Bank of America Financial Center here, it also tries to promote goodwill through less conventional methods, such as by sponsoring periodic social gatherings for tenants or handing out roses and candy to people entering the building on Valentine's Day.

"We try to do some 'feel-good' events at different times of the year," says Chrissy McCullough, Unico's property manager here, who adds that Unico gives its managers considerable freedom to tailor customer services to the local market.

John Lamb, Unico's Seattle based chief financial officer and senior vice president of property management, says, "We look for opportunities to go above and beyond by not only attending to issues raised, but by anticipating our tenants' needs, providing frequent and open communication, and paying close attention to detail."

Such attentiveness is more crucial now than it is when the economy is percolating, he and McCullough contend.

"If customer service was ever going to pay for itself, it is right now," says Lamb, a Whitworth University graduate.

While hoping to land some new tenants, a property owner "can't afford the down time" of losing tenants in this economic climate and having to go to considerable expense to attract new ones to fill the vacated space, he says.

"If we can retain 100 percent (of current tenants), or in the high 90 percent range, that's the first place the customer service normally pays for itself," he adds.

That focus, Unico says, which included adding a concierge-type coordinator to its staff here, helped it earn recognition recently as the top-ranked real estate investment firm in the U.S., among firms with 21 to 100 office properties, for providing customer service. It received the award from CEL & Associates Inc., a Los Angeles-based real estate consulting company.

Unico owns office and multifamily properties with a total of about 8 million square feet of floor space in Washington, Oregon, Idaho, Colorado, and California, including high-rises in Seattle, Bellevue, Tacoma, Portland, Spokane, Boise, and San Francisco. Its largest office property is the 41-story, 1.1 million-square-foot U.S. Bancorp Tower, in Portland, Ore. The company employs about 100 people, including six people here.

"We try to do as much as possible in-house, although we do have a great list of local vendors" that the company contracts with for certain services, such as 24-hour, on-site security, McCullough says.

The Unico staff here includes three engineers, and McCullough, who is president-elect of the Spokane chapter of the national Building Owners and Managers Association, says, "We try to

respond to every call (from a tenant) within 10 minutes."

The financial center has 32 tenants, and Bank of America remains the largest there, with about 48,000 square feet of space, she says. The building has attracted a couple of prominent new tenants recently—the Lee & Hayes PLLC law firm, now leasing the 13th and 14th floors, and Clearwater Paper Corp., which has taken more than half of the 11th floor, McCullough says. She and Lamb also tout, though, the prestigious list of other companies that lease space there, which include the Spokane offices of the Moss Adams LLP accounting firm, Winston & Cashatt Lawyers PS, the Randall/Danskin PS law firm, and the main Spokane branch office of the D.A. Davidson & Co. regional securities brokerage.

JoAnn Grennell, Lee & Hayes' executive assistant in charge of facilities, says the local Unico team "has been exceptionally welcoming and accommodating," and has shown a willingness "to work with us on issues both large and small in a very timely manner."

Kathy Bott, branch operations manager for D.A. Davidson, says, "We could not be happier with the building management. The building is well-maintained, and they keep the tenants up to date on the various projects that are in progress or planned. They make us feel like we are part of the project."

McCullough says Unico has CEL & Associates survey tenants at its properties annually about their satisfaction levels and receives a report outlining the survey findings. It then uses those findings—along with comments gathered at annual tenant forums at each property—to formulate site-specific action plans for improving its services over the next year.

"There's always room for improvement. We're always welcoming ideas," she says.

This month, Unico says it will become the first commercial office property owner in the central business district to launch a building-wide recycling program in partnership with the city of Spokane. It will kick off the program on Earth Day, April, 22, expanding a cardboard-recycling effort there to include aluminum, plastic, and office paper.

It's working on the project with Susanne Croft, an incentive specialist in the city's Business and Development Services Department, in an effort to promote the city's Sustainable Management of Assets, Resources, and Technology (SMART) Recognition Program. That program, launched last year, is designed "to encourage businesses to adopt policies and practices that encourage good management of financial, 'built,' natural, and human capital," the city's Web site says.

"When a flagship traditional office building like the Bank of America Financial Center goes green, we know others are watching and will follow suit," Croft says.

Also on Earth day, Unico will hold its second annual "turn off all the lights" event in the downtown financial center. Building tenants again will turn off their lights from noon to 1 p.m. as a symbol of their ongoing to commitment to energy conservation.

Unico's Lamb says lease rates in the building range from around \$19 to \$21 a square foot, which

is typical for Class A office space in Spokane right now.

Unico said when it entered the market that its investment strategy always has been to purchase the best office building in whatever market it enters. The company "has made a run at a number of other investments" here, Lamb says, adding, "We continue to want to invest in that market" if the company can find properties that would be a good fit.

"We feel very good about Spokane," he says.