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ELECTRONIC PRE-PLANS, IMPROVED PROTECTION

Property managers add electronic fire and emergency pre-plans to buildings' emergency toolboxes.
David Howorka

In a crisis, emergency personnel need comprehensive information about a building and fast. And although society is decades past the typewriter and rotary phone, the vast majority of fire and emergency pre-plans for buildings are still on paper.

The typical emergency pre-plan, if it does exist, is in a paper binder, is difficult to keep current and serves a limited purpose to first responders. Detailed building plans, tenant information, safety hazards—all need to be known as soon as the incident occurs. But when a building's pre-plans are on paper, or bound in a notebook on a shelf, a crisis can become a disaster.

When everything else in the industry is electronic, why have not pre-plans followed suit? The tide is starting to change. Currently, several properties in the Chicago area have started using Real View's CommandScope, an electronic fire/emergency pre-plan software program.

Already used by fire stations across the United States, CommandScope is a client/server-based, electronic pre-plan program for any emergency. When a building is pre-planned, first responders have immediate access to maps, photographs, floorplans, utility shutoff locations, fire hydrant locations, structural information, number of occupants, lists of disabled persons, cautionary notes about possible hazards, and other information required to successfully respond to an incident.

120 South LaSalle Building

The 1920s-era, 24-story building at 120 South LaSalle Street in Chicago had been totally redeveloped to accommodate the current needs of its tenants. And recently, Lincoln Property Company, the building's management company, installed an electronic pre-planning system as a way to significantly enhance tenant safety and expand the scope of readily accessible tools required by both internal and external first responders.

"Being prepared to respond to emergencies at one of our properties, and having the information in place to support recovery and business continuity is a high priority for our property management group," says Robert Quast, vice president of property management for Lincoln Property Company's Midwest Region.

When personnel arrive in an emergency, a touch-screen computer at the security desk in the lobby can be used to access building construction details, evacuation plans, contact information, location of tenants with disabilities, floorplans for every floor, fire protection details, building photos, fire hydrant locations and much more. The system is as easy to navigate as a web page, so that first responders can instantaneously retrieve information without prior training.

Loading the data for the entire building was surprisingly easy. "The program is very user-friendly," says Susan Fitch, general manager for the building. "You don't need any special technical knowledge or even training to use it."

The management team compiled and quickly uploaded the information needed to get the system up and running. The screen layout looks like a standard web page, and uploading documents is just like adding an attachment to an e-mail. The floor plans for the building were already in CAD files and the rest of the data was in Word and Excel spreadsheets, so it was readily available for electronic uploading. In addition to uploading these documents, the team clicked through the program to fill in the rest of the blanks, such as fire hydrant locations, hazardous materials and specific tenant information.

One unexpected advantage was that the system has been a security selling point to potential tenants. Recently, a government-related entity considering renting space in the building perceived the system as a tremendous benefit in its decision-making process.

Loyola University

Loyola University in Chicago is the first university in the United States to have a complete electronic pre-plan of its entire two campuses. While many universities have crisis plans and procedures, such as notifying students via e-mail and text messages

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during emergencies, Loyola was the first to put all of its fire and safety information into electronic form so that emergency first responders would be able to immediately attend to urgent situations.

Father Michael Garanzini, Loyola president, knew that an electronic pre-plan was critical. "We have more than 15,000 students, hundreds of staff members and more than 70 buildings in our large and spread-out campuses," he said.

Like most campuses, many academic and dormitory buildings have street addresses that do not coincide with mobile mapping programs—meaning a fire truck could be on its way to an address and reach a dead end, losing critical minutes. With the electronic plan, users see a Loyola campus map that identifies the building. In addition, numerous campus buildings, like most office buildings, have hazardous materials, ranging from chemistry lab materials to solutions for cooling towers. These issues had the potential to become catastrophes if emergency personnel were not prepared.

The first step in moving Loyola's data into the system was gathering all the information together, which turned out to be an invaluable process. Like most campuses with multiple buildings, Loyola's information was spread across structures and departments without a centralized clearinghouse. Security had its own information, and so did the facilities department and even the academic department heads.

Through the investigation and walk-through of each building, Loyola staff discovered information it had not updated for years.

Now, updated and standardized, electronic information is available on computers in Loyola's security offices and on touch-screen monitors throughout the campus. In addition, since authorized personnel can make real-time updates to the system, the emergency pre-plans stay current. Loyola staff also met with neighborhood police and fire departments to explain the system. Since the pre-plan is client/server-based, personnel on responding command vehicles are able to access the data on mobile computers on the way to an emergency.

Future Developments

Already, municipalities in cities across the United States use electronic pre-planning for emergencies, where mobile computers can be used to access the same information the buildings have compiled while responders are en route to emergencies. The interoperability between individual accounts, like Loyola and 120 South LaSalle, and mutual aid departments is instant: if a building makes an update to a floor plan, the change is immediately synchronized with the fire department account, providing accurate critical. This data collection tool is being reviewed by building owners and managers and municipalities on an international basis.

Common Sense, Peace of Mind

An electronic pre-plan makes sense. In a crisis, information is instantly available and emergency teams can assess the situation quickly, efficiently and with knowledge. Knowing that fire safety information is easily accessible, always updated, secure and backed-up in an electronic pre-plan would give any property manager or owner peace of mind.

David Howorka is executive vice president of RealView LLC, which has developed CommandScope, an electronic pre-plan emergency system. For more information about CommandScope, please visit www.realviewllc.com

Property Valuation, What's Next?

There are many challenges facing the appraisal community in today's recessionary environment. Values for commercial properties have declined anywhere from 15 to 50 percent since late 2007 to mid-2008. However, quantifying this decline is extremely difficult due to the fact that there have been very few arm's length transactions in the market. As a result, the appraiser has to go outside of the property's market to uncover viable sales and also relies on broker and market participant surveys.

The lack of liquidity in the market has also contributed to the decline in value, as the cost of financing has dissuaded many potential investors from purchasing properties. There is still a significant bid/ask gap. However, recently there have been indications that banks are again starting to lend based on more reasonable parameters. Further, it is likely that the banks will also continue the trend of extend and pretend. Factors causing this trend include foreclosing on properties, which leads to further value declines, and banks's unwillingness to take losses on balance sheets.

As such, financial institutions are requesting additional appraisals in order to amend the loans of existing and under construction properties. Therefore, the appraiser has to go back to the property owner/developer and ask for updated information on the property. This is where appraisers are finding a lot of hesitation on the part of the property ownership. Not only are owners likely fighting it out with the lending institution and trying to sway off foreclosure, now appraisers are requesting explanations as well. In many cases, the flow of information is very slow and incomplete. As lease amendments are now the norm for many tenants at properties and occur on a regular basis, the appraiser has to be extremely diligent in terms of gathering information from the property ownership. However, in some cases, particularly when a property is being foreclosed upon or the developer/owner itself is heading towards or is bankrupt, very little information will be provided. This results in the appraiser making multiple assumptions based on market and other conditions that will typically have a negative effect on the overall valuation of the property. Property ownership always benefits from providing timely, detailed and accurate information. The more assumptions the appraiser has to make the more risk accrues to investment rate selections for the property. For example, sales volumes for large anchor tenants are often not provided by the property ownership but can

shed significant light on the health of a property in terms of comparing the property's performance to local and national same-brand sale volumes. The more limited the data provided, the more conservative the appraiser tends to become.

The properties hardest hit by the recession are hotels and retail properties. However, all property types have experienced significant declines in value. Many appraisers joke that 10 percent capitalization rates are here to stay. While that may be the case in some areas of the country that may not ever fully recover, many investors are already predicting a slight recovery in some of the coastal regions of the country, which have seen slight improvements in the job and housing markets. Overall, the landscape of the country has shifted due to the current recession and property values in some areas of the nation may never recover.

— Heidi L. Thatcher is a director in the Chicago office of National Property Valuation Advisors.

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