

At Your Service

In the Battle for Tenants, Building Owners Launch, Expand Concierge Services

By Eugene Gilligan

They can get tickets to the hottest plays and major sporting events, plan parties or arrange for dry cleaning delivery. Office building concierges are increasingly being enlisted by landlords in the battle to win tenants and engender their loyalty.

The amount of time employees spend in their offices today makes the increased popularity of such services easy to comprehend, whether a concierge is stationed prominently in the lobby, conveniently online or both.

Jud Williams, senior vice president of asset management for Corporate Office Properties Trust, which owns almost 16 million square feet of office properties, primarily in the Mid-Atlantic, replied with one word when asked why his company uses concierges: "convenience." Enabling a tenant's employee to arrange a flower delivery with one phone call rather than searching the phone book or the Internet for a florist, for example, is a valuable amenity, he said.

Stepping Up Service

For Zaya Younan, chairman & CEO of Younan Properties Inc., which owns 26 office buildings encompassing 9 million square feet, concierge services mark a logical progression in the evolution of tenant amenities; shoeshine stands have given way to fitness centers, multiple restaurants and dry cleaners. "Your tenants are spending eight to 10 hours a day in the building," Younan said. "These are services you have to offer."

Indeed, Younan, a former hotel owner, has observed such a demand for office concierge services that his firm, which previously provided the amenity only in its 750,000-square-foot and larger buildings, will offer the services in 500,000-square-foot and larger properties starting in June. "A concierge is now a sought-out amenity," said Olga Pierce, president of Concierge Unlimited International, which serves Greater Chicago.



Building owners view concierges like Jocelyn Lynch (left) and Lisa Lester (right), corporate concierges for Charm City Concierge Inc., as amenities valued by hardworking tenants.

Introducing concierge services enables an owner of a new building to make a splash in the marketplace, and it helps an owner of a repositioned building make a visible change to amplify the transition, she said, citing Chicago's Prudential Plaza, which sold in 2006. Shorestein Properties L.L.C. discontinued Concierge Unlimited's services at the 2.2 million-square-foot building prior to the sale, but after BentleyForbes bought the trophy property, it rehired the concierge provider.

These services also help position an owners' name front and center in tenants' minds, said Kirk Layton, president & founder of Eservus, an online concierge provider that serves clients in Toronto, Vancouver and Calgary. Eservus sends newsletters announcing cultural and sporting event tickets and prominently displaying the building owner's logo to each tenant. "It really gives the building brand exposure," Layton said.

The modernized portfolio of services now available offers something for everyone, which may not be true in a building that offers just a fitness center, said Tina Urquhart, president of business development for Charm City Concierge Inc., which serves 125 Mid-Atlantic office and residen-

tial buildings. The company operates through traditional on-site programs as well as a Web site and online ordering system. It also offers a "hub concierge" service geared toward corporate office parks. It claims on its Web site that since the company was founded in 1993, it has tallied 253,972 Baltimore Orioles tickets ordered, 213,975 floral arrangements delivered, 192,392 events catered, 173,279 shirts laundered, 97 Elvis impersonators arranged and one kangaroo costume unearthed—for a speech by a CEO.

Tenant relations are also a major part of the job, Urquhart said. Property managers often place these tasks at the bottom of their priority list behind more pressing concerns. These services range from decorating a lobby for a holiday to more individualized assistance. "We will get a birthday gift for a key contact ... or remember a leasing anniversary with a gift or have a ... party when a building is 100 percent leased," she said.

The staff of Concierge Services of Atlanta Inc. and Concierge Services of Houston Inc. write building newsletters, plan events from flu shots to jewelry shows and arrange "lunch and learn" talks, said Penny Morriss, the owner of both firms.

Corporate Office Properties Trust, differentiates itself from its suburban competitors by offering concierge services, Williams said. "It's a great value." He noted that Charm City, which works with the REIT, places signage in Corporate Office Properties Trust's buildings so prospective tenants know that the services are available there.

He said he prefers on-site services over their online counterparts. "The concierge can bring samples of what they do or have an introductory lunch with a tenant," Williams said. "There's no substitute for that."

Keeping in Step

Through services to tenants' employees, concierge services also benefit the corporations themselves.

Employees that can complete personal tasks in shorter time frames can devote more time to work, Pierce said. A concierge can also help boost business. Providing the name of the city's hottest restaurants serves up a good value to a public relations firm that is courting a client, for example.

With all these selling points, demand for concierge services is growing. "I had to do a selling process, an education process, when I first started, on the pros and cons of building concierges," said Morriss, who has been working in the business since 1988. "Now, owners are coming to me." And Urquhart said virtual concierges now have the opportunity to expand to multiple cities through national clients.

Office building concierge services can only grow, Layton said. Eservus, which began in 1999 with two buildings in its service portfolio, now serves about 100 office and residential buildings. And expansion into the United States is "on the horizon." The firm also plans to add access to additional "lifestyle" services like housesitting. "We see a need for a broader and a higher level of personalized services," he said. "You have a lot of high-income executives who don't have the time to enjoy the money that they are making."

Concierges typically bill their clients based on the level of services requested and size of building or buildings. Morriss signs a one-year contract with each owner and bills monthly. She bases her rates on her knowledge of the market, gained from almost 20 years of experience in the concierge business there. "I know what the market will bear," she said. "There is no magic formula." ■