

Spring 2008 United States Real Estate Delegation to the Peoples' Republic of China

China and the United States: Partners in Progress *The Critical Role of Real Estate Management in a Changing World*

Just two generations ago, China was the largest economy in the world. In the ensuing 200 years or so, powerful shifts in world politics, trade, and sheer democratic muscle put the United States out in front, but without a doubt, China is on its way back. Today, the US supplies China with technology, investment and managerial know-how, and China provides American consumers with a vast array of inexpensive quality goods. But increasingly, China's competitive edge is pulling even, and as we look forward to the middle of this century, it is logical to predict that the economies of the United States and China will become equal – and China's growth and development will greatly affect American wages, jobs, prices and industries.

China and the United States have enjoyed a long-term relationship in trade and manufacturing – and the future will certainly bring a closer relationship between the two countries – and particularly, in the service industries – of which real estate is a major economic driver.

And, as China and the United States will experience some very similar challenges over the next several decades – such as significant fluctuations in real estate cycles, aging populations, global warming, and the environment – the demand for skilled real estate managers to put in place new technologies, improved efficiencies, and a focus on customer service and tenant retention will be essential.

REMM Group China Travels to Beijing, Tianjin, and Shanghai, March 24-April 5, 2008

The REMM Group (www.remmgroup.com), is a long-term industry leader in providing quality real estate education and management services in China. Over the past decade, the REMM Group has successfully promoted international trade between the United States and China, and has established strong working relationships with Ministries of the Chinese Government, Universities, and private real estate firms.

In 1996, the REMM Group had the honor of hosting the CCPIT Real Estate Delegation in the United States – which represented the first visit ever to the US by real estate executives from China. Since that first historic visit 12 years ago, the REMM Group and their Chinese colleagues have exchanged information, supported mutual initiatives and partnerships, and built long-term friendships. And consequently, our visits to China have received reciprocal warm hospitality, wisdom, and knowledge.

On March 25, 2008, the REMM Group will be leading a delegation of US real estate thought leaders and experts to China to share important and proven best practices with their Chinese counterparts, and to continue to enhance and develop relationships to expand the communication between our two countries, encourage improvements to our industry, and to work together to for the mutual benefit of both societies. The REMM Group, including its associate companies, REMM-China, (www.remmchina.com), and REMM-Pacific (www.remmpacific.com), is proud of its relationships with universities in Beijing, Tianjin, Shenzhen and Shanghai.

Forecast for the Future: Transition Translates to Opportunity

According to just about every economic prediction in print, broadcast, or blog, the real estate industry in the United States will continue to be in a period of flux and change during 2008 and 2009. The sub-prime loan crisis, coupled with aggressive consumer spending and debt, have triggered a downward trend that is predicted to continue until real estate prices reach a level equilibrium with affordability – a timeframe that has been predicted to last for the next 12 to 24 months. Consequently, the decline in the market value of real estate, along with inflationary pressure from the higher cost of living (CPI), will naturally have a negative affect on



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disposable income and consumer spending in the US. And the reverberations of these events will continue to be felt worldwide and affect market stability.

Therefore, real estate executives, investors, builders, contractors, and lenders will need to have the best understanding of real estate cycles to construct a roadmap that will work: a plan that will reduce risk, optimize trends, and increase longer-term profitability and success. Our research suggests that beginning later this year and into early 2009, excellent opportunities to purchase residential and commercial real estate at bargain prices will continue to be present – with an eventual leveling-off of excess inventory by 2010, then resulting in an overall return of appreciation.

And together, the US and China are facing an altogether new challenge in their respective countries: within the next 30 years, both countries will experience the largest aging populations in their histories, with one-third of the population of both countries over the age of 65. This aging population in both countries will have a direct and critical effect on consumer spending, medical care, and housing. In China, the demand for shelter will focus not only on families, but the demand for larger units will increase to accommodate parents living with children. Housing in the United States will follow a similar track to that in China, as land becomes more expensive and population densities increase. Therefore, in both countries, solid market research will become essential, so that developers and investors know exactly what is needed to most effectively service the needs of their respective real estate communities – from density planning, to design and construction, to management of energy efficient and environmentally-friendly buildings.

The All-Important Role of Property Management in China

Construction has been the focus of the real estate industry over the past 20 years in China as they grow, build, and develop. *And in the next 20 years, it is projected that 50% of all buildings to be built in the world will be built in China.* So, not surprisingly, international pressures have been building in the last decade to encourage China to adopt the use of more environmentally-friendly building materials, create greater efficiencies, account for increasing population densities, and in general, adopt more Earth-friendly practices in their pursuit of this growth and development. Our own experience in the United States has taught us that planning for these efficiencies must be incorporated into the early stages of design – with associated in-depth research up front to best understand market demand, environmental impact, and financial success.

Real estate managers in the US bring a wealth of this exact type of needed technology and management experience to the table – expertise that can easily be translated and employed across borders, economies, and language barriers. Such current management tools include: web-based reporting, appraisal systems, yield management systems, pod casts, virtual tours, electronic brochures, as well as optical scanners, smart building technologies, and central communications – all to provide efficiency, security, environmental control and maintenance oversight.

The REMM Group is currently working on several projects in China to put exactly these types of technologies and real estate management tools in place – with great success.

The REMM Group China Delegation Partners

The REMM Group, through its close associations with China's universities and consulting firms, has effectively worked as a bridge between the real estate industries in China and United States for more than a decade. The real estate industry in China is entering into one of the most dynamic and potentially greatest periods of its history, and any success will require embracing change, remaining flexible, and anticipating the unexpected. The REMM Group looks forward to our continued relationships and partnerships in China – and stand by closely with them in the decades ahead as they broach this historic growth and change.

March 25th through April 5th, the REMM Group will be leading a delegation to China, and will be speaking in Beijing, Tianjin and Shanghai to discuss the issues of global warming and creating carbon neutral environments.

Delegation partners include:

Mr. Robert Taylor, President, The REMM Group China, Delegation Leader

Ms. Christine Dales, Vice President, The REMM Group

Mr. Lu Gao, MBA, Director, REMM~China

Mr. Ira Fishman, Affiliate, The REMM Group

Mr. Chip Julin, Director, Commercial Buildings, The REMM Group, Past International President of Building Owners and Managers Association (BOMA)

Mr. Jason Taylor, Director, Northern California, The REMM Group

Mr. Jon Yamaguchi, President, Yamaguchi & Yamaguchi Inc., President REMM~Pacific

Ms. Stephanie Yamaguchi, Executive Vice President, Yamaguchi & Yamaguchi Inc.,
Director, REMM~Pacific

Mr. Joe DeCarlo, President, JD Property Management, Inc., REMM~China Advisory Board, Instructor- Institute of Real Estate Management (IREM)
 Mr. Herb Grabell, Director of Industrial Services, China Grubb & Ellis, REMM~China Advisory Board
 Mr. Dennis A. Adams, Sr. Vice President, Corum Real Estate Group, Property Management, Chairman, Building Owners and Managers Institute (BOMI)
 Mr. Gregory C. Grainger, Managing Director, CB Richard Ellis, Secretary / Treasurer, BOMI International
 Mr. Robert Johnson, CEO, R.W. Johnson Company

Should you have any additional questions or need any information related to content included in this article, please do not hesitate to contact the REMM Group at www.remmgroup.com or www.remmchina.com.

Robert M. Taylor, CRE, FIPC, FRICS, CSM, CPM, CIPS
President of The REMM Group
Chairman of REMM~China



Robert M. Taylor is the founder and President of the Robert M. Taylor Corporation, DBA The REMM Group, an Accredited Real Estate Management Organization, AMO, as designated by the Institute of Real Estate Management. The firm was established in 1978 and manages shopping centers, office buildings and residential properties in the state of California. The firm manages in excess of 125 real estate management accounts and provides accounting services for seven real estate management companies. Taylor is an appointed court receiver and has been active in managing real estate owned (REO) properties since 1982. In addition to real estate management Mr. Taylor is an owner and developer of real estate property including a 750 acre resort project located at Lake Oroville, California. Clients include pension funds, syndicators, foreign investors and individuals.

Prior to founding The REMM Group, from 1971 through 1978 Taylor was a regional vice president of the Robert A. McNeil Corporation managing a portfolio of 10,000 apartment units and two million square feet of commercial properties in the Western United States.

Taylor is a graduate of the College of Business Administration and Economics from California State University at Fullerton, B.A. in 1967, MBA 1973. He has been a consultant to government ministries and private enterprises in China since 1996 and was awarded in 2004 with the James Felt Creative Counseling Award from the Counselors of Real Estate for his consulting activity in China. Taylor is a Fellow of the Royal Institution of Chartered Surveyors FRICS, Counselor of Real Estate CRE, Certified Shopping Center Manager, CSM, Certified Property Manager, CPM, International Property Consultant, FIPC, FIABCI-USA and Certified International Property Specialist CIPS. Robert is an active member of the Executive Council of the College of Business and Economics, CSUF and is a former President of the Council. In 2001 he was honored as Alums at the Top Award and in 2006 with the Universities prestigious Vision and Visionaries Award. Taylor has been a guest lecturer at the College of Business and Economics, California State University, Fullerton, University of California Los Angeles, St. Petersburg Technical Institute in St. Petersburg Russia, and Beijing Forestry University in Beijing China.

Christine Dales
Executive Vice President of The REMM Group



Christine Dales joined The REMM Group in 1986. On January 1, 1998 Christine was promoted to Vice President. She currently oversees a portfolio of nine million square feet.

In conjunction with her duties as Vice President of The REMM Group, she heads the ever-expanding "Accounting Only" service for managers or firms that do not have the accounting software resources to compete in the sophisticated marketplace today.

Before coming to The REMM Group, Christine spent five years in the banking industry while attending college. When she joined The REMM Group she became involved in every aspect of the accounting department, including twelve years of training the accountants.

Since becoming Vice President, The REMM Group has converted the accounting software from Skyline to Yardi Voyager, an internet-based accounting system. Implementing Yardi Voyager and reorganization of the accounting department has allowed Christine and her management staff to increase work flow by 50% while reducing overhead. This was accomplished without harming the integrity of the product but actually improving it.

As Corporate Vice President Christine has the responsibility of the corporate finances in addition to all operations of The REMM Group. Christine has extensive experience in finance, personnel management and operations. Efficiency with accuracy is her objective.

Lu Gao, MBA
Director of REMM~China
Certified Property Manager- Candidate
Accredited Commercial Manager- Candidate



Mr. Gao is a Director of REMM~China and main liaison between The REMM Group and Universities offering Real Estate Management in the People's Republic of China. In this position he receives guests in the United States from China. He also provides educational programs that share experiences and information that promote the maximization of net operating income and extend the physical life of projects being built and managed. During 2007, Mr. Gao underwent an extensive, high level educational program in the United States which included obtaining a California Real Estate License, membership in the Institute of Real Estate Management and The International Council of Shopping Centers. He will be introduced to international professional real estate associations including The Counselors of Real Estate, Lambda Alpha, Royal Institution of Chartered Surveyors, and the Urban Land Institute.

Mr. Gao was born in Xining, China and relocated to the United States in 1998. He has a Bachelors Degree in Computer Science and an M.B.A. with an emphasis in Business Finance.

Joseph W. DeCarlo, MBA, CPM, CRE, CCIM
Instructor- Institute of Real Estate Management (IREM)
President of JD Property Management, Inc.
Member, REMM~China Advisory Board



Joseph W. DeCarlo is a Certified Property Manager (CPM) and Certified Commercial Investment Member (CCIM), Counselor of Real Estate, (CRE). He is a licensed Real Estate Broker in California and New York and is managing partner of JD Property Management, Inc. in Costa Mesa. He achieved his MBA from Syracuse University. As managing partner, Joe is responsible for over 3,000 residential units and ½ million square feet of commercial space. Joe is also on the National Faculty for the Institute of Real Estate Management (IREM) and has been an adjunct professor of real estate at Coastline Community College since 1977.

Joe has been an IREM Chapter President, National Committee Chairman and recipient of the prestigious IREM National Lum Award for outstanding contributions to the property management profession.

He is the currently chairman of the Southern California Chapter of Counselor's of Real Estate and past President for both the Orange County Commercial Association of Realtors and Coastline College Foundation. He remains a member of the Board of Directors for the Coastline College Foundation and the Los Angeles Mental Health Association and Community Housing Resources, both non-profit organizations. He received an honorary degree from Coastline Community College for his outstanding contributions to the community. Most recently, Joe was honored as a finalist for the 2003 Ernst & Young, Entrepreneur of the Year award.

Mr. DeCarlo is the author of several textbooks, including the popular, Property Management in California, now in 10th edition and being used by over 40 colleges, Real Estate: Adventures, Principles and Practices an educational novel on real estate and the, Essential Facts: Real Estate Management, published by Boston based Warren, Gorham & Lamont and the newly released national property management text published by Prentice Hall entitled, Property Management.

Joe is an owner himself of over 150 units, so he speaks not only as a professor and real estate professional, but also as an investor.

Stephanie C.A. Yamaguchi
Executive Vice President of Yamaguchi & Yamaguchi Inc
Director of REMM~Pacific



Stephanie C.A. Yamaguchi has been involved in purchasing and selling investment properties since 1979. Today, she is Executive Vice President of Yamaguchi & Yamaguchi Inc. Real Estate Counseling Services and Managing Director of Allstate Home Inspection and Environmental Services; its subsidiary. Stephanie also serves as Executive Vice president of REMM Pacific, a subsidiary of The REMM Group.

Her past expertise has been in insurance and securities as she maintains a Series 7 general securities license. Stephanie is well versed in real property inspection for due diligence purposes, feasibility analysis, and property evaluation. She is also instrumental in business development for the REMM Pacific, a real estate service company.

Jon F. Yamaguchi, CRE
President of Yamaguchi & Yamaguchi, Inc.
Managing Partner of Pacific Rim Consulting Group
President and Principal Broker of REMM~Pacific



Jon Yamaguchi leads three companies, Yamaguchi & Yamaguchi, Inc. (President-CEO), Pacific Rim Consulting Group (Managing Partner) and REMM ~Pacific (President-Principal Broker) all based in Honolulu Hawaii. For more than 35 years, he has provided advisory services in his real estate expertise of the Hawaiian Islands and Pacific Rim areas. His specialties in real estate include consulting, valuation, arbitration, condemnation, acquisition and disposition.

A graduate of Iolani School and Colorado State University, Jon has been awarded the CRE designation from the Counselors of Real Estate, Fellow (FRICS) of the Royal Institution of Chartered Surveyors, and the SRPA and SRA designations from the Appraisal Institute.

He maintains a general license as a real estate appraiser and a real estate broker license in the State of Hawaii.

Jon has served in various positions and boards with the Counselors of Real Estate (CRE), Building Industry of Hawaii (BIA), Better Business Bureau (BBB), Honolulu Board of Realtors (HBR), Appraisal Institute (AI) and Fannie Mae (FNMA). He currently serves as the Vice Chair of the International Committee of the National Counselor of Real Estate Organization (CRE), a member of the Transportation & Land Use Committee of The Urban Land Institute (ULI) Hawaii District Council and is on the Advisory Board for REMM~China.

Other memberships include the National Association of Security Dealers (NASD) Arbitration Panel, the National Association of Industrial and Office Properties (NAIOP), Urban Land Institute (ULI), The National Association of Realtors (NAR) and Mayoral appointment to serve on the Liquor Commission of the City and County of Honolulu.

George A. "Chip" Julin III, RPA
Director of REMM~China
Past International President of Building Owners and Managers Association (BOMA)



Chip Julin's entire professional career has been in the field of real estate, including management, leasing and investments. In his extensive career of 30 plus years, George "Chip" Julin has gained elite knowledge of the real estate industry.

He has testified before the United States Congress on several occasions regarding issues impacting the commercial real estate industry. His resume includes experience spanning from Vice President to Chairman and CEO to now President of his own company, Julin Realty Services, LLC. His experience encompasses working with companies such as PMB Real Estate Services, OneSource Building office Services, Inc., Morlin Management Corporation, and Security Pacific National Bank.

Mr. Julin received a Bachelor of Arts in Economics from Ripon College located in Ripon, Wisconsin in 1968. He furthered his education by receiving his Real Property Administrator (RPA) certificate from the Building Owners and Managers Institute in 1981. Mr. Julin is a licensed real estate broker in California.

His professional affiliations include President of Building Owners and Managers Association (BOMA) International 1995-1997, member of the Friends of IREM (Institute of Real Estate Management), member of Board of Directors of the Chamber of Commerce of Century City, and many more. Mr. Julin is a frequent speaker to local, regional, national and international BOMA related organizations and real estate industry service organizations.

Jason M. Taylor
Director of The REMM Group, Northern California
Certified Property Manager- Candidate
Accredited Commercial Manager- Candidate



Mr. Jason Taylor has been associated with The REMM Group for twenty years, specializing in real estate management and building security. He currently oversees the 700 acre Lake Oroville Resort Development project, in addition to managing residential, office, retail and industrial properties. Jason is a graduate of California State University, Chico and is a Certified Property Manager candidate scheduled to receive the CPM designation in the summer of 2008. He is licensed to practice real estate in the State of California.

In addition to his association with The REMM Group, he served as a Police Officer for more than 15 years and was responsible for the development and implementation of a community orientated program by which property owners, property managers and municipal government agencies work together to assess and address community problems from crime to quality of life. Working in this position as the City of Oroville's Community Revitalization Economic Development Officer (CREDO) Mr. Taylor has provided guidance which had allowed many property owners to see surprising increases in their net profits while reducing crime and social problems associated with their real estate investments. Mr. Taylor has specialized training beyond that of real estate in crime prevention, gang and drug identification and prevention, community oriented problem solving, crime scene investigation, and code enforcement. Taylor brings to REMM a unique combination of Security and Real Estate Management expertise.

Herb Grabell, SIOR
Member, REMM~China Advisory Board
Grubb & Ellis Director of Industrial Services, China

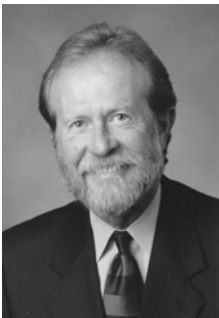


Herb Grabell is a Senior Vice President with Grubb & Ellis / BRE Commercial Real Estate. He has been with Grubb & Ellis Company, a New York Stock Exchange Company and Leading US Commercial Real Estate Advisory for the past 17 years based in California, US and specializes in Goods Movement strategies associated with Smart Facility Site Selection. Related with this specialty, Grabell also advises Ports on expansion strategies and developing Strategic Alliances. Grabell is presently involved in an advisory role representing close to 5000 acres of new Smart Business Park development in California.

Grabell as well, advised many notable Fortune 500 companies throughout his career and plans to continue this practice thru building a Bridge between the US and China. The overall goal is to lower operating costs thru the Strategic facility placement as relates to reach Companies Requirements in each Country. There is also the desire by Grabell to see China's infrastructure grow favorably and hopefully Greener!

Grabell is involved in several industry organizations most notably, The Society of Office and Industrial Realtors (SIOR). Members of this International Organization are the Best in the Industry and Warehouse Educational Research Council (WERC) a US based organization supporting many US Corporations on Warehousing Best Practices. Grabell serves on a California Chapter Board.

Dennis A. Adams, RPA, CSM, CMD
Chairman, Building Owners and Managers Institute (BOMI)
Sr. Vice President, Property Management
Corum Real Estate Group



As Corum's Senior Vice President of Property Management, Dennis Adams is responsible for all aspects of property management including tenant relations, lease administration, budgeting and financial reporting. He has more than 30 years of experience in the Property & Asset Management field working with national, regional and local clients.

Over the years, Mr. Adams has managed a wide range of commercial real estate portfolios including regional malls, high-rise office buildings, industrial projects, suburban office parks, mixed-use properties, community shopping centers, and multifamily apartment portfolios.

Previously, Mr. Adams served as Director of Property Management for Trammell Crow Company where he was responsible for a commercial portfolio of more than 9 million square feet of office, industrial and retail projects in the Denver area. The portfolio value was in excess of \$800 million of real estate holdings for various national and institutional real

estate investors.

Mr. Adams earned a Bachelor's degree from Ohio University and a Master's degree in Management from Regis University. Dennis is current Chairman of the Board for the Building Owners and Managers Institute International (BOMI). He is a past President of the Building Owners and Managers Association (BOMA) for the Denver Metro Association. Dennis has earned the following professional designations: Real Property Administrator (RPA), Certified Shopping Center Manager (CSM), Certified Marketing Director (CMD), and holds real estate broker's license in Colorado.

Robert W. Johnson Jr., CRE
CEO of R.W. Johnson Company

Mr. Johnson has been active in commercial real estate for over 30 years, participating in several billion dollars worth of transactions involving the purchase, sale, financing or joint venture of net leased properties, office buildings, shopping centers, industrial parks, hotels, apartments and residential home developments. Mr. Johnson held various positions, prior to 1970, with Bestco Builders, Del E. Webb Corporation and the Natomas Company before joining Coldwell Banker Commercial Real Estate in San Francisco as Vice President. At Coldwell Banker he was actively involved with all aspects of investment real estate, including the sale of three major downtown San Francisco properties.



He continued his career by opening and managed the west coast office for VMS Realty, Inc., a major real estate investment company headquartered in Chicago, Illinois.

Just prior to forming ICC, his current company, Robert W. Johnson of Mill Valley, California was the President of the R. W. Johnson Company, a San Francisco real estate investment banking firm founded in 1984. ICC specializes in real estate investments, providing equity and debt to complex existing or to be built projects and securitization of financial instruments. Their international experience includes Asia-Pacific area, Canada, Latin America, the Caribbean, and New Zealand.

Mr. Johnson received a Bachelor of Science and Commerce Degree from the University of Santa Clara and a Masters Degree in Finance and Real Estate from the University of Alabama. He is a former faculty member at Golden Gate University in San Francisco, a member of the Urban Land Institute and Financial Executives International and is a licensed Real Estate Broker in California.

Mr. Johnson has acquired real estate for his own account and acted as an advisor to and agent for public and private pension funds, insurance companies, public companies, real estate investment trusts and private investors.

Greg Grainger, CCIM, CPM, RPA
Managing Director of CB Richard Ellis in Dallas, Texas
Secretary / Treasurer, BOMI International



Greg Grainger directs Asset Services activities in DFW for a diversified portfolio of office, industrial, and retail properties totaling over 42 million square feet with over 275 employees. During his 22-year career he has developed the unique ability to connect financial discipline with real property operating and leasing challenges to achieve superior market performance, and he understands the need to create value in all aspects of real estate services. He has managed such diversified assets as marinas as well as office, retail and mixed use facilities.

Before directing Asset Services in DFW, Mr. Grainger oversaw the DFW Property Management division for Trammell Crow Company. While with TCC, he managed the Infomart, a 1.6 million square foot facility originally built by Trammell Crow to showcase technology and technology services.

Mr. Grainger is active in many real estate organizations. He currently serves on the Executive Committee of BOMI International as well as with Dallas BOMA. He is a member of the Texas BOMA Board of Directors and is a member of the Institute of Real Estate Management and North Texas Commercial Association of Realtors.

His professional affiliations and accreditations include Board of Directors/Secretary and Treasurer for BOMI International, Board of Directors for Texas Building Owners and Managers Association (BOMA), Board of Directors for Dallas BOMA, Member of BOMA, Member of Institute of Real Estate Management (IREM), Instructor for BOMI's RPA Education Program and Greg is a Licensed Texas Real Estate Salesman.

Mr. Grainger attended the University of Texas at Tyler where he received his Bachelor of Business Administration in Finance. He has furthered his education of by obtaining his Certified Commercial Investment Member (CCIM) Designation, Certified Property Manager (CPM) Designation and Registered Property Administrator (RPA) Designation.



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