

Real Estate Matters

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As we head into 2025, the technology landscape presents key challenges and opportunities for businesses of all sizes. Following are relevant topics that all businesses should be attuned to.

1. Disinformation

Technology is often seen as a tool for innovation, efficiency, and speed. However, it's vital to recognize that the same technologies can be exploited to spread

Navigating 2025: Unconventional Challenges and Opportunities in a Technology-Driven Business Landscape

By: *Scott Hess – Vice President of Information Services, High Company LLC*



disinformation—false or misleading information designed to deceive—which is becoming increasingly difficult to detect.

Every day, decisions are made based

on the information at hand. But do we understand where this information comes from or how it is generated? False articles

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Preparing Your Commercial Property for Sale or Lease: A Comprehensive Guide

By: *Bill Boben – Senior Vice President – Sales and Leasing, High Associates Ltd.*

As a commercial real estate brokerage firm with over forty years of experience in sales and marketing, High Associates Ltd. understands the importance of thorough preparation when putting your property on the market. Whether you're looking to sell or lease your commercial space, attention to detail is key to maximizing value and ensuring a smooth transaction. This guide will walk you through the essential steps to prepare your property, focusing on physical improvements, documentation, and financial readiness.

1. Physical Enhancements to the Property

The first impression of your property is critical. Potential buyers or tenants will form their opinions within minutes of arriving, so it's essential to ensure that the

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President's Message

As we step into 2025, I am filled with optimism and enthusiasm for the opportunities that lie ahead in the real estate market. The past few years have presented us with



numerous challenges, from the pandemic to increasing interest rates, but our industry has shown remarkable resilience and adaptability.

The demand for multi-family housing remains robust. With changing demographics, more people are seeking the convenience and community that for lease multi-family units offer.

Despite recent fluctuations in interest rates and construction costs, the outlook for multi-family housing is optimistic. Developers are increasingly incorporating sustainable and technologically advanced features to meet the needs of modern residents.

In line with this growing demand, High Real Estate Group broke ground last

fall on the first phase of a 600-unit apartment complex at the southwest corner of Willow Road and Greenfield Road in East Lampeter Township. This significant development will feature 311 apartments in the initial phase, complete with a pool and clubhouse.

Additionally, the rental market is experiencing a dynamic shift. As homeownership becomes less attainable for many, rentals provide a flexible and viable alternative. We anticipate a steady increase in rental demand, driven by younger generations and those seeking mobility. This trend underscores the importance of maintaining high-quality rental properties and ensuring tenant satisfaction.

Commercial real estate is also set to experience a revival. The office sector is slowly gaining traction with a resurgence in leasing activity, especially in prime locations. Retail spaces are seeing the highest occupancy rates in years, driven by growing demand and limited new supply.

The hospitality industry is rapidly

evolving, driven by technology, sustainability, and the demand for personalized guest experiences. By embracing these changes, the hospitality sector is well-positioned to offer unique and memorable experiences to travelers.

As we navigate these dynamic times, our commitment to providing exceptional service, building trustworthy relationships and being innovative leaders remains unwavering. We are excited to continue working with you to achieve your real estate goals and to make the most of the opportunities that 2025 has to offer.

Mark Fitzgerald
 President and Chief Operating Officer
 High Real Estate Group LLC
 717.293.4466
mfitzgerald@high.net

The Changing Hospitality Workforce: Attracting and Retaining Top Talent

By: *David Aungst – President, High Hotels Ltd. and Lindsay McGuire – Senior Human Resources Business Partner, High Company LLC*

The hospitality industry, like most industries, is experiencing a transformative shift in how it attracts and retains top talent. With evolving employee expectations and a competitive job market, businesses must adapt to stay ahead.

Creating a positive work culture, offering flexible work options, prioritizing employee development, and leveraging diverse recruitment strategies that cater to the changing demographics of the workforce, all while navigating the industry's demanding nature and often inconsistent schedules is the challenge we need to overcome.

Here are some key strategies and trends influencing the future of the hospitality workforce:

- 1. Enhanced Compensation and Benefits:** To attract and retain employees, many hotels and restaurants are increasing wages and expanding benefits. A 2024 survey by the American Hotel & Lodging Association revealed that 86% of hotels have raised wages, and 52% *continued on page 5*



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property is in top condition both inside and out. Preparing your property for sale is important, but it's also crucial to keep perspective and avoid making unnecessary improvements that might not add value.

Exterior Enhancements:

- **Landscaping:** Ensure that the landscaping is well-maintained. Trim bushes, mow the lawn, and consider adding seasonal flowers or plants to enhance curb appeal.
- **Parking Areas:** Repair any potholes or cracks in the parking lot, repaint lines, and ensure that the area is clean and free of debris.
- **Building Facade:** Power wash the exterior, repaint where necessary, and repair any visible damage such as broken windows, cracked siding, or peeling paint.
- **Signage:** Update or replace any signage to ensure it is clear, professional, and in good condition.
- **Lighting:** Check all exterior lighting to ensure it is functional and provides adequate illumination for safety and security.

Interior Enhancements:

- **Deep Cleaning:** Have the interior professionally cleaned, including carpets, windows, and any common areas. A clean space feels more welcoming and suggests that the property is well-maintained.
- **Repairs:** Address any minor repairs, such as fixing leaky faucets, replacing damaged ceiling tiles, or repairing broken fixtures. These small issues can detract from the overall perception of the property.
- **Painting:** Consider repainting walls with neutral colors to create a fresh, appealing look. This also allows potential buyers or tenants to visualize their own use of the space.
- **HVAC and Utilities:** Ensure that all heating, ventilation, air conditioning, and other utility systems are in good working

order. Regular maintenance and service records should be up-to-date and available.

- **Compliance:** Check that the property meets all current building codes, zoning laws, and accessibility requirements. Address any non-compliance issues before listing the property.

2. Gathering Essential Documentation

Having all the necessary documentation ready can significantly expedite the sales or leasing process. Buyers and tenants will want to see a complete picture of the property's financial and operational status.

Key Documents to Prepare:

- **Operating Expenses:** Compile a detailed record of operating expenses, including utilities, maintenance, insurance, and any other recurring costs associated with the property. This information helps potential buyers or tenants assess the ongoing costs they will incur.
- **Tax Records:** Gather property tax statements for the last few years. Buyers and tenants will want to review the tax history and any potential reassessments.
- **Deed and Title:** Ensure you have a clear title to the property and that the deed is readily available. It's also wise to conduct a title search to confirm there are no encumbrances or liens on the property.
- **Zoning Information:** Provide documentation on the property's zoning classification, including relevant ordinances or municipal/state approvals you have received such as a certificate of occupancy. This information is crucial for buyers or tenants planning to change the use of space.
- **Warranty Information:** Gather past receipts and warranties for any mechanical systems, roofing, gutter, and other building improvements that have been performed that may be transferrable to a new owner.
- **Environmental Reports:** If available, have environmental assessments or reports ready, particularly if your property is in an area prone to environmental concerns. Full disclosure of any environmental issues or other property defects should be confirmed in writing by the parties.
- **Survey and Floor Plans:** Provide a recent survey of the property and detailed floor plans. These documents help potential buyers or tenants understand the layout and boundaries of the property.
- **Lease Agreements:** If the property is currently leased, have all existing lease agreements available. These should include details on lease terms, tenant information, and any obligations or rights associated with the leases.



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and social media posts can harm reputations and influence customer purchasing decisions. For instance, fabricated customer complaints posted on a website can damage a company's image or potentially impact whether or not a customer will purchase from that company.

As this threat grows, both businesses and individuals must address critical questions: How can we distinguish truth from fiction? Which sources can we trust? In 2025, organizations must prioritize strategies to raise awareness to identify and address disinformation.

2. People

Amid the growing emphasis on technology, it's essential to remember the key element driving its use, benefits, and impact: people. A June 2024 study by Boston Consulting Group (BCG) highlighted an important trend—while confidence in Generative AI (GenAI) has grown, so too has fear about job loss and changes in how we work.

This anxiety is not exclusive to GenAI; it reflects a broader concern about the rapid pace of technological change in the workplace. Employees worry about their ability to keep up and how their roles might evolve.

Organizations must engage their workforce to address these challenges. Conduct surveys, host focus groups, and hold one-on-one conversations to understand employees' views on technology, their concerns, and the skills or training they need. Transparent communication about strategies and initiatives designed to support employees is equally vital.

By fostering open dialogue and empowering people with the tools they need, organizations can build a culture of trust and resilience, ensuring their workforce is ready for the future.

“In today's fast-paced, technology-driven world, data quality is more critical than ever for analytics and decision-making systems.”

3. Data Loss

Unintended data loss poses a significant risk to businesses and individuals. This includes accidental deletions, corrupted files, or the inadvertent sharing of sensitive information.

For example, entering sensitive information such as Social Security numbers or banking details into GenAI tools can unintentionally feed future data models. Similarly, sending unsecured, sensitive data to business partners who lack adequate security controls can also put data at risk.

To mitigate these risks, businesses should understand the security maturity of key partners and implement tools like data loss prevention (DLP) systems, which help identify and prevent unauthorized data from leaving the organization. Additionally,

“By fostering open dialogue and empowering people with the tools they need, organizations can build a culture of trust and resilience, ensuring their workforce is ready for the future.”

provide training to your employees to raise awareness and acceptable ways to manage data.

4. Data Quality

In today's fast-paced, technology-driven world, data quality is more critical than ever for analytics and decision-making systems. As the saying goes, “Garbage in, garbage out.”

AI and analytics tools depend on data generated by business processes. If this data is incomplete, inconsistent, or poorly structured, it leads to inaccurate insights and flawed decisions.

To address this, organizations must adopt data management as a core discipline, ensuring that data is accurate, reliable, and well-structured. Investing in robust data governance frameworks and conducting regular audits will be essential in 2025.

5. Current Technology Investments

While new technology often grabs the spotlight, maximizing the value of existing technology investments can deliver significant benefits. Many organizations rush to purchase the latest tools without fully leveraging their current systems.

Few technologies work perfectly out of the box. Achieving optimal performance requires a clear understanding of desired outcomes, business processes, and the configuration of systems to meet specific needs. Continuous improvement efforts and process reengineering are necessary to align with best practices.

In 2025, organizations should focus on optimizing existing tools rather than constantly chasing new ones. This approach not only helps focus resources on what is important but also ensures a higher return on investment.

Final Thoughts

The future of business in 2025 is filled with uncertainties, but staying ahead of technology will remain essential for competitiveness. By balancing investments in new capabilities with efforts to enhance existing systems, organizations can adopt a thoughtful and sustainable approach to navigating technological change.



Scott Hess

Vice President of Information Services
High Company LLC
717.293.4487
shess@high.net

The Changing Hospitality Workforce: Attracting and Retaining Top Talent continued from page 2



are offering more flexible hours. These changes are crucial in making hospitality roles more appealing and competitive.

2. **Generation Shift:** The rise of Millennials and Gen Z in the workforce brings different expectations regarding work-life balance, purpose-driven careers, and technology usage. Understanding generational differences should be a top priority for leaders.
3. **Diversity and Inclusion:** Prioritize creating a diverse and inclusive workplace to attract and retain a wider range of talent.
4. **Emphasis on Well-being:** Employee well-being is becoming a top priority. Mental health support and work-life balance initiatives are essential in reducing burnout and improving job satisfaction.
5. **Focus on Flexibility:** Offer flexible scheduling options like part-time work, compressed workweeks, and remote work, where applicable, to accommodate different lifestyles.
6. **Open Communication:** Foster a culture of open communication where employees feel comfortable voicing concerns and providing feedback.
7. **Leadership Development:** Investing in leadership development is vital for creating a motivated and loyal workforce. Offering career growth opportunities can foster a culture of continuous improvement and professional development. This not only helps in retaining top talent but also in building a strong leadership pipeline.
8. **Career Development Pathways:** Create clear career progression paths with opportunities for training, mentorship, and skill development to help employees advance within the company.
9. **Upskilling and Reskilling:** Invest in training programs to equip employees with new skills necessary to adapt to

evolving industry needs, such as digital literacy and customer service techniques.

10. **Employee Recognition Programs:** Implement regular recognition programs to acknowledge and celebrate employee contributions and achievements, thereby boosting morale. These programs don't need to be large or expensive; the key is that recognition should be meaningful and timely.
11. **Integration of Technology and Automation:** The adoption of technology and automation is revolutionizing the hospitality industry. By streamlining administrative tasks, staff can focus more on enhancing the guest experience. This shift not only improves operational efficiency but also increases job satisfaction by allowing employees to engage in more meaningful and rewarding work. Supporting employees with ongoing training to stay current and understand the benefits of technology and automation is critical.
12. **Stay True to Your Mission, Vision, and Values:** Employees are increasingly seeking employers who align with their values. To attract and retain well-matched team members, it's crucial to demonstrate your organization's values through your actions. It is important to evaluate your mission, vision, and values to ensure they represent your organization today and in the future. Employees desire authenticity. Having your mission, vision, and values on a bulletin board is one thing, but putting it into practice in a meaningful and authentic manner is entirely different.
13. **Employer Branding:** Develop a strong company culture that emphasizes employee well-being, career growth opportunities, and a positive work environment to attract potential candidates. It is important to showcase your *continued on page 6*

The Changing Hospitality Workforce: Attracting and Retaining Top Talent continued from page 5

company culture and be proud of where you work not just for attracting and recruiting new employees but also for your current employees as well.

- 14. Diverse Recruitment Channels:** Utilize a variety of platforms to reach a broader pool of candidates, including online job boards, social media, employee referrals, and partnerships with hospitality training programs.
- 15. Effective Marketing Campaigns:** To attract external talent, the hospitality industry is crafting compelling marketing campaigns that highlight the unique and rewarding aspects of working in hospitality. By showcasing the opportunities for growth, creativity, and customer interaction, these campaigns aim to draw in individuals who may not have previously considered a career in hospitality.

Attracting employees is just the first step, keeping them engaged and motivated is equally important. Hospitality companies need to



focus on retaining talent, as frequent turnover disrupts operations and adds to hiring expenses. A strong retention plan helps reduce these disruptions by maintaining a stable workforce.

Working in the hospitality industry provides us with the opportunity to not only wow our guests and customers but also create a great place to work and stay for our employees as well. By enhancing total compensation, prioritizing well-being, investing in leadership development, leveraging technology, and crafting effective marketing campaigns, businesses can attract and retain top talent. These strategies are essential for building a resilient and thriving workforce that can meet the challenges of the future and spread joy through hospitality.



David Aungst
President
High Hotels Ltd.
717.293.4558
daungst@high.net



Lindsay McGuire
Senior Human Resources
Business Partner
High Company LLC
717.874.6443
lmcguire@highhotels.com

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3. Preparing Financial Statements

For leased properties, presenting a clear financial picture is important. Prospective buyers or tenants will want to understand the property's income potential.

Key Financial Documents:

- **Income Statement:** Prepare an income statement that outlines the property's revenue, including rental income, and any other sources of income. This should be presented on a monthly and annual basis for at least the past three years.
- **Rent Roll:** Provide a rent roll that lists all tenants, lease terms, rent amounts, and any arrears. This document gives a clear picture of current occupancy and income stability.
- **Profit and Loss Statements:** If available, include profit and loss statements that provide a comprehensive overview of the property's financial performance over time.
- **Capital Expenditures:** Detail any major capital expenditures made on the property, such as roof replacements, HVAC upgrades, or significant renovations. Buyers and tenants will want to know what improvements have been made and when.

4. Final Considerations

In addition to the physical and financial preparations, consider engaging a professional real estate agent who specializes in commercial properties. An experienced agent, such as the team from High Associates Ltd., can provide valuable insights into market trends, pricing strategies, and effective marketing techniques to promote the availability of your property to a wide audience.

By thoroughly preparing your commercial property for sale or lease, you position yourself for a successful transaction. The time and effort invested in these steps can significantly increase your property's appeal and ensure that you attract the right buyers or tenants, ultimately maximizing the return on your investment.



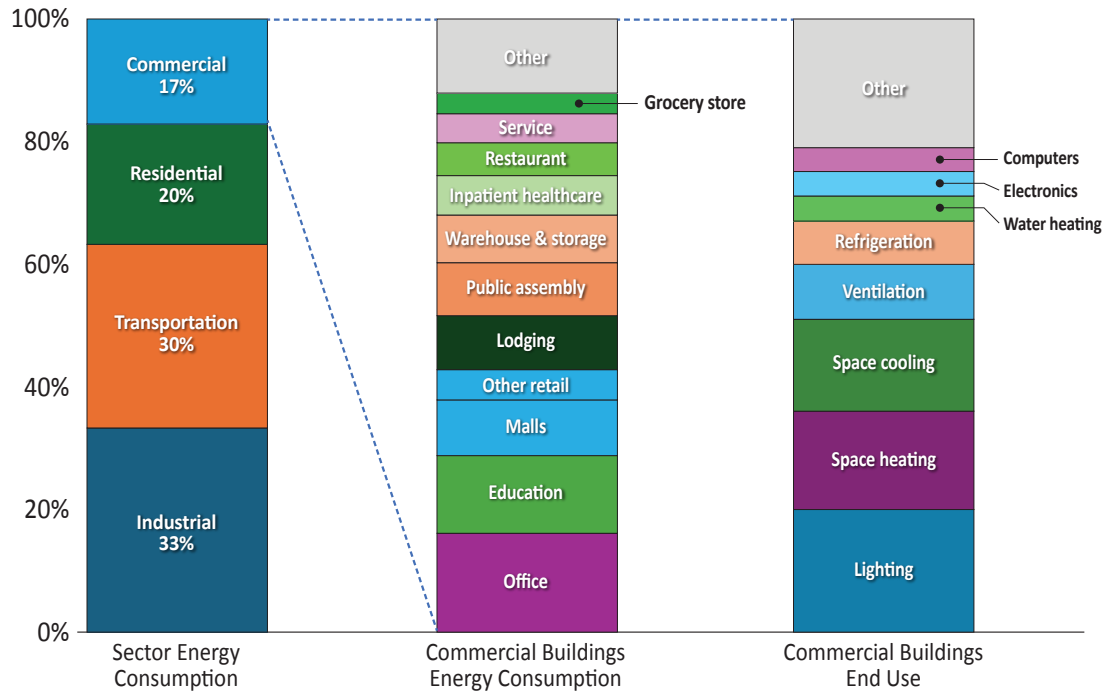
Bill Boben
Senior Vice President –
Sales and Leasing
High Associates Ltd.
717.209.4012
bboben@high.net

Sustainability in Real Estate: How Green Buildings Can Save You Money

By: Sanjay Guglani – Chief Strategy Officer, High Company LLC

The energy consumption landscape in the United States reveals that commercial buildings play a pivotal role, accounting for 17 percent of total energy usage. Office spaces, educational institutions, retail establishments, and hotels collectively consume half of this energy. The substantial energy requirements for lighting, heating, and cooling highlight the opportunity to address this significant energy footprint. This direct energy used in day-to-day operations is called “operational energy”.

Commercial Buildings Energy Consumption Pattern

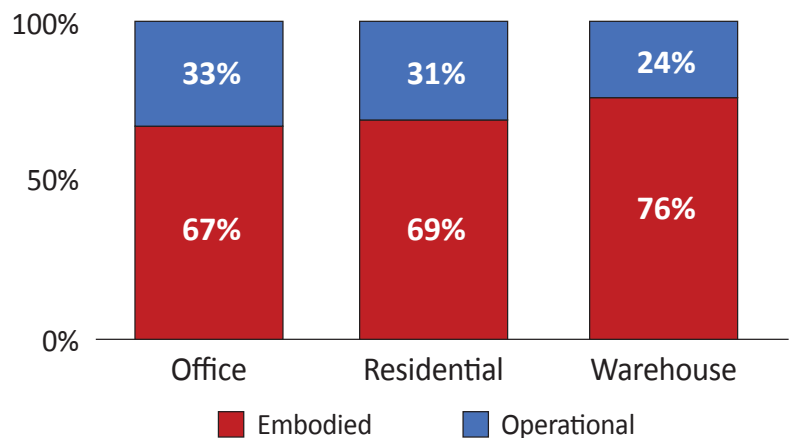


Source: Energy Information Agency

Carbon emissions over 60 year life

Commercial buildings are also indirect users of energy. That happens when trees are cut and processed to make lumber; when ores are mined (or scrap metal is used) and converted to steel, aluminum, or copper; when cement and glass are manufactured; and when all these materials are transported to a construction site. The energy that goes into manufacturing materials, transporting them, and erecting a building is called “embodied energy.” Embodied energy is about two-thirds of the total energy consumed by a building over its life cycle. Cement, steel, lumber, and insulation are the materials with the highest embodied energy.

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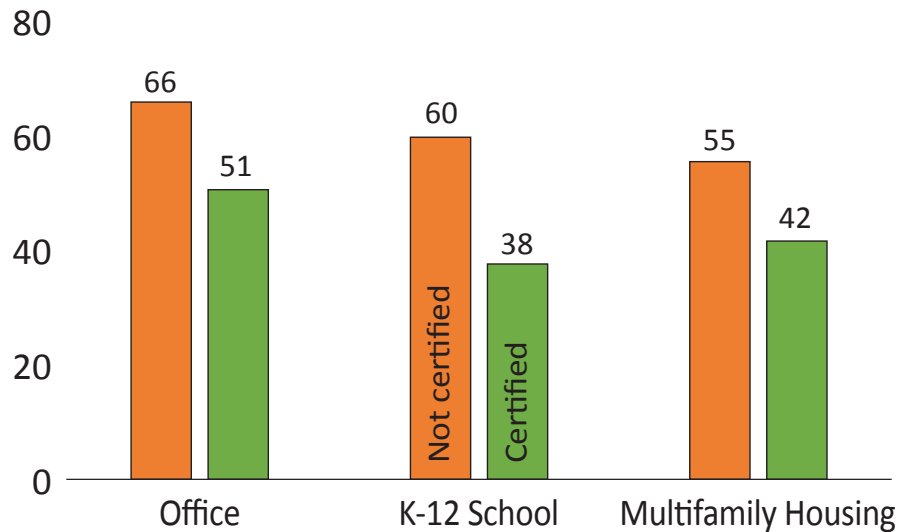


Source: Architects Climate Action Network

Sustainability in Real Estate: How Green Buildings Can Save You Money continued from page 7

When embarking on a building project, the first consideration should be whether new construction is needed at all. The embodied energy impact of redeveloping an existing structure is 50 to 75 percent lower than the impact of constructing a new building. Even if the foundation and structure are the only elements retained, their reuse will significantly impact the embodied energy of the project because these components generally account for a majority of a building’s carbon footprint. If redeveloping an existing building is not a viable option, incorporating recycled materials into the design will help reduce embodied energy. A study from RMI (formerly called Rocky Mountain Institute) claims it is possible to achieve 19 – 46 percent reduction in embodied energy for new construction with minimal increase in the cost of materials.

Median Energy Consumption kBTU/sqft



Note: Data collected in 2022 for buildings constructed 2000 – 2009 in climate zone 5A with climate similar to that in Pennsylvania.

Source: EnergyStar.gov

“If redeveloping an existing building is not a viable option, incorporating recycled materials into the design will help reduce embodied energy.”

There are several actions building owners can take to reduce operational energy consumption.

1. Reduce waste. The Environmental Protection Agency (EPA) estimates that 30 percent of energy used in commercial buildings is wasted. Examples of waste reduction efforts include sealing of air leaks and the use of occupancy sensors to operate lights and HVAC.
2. Use higher efficiency lighting, HVAC, elevators, and other large consumers of energy.

Energy Star is a voluntary program administered by the EPA. Energy Star-certified buildings have been verified to perform among the top 25 percent of similar buildings nationwide and claim to save 35 percent of energy. A General Services Administration study claims that high-performance buildings enjoy up to 10 percent higher occupancy and up to 16 percent rental premiums.

The journey towards sustainable commercial building practices necessitates a multidimensional approach, encompassing both operational energy efficiency and the reduction of embodied energy. By prioritizing the redevelopment of existing structures, utilizing recycled materials, and implementing measures to cut energy waste, building owners can make substantial strides in minimizing their environmental impact. As demonstrated by Energy Star-certified buildings, prioritizing energy efficiency not only benefits the planet but also enhances occupancy rates and rental premiums, proving that sustainability and profitability can go hand in hand.



Sanjay Guglani
 Chief Strategy Officer
 High Company LLC
 717.293.4476
sguglani@high.net



AI Series: The Use of Artificial Intelligence in Real Estate Development

By: Scott Hess – Vice President of Information Services, High Company LLC and Ken Hornbeck – Senior Vice President – Development, High Associates Ltd.

This quarter, we continue our focus on artificial intelligence (AI) as it relates to real estate development. While many of the topics we've covered over the past year apply to this sector, we will explore a few specific use cases that are currently in practice or anticipated to emerge in the near future.

Generative AI (GenAI) capabilities can be leveraged in the real estate development industry, much like other industries. It can predict market and demographic trends, summarize local regulatory requirements, and consolidate various source documents to draft applications for review. GenAI can also assess vendor proposals and suggest optimal negotiation terms or tactics using proprietary and publicly available data.

Energy management remains a key concern for developers, as the variability of energy demands and the need for real-time information are critical. Artificial intelligence can address this challenge by analyzing data at scale and generating predictive models for constantly evolving data sets. Many tools can now predict when parts may fail, automatically order replacements, and schedule maintenance without human intervention.

Integrating these capabilities into the design phase ensures the necessary underlying technologies are in place to support them.

Emerging construction technologies are also poised to revolutionize the industry. One such technology is robotics for building structures. While robots have historically faced challenges on job sites due to uncontrolled environments, advancements are enabling their limited use for traditionally manual tasks such as bricklaying and cement pouring. For instance, mobile robots are now capable of constructing block walls based on GPS coordinates, ensuring precision and efficiency. These innovations not only optimize material use—by applying the exact amount of mortar needed—but also improve job site safety. A notable example is the Hadrian X, a mobile block-laying machine marketed as “Wall-as-a-Service” (WaaS).

While these trends and capabilities are promising, many businesses are still grappling with how to begin their AI journey. It's easy to feel left behind when reading about industry advancements, but the reality is that most organizations are still

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in the experimental phase. According to a recent study by BCG, released in October 2024, 98% of companies are experimenting with AI, yet only 25% have developed the necessary capabilities to extract value. This leaves a significant portion of businesses seeking ways to better leverage AI in their operations.

If you find yourself in this group, consider adopting a “start somewhere, start now” mindset. Rather than striving for perfection out of the gate, embrace the fact that this is a journey requiring leaders to educate themselves and their teams. Create a working group with cross-functional members to discuss AI, share insights, and brainstorm potential use cases. This collaborative approach will raise awareness of AI’s benefits and risks while honing in on specific, actionable objectives.

Once ideas are identified, formalize a small team of leaders to evaluate use cases and allocate the necessary resources. Like any project, establish a clear charter with defined objectives and measurable results—such as hours saved or processes improved—to quantify the benefits and enable the organization to learn and grow as it matures.

The integration of AI into real estate development is not just about adopting new technologies, it’s about rethinking processes, fostering innovation, and positioning your organization to thrive in a rapidly evolving landscape. By taking incremental steps,

fostering cross-functional collaboration, and focusing on tangible outcomes, companies can unlock the transformative potential of AI and set the foundation for long-term success in the industry.



Scott Hess
 Vice President of Information Services
 High Company LLC
 717.293.4487
shess@high.net



Ken Hornbeck
 Senior Vice President – Development
 High Associates Ltd.
 717.209.4010
khornbeck@high.net

RealEstateMatters

High Real Estate Group LLC

1853 William Penn Way
 P.O. Box 10008
 Lancaster, PA 17605-0008
 Tel: 800.638.4414
www.highrealestategroup.com

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