

EXECUTIVE Q&A

Managing properties, change

Joe Lewis is the owner of Orchard Commercial. He has been in the real estate management industry for 28 years. He worked as director of asset management for Cornish & Carey Commercial during the 1980s. He then was president of Orchard Properties for four years before he became owner of Orchard Commercial in 2000. Lewis' long-term goal is to establish his business as a fully integrated and comprehensive real estate operating company in Silicon Valley. To Lewis that means providing property management, leasing, construction and mechanical services to office, research and development, warehouse and manufacturing facilities.

Q. What are the biggest changes in your business during the past year?

A. We manage properties for large owners and financial institutions. We also do construction and leasing in those buildings. All the buildings are still here, but all the owners have changed. A good deal of the property has sold over the past two years, which has been the biggest selling spree ever in the country, particularly in Silicon Valley.

Q. Have your customers requested changes that incorporate more green features at the facilities you manage?

A. It's something that everybody wants to do and everybody is trying to figure it out — what is cost-effective and worthwhile doing — because these buildings are all investments. So while it is something everybody feels should be done, most people are still trying to figure out what is cost-effective about it and what will really make a difference in making the world greener. That's on the large scale and the small scale. What do you do, and how far do you take it? It is a new way of living and, if it is, we have to quickly get up to speed. In new buildings, it

is kind of a no-brainer. With existing buildings, there is retrofit involved, and we need to think that through because these are big investments. Green is important to our customers, money is more important.

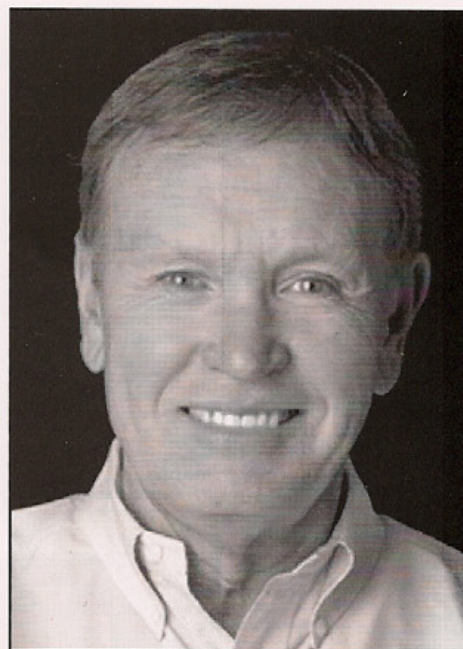
Q. If there is one thing you would like to change in the property management industry, what would that be?

A. The expectations of the property management business are really large. One of our managers said that five years ago we were expected to wear 20 hats, now we are expected to wear 50. You have to have a body of knowledge in so many areas. Green is a whole new area to get up to speed in, financial reporting is always changing, legal requirements, building codes, what tenants want and market conditions are all part of the job. The challenge is keeping up with all the stuff and the ultimate owner of the building — the lender and the asset managers — are expecting all kinds of expertise.

Q. What are the biggest challenges you face in property management?

A. It is an ever-changing world, with a variety of disciplines affected. Of course, that is the magic of it and the fun of it. When I interview property managers, I ask them what do they like about property management, and they say every day is different. I have a different answer. It's that you can make a difference. At the end of the day, you can see what you have done, you can change a building, you can change the comfort of the tenant, you can make it a better place for them to do business. You can change the world one building at a time. Renovating buildings is complicated and satisfying. Properties come and go, but it is a commitment to care for them that makes the difference.

Interview by Lisa Winer



Joe Lewis

Owner of Orchard Commercial

Age: 61

Home: Native of Tennessee, lives in Atherton with wife Elizabeth

Path to Silicon Valley: Pilot in U.S. Navy, stationed at Moffett Field

First job: Running the family farm

Worst job: Selling dictionaries door-to-door in Waco, Texas, mid-summer

Best biz book you ever read: Good to Great by Jim Collins

Biz hero: There are so many.

Best networking spot: Commercial real estate industry gatherings

Hottest gadget you own: iPhone

Worst-performing stock you own: I sell everything that doesn't perform.

First stock you bought: It's always been mutual funds.

Best investment you've made: Always real estate

Hardest thing about your job: Hiring and firing team members

Favorite book: The Day of the Barbarians by Alessandro Barbero

Favorite restaurants: Carpaccio in Menlo Park

Favorite vacation spot: Anywhere in Europe