



# Business Success Today

Business Insights Brought to You by Your Real Estate Professional

Everest Commercial Real Estate Services

## Successful Real Estate Solutions!

The Everest Group was recently involved in the following noteworthy transactions.

- ▲ Frank Torbeck, SIOR, represented the Purchaser in purchasing a 13,723 SF office building on 0.55 acres at 1924 Dana Avenue in Cincinnati, Ohio, for a selling price of \$1 million.
- ▲ Adam Simon represented the Landlord in leasing 16,103 SF of office space to Medical Reimbursement, Inc. at Corporate Woods, 4460 Lake Forest Drive, Blue Ash, Ohio.
- ▲ Karen Duesing represented the Landlord in leasing 3,100 SF of space for six years at the Shoppes of Hebron located at 2019 North Bend Road in Hebron, Kentucky.
- ▲ Frank Torbeck, SIOR, represented both the Purchaser and Seller in the sale of the 10,500 SF office/warehouse building located at 325 Commercial Drive in Fairfield, Ohio.
- ▲ Adam Simon represented the Landlord in renewing the University of Cincinnati's lease at 4450 Carver Woods Drive in Blue Ash, Ohio. University of Cincinnati leases 8,372 SF of office space.
- ▲ Karen Duesing and Melissa Whitehead represented the Seller in the sale of the 4,770 SF retail/apartment building located at 4501 Vine Street in St. Bernard, Ohio.
- ▲ Frank Torbeck, SIOR, represented the Seller and Purchaser in the sale of the 12,019 SF office/warehouse building on 0.91 acres located at 5909 Chandler Street in Cincinnati, Ohio.
- ▲ Adam Simon represented the Landlord in leasing 3,664 SF of office space to Crescent Women's Group for seven years at 4422 Carver Woods Drive in Blue Ash, Ohio.
- ▲ Roy Meierdiercks represented the Landlord and Karen Duesing represented the Tenant in leasing 3,027 SF of retail space to Tap and Barrel at The Plaza of Wetherington located at 7741 Tylers Road in West Chester, Ohio.
- ▲ Frank Torbeck, SIOR, and Adam Simon represented the Landlord in leasing 3,043 SF of office/warehouse space at 394 Wards Corner Road in Loveland, Ohio.

### REAL ESTATE

## Autonomous Cars Mean Opportunities for CRE Investors

Driverless cars may impact parking structures across North America.

It's an issue many in the industry have been debating since 2015, when totally autonomous vehicles were tested on public roads in several US states. Now legislation around driverless cars exists widely across North America and Europe.

In a short few years, the self-driving car has come a long way, and new technology – including self-parking – is increasing by leaps and bounds. As a recent article in *Road & Track* says: "Within the next two to five years, experts believe these technologies will begin to alter what drivers need from a parking garage."

For one thing, driverless car occupants may no longer have to park. Their vehicles will drop them at their destinations. But then, where do cars go until the return trip?

Actually, just about anywhere. This means high-cost structures in major urban areas may not be needed; an autonomous auto can park itself in lower-cost areas outside the core.

Parking spaces also may be smaller (some say as small as 6.5 ft./1.98 m wide, compared to the current 9 ft./2.74 m). And, notes *Road & Track*, "Squeezing vehicles into tighter spaces ... saves millions in costs for builders, home buyers, and consumers alike." Testing indicates a garage for self-parking vehicles could reduce the space required by up to 62%.

The upshot, according to the article: existing garages will likely need upgrading, and new structures will be "rethought from the ground up." Obviously, this will be game-changing. And for real estate investors in particular, the opportunities are very real.

## The Cost of Cyber Crime Isn't Just Financial...

The CRE industry is safe from cyber attacks. Isn't it?

Sadly, no. Because no one is safe. It's likely there isn't a sector of the economy that hasn't had a hacking incident over the past few years. And while the financial cost is staggering, the cost to companies' reputations, and the backlash from furious customers/clients, may well be worse.

Juniper Research, a digital research organization, has pegged the cost of data breaches at \$2.1 trillion globally by 2019 – roughly four times the cost of breaches in 2015, as noted in a *Forbes* article.

According to the Identity Theft Resource Center, there were 7,010 breaches across five sectors from 2005 to 2017, including general business and financial institutions. Over the years, hackers have penetrated giants such as Walmart and Target, and recently, a high-end Austrian hotel paid a ransom to thieves who had targeted the hotel's key entry system.

Meanwhile, the CRE industry, initially slow to embrace technology, is now comfortably using cloud and mobile tech for everything from managing security to communicating with various audiences via social media. But technology is a double-edged sword: in making operations more efficient and effective, it also introduces a level of

risk that was virtually nonexistent in the past.

For example, a study by Keepers and the Ponemon Institute found that over 50% of small and medium-size businesses interviewed had been breached. The study, titled "The 2016 State of SMB Cybersecurity," also found that only 14% of companies interviewed felt they were adequately protected from cyber attacks. That's 86% that aren't comfortable with their defenses. And the costs to each business, in terms of assets lost and reputation building after the attack, is roughly \$2 million.

Unfortunately, we're making hacking too easy. According to Experian's Data Breach Industry Forecast for 2017, the number one problem is password breaches. Most employees seldom change their passwords (some 60% of SMB employees interviewed for the Keepers' study used the same password for everything); nor do customers. And this is a problem.

As Experian noted, attackers resell passwords on the dark web, and since many people use the same passwords for all online interactions, companies that weren't targeted in the original attack may be attacked sometime down the road. Fighting back is expensive: global spending on cyber insurance and security technology to fight cyber crime

exceeded \$80 billion in 2016. But it's necessary: a cyber security plan, including both technology and insurance, may be the best investment you've ever made.

As passwords just aren't cutting it, many businesses are seeking new approaches to authentication. And encryption technology is becoming increasingly sophisticated (and expensive), developing ways to prevent thieves from turning data breaches into cash, thus eliminating the motivation.

Cyber liability insurance (beyond general business owners' policies) covers risks such as data loss and interruption of business, as well as identity theft and hack-for-ransom activities. But most importantly, such policies also cover the cost of rebuilding a firm's reputation after a cyber attack. Because this is where it will hurt the most.

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