

Business

Outlook

MONEY RATES ♦ PAGE 18

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MEET LILLY BARRACK

This noted jewelry designer wears no rings, silver or gemstones.

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Nurturing skill sets

Business leaders, schools join to hone workforce of the future

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Albuquerque Journal

BY WINTHROP QUIGLEY
Journal Staff Writer

Some business leaders worry that the workforce they need in the 21st century might not be available in high-school graduating classes.

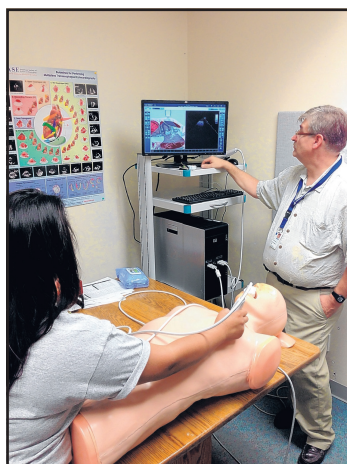
Other business leaders are working to be sure high-school graduates know what they need to know to make it in their industries.

Albuquerque charter schools ACE Leadership High School and Health Leadership High School invite the employers who will hire their graduates to help design school curricula, train and mentor students, then evaluate student progress.

"We don't assume we know what business professionals need," said Tori Stephens-Shauger, ACE Leadership principal. "We are experts at teaching and learning. They are experts at their businesses."

With help from businesses, the schools try to teach "what's really happening and what industry wants 10 years from now," she said.

ACE stands for architecture, construction and engineering. The school's advisers include



COURTESY OF HLHS

A Health Leadership High School charter school teacher reviews resuscitation procedures with a student.

representatives of Associated General Contractors, Jaynes Corp. and JB Henderson Construction.

Stephens-Shauger said these experts tell educators that it is not enough to teach a student plumbing or carpentry.

"They told us, 'We want communicators, innovators, collaborators and problem-solvers,'" she said.

Industry professionals know a construction project contains elements of accounting, marketing, politics, economics and public policy. So ACE

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COURTESY OF HLHS

Health Leadership High School charter school students learn about patient care.



MARLA BROSE/JOURNAL

Tori Stephens-Shauger is executive director and principal of ACE Leadership High School. Companies work with Ace Leadership to help develop curriculum and student growth.

Trends list a downer for ABQ

■ *Despite low ranking, overall commercial real estate shows some gains*

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Albuquerque Journal

BY RICHARD METCALF
Journal Staff Writer

Lack of traction in the local economy, coupled with improvements in most other larger metros across the country, has sent the Albuquerque metro area on a slide to the bottom of a widely circulated list of "markets to watch" in commercial real estate.

Despite the slide from a rank of 42 a year ago to 46 out of 51 metros this year in the Urban Land Institute's recently released "Emerging Trends in Real Estate 2014," Albuquerque's overall real-estate prospects showed improvement in the investment and homebuilding measures.

"The decline in Albuquerque's overall rank is attributable to a failure of this improvement to keep pace with other markets," the Emerging Trends report says.

After the fashion of the red-yellow-green of a traffic light, Albuquerque progressed from an overall red designation, or "generally poor," in last year's Emerging Trends report to a cautionary yellow designation, or "fair," this year.

"I think we got a fair assessment," said Dale Dekker, architect with Dekker/ Perich/ Sabatini in Albuquerque, as well as a board member of the Urban Land Institute's New Mexico chapter.

"We lag the country. A lot of that has to do with our dependence on federal spending. The challenge for us moving forward is how do we improve our economy with a more robust private sector."

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Market trends list a downer for ABQ

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Topic at conference

The issues raised by the Emerging Trends report — and what can be done to address them — will be the focus of the ULI New Mexico chapter's Annual Trends 2014 Conference on Dec. 5 from 11:30 a.m. to 1:30 p.m. at the Albuquerque Convention Center.

The local chapter spent years trying to get Albuquerque included in the Emerging Trends report as a way to raise the metro's profile on the national stage, finally succeeding in 2011, said Todd Clarke, an apartment broker and commercial real-estate consultant who also serves on its board.

In that first year — technically, the "Emerging Trends in Real Estate 2012" report — Albuquerque had a blended ranking of 31 out of 57 metros, which wasn't bad considering the economic doldrums of the time. The downer was Albuquerque's designation as "modestly poor/poor" for commercial real estate.

The attempt at raising Albuquerque's profile, in essence, turned into negative publicity.

"The focus had been to get Albuquerque on the map," Clarke said. "When we got on the map, we weren't very happy with our position. Now, it's like what do we need to do as a community to improve? Everything we do over the next few years is



JOURNAL FILE

A new Emerging Trends report contains mostly bad news about the Albuquerque metro area's very slow recovery. This aerial shot, from earlier this year, shows the greater Down-town Albuquerque area.

totally dependent on jobs."

Job growth, or the lack thereof, has been embraced widely as the critical issue for Albuquerque's economic recovery.

The metro experienced modest job growth for the five consecutive months ending with August, the latest month for which data is available. The metro hadn't seen five consecutive months of job growth since 2007.

A majority of the recent private-sector job growth was in the comparatively low-paying hospitality sector.

Millennial factor

The latest Emerging Trends report puts some stock in the growing role of the so-called millennial generation, or those ages 20 to 34, in economic recoveries in metros across the country. The report points to growth in millennial populations as being more significant

in recoveries than overall population growth.

"The growing influence of this generation and their impact on how business is conducted and where it is conducted could well be the most significant trend in real estate for many years," the report says, quoting an institutional investment adviser.

"They are the human capital that builds economies," Dekker said about the age group. "This gets into the question of building a quality city that has the amenities and opportunities to attract millennials. Building a quality place is as much about economic development as it is real-estate investment."

The apparent knock against Albuquerque is that the metro is expected to see a five-year population decline of 1.4 percent in the millennial age group, also



DEKKER:
Human
capital builds
economies



CLARKE:
Improvement
hinges on job
growth

called Gen Y. Albuquerque is in the minority of only eight metros expected to see such a decline and the only one west of the Mississippi River.

"We haven't created high-paying jobs for them," said Tom Jenkins, qualifying broker at Real Estate Advisors, a commercial real estate services firm in Albuquerque. "If I had a child who graduated from college over the last five years or so, I think they would have had to go elsewhere for a decent job."

Albuquerque, which is one of the smallest metros covered in the Emerging Trends' markets-to-watch list, appears to be in line to benefit from the increasing availability of capital and what could be described as a glut of real-estate investing in primary or first-tier cities such as New York, Chicago and San Francisco.

'Fewer opportunities'

"Thus begins the stage in the recovery where real-estate investors — finding fewer and fewer opportunities in the

primary markets — return to previously ignored secondary markets and less-than-perfectly positioned assets, as a steady stream of capital stands ready to be invested," ULI's latest report says.

Simply put, investment dollars gradually filter down from the megacities packed with international corporate headquarters to huge cities packed with national corporate headquarters. The impetus for this filtering down is the quest for higher returns on real-estate investments.

Metros seeing the biggest year-over-year improvements in the latest Emerging Trends report are Las Vegas, Nev.; Sacramento, Calif.; Atlanta; the Inland Empire near Los Angeles; and Phoenix. All are secondary or second-tier metros.

Eventually, if nothing gets in the way, investment capital filters down to third-tier metros like Albuquerque, Colorado Springs and Tucson. This filtering down of investment capital contributed to the depth of the real estate boom of the mid-2000s, when most major metros experienced vibrant markets that later crashed.

"We're seeing more equity invested this time around, rather than the debt and leverage of the last decade," Jenkins said. "As long as the economy doesn't have a setback, we'll see more and more investment (in Albuquerque)."

Anderson School team wins ethics competition

Journal Staff Report

A team of UNM Anderson School students took first place in the Daniels Fund Ethics Initiative New Mexico Case Competition hosted by the Anderson School of Management and New Mexico State University in Albuquerque on Nov. 8.

The winning team of Alex Abbate, Justin Fouts, Houston Hilbun, Tyler Masterson and Sydney Sivils, all Anderson students, competed against teams from NMSU, New Mexico Military

Institute and Eastern New Mexico University.

Organizers said the teams were challenged with a hypothetical situation that required them to come up with a response to the dilemma and prepare a presentation for a group of judges coached by Barney Rosenberg, vice president of ethics and business conduct for Meggitt PLC, a global defense contractor. Rosenberg created the role play case.

"We have been involved in many ethics competitions

with our students," said Linda Ferrell, Ph.D. and Bill Daniels Professor of Business Ethics in a news release. "This unique 'role play' experience helped them to understand the complexities of ethical decision-making in business and the role of teamwork in resolving ethical dilemmas within the organization."

The judging team consisted of Mark Meiering, J.D.; Tracy Marshall, Northwestern Mutual; Tony Martinez, Molina Health; and JoLou Trujillo-Ottino, Media Works

Advertising Specialties.

The competition — aimed at cultivating more ethical behavior in business by working with students in New Mexico institutions of higher education — is funded through the Daniels Fund which seeks to promote higher ethical standards in young people and to improve principle-based ethics education. The fund is a private foundation established by cable television pioneer Bill Daniels.

Both UNM and NMSU

received \$1.25 million from the Daniels Fund along with six other universities in Colorado, Utah and Wyoming. Each school in the consortium teaches ethics and promotes principle-based ethics both on and off campus. UNM offers a teaching business ethics online certificate course, free of charge, to professors from across New Mexico as a part of the grant.

For more information about the Daniels Fund at UNM visit <http://danielsethics.mgt.unm.edu/>.