

DQI Offers Brokers A New Assessment Tool

An incisivemedia website

GlobeSt.com
Real estate is our domain

Last updated: June 2, 2009 07:03pm



Kasselmann

CHICAGO-Design Quality Indicator, a building assessment tool, which has been in use abroad for five years, has just been introduced to the North American market. The tool, owned by DQI USA was developed about five years ago in the United Kingdom as a questionnaire measuring people's response to more than 100 factors that influence building design and performance, soliciting feedback from the full spectrum of people that interact with a building, including tenants, staff, visitors, neighbors.

"What people mistakenly think is that when you're measuring design you're looking at aesthetic components, but that is just a fraction," says Marc Sallette, the founder of DQI USA. "You're looking at functionality, building quality, impact issues, use, access, layout, relationship between rooms and circulation. There's also questions like how easy is it to clean, how are the artificial light and daylight used, is the area outside the building pleasant, is it well-located, and so on."

Once trained on the DQI system, individuals pay \$1,000 each time they want to perform an assessment for a client. The costs are then marked up to anywhere from \$10,000 to \$100,000 or more when passed on to clients, depending on the complexity of the building being analyzed. The cost of training ranges between \$500 and \$750 per person, depending upon the size of the firm.

"Building owners are very concerned about mispending any dollars so this is a great way to have a common standard to benchmark all the important issues," Sallette says. "There's huge importance and value in understanding people's perception of buildings and what works and doesn't for end users, because a tenant might have an issue and leave your building, and you never understood what the problem was until too late. This is your insurance policy so when you decide to spend money on a capital program, you don't have a misfire."

Only 60 individuals have been trained on the use of DQI since its US launch, but that number is expected to go up substantially following an introductory training session being held at Realcomm 2009. Sallette expects more than 500 people will be trained in the next three months, spanning both the private and public sector. One person already trained on the tool and using it in his work as a broker and consultant is Geoffrey Kasselmann, president of Op2Mize and Conference Ambassador for Realcomm 2009.

"I've found immediate value in this as a professional enhancement tool," Kasselmann says. "I've always tried to move forward and evolve as a service provider, learning new skills and challenging critical thinking. This has completely changed the way I think about buildings, which is pretty significant after 21 years in the business."

Being one of only 60 in the country trained on the tool, Kasselmann says it gives him a welcome unique advantage. "We're under immense pressure in the Chicago marketplace because there are so many competing brokers," Kasselmann says. "We push the bar higher to compete with each other, and the level at which we provide value to our clients is going higher all the time. This tool allows me to enhance the value I provide, and right now, it totally separates me from everyone else and I love that competitive advantage while I have it."

Kasselmann says DQI offers a bright spot in an industry where companies are being shuttered and people are being forced out by layoffs. "It's a new revenue stream in a down real estate cycle," Kasselmann says. "As transaction-driven commission revenue is down because the economy is down, you have to be creative in how you replace some of that lost value. There's also a whole bunch of people looking to create value with properties they can't sell, so they're looking at how do we make it better and outperform the market and DQI covers all of those things."

The tool offers clients straightforward data they can use to analyze their buildings. "Clients get input and feedback about their properties that they couldn't get otherwise," Kasselmann says. "It's quantified and once you quantify it, you can create a status quo or current assessment. Then, as you make changes, you can do another DQI of the same property to measure quantitatively whether the changes achieved their desired result and got you your bang for the buck."

Kasselmann suggests that the tool will become even more powerful if it is branded, that way as its popularity spreads, tenants and investors will begin to look for buildings that are DQI assessed. "It's a really useful planning and assessment tool for an owner, investor or landlord that shows the community you're proactively making a concerted effort to enhance that building," Kasselmann says.

While DQI is helpful now for individual buildings, Kasselmann foresees that down the road it will serve a larger purpose. "The real value is that in the next 20 years, as more buildings do DQI assessments and as DQI collects those results, what they're going to have is a really powerful database that transcends geography," he says. "The quantitative comparisons will give them enormous data and allow them to analyze that data on a much larger level. The more data they collect, the more powerful it will be."