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Companies can often fall into the trap of convening a group of company leaders to update their company's mission, vision, and values (MVV). These meetings may generate seemingly inspiring words that eventually find their way onto coffee mugs and into coworker handbooks. For many companies, however, the MVV process ends here. Successful hotel operating companies take a different approach. They recognize MVV as powerful business drivers

Why Mission, Vision, and Values Drive Hospitality Performance

By: David Aungst – President, High Hotels Ltd.

that directly influence talent retention, guest satisfaction, and financial performance. Rather than limiting these concepts to handbooks and posters, they bring them to life on the front lines. They move these words “from the walls to the halls.” But does this effort make a difference? Does MVV really matter?

Let's begin by grounding this discussion in commonly accepted MVV definitions. A mission defines an organization's purpose. A vision articulates the future it seeks to create. Values establish the behaviors and principles that guide decision-making. Together, these elements should



provide clarity and alignment across the organization, from the corporate office to the on-property front desk, housekeeping, food and beverage, and maintenance teams. They help answer a question coworkers increasingly ask: How or why does my work matter?

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Driving Successful Project Management in Commercial Construction

By: Brad Lefever – Vice President of Construction Services, High Construction Company (with contributions from Brittani Trimmer & Greg Spaulding)

During the selection process for a Construction Manager, clients often tell us they are looking for one thing above all else: peace of mind knowing their project will be completed on schedule. Delivering a project on time is the expectation, but meeting that expectation consistently requires a clear understanding of the factors that drive success. This is achieved through proactive discussions that establish critical client milestones, define update frequency and communication methods, and outline how potential impacts to the project's critical path will be managed.

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President's Message

As our industry continues to evolve, one thing remains constant: long-term success is built on a combination of strong leadership, strategic planning, and a commitment to creating value.

The articles in this issue highlight several ways organizations can position themselves for success in an ever-changing business environment.

We begin with an important discussion on mission, vision, and values, and the role they play in creating engaged coworkers, exceptional customer experiences, and stronger business



performance. When purpose is woven into daily operations, it becomes a powerful driver of organizational success.

This issue also explores the importance of disciplined execution. Whether managing complex construction projects, navigating retail leasing strategies, or evaluating new tax legislation, success often comes down to thoughtful planning, effective communication, and informed decision-making.

Finally, we examine how long-term investments, including environmental stewardship initiatives, can enhance both community impact and property value. These efforts demonstrate that responsible development and business

success can go hand in hand.

While the topics in this issue span multiple areas of the real estate industry, they share a common theme: creating lasting value for coworkers, customers, investors, and communities. We hope these insights provide useful perspectives as you navigate opportunities and challenges in your own organization.



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The importance of that question has grown significantly in today's workforce. Research shows that coworkers, particularly Millennials and Gen Z, seek employment that offers meaning and purpose in addition to compensation. Deloitte found that more than one-third of younger workers have declined employment opportunities because they believed an organization's values or societal commitments did not align with their own. Coworkers increasingly want to understand how their individual contributions support something larger than themselves.

Mission, vision, and values help create that connection. In hospitality, coworkers are not simply cleaning rooms, maintaining facilities, preparing meals, or checking in guests. They are creating experiences and contributing to memorable moments in people's lives, whether serving leisure or business travelers. When coworkers understand the broader purpose behind their work, engagement increases because daily responsibilities become connected to a meaningful outcome. Rather than viewing their responsibilities as a series of



transactions, coworkers see how their contributions advance the organization's mission and enhance the guest experience.

Coworker engagement has a measurable impact on retention. Gallup's 2024 workplace research found that engagement and culture accounted for 37% of the reasons coworkers left their employer, making it a more significant factor than compensation alone. Organizations that create a strong sense of purpose and align coworkers around shared values are better positioned to retain coworkers in the competitive hospitality labor market.

This engagement extends beyond coworkers and directly influences the guest experience. Deloitte research found that coworkers who report a strong workplace experience are three times more likely to view their organization as customer-focused. In a service-intensive industry such as hospitality, engaged coworkers are more likely to deliver authentic service, creating positive guest interactions that drive guest satisfaction, loyalty, and revenue growth.

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Driving Successful Project Management in Commercial Construction continued from page 1



Establishing alignment on the project completion date is the first step, followed by educating the client on key industry milestones such as substantial completion and final completion. It is equally important to define when furniture installation, IT deployment, and owner occupancy activities can begin, and how those milestones align with final inspections and project closeout requirements. Clear communication regarding the status of finishes and punch list completion throughout these phases enables the contractor and owner to coordinate efficiently, minimizing disruptions and supporting a smooth transition into the space.

Once these milestones have been established, they should be incorporated directly into the Critical Path Method (CPM) schedule, a detailed project roadmap that identifies the activities and key dates driving the project completion timeline. This helps document the agreed-upon phasing of owner and contractor work, while keeping the information in front of project stakeholders from start to finish. As Construction Managers, it is our responsibility to maintain and regularly update the CPM schedule so that any changes can be reviewed collaboratively with clients and subcontractor partners.

Successful projects require flexibility, as changes are an inevitable part of the construction process. Earning stakeholder buy-in to those changes, however, depends on consistent, transparent communication. Regular bi-weekly coordination meetings with owners and subcontractors provide a forum to discuss open issues, material procurement challenges, labor constraints, and other factors affecting the schedule. Keeping an open mind can help foster a culture of collaboration in those meetings, which is necessary for solving problems and creating recovery plans to counteract the impact of delays.

Many construction projects span 12, 18, or even 20-plus months, making it essential to establish meaningful ways to measure progress throughout the project lifecycle. An effective way to do this is by establishing key milestones that break the overall schedule into smaller, more manageable phases. These milestones may include completion of a building pad to start structural foundation work, getting the building weather-tight for interior finishes to begin, or obtaining permanent power to allow critical equipment to begin installation or start-up phases. Beyond measuring progress, these milestones create accountability among project stakeholders and provide Construction Managers with tangible benchmarks to evaluate performance, identify potential risks, and keep the project on track toward successful completion.

At High Construction, we believe project success begins with a shared commitment to clear expectations, disciplined planning, and consistent communication. By defining goals early, breaking the schedule into measurable milestones, and maintaining transparency throughout the process, project teams can foster collaboration, strengthen accountability, and confidently deliver successful outcomes.



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The Role of Anchor Tenants in Retail Real Estate: Consumers, Co-Tenancy, and Financing

By: Powell Arms – Senior Vice President & Managing Director – Retail Division, High Associates Ltd.

Anchor tenants are large-format retailers that generate the majority of customer traffic. Whether a grocery store, department store, or home improvement store, anchor tenants serve as the gravitational force of retail real estate. Walmart, Target, Home Depot, and Lowe's are well-known examples. While their storefronts are visible symbols of a center's identity, their influence extends far beyond square footage, shaping consumer behavior, lease structures, and financing.

Impact on Consumers

For consumers, anchor tenants provide familiarity, convenience, and efficiency. A recognized brand signals reliability and broad merchandise selection, reducing the perceived risk of a shopping trip. Anchors also create a "one-stop" dynamic, as customers visit for a primary need, such as groceries, apparel, or household goods, and subsequently cross-shop smaller in-line tenants for complementary purchases. As a result, smaller tenants can strategically position themselves in shopping centers anchored by businesses that attract the customer segments best aligned with their target market.

In open-air centers and neighborhood shopping centers, grocery anchors are especially powerful. Weekly necessity-driven visits generate consistent foot traffic, providing co-tenants with a stable and continuous customer flow. In enclosed malls, department

store anchors historically drew destination shoppers who then circulated through the common areas. Even as retail evolves with e-commerce and experiential uses, the ability of a strong anchor to attract consumers remains a foundational component of a landlord's merchandising strategy when determining tenant mix. This topic was previously discussed in the [Fall 2024 issue of Real Estate Matters](#).

Co-Tenancy Provisions

The role of anchor tenants goes beyond driving traffic, as they are equally central in shaping lease economics, particularly through co-tenancy clauses. Co-tenancy provisions allow smaller tenants to reduce rent, delay opening, or terminate leases if specified anchors close or fail to operate. These clauses acknowledge the economic reality that many retailers rely on anchor-generated traffic to achieve projected sales volumes.

Co-tenancy provisions generally fall into two categories: opening co-tenancy and ongoing co-tenancy. Under opening co-tenancy conditions, a tenant's obligation to open is contingent on the presence of certain anchors or a minimum occupancy threshold. On the other hand, ongoing co-tenancy provides remedies if those conditions later fail. This creates operational risk for landlords because the loss of a major anchor can cascade

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into rent reductions across the center. Ultimately, this may give rise to tenants having lease termination rights if the anchor is not replaced.

As retail has shifted, co-tenancy language has become more nuanced. Replacement provisions often allow landlords to substitute a “comparable” tenant, defined by square footage, sales volume, or category, to cure a co-tenancy failure. Negotiating these definitions is critical, as they directly affect asset stability and valuation. A landlord’s ability to recapture anchor space after a defined period of closure is equally important, as it helps mitigate extended co-tenancy failure risk.

Financing and Capital Markets

From a financing perspective, anchor tenants significantly influence underwriting, loan terms, and investor appetite. Lenders evaluate the creditworthiness of anchors, lease duration, and the weighted average lease term (WALT) when assessing risk. A center anchored by an investment-grade retailer with a long-term lease may command more favorable loan-to-value ratios and interest spreads. Lenders also consider recapture rights if an anchor tenant ceases operations at the center, relocation provisions, and performance metrics such as sales volume and mobile traffic data when evaluating risk.

Conversely, the departure of a key anchor can trigger lender concerns, especially if co-tenancy exposure threatens income for the long term. In some cases, loan covenants may require

re-leasing milestones or capital reserves to backfill vacant anchor space. For institutional investors and commercial mortgage-backed securities (CMBS) markets, anchor stability is often a gating factor in pricing and loan value. CMBS research demonstrates that anchor closures are among the top predictors of retail loan distress.

Conclusion

In today’s retail landscape, the identity of the anchor has expanded to include department stores, grocers, discount retailers, and fitness operators. Even in an unanchored center, a critical mass from this group will typically function as the “anchor.” Regardless of format, the anchor’s role remains constant: attracting customers, supporting smaller tenants through consistent traffic, and underpinning the financial visibility of the asset.



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The financial impact is compelling. Gallup's 2024 meta-analysis, which examined more than 3.3 million coworkers across 347 organizations, found a strong relationship between coworker engagement and business outcomes, including customer loyalty and profitability. Business units in the top half of engagement rankings were more than twice as likely to succeed as those in the bottom half. These findings reinforce the idea that coworker engagement is not simply a workforce metric. It is a business driver with a measurable impact on organizational performance. For hotel operating companies and individual hotel assets alike, the message is clear: mission, vision, and values are not simply statements displayed on a website or back-office wall. They are strategic tools that connect coworkers to a higher purpose, strengthen coworker retention, elevate the guest experience, and ultimately drive stronger financial performance. When coworkers understand not only what they do, but why it matters, their work gains meaning and impact. The result is a culture where coworkers thrive, guests return, and business performance flourishes. In hospitality, organizations that successfully move their

mission, vision, and values "from the walls to the halls" are the ones most likely to achieve lasting success.

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What the One Big Beautiful Bill Act Means for Real Estate

By: Rebecca Hodson – Tax Director, High Company LLC

The recently enacted One Big Beautiful Bill Act (OBBB) represents one of the most consequential federal tax developments for the real estate industry in recent years. Despite its name, the bill is neither short – nor sweet. However, it introduces meaningful changes that reshape how properties are financed, improved, and held over the long term.

The following provides a practical overview of the provisions most essential to real estate owners, investors, and operating partners, along with real-world examples across multi-family, industrial, and office assets.

Faster Write-Offs, Faster Investment Decisions

One of the headline items in OBBB is the permanent return of 100% bonus depreciation for qualifying tangible personal property placed in service on or after January 20, 2025. The bill also introduces a temporary 100% bonus depreciation on qualified production real property, primarily tied to manufacturing and production facilities that begin construction between 2025 and the end of 2028.

Put simply, businesses can deduct a larger portion of the cost of certain buildings and improvements upfront rather than spreading those deductions over many years. Since receiving tax benefits sooner is generally more valuable than receiving them later, this can create a significant cash flow advantage. In practice, this means:

- Industrial and warehouse owners may see accelerated deductions on production-related build-outs, electrical upgrades, and specialized systems tied to manufacturing uses. This makes it easier to evaluate and move forward with improvements.
- Office owners investing in tenant improvements, modernized layouts, or technology upgrades benefit from faster cost recovery, which is especially important in a market where flexibility and amenities matter more than ever.
- Multi-family owners continue to leverage cost segregation and bonus depreciation to support unit renovations and common-area upgrades, allowing properties to stay competitive without waiting decades to see the tax benefit.

In short, this provision encourages timely reinvestment rather than "we'll get to it next year" planning.

A Bigger (and Permanent) Pass-Through Deduction

The Qualified Business Income (QBI) deduction for pass-through businesses has permanently increased from 20% to 23% due to OBBB. Since most real estate entities live in the world of partnerships and LLCs, this change lands squarely in the industry's wheelhouse. A permanent, higher deduction means fewer "what if this expires?" conversations and more confidence in long-term projections. For owners, that stability supports

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reinvestment and growth, while tenants benefit from ownership groups that are better positioned to maintain and improve their properties over time.

Friendlier Rules for Debt

Since real estate and financing go hand in hand, the permanent restoration of the EBITDA-based business interest deduction under Section 163(j) is welcome news. This change allows interest expenses to be deducted more fully than under the prior EBIT-based calculation.

Examples across asset types:

- Office and mixed-use properties benefit during redevelopment and lease-up phases, when interest costs are often front-loaded.
- Industrial portfolios, which rely on leverage to support acquisitions and expansion, gain flexibility and predictability in capital structures.
- Multi-family developments using debt to fund new construction or renovations see improved cash flow metrics in early operating years.

In a capital-intensive industry, lower friction around interest deductibility makes planning just a bit less stressful.

Opportunity Zones: Now with Less Guesswork

OBBB makes the Opportunity Zone (OZ) program permanent, which introduces rolling gain deferral periods and expands incentives for rural zones. These changes remove the “use it or lose it” feeling that previously surrounded the program.

How this plays out:

- Multi-family development in Opportunity Zones may attract more consistent investment as investors gain confidence in the program’s longevity.
- Industrial and logistics projects tied to regional growth and job creation can benefit from patient, long-term capital.
- Office redevelopment in urban Opportunity Zones becomes more feasible under a more predictable incentive structure.

In other words, Opportunity Zones move from “interesting concept” to “usable long-term strategy.”

Other Changes Worth Noting

A few additional provisions may influence real estate planning and tenant operations:

- Permanent immediate expensing of research and experimental costs, which supports innovation-focused tenants.
- Beginning in 2026, certain energy tax incentives will experience a phase-out, impacting the timeline of planned sustainability projects.
- Temporary tax deductions for tips and overtime may modestly boost consumer spending and workforce retention in service-heavy industries.

The Bottom Line

Overall, the OBBB brings greater certainty, stronger cash flow incentives, and renewed confidence to real estate investment and operations. Its permanent provisions reduce the risk of last-minute tax surprises, while accelerated deductions encourage timely capital improvements across property types.

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Environmental Series: Building Value Through Environmental Stewardship

By: Ashley Garcia – Marketing and Events Manager, High Real Estate Group LLC

As sustainability continues to influence development, operations, and tenant expectations, commercial real estate owners are increasingly evaluating how environmental stewardship can strengthen both asset performance and community impact. At Greenfield, environmental initiatives are not standalone projects but part of a broader strategy that integrates conservation, education, and long-term property management.

Through habitat restoration, watershed protection, community partnerships, and environmental programming, Greenfield demonstrates how investments in natural systems can enhance the value and resilience of a mixed-use business district.

Restoring Natural Assets

One of the most visible examples of this approach is the restoration of approximately three acres along Stauffer Run. What was once maintained lawn has been transformed into a native meadow that improves water quality, reduces stormwater runoff, and creates habitat for pollinators and wildlife.

From a real estate perspective, projects such as meadow restoration can contribute to more sustainable site management by reducing maintenance requirements while enhancing the environmental performance of the property. They also create attractive natural amenities that support the overall experience of coworkers, tenants, and visitors.

Investing in Green Infrastructure

In partnership with the Alliance for the Chesapeake Bay, Greenfield and High Real Estate Group have expanded riparian buffers to support regional water quality goals and strengthen habitat connectivity. Along Ben Franklin Boulevard, approximately 4.3 acres have been planted with more than 1,100 native trees

and shrubs, integrated with adjacent meadow restoration to create a continuous, resilient landscape that benefits both the creek and surrounding wildlife. Near the Calvin G. High Pavilion, an existing buffer was extended with an additional 0.5 acres and 150 native trees, further enhancing stream protection and ecological function.

These buffer expansions are part of a broader commitment across High Associates' managed properties to incorporate native gardens, green mulching practices, and ongoing invasive species removal into landscape plans. Together, these approaches improve soil health, reduce long-term maintenance impacts, and increase the overall ecological value of the land.

Creating Value Through Community Engagement

Environmental investments can have a greater impact when they are paired with opportunities for public engagement. At Greenfield, free monthly programs invite participants to explore local ecosystems through creek walks, wet meadow explorations, nature journaling, and various environmental-themed presentations.

"Through hosting creek stomps, presentations, and programs, Greenfield has been instrumental in engaging, educating, and equipping our community to steward our natural resources," said Keith Williams, Vice President of Engagement and Education, Lancaster Conservancy.

For commercial real estate owners, programming of this nature can strengthen connections between a property and the surrounding community while creating opportunities for placemaking and tenant engagement. In today's competitive environment, these experiences often help differentiate destinations beyond the buildings themselves.

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Supporting Biodiversity and Wildlife Habitats

Conservation efforts at Greenfield extend beyond landscape restoration. Wildlife conservation adds another dimension. The Bluebird Project, kestrel (falcon) boxes installed in partnership with Hawk Mountain Sanctuary, and a barn owl nesting box support native species while inviting people to notice the wildlife living alongside them.

Future plans include expanded biodiversity monitoring through bird surveys, insect counts within meadow areas, and participation in a Breeding Bird Atlas. These initiatives provide additional opportunities to measure environmental outcomes while increasing public awareness of local ecosystems.

Making Sustainability Visible

In 2026, new interpretive signage is being installed throughout Greenfield to help visitors better understand the function and purpose of the site's environmental features. The signage will explain how meadows, riparian buffers, stormwater systems, and wildlife habitats contribute to the health of the property and the surrounding watershed.

For many real estate organizations, sustainability efforts occur behind the scenes. By making these systems visible and understandable, property owners can help tenants, coworkers, and visitors better appreciate the investments being made in environmental stewardship.

A Long-Term Perspective

The environmental initiatives at Greenfield are supported by broader regional investments from the High Foundation, which focuses on conservation and environmental education throughout Lancaster County. Among these efforts is a \$10 million investment in a new environmental center on the Sunnyside Peninsula through Partners for Environmental Stewardship. In 2025, the High family also partnered with the Lancaster Conservancy to dedicate the 112-acre High Family Nature Preserve.

Conclusion

As environmental considerations become increasingly integrated into commercial real estate decision-making, Greenfield provides an example of how conservation initiatives can complement broader business objectives. By investing in natural infrastructure, community engagement, and habitat restoration, the property demonstrates how environmental stewardship can contribute to resilience, placemaking, and the long-term value of real estate assets.



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