

HOW A REAL ESTATE INVESTMENT FIRM USES CLOCKWORKS TO DRIVE ASSET VALUE DURING 5-YEAR HOLD PERIODS

PROJECT AT A GLANCE

Facing a unique challenge in the commercial real estate market, The Meridian Group (TMG) needed a solution that went beyond traditional energy savings. As a hands-on investment firm with a 5-year hold strategy, they require continuous building optimization to maximize Net Operating Income (NOI) before sale. TMG used Fault Detection and Diagnostics (FDD) as a strategic asset management platform to enable remote troubleshooting, avoid utility waste, and maintain peak building performance throughout their ownership period.



5 Year

HOLD PERIODS



Short-Term Value Creation

BUSINESS MODEL



Remote Command Center

OPERATIONAL MODEL



Pass-Through Operating Expense

PORTFOLIO APPROACH

CHALLENGE *A Different Kind of Building Owner*

TMG doesn't fit the typical FDD customer profile.

Unlike facility managers focused on decades-long energy savings, TMG is a real estate investment firm that acquires office buildings, maximizes their Net Operating Income, and exits within five years. This created three critical challenges:

- 1. Compressed Timeline to Maximize NOI** With only a five-year hold period, TMG needed to safeguard and grow NOI from day one rather than waiting years for operational gains.
- 2. Rising Operating Costs Threatening Margins** "We're anticipating a significant rise in electricity costs over the next few years," says Stacy Lautar, Senior VP and Director of Property Management. "I can't imagine any owner not having a system in place to manage energy consumption." With utility costs escalating rapidly, preventing waste became essential to maintaining competitive operating expense ratios.
- 3. One-Time Commissioning Wasn't Enough** "You can have a building recommissioned for \$15,000 to \$30,000," notes Stacy. "But within a couple of years, things drift out of alignment again, and you're right back where you started." For a five-year hold, spending tens of thousands on a process that only optimizes performance for a year or two doesn't deliver sufficient return especially when the goal is to prove consistent operational excellence to prospective buyers.

TMG needed a solution that would continuously optimize building performance throughout the entire hold period to protect NOI from acquisition through sale, showcasing operational excellence, and maximizing asset value.

SOLUTION *Ongoing Commissioning at Scale*

TMG implemented Clockworks Analytics across several buildings in their portfolio, integrating it into their proactive management strategy. Unlike many ownership groups that stay behind the scenes, TMG takes a hands-on approach—managing building systems directly—making Clockworks their remote command center.

Budgeted During Underwriting “When we’re buying a building, we always include Clockworks in the budget as part of the underwriting process,” explains Stacy. “It’s built into the acquisition assumptions before the deal even closes.”

Passed Through to Tenants Structured as a standard operating expense within CAM charges, Clockworks is easy to justify to tenants: “It directly benefits them so it’s no different than our accounting system or janitorial contract.”

Collaborative Service Model Monthly calls with Clockworks Service Engineer Todd Whitmer became a key part of TMG’s operations. “When those calls become collaborative, that’s when they’re most effective,” Stacy says. “You’ve got four or five people who really know the systems, and together you can track down and resolve issues efficiently.”

RESULTS *From Avoidable Costs to Asset Value*

TMG’s strategy uncovered a key insight about the true value of Fault Detection and Diagnostics (FDD) for short-hold investors: the greatest savings aren’t always the ones you can measure—they’re the costs you never incur. “It’s not necessarily about direct energy savings,” Stacy explains. “It’s about the money we didn’t waste in the first place: avoidable costs. We could’ve lost \$10,000 if that piece of equipment kept running poorly. But because we caught and fixed it, we avoided that expense entirely.”

Reduced Contractor Costs By diagnosing problems remotely before sending contractors, TMG pinpoints the exact issue. “It saves money because we guide them straight to the problem, instead of them spending two or three hours figuring out what we already did.”

Improved Tenant Satisfaction “When we fix issues before tenants even know they exist, our satisfaction scores climb because we’re not fielding endless hot and cold calls.” Happier tenants mean better retention, directly strengthening NOI and property value.

Remote Oversight at Scale From his remote command center, Jim Eick manages multiple buildings and prioritizes issues based on tenant comfort: “We focus on the fixes that make an immediate difference to our tenants on the utility bill.”

IMPACT *Beyond Energy: Strategic Asset Management*

TMG transformed Clockworks from a facilities management tool into a strategic asset management platform. By embedding Clockworks into both their acquisition strategy and day-to-day operations, TMG built a scalable model for maximizing NOI throughout short-hold investment cycles.

ABOUT CLOCKWORKS ANALYTICS

Clockworks Analytics is a leading fault detection and diagnostics (FDD) solution that transforms operational data into actionable insights. Our platform uses advanced data modeling to automatically detect BAS faults, diagnose root causes, and prioritize issues, enabling facility managers, engineers, and service providers to optimize performance, reduce costs, and focus resources where they matter most.