

PROPERTY MANAGEMENT



Introduction.....3

Essential safety measures5

Asset & Investment management.....8

The lease and its fundamentals11

Retail leases act.....18

Tute 520

Sustainability.....21

Tute 622

Facilities management.....23

Tute 724

Built heritage.....25

Tute 828

Management of retail property29

Corporate real estate30

3

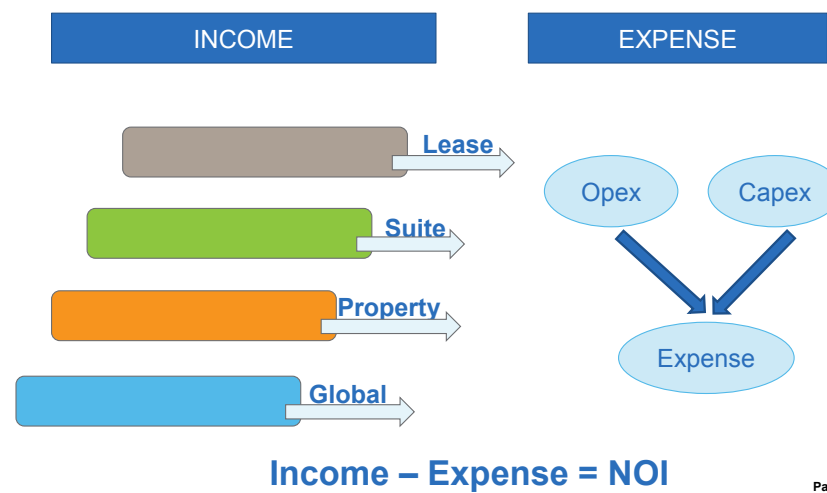
ASSET & INVESTMENT MANAGEMENT

• What does an Investment Manager and Property Manager do?

	Investment manager	Property manager
Asset plans	Set vision, strategy, IRR	Implement owner vision
Tenants	High level	Manage occupancy issues
Leasing	Strategy, deals, models	Renewals
Operations	High level understanding	Manage and maintain
Risk management	Owner programs	Implement owner and PMC programs
Sustainability	Vision and investment	Manage, monitor, record, communicate
Financial	Analysis, funds allocator, monitor performance	Establish Opex, manage, forecast
Capex	Strategy and ROI	Forecast, implement and manage
Valuation	Yes	Usually no
Developments	Yes	Limited
Acquisitions and divestment	Yes	No

• Asset plans and worksheet examples

- Financial modelling of assets/industry tools



Page

- Asset positioning
 - Competitor and SWOT analysis (Strength, Weakness, Opportunity, Threat)
 - Lease expiry profile
 - Risks
 - Market analysis
 - Hold/Sell recommendation
- Leasing and transaction documentation
 - Tenants - your most valuable asset
 - Retention is cheaper than replacement
 - Tenant retention plans
 - Establish high level relationships
 - Satisfaction surveys (clear links to retention)

CORPORATE REAL ESTATE

- **Corporate real estate (CRE)**

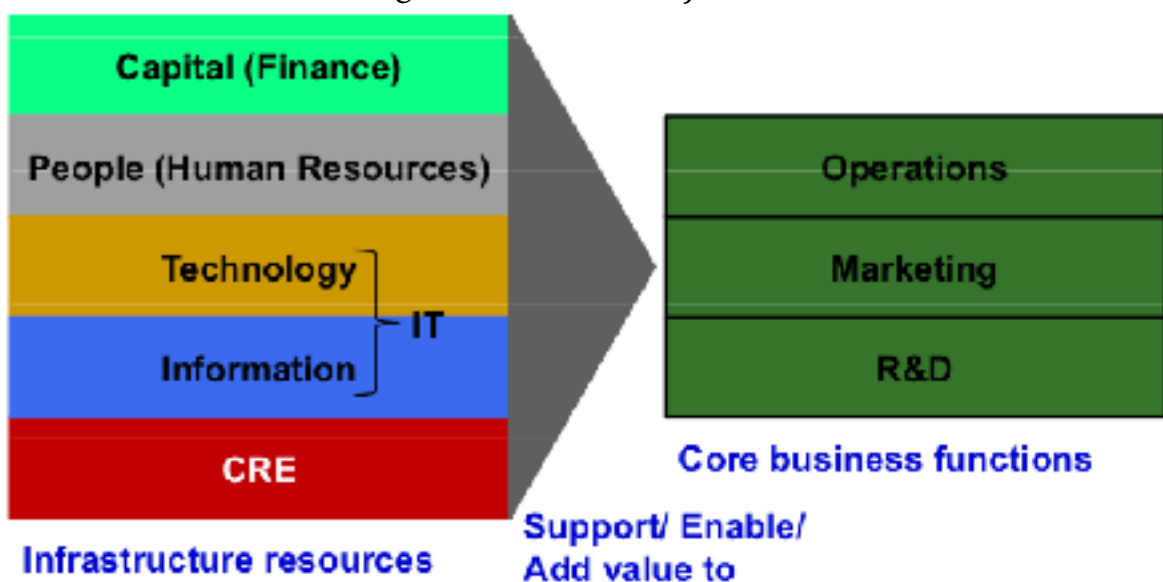
- Corporate views on real estate: investment, vehicle for development, organisational operational asset
- CRE is the real properties that house the productive or business activities of an organisation that owns or leases and, consequently, manages real estate incidental to its business objectives where the primary business is not real estate
- CRE can be:
 - Free and leasehold interests (including leased and sub-leased)
 - Land, buildings and the improvements (property)
 - Special purpose facilities
 - Air-rights and mineral rights (depending on their treatment as property rights)

- **Strategic corporate real estate management (CREM)**

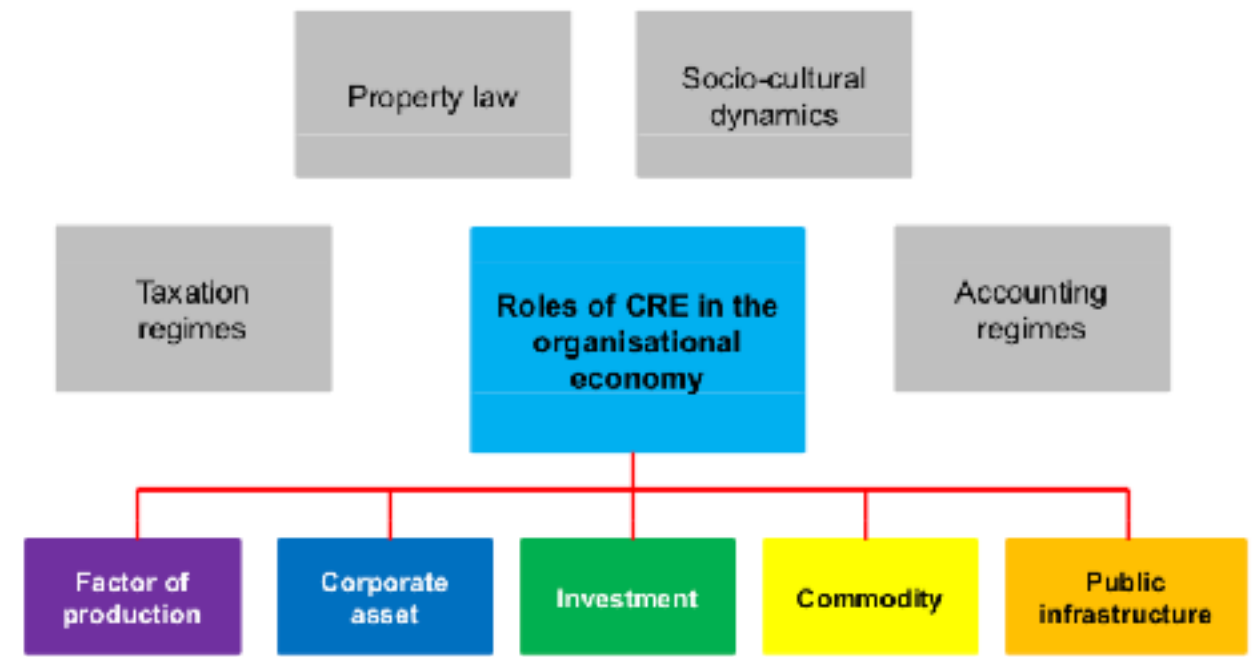
- The management of CRE to meet business ends where the focus is on strategic management of property toward maximising the corporate bottom line
- The real estate's primary value to the organisation is not its investment value, but rather its contribution to the way the organisation does business.
- Essential to understand: The business, its strategic environment, its business units' needs
- Functions of CRE Management
 - Strategic planning
 - Workplace creation
 - Liaison with operations management
 - Investment, financial, facilities, construction planning and management
- An alternative view on CRE: it is non-core business → outsource CRE and CREM

- **CRE as a strategic resource**

- CRE is one of an organisation's 5 major infrastructure resources:



- CREM's complexity – CRE's roles as an organisational resource



- CRE roles' contextual issues
 - Property law e.g. ownership (freehold) and leasehold rights
 - Social-cultural dynamics e.g. workforce demographics, national workplace cultures, etc.
 - Accounting regimes e.g. balance sheet treatment of ownership and leases
 - Taxation regimes e.g. depreciation of owned properties, rates of company tax, treatment of RE ownership structures
- Possible CRE strategies
 - Occupancy Cost Minimisation
 - Flexibility
 - Promote human resource objectives
 - Promote marketing message
 - Promote sales and selling process
 - Facilitate and control production, operation, service delivery
 - Facilitate managerial process and knowledge work
 - Capture the real estate value creation of business
- **Connecting CRE to the business**
 - Location and business
 - Facilitates sales and service delivery
 - Corporate branding
 - Promote human resource objectives (workforce attraction)
 - Cost minimisation
 - Risk management
 - Is location still relevant in a virtual world?
 - Workplace and business
 - Facilitate managerial process and knowledge work
 - Promote human resource objectives (workforce attraction)
 - Facilitates sales and service delivery
 - Flexibility
 - Cost minimisation