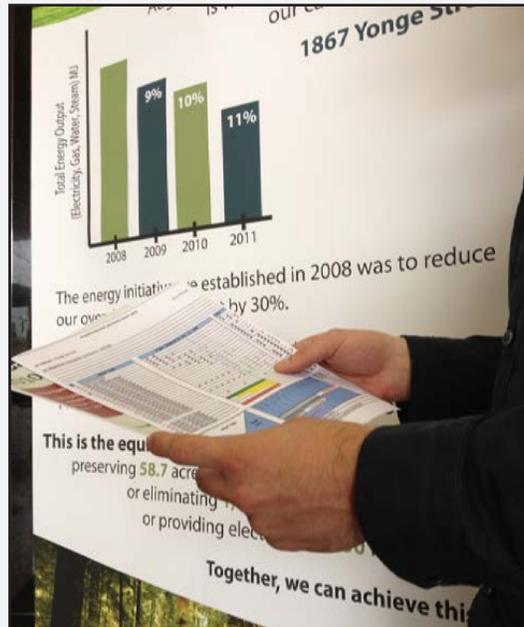


Property Management Plans Made Easy – Writing It

by Eugene Korneluk BA. CPM®

This article will focus on the writing your Property Management Plan (PMP) to your owner or investor group. Previous articles provided an overview of what a PMP should contain as well as the first stage of gathering all relevant information for your report. Consider hiring a Certified Property Manager (CPM®) as a team leader who is trained to complete this highly specialized and complex report. Your PMP can be compared to a commissioned musical composition. Consider this orchestral piece written by many talented musicians (your PMP team), led by a conductor – a CPM®, interpreting the entire composition. Each musician contributes his or her expertise to the betterment of the piece - your PMP.



that would be written last after the entire report is completed. The Asset Description section provides all pertinent factual statistics about the subject building allowing readers to appreciate the nature of the asset's key characteristics. Include the building address, size, tenants, legal description, construction date, floor sizes, parking, vacancy level, market data, current appraisal value, and building condition indicators.

A summary of the Building Condition Report (BCR) will reflect the asset's condition. Specifics of the current building components need to be outlined as briefly as possible. Create a chart outlining the cash flow required for repairs and capital reinvestments over the next 5 and 25 year for both

Start writing the PMP anytime distilling the essence of each report received. The executive summaries of those reports should have the key information. Skim over those reports to ensure that anything critical has not been missed in the executive summaries. Sometimes there is information that will make a real impact on the facility. PMPs should include all relevant information about the subject facility since the report will become the central repository of information gathered about the facility studied. Your PMP is the evaluated consolidation of available information from many sources, with a recommendation on the short and long-term management of the asset.

Everyone has their own individual writing styles. Try to interpret the facts in simple short sentences followed by bullet points justifying the subject matter being discussed. Write-up sections as you gather your report material to keep the momentum going. At the end of a subsection you can conclude with a summary sentence to be re-written into your executive summary.

Recommend a report template to your stakeholders. Depending on your objectives, the PMP should follow a basic format beginning with the Executive Summary

short and long term periods. Outline the most urgent projects to be completed over the coming five years.

Evaluate the financial performance of the asset on a cost performance basis. Create a chart on past, current and future income sources for the next five years. Include all rents, 3rd party income such as cell-phone towers, phone booths, advertising displays and percentage rents to name a few. Add the operating costs for the years gathered to match the budgeted income. Finish your Performance statement with simple calculations on Return on Investment (ROI) and Internal Rate of Return (IRR) unless your owner asks for other calculations such as present value of money statistical analysis. The Canadian Federal Government uses the "Present Value Cost of Accommodation" as their benchmark comparing investment options. Compare your subject building's operating costs to published IREM and BOMA Income and Expense standards. Remember to contribute building data to these valuable benchmarking databases. State your conclusions about the asset's performance from the data presented.

Comment on the subject building's current management approach. Does the building comply with applicable codes and standards expected in energy efficiency, sustainable

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environment, accessibility, security, health and safety, waste audit? How about the facility's Standard Operating Procedures Manual and Tenant Handbook? Are there any tips you can provide to improve the documents? Are daily operations for cleaning and maintenance being carried out effectively? Study the operational compliance audits based on benchmarked key performance indicators (KPIs) to answer questions outlining operational deficiencies. Tenant interview comments can be added based on their perception of building operations. Recommend any necessary projects requiring attention.



If you have a contract to write a PMP for any level of government, be cognisant of the occupant's needs. Governments are specialized owners who place heavy emphasis on facility functionality – the building's ability to satisfy occupant's program requirements. Factors to be discussed include space optimization, client satisfaction, design features, configuration of the building services, etc. Review your gathered reports for a Functionality Study that may contain those answers for your report. Government agendas change with legislation and elections. Churn levels can be 15-30 percent per year for government departments. Place emphasis on the owner's current strategy for the facility. Address owner opportunities and site limitations such as public access points and amenities. Highlight limitations of building use, flexibility and adaptability to changes in utilization. Recommend areas identified for further action to improve function performance of the subject building.

Provide an overview of the appraisal report for market comparisons, neighbourhood contexts and estimated market value of the facility. Discuss demographics, economic issues in the surrounding area, urban trends impacting the subject asset, factors driving the future of real estate in the that marketplace. What are vacancy rates specific to the locale? Cover the key findings with conclusions and market implications on the subject property.

Examine the possible options available for the subject building and recommend viable short and long-term goals. Discuss the old SWOT method (strengths, weaknesses, opportunities and threats) to those options or try a new approach using "POINT – Pluses, Opportunities, Issues, and New Thinking", suggested by Chris Grivas in his book "The Innovative Team". Using bullet points is the best writing technique here. Some options may be eliminated for their shortcomings. Financial and risk analysis can be presented in chart forms with present value analysis to differentiate each recommended option. Recommend the best action plan based on your analysis.

Specify investment options for the asset based on the gathered information and analysed options, taking into account overall owner objectives and priorities. Recommend a management plan for the asset, setting out multi-year financial and performance objectives for the operation,

revenue and investment expenditures necessary to attain the owner's goals for the asset.

Look through those reports you gathered to confirm that nothing has been missed in your PMP. Create an Appendix by tab separation with copies of your resource materials. Include a section on your PMP writing team with references to all who have contributed information or their time. Include their telephone number in the event of any further questions in

the future. Write up your Table of Contents referencing page numbers for your topic sections. Create a cover page with a picture of the subject facility. Bind your report according to your owner's requirements.

As a final task, create a slide show with a summary of the key points of your PMP. Now you are ready for that final meeting with the owner's representatives to discuss the findings and recommendations. Leave confident that your hard work will pay off with another assignment for another report. Happy writing!

If you manage any of the following specialty buildings, I want to hear from you as a contributing writer to this article series. Your expertise managing unique buildings such as Airports, Medical Buildings, Shopping Centres, Laboratories, Theatres, Convention Centres, Hotels & Motels, Resorts, Schools, Academic Buildings, Libraries, Factories, Heavy Industrial, or unusual Residential facilities would be appreciated. I am also searching for software to teach and write PMPs. Contact me at ekorneluk2@rogers.com to add your colour commentary about your unique facility.

REQUEST FOR PARTICIPANTS

Calling on participants to assist in contacting other estate associations for joint attendance to Chapter events and seminars. If you have affiliation or contacts to these non-profit groups, please join our Education & Events committee or send us a contact name for follow-up. Your time of one hour per month would be appreciated as we continue to share by educating with seminars and tours to interesting places.



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