

SCSI Professional Guidance

Real estate fund, asset and property management: investment services

SCSI / RICS information paper, 1st edition



RICS[®]

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SCSI / RICS information paper

1st edition

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SCSI / RICS professional and ethical standards

Behaving ethically is at the heart of what it means to be a professional. It is what distinguishes professionals from others in the marketplace. Having a clear set of professional and ethical standards to guide behaviour gives all those we deal with confidence in the way we do things.

It is also a changing landscape. What is acceptable behaviour now may not be in the future. So it is sensible for all professions to review, from time to time, the kinds of behaviour expected of members. This is particularly true for SCSI / RICS members given the global nature of RICS membership.

This information paper is drawn up in line with the five current SCSI / RICS ethical standards. For the purpose of this document, they apply to any firm, regardless of whether or not they are SCSI / RICS regulated and registered. For more information, please see www.rics.org/ethics

Act with integrity

Be honest and straightforward in all that you do.

Always provide a high standard of service

Always ensure your client, or others to whom you have a professional responsibility, receive the best possible advice, support or performance of the terms of engagement you have agreed to.

Act in a way that promotes trust in the profession. Act in a manner, both in your professional life and private life, to promote you, your firm or the organisation you work for in a professional and positive way.

Treat others with respect

Treat everyone with courtesy, politeness and respect and consider cultural sensitivities and business practices.

Take responsibility

Be accountable for all your actions - don't blame others if things go wrong, and if you suspect something isn't right, be prepared to take action.

SCSI / RICS professional guidance

International standards

SCSI / RICS is at the forefront of developing international standards, working with organisations around the globe, acting in the public interest to raise standards and increase transparency within markets. International Property Measurement Standards (IPMS – ipmsc.org), International Construction Measurement Standards (ICMS), International Ethics Standards (IES) and others will be published and will be mandatory for SCSI / RICS members.

This information paper links directly to and underpins these standards and SCSI / RICS members are advised to make themselves aware of the international standards (see www.rics.org) and the overarching principles with which this practice statement and guidance note comply. Members of SCSI / RICS are uniquely placed in the market by being trained, qualified and regulated by working to international standards and complying with this practice statement and guidance note.

SCSI / RICS information papers

This is an information paper. Information papers are intended to provide information and explanation to SCSI / RICS members on specific topics of relevance to the profession.

The function of this paper is not to recommend or advise on professional procedures to be followed by members. It is, however, relevant to professional competence to the extent that members should be up-to-date and have knowledge of information papers within a reasonable time of their coming into effect.

Members should note that, when an allegation of professional negligence is made against a surveyor, a court or tribunal may take account of any relevant information papers published by SCSI / RICS in deciding whether or not the member has acted with reasonable competence.

In some cases there may be existing national standards which may take precedent over this information paper. National standards can be defined as professional standards that are either prescribed in law or federal/local legislation, or developed in collaboration with other relevant bodies.

This information paper is believed to reflect case law and legislation applicable at its date of publication. It is the member's responsibility to establish if any changes in case law or legislation after the publication date have an impact on the guidance or information in this document.

Document status defined

SCSI and RICS produce a range of standards products. These have been defined in the table below.

Document status defined		
Type of document	Definition	Status
Standard		
International standard	An international high level principle based standard developed in collaboration with other relevant bodies	Mandatory
Practice statement		
SCSI/RICS practice statement	Document that provides members with mandatory requirements under Rule 4 of the Rules of Conduct for members	Mandatory
Guidance		
SCSI/RICS code of practice	Document approved by RICS, and endorsed by another professional body / stakeholder, that provides users with recommendations for accepted good practice as followed by conscientious practitioners	Mandatory or recommended good practice (will be confirmed in the document itself)
SCSI/RICS guidance note (GN)	Document that provides users with recommendations for accepted good practice as followed by competent and conscientious practitioners	Recommended good practice
SCSI/RICS information paper	Practice based information that provides users with the latest information and/or research	Information and/or explanatory commentary

1. Introduction

1.1 Scope

The terms 'fund management', 'asset management' and 'property management' are frequently used within the real estate industry and particularly the investment sector as the activities associated with each role becomes increasingly important.

As the terms used to describe property investment related activities can often give rise to misunderstanding and misinterpretation the aim of this information paper is to define the duties and responsibilities of real estate professionals operating in the roles listed above and offer descriptions to ensure transparency and accountability to those involved.

It should be noted that across Europe functions are sometimes different and terms are used in different contexts. While every care has been given to its production, this paper is not intended to provide a rigid set of rules as to how operators structure their businesses or investments. It is also clear that variations arise across borders, within real estate practices, and of course between different jurisdictions.

1.2 Professional objectives, reporting and key performance indicators (KPI)

This paper describes the responsibilities of the fund manager, asset manager and property manager, all of which have the common objectives of ensuring that:

- property assets are managed to the highest professional standards in accordance with best practices and prevailing legislation
- income and capital values are protected and enhanced throughout the property investment process
- where required, development and refurbishment schemes are undertaken
- the interests of property owners and other stakeholders, in respect of the properties and their investment vehicles, are protected
- sales and acquisitions are undertaken professionally
- the role of real estate in capital markets is promoted
- risk management is undertaken at all levels
- applicable legislation (including taxation) and principles of good practice as set out in this paper are complied with
- key performance indicators (KPIs) are applied at all levels to ensure performance measurement and monitoring of the fund
- investment and business objectives are achieved through the application of the KPI's
- reporting lines between the various roles remain clear and that all reports provide comprehensive information on the fund's regular performance while maintaining frequent communication and full transparency to all stakeholders.

Fund, asset and property managers seek to fulfil these objectives but have distinct and different roles determined by various circumstances, such as client requirements, local practice, building and fund profile and specific legislation. As such the responsibilities of each role may vary, but the following provides information about and definitions of generally accepted terminology.

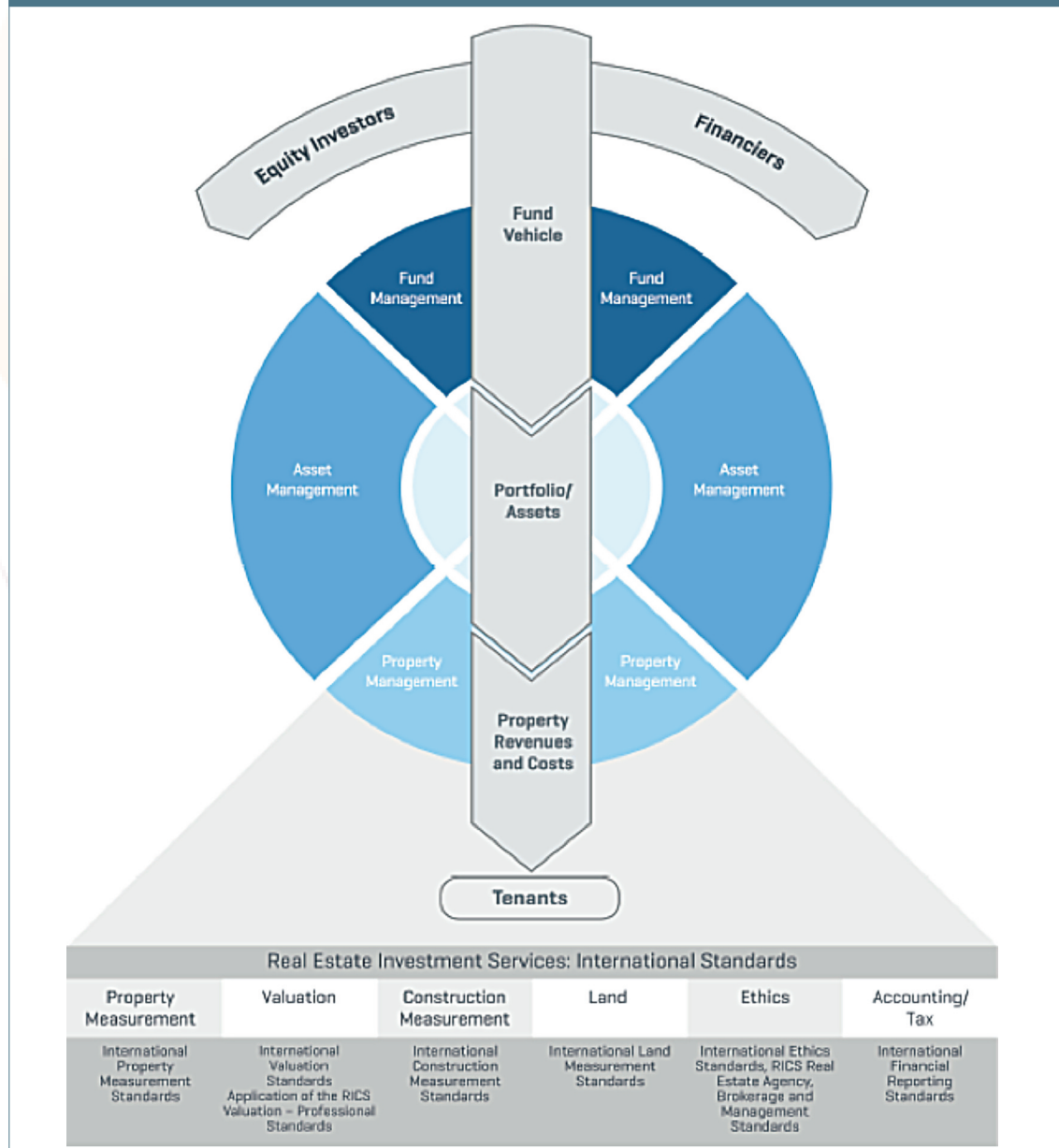
1.3 Designation of responsibilities - the list of services

This list contains essential management services that companies offering real estate fund, asset and property management services should be prepared to offer in a qualified manner, to third parties.

This list of services does not claim to be complete or binding since specific contractual services and individual solutions may be insufficiently presented or not presented at all.

The type and scope of the services should be adjusted to the specific instruction or otherwise differentiated, e.g. in the case whereby services are provided to group companies or affiliated companies, dependent on the fund structure.

Figure 1: Investment management diagram, property fund structure



1.4 Interaction and overlapping of services and specialist advice

The grouping of services under fund, asset and property management attempts to reflect regular practice and division of responsibilities between the specialist roles. In accordance with local practice and service level agreements these may vary between the groupings.

Additionally, certain services may be considered as special services, e.g. technical studies, environmental assessments, schedules of condition, company management, etc. but where these are delegated, such assignment remains the responsibility of the contracting party.

1.5 Fundamental requirements

Real estate professionals are required to have recognised qualifications and in-depth expertise as well as experience in the field of real estate generally and fund, asset or property management specifically, all of which allow them to meet their responsibilities in compliance with the commercial principles as set out in this document.

The organisational structure of service providers should be transparent and include risk management and compliance protocols. Additionally, all parties must provide professional IT solutions in the context of comprehensive data and document management systems suitable to store and process investor, client and property-related data in a secure manner.

1.6 Further information

The classification of services as set out in this paper should serve as a guideline, the decision as to whether individual services represent basic services or specialist services is required to be taken by the contractual parties in the context of individual service level agreements.

2. Fund management

Fund management is the executive role in property investment. The fund manager is ultimately responsible to investors for the creation, operation, strategy, extension or closure of the fund. Delegation of responsibilities is made to asset managers, and in turn, property managers.

The fund manager is responsible for the following processes:

2.1 Fund creation, strategy and review

The fund manager is responsible for the creation and establishment of new funds. The fund manager is responsible for developing and implementing the fund strategy and business plan together with any revisions to same throughout the life of the fund.

The fund strategy defines the operational and investment policy of the fund to include details of the parameters which will be applied by the managers in meeting their objectives. The strategy will therefore influence, among other things, the funds asset allocation across geographies, sectors, lot sizes, tenants lease terms, debt / equity ratios and currency management throughout the life of the fund.

Funds will generally be structured either as 'open-ended', where there is no predetermined termination date or 'closed ended', where the intended date of termination and winding up is agreed from the outset with investors.

The fund manager assumes overall responsibility for the adoption, implementation and revision of the fund strategy and for the communication of same to investors and having regard to changing market conditions and agreed risk / return parameters.

2.2 Fund level strategy/business plan

The fund manager is responsible for the preparation of an Investment Memorandum for the fund(s). The purpose of the Investment Memorandum is, at the creation of the fund, to outline the fund strategy primarily in context of:

- The fund's performance objectives
- Investment strategy, i.e. in terms the location, type and size of properties etc.
- The risk profile of the fund (for example 'Core', 'Value-Add' or 'Opportunistic')
- Risk management
- Investment structure
- Fees (may be based on a fixed rate and/or performance related)
- Tax, currency and financing strategies.

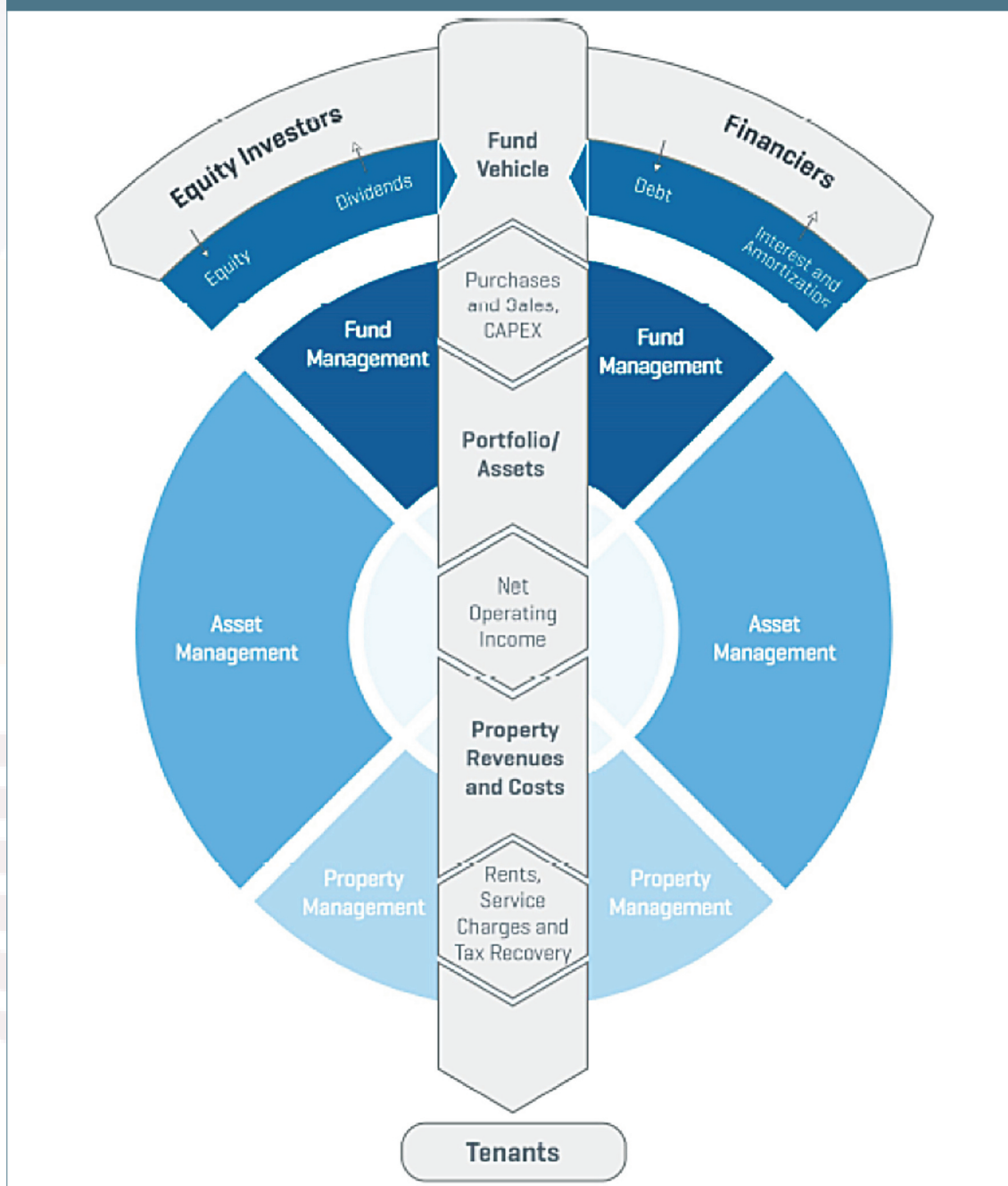
During the life of the fund the fund manager will create and regularly review a business plan for the fund which will be adapted to reflect market conditions and asset performance with a view to meeting the performance objectives of the fund, as set out in the Investment Memorandum.

As part of the overall fund business plan the fund manager will review budgets, results and performance against agreed KPIs. This information will be gathered from the asset level business plans and collated, analysed and detailed in the fund level business plan.

Present and future risks should also be highlighted with recommendations on the appropriate steps to be taken to alleviate same. For example, the risk that the rollover schedule of the collective leases in the fund may create a cash flow issue.

The business plan plays a key role in summarising the progress and the performance to date, setting out the budgets for the coming year, proposing strategic changes and outlining any necessary risk management measures necessary for the fund.

Figure 2: Cash flows



2.3 Fund valuation

The properties held by a fund are generally valued by independent external valuers on a periodic basis (i.e. monthly, quarterly or annually). These valuations are used to calculate Net Asset Value (NAV) of the fund which reflects the value of assets held by the fund minus any liabilities. The price per unit or share is calculated by dividing the NAV of the fund by the number of units or shares in issue.

2.4 Shareholder relations

The fund manager is responsible for the preparation of investor updates to include fund performance, market conditions, asset management initiatives and major transactions within the portfolio. Depending on the size of the fund/organisation, responsibility for the dissemination of investor communications may rest with relationship managers.

2.5 Liquidity and cash management

The fund manager is required to monitor liquidity levels within the fund and with the benefit of cash flow projections for individual assets, which are usually prepared by asset managers, prepare fund level cash flow projections.

These cash flow projections should include real and anticipated subscriptions/redemptions, asset acquisitions/disposals as well as budgeted capital expenditure.

The Fund manager assumes overall responsibility for ensuring that cash levels within the fund are maintained at acceptable levels and will usually report these figures at regular board or investment committee meetings.

2.6 Debt financing

For funds which avail of third party financing, the fund manager will assume overall responsibility for the negotiation, documentation (generally through solicitors) renewal or restructuring of all categories of debt and oversee periodic covenant tests to ensure compliance with loan-to-value (LTV) ratios, interest coverage ratios (ICR), and special event clauses.

2.7 Structuring

Structuring refers to the creation and adoption of an investment vehicle to form the basis of a collective investment scheme.

The investment vehicle may take the form of a mutual fund within which investors subscribe for units or a corporate structure where the underlying investors would typically hold shares.

When deciding on an appropriate structure for a given collective investment scheme the fund manager will, in consultation with specialist advisors, consider the efficiency of alternative structures in terms of governance, risk management, taxation, liquidity, costs, ability to secure debt at fund or asset level etc.

2.8 Corporate governance and legal compliance

The fund manager, assisted by specialist fund or corporate legal/taxation advisors, will assume overall responsibility for ensuring that the operation of the fund is in compliance with all applicable regulatory requirements (i.e. as may be imposed by the Central Bank of Ireland, the Irish Stock Exchange or other appropriate authorities).

The fund manager assumes overall responsibility for ensuring compliance with legal, capital market regulations, including anti-money laundering legislation etc. This responsibility also includes the adoption of specific internal risk management procedures.

Depending on the size of the fund/organisation, responsibility for aspects of these roles may rest with compliance, legal or risk management departments.

2.9 Board composition and meetings

The fund manager will report on a periodic basis to a board of fund directors or trustees. The proposal and selection of a board of directors or trustees, who may be executive or non-executive (in which case they rely on the advice of the fund manager), will require them to have sufficient knowledge and specialist expertise to oversee the management of the fund, the performance of the fund manager and act in the best interests of the underlying investors.

The Board may resolve to create smaller committees for functions such as audit, remuneration and valuation and the fund manager may be called upon to advise accordingly.

The fund manager is responsible for the preparation of board meetings, as well as the Annual General Meetings (AGM) or Extraordinary General Meetings (EGM). This may be outsourced to a corporate manager.

2.10 Audit

The fund manager is responsible for ensuring that all documentation is made available to both internal and external auditors so that they gain a fair and true reflection of the fund's financial position.

2.11 Leadership

The fund manager assumes overall responsibility for the entire investment process and will delegate responsibilities to those involved in the operation and administration of both the fund and the property portfolio.

The fund manager will endeavour to deliver a clear communication of objectives, limitations, responsibilities and authority to team members.

2.12 Research

The fund manager is responsible for the provision of research which identifies trends, risks and opportunities.

3. Asset management

Asset management refers to the strategic and operational management of all aspects of property holdings throughout their life cycle, from acquisition, to management, to eventual disposal. Where a number of properties are under the control of an asset manager the term portfolio manager is sometimes used.

The asset manager assumes overall responsibility for the strategic and operational management of assets and may delegate responsibilities to those involved in the day to day management of individual buildings and retain specialist advisors for specific undertakings.

3.1 Fund level business plan

During the life of a fund the asset manager will work to deliver on the objectives of the fund level business plan and will assume responsibility for the development and regular review of asset level business plans.

The planning, preparation and implementation of asset level business plans is the responsibility of the asset manager whose performance is measured against agreed KPIs.

3.2 Capital transactions

The asset manager may often be authorised by the fund manager, board or investment committee to act in the acquisition / disposals of properties on behalf of the fund.

Where responsible for acquisitions, the asset manager will define the criteria to be applied for the assessment and selection of potential new acquisitions. Once a suitable asset has been identified the asset manager will usually seek specialist advice from an investment agent and proceed with bidding on the asset. If the bid is ultimately successful, heads of terms are drawn up by the investment agents and are agreed with the asset manager and the vendor.

The asset manager is responsible for coordinating and overseeing the legal, tax and technical due diligence process, for reviewing all reports and ultimately taking the decision as to whether to proceed with the exchange of binding contracts to acquire the asset.

The asset manager will ensure that the completion statement (or apportionment account) correctly apportions the purchase price, deposit, rent and other expenses (e.g. insurance) between the purchaser and the vendor. The completion of the acquisition takes place on the date stipulated in the contract, at which point both legal title to the property and consideration are exchanged.

The asset manager will assume responsibility for identifying assets which are suitable for disposal. Once a decision is taken to proceed, the asset manager will instruct solicitors to prepare the title pack in preparation for a sale. The asset manager will also instruct investment agents to provide specialist advice in order to achieve the best outcome (i.e. an open market sale or off market sale, tender or private treaty etc).

The asset manager will also agree timeframes and a marketing budget with the investment agent (to include brochure preparation and advertising). The asset manager will oversee progress throughout the sales process and agree dates by which the process should be brought to a conclusion.

The asset manager will ultimately review all offers and make the decision as to whether to proceed or withdraw from the process. When negotiations are concluded the terms of the transaction are recorded by the investment agents in written Heads of Terms which are passed to solicitors for formal documentation. Once the provisions of the contract have been agreed between the solicitors for either side and the final version has been approved by the asset manager and the purchaser both parties sign and exchange contracts. The asset manager will ensure that the completion statement (or apportionment account) correctly apportions the sale price, deposit, rent and other expenses between the purchaser and the vendor. The completion of the disposal will follow on the date stipulated in the contract, at which point both legal title to the property and the consideration are exchanged, between the vendor and the purchaser through solicitors.

3.3 Asset plan and budget control

The asset manager assumes responsibility for the preparation of cash flow projections for the fund. These projections should reflect both known or anticipated subscriptions or redemptions from the fund and ongoing or planned asset management initiatives for which funding will be required.

3.4 Reporting

The asset manager is responsible for the provision of periodic reports on the fund which would usually cover areas such as performance, holdings (including liquidity/cash), recent developments at fund and property levels (including acquisitions/disposals), capital expenditure, significant lettings or lease re-gears, voids and lease expiries/break options and financials such as rent arrears etc.

Reporting can be broken down according to groups of recipients (internal/external, authorities, etc.) and may focus on different areas depending on the recipient, such as performance, financials, asset management initiatives etc.

3.5 Data management and security

This relates to the services required to ensure expert and transparent recording, availability, processing, storage and archiving of relevant property-related data.

It includes the diligent treatment and protection of such data in compliance with the client requirements, applicable statutory provisions and other regulations. Data is typically recorded and processed with the help of specialist software systems.

Where necessary due to specific client requirements, specific software may be used and external software service providers engaged. Dependent on the nature of an assignment the asset manager may host the data or, where, for example, data is hosted by the property manager, corporate manager or other parties, ensure that the above requirements are met.

3.6 Professional service providers

The asset manager is responsible for the selection, appointment and ongoing monitoring of external service providers whose services are required to ensure the comprehensive management of the properties within the fund.

The type of services for which the asset manager would typically be seeking external advice would include property management, project management, design and technical services, taxation and legal advice, letting, marketing and promotional advice, etc.

When selecting and appointing professional service providers the asset manager should consider whether there is a need to invite proposals from more than one service provider (usually depending on the scale of the instruction) and should ensure that any such appointment does not give rise to an unmanaged conflict of interest.

Where the level of service being provided by a service provider is deemed to be deficient or unacceptable the asset manager is responsible for terminating the appointment, in the best interest of the fund / client.

3.7 Building and tenant supervision

Separate from administrative tasks, the asset manager is responsible for ensuring that the buildings under management are inspected regularly and that there is a clear channel of communication between the landlord and the tenant, a role that is usually delegated to a property manager (either within the asset managers organisation or through an external service provider). The asset manager's objective in this regard is to identify potential risks and opportunities with both the physical asset (e.g. refurbishments, extension, redevelopment etc.) and in the occupational tenant's requirements (i.e. will a tenant wish to vacate on lease expiry or alternatively do they require additional accommodation within a building).

The asset manager is also responsible for negotiations with existing or prospective tenants which may be undertaken through letting agents or solicitors. These negotiations may relate, among other things, to lettings, lease restructures, applications for sub-lettings, assignment, tenant works etc.

The asset managers overarching objective is to secure and enhance the value of the assets under management which in turn feed through to the overall performance of the fund.

3.8 Bookkeeping services

The formal accounts preparation and audit of a property fund will usually be performed on an annual basis by suitably qualified accountants pursuant to applicable local and international financial reporting standards.

The asset manager should ensure that appropriate accounting systems and procedures are in place to record all cash movements (i.e. rent collection, expense payments etc.) undertaken on behalf of the fund.

3.9 Capital projects

The asset manager has an oversight / supervisory role on schemes of refurbishment, extension and development within the property portfolio. The asset manager will usually seek specialist advice from suitably qualified external consultants to assist in any such undertakings (e.g. planning advice, quantity surveyors, architects, collateral warranties etc.) and will act as the lead point of contact for all such appointments.

The asset manager will aim to ensure planning, implementation and control of construction projects meet contractual deadlines, costs and quality requirements in order to ensure delivery on time and to agreed budgets.

3.10 Letting strategy and services

The asset manager will be responsible for achieving the optimum tenant lineup having regard to rental income, covenant, lease length, tenant mix etc.

The asset manager will usually appoint a suitably qualified letting agent and may agree a marketing budget (to include brochure preparation and advertising/sign board preparation). The asset manager will work closely with the letting agent throughout the letting process and evaluate offers as they are received.

When negotiations are concluded, on terms which are acceptable to the asset manager, the letting agents will prepare Heads of Terms which are passed to the landlords solicitors for formal documentation in a lease / licence. The solicitors will work to document the heads of terms and when finalised and agreed by both sides the asset manager will authorise the release of engrossed documents for execution by the landlord and tenant.

3.12 Property valuation

The properties held by a fund are generally valued by independent external valuers on a periodic basis (i.e. monthly, quarterly or annually). The asset manager will usually be responsible for ensuring that the independent external valuers are provided with all property updates in advance of the agreed valuation date to ensure that the valuations reflect all recent developments within properties (e.g. new lettings, rent review settlements, lease re-gears etc.).

It shall be noted that in cases where a valuation is carried out by the asset manager this fact needs to be made transparent to the ownership and potential conflicts of interest need to be closely observed.

3.13 Insurance coverage

The asset manager is responsible for ensuring that all properties under management are adequately insured with reputable insurance companies. The asset manager will usually arrange insurance cover through insurance brokers and will arrange for reinstatement valuations to be carried out on all properties on a periodic basis by specialist advisors such as building surveyors or quantity surveyors.

The insurance cover on a specific building should reflect the landlord's obligations under the lease and any specific requirements which may relate to the use of the premises. The asset manager will usually instruct the property manager to recover the insurance premium from the tenants, where the lease terms permit.

3.14 Collateral warranties

The asset manager will usually act as the main point of contact for dealing with claims that arise under construction or other warranties. The asset manager will generally instruct solicitors or third party specialist advisors to assist in dealing with any such claims.

3.15 Compliance

The asset manager assumes overall responsibility for ensuring that properties are owned, operated and occupied in line with defined standards, whether these are defined by the client, regulatory and legal authorities or other stakeholders.

4. Property management

'A property manager operates a real estate property for a fee often on behalf of a landlord. The property manager will commonly assist with services which include: meeting an owner's investment objectives, maintaining detailed tenancy records, ensuring lease terms are complied with, including rent and operating expenses collection, service charges annual rendering, tenant liaison on a day-to-day basis, meeting statutory obligations, maintaining a proper building condition and operating property on a sustainable basis'.

Reference: Commercial property management in England and Wales, RICS guidance note, 2nd edition (2011)

A Property Manager oversees the day to day operation of real estate property on behalf of a Client (Landlord / Asset Manager / Key Stakeholder), under a formal contract and in return for the payment of a fee.

Although the Property Manager is employed by the Client, their primary function is the day to day protection and general wellbeing of the asset in conjunction with the Client's goals and objectives for that asset and its tenants.

In performing this function, the Property Manager will have regular interaction with 4 key stakeholders :-

- Clients
- 3rd Party Contractors, Service Providers & Professional Advisors
- Tenants
- Site Staff

Although the services provided by Property Managers can sometimes vary on an asset by asset basis, the key services that Property Managers provide for any asset under their management are as follows:

4.1 Client services

- Preparation of regular reports (e.g. weekly / monthly / quarterly etc) updating the client with all key information etc. (eg Tenancy Schedule, Arrears Schedule, General Issues requiring attention including state of repair, voids etc) and queries arising at the asset.
- Attendance at regular meetings (e.g. weekly / monthly / quarterly etc) to discuss and review all pertinent day to day issues (with supporting recommendations) as may be required by the client
- Provision of any day to day advice / information regarding the asset as and when may be required by the client or their advisors (e.g. for the purposes of valuation, sale, leasing etc.)
- Invoicing, collection and remittance of all tenant charges including rents, service charge and insurance, to the designated client bank account(s) on a timely basis
- Provision of full financial reporting function to the client in respect of all monies demanded / collected from their tenants
- Liaison with client's accountants to assist with all financial elements of the role (eg VAT returns, filing of annual company accounts etc.)
- Control / update of all day to day pertinent information and documentation required to conduct the day to day management of the asset
- Ensuring the client is adhering to all Statutory obligations and Landlord obligations under the terms of their lease with their tenant(s)

- Payment of any Superior Landlord / Stakeholder outgoings on the client's behalf (eg Ground Rents, Estate contributions, void charges etc.)
- Fulfilling Company Act requirements where the client is a Management Company

4.2 3rd Party Contractors, Service Providers & Professional Advisor Services:

- Competitive tendering of contracts to achieve best value without detriment to service and at frequencies commensurate with local market practice
- Review of all 3rd party contractor suitability to provide required services including assessment of each 3rd party supplier / contractor business credentials (eg insurance cover, staff training & qualifications etc) to ensure they are suitable for the role they undertake
- Daily management of performance of all 3rd party contractors / suppliers to ensure their services are being provided in accordance with their contractual obligations
- Processing payment of all 3rd party contractor invoices
- Liaison with all relevant utility companies (eg Electricity / Water / Gas) to ensure uninterrupted supplies to common areas
- Liaison with building insurers to implement any required actions for common area management and assist with any 3rd party claims, policy renewals as and when required
- Liaison with 3rd party auditors for annual service charge reconciliations
- Liaison with solicitors in respect of any legal issues that may arise (eg debt management, tenant litigation issues, legal conveyancing (eg new leases / surrenders etc))
- Liaison with building surveyors in respect of any specialist advice required (eg Schedules of Condition / Dilapidations, building fabric issues, Planned Preventative Maintenance Schedules etc)
- Liaison with fire and health & safety consultants to ensure the asset and its associated common areas (i.e. shared by more than one tenant, where applicable) are safe, risk free and compliant with local statute / legislation
- Liaison with marketing consultants / specialists (in the case of multi-let retail assets) to assist with the enhancement of footfall to the respective scheme(s)

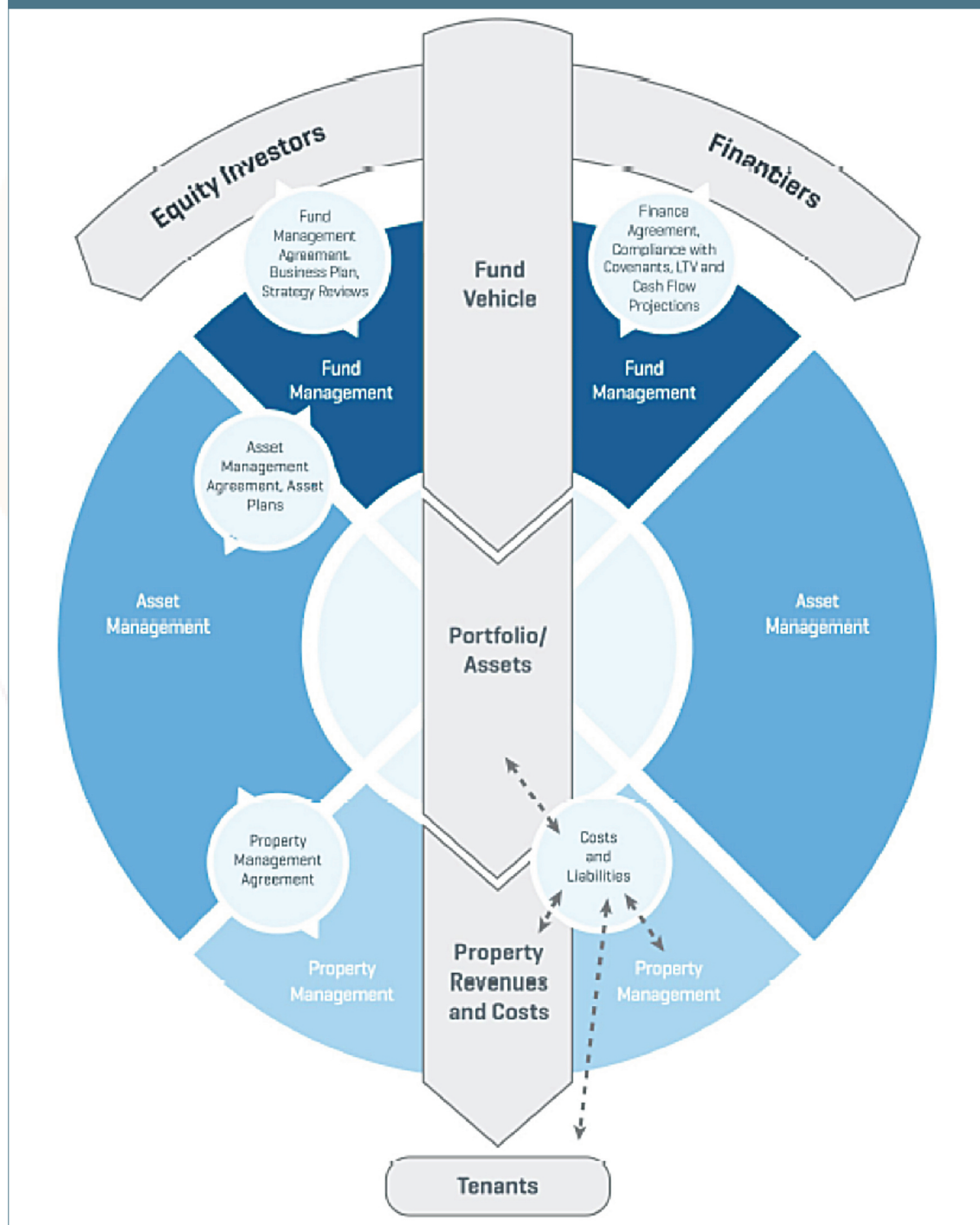
4.3 Tenant services

- Attendance at tenant meetings as and when required
- Day to day point of contact for all tenant queries & requests (eg Assignments / Sub-Lettings / Refurbishment Works, Financial Assistance etc.)
- Inspection of tenant demises as frequently as may be required / agreed with the Client
- Invoicing and collection of all monies owed (eg Rent, Service Charge, Insurance etc) as prescribed in each tenant lease
- Ensuring tenants are adhering to all obligations under the terms of their lease and having regard to relevant statute / legislation (eg Landlord & Tenant Acts etc.)

4.4 Site staff services

- Employment and day to day management of any directly employed site based staff (eg Centre / Building Manager, Concierge, Facility Manager, Maintenance Operatives, Administration Staff etc)
- Utilisation of site staff to assist with overall management duties for the wellbeing of the asset, primarily involving oversight of all 3rd party suppliers / contractors and on site tenant interaction as may be necessary

Figure 3: Operational relationship



4.5 Other duties

- Preparation, co-ordination and implementation of annual service charge budgets & audits (multi-let properties only) having regard to the mechanism stated within tenant leases together with all necessary tenant communication / explanation as may be required
- Co-ordination of annual service charge audits
- Maintaining and updating all pertinent lease and financial information for the asset on a suitably capable specialist IT software database (e.g. TRAMPS, YARDI, MRI, QUBE etc)
- Maintaining designated Client bank accounts for the handling of all monies (e.g. Rent, Service Charge, Sinking Fund, Rent Deposits) relating to the asset(s) and as may be required by the Client having regard to all relevant local market legislation and industry best practice guidelines.
- Adherence to all relevant published guidance notes / industry standards in the field of Property Management (eg “SCSI Service Charges in Commercial Property” Guidance Note etc)

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