## Table of Contents

| Preface<br>Acknowledgments   |    |
|--|----|
| CHAPTER 1: AN OVERVIEW OF REAL ESTATE MANAGEMENT                                 | 1  |
|  |    |
| The Profession of Real Estate Management   |    |
| What Is Real Estate?   |    |
| The Role of Real Estate Managers   |    |
| The Cycles of Real Estate Management From 1920 to the Stock Market Crash of 1929 |    |
| Recovery Period After the Great Depression, 1934 to 1939                         |    |
| Post–World War II, 1940 to 1950  |    |
| From 1960 to 1970  |    |
| From 1980 to 1990  |    |
| From 1990 to 2000  |    |
| Effects of 9/11 on Real Estate Management  | 12 |
| The Enron Scandal  |    |
| From 2003 to 2010  | 14 |
| From 2010 to 2017: Short Sales and the New Shareconomy                           | 17 |
| The Economic Future for Real Estate Management                                   | 18 |
| Types of Real Estate Assets  | 19 |
| Residential  | 19 |
| Condominium Associations   |    |
| Commercial Properties  |    |
| Summary  | 24 |
| CHAPTER 2:   |    |
| TYPES OF REAL ESTATE MANAGERS AND THEIR RESPONSIBILITIES                         | 25 |
| Types of Real Estate Managers  | 25 |
| Site Management  |    |
| Property Manager   |    |
| Regional Manager   | 28 |

| Asset Manager  | 28         |
|--|------------|
| Defining the Corporate Supervisory Team                      | 30         |
| Portfolio Manager  | 30         |
| Executive Property Manager                                   | 30         |
| Primary Responsibilities of a Real Estate Manager            | 30         |
| Other Real Estate Management Professions                     | 33         |
| Leasing Agent  | 33         |
| Marketing Director   | 34         |
| Accounting and Financial Services                            | 35         |
| Building Engineers, Mall Managers, and Construction Managers | 36         |
| Facility Management  | 37         |
| The Real Estate Executive                                    | 37         |
| Brokerage Services   | 38         |
| Administrative Personnel                                     | 39         |
| Summary  | 39         |
|  |            |
| CHAPTER 3:   |            |
| REAL ESTATE AND ECONOMICS                                    | 41         |
| Basic Economics  | <i>4</i> 1 |
| The Marketplace  |            |
| The Role of Government                                       |            |
| The Business Cycle   |            |
| Real Estate Economics  |            |
| The Real Estate Market                                       |            |
| Government and Real Estate                                   |            |
| Real Estate Cycles   |            |
| Summary  |            |
|  |            |
| CHAPTER 4:   |            |
| THE LOGISTICS OF REAL ESTATE OWNERSHIP                       | 70         |
|  |            |
| Means and Reasons for Investing in Real Estate               |            |
| Means of Investing   |            |
| Reasons for Investment                                       |            |
| Principal Forms of Income-Property Ownership                 | 91         |

| Sole Proprietorship                         | 92  |
|---|-----|
| Partnerships                                | 92  |
| Corporations                                | 96  |
| Real Estate Investment Trusts               | 99  |
| Joint Venture                               | 99  |
| Summary                                     | 100 |
| CHAPTER 5:                                  |     |
| THE MANAGEMENT AGREEMENT AND PLAN           | 103 |
| The Management Agreement                    | 103 |
| Basic Components of an Agreement            | 105 |
| Responsibilities of the Real Estate Manager | 106 |
| The Owner's Obligations                     | 112 |
| Compensation for Management Services        | 113 |
| The Management Plan                         | 114 |
| National Analysis                           | 115 |
| Regional Analysis                           | 116 |
| Neighborhood Analysis                       | 119 |
| Property Analysis                           | 121 |
| Market Analysis                             | 125 |
| Data Evaluation                             | 136 |
| Analysis of Alternatives                    | 137 |
| Cost-Benefit Analysis                       | 141 |
| Conclusions and Recommendations             | 142 |
| Summary                                     | 144 |
| CHAPTER 6:                                  |     |
| FINANCIAL MANAGEMENT                        | 145 |
| Evaluation of Operating Funds               | 146 |
| The Cash Flow Chart                         |     |
| Gross Potential Rental Income               |     |
| Operating Expenses                          |     |
| Other Operating Fund Considerations         |     |
| Accounting for Income and Expenses          |     |
| Accounting Systems                          | 161 |

|   | Income Categories                       | 163 |
|---|---|-----|
|   | Expense Categories                      | 164 |
|   | Management Fee and Administrative Costs | 164 |
|   | Payroll and Related Expenses            | 165 |
|   | Insurance                               | 166 |
|   | Real-Time Data and Reporting            | 168 |
|   | Financial Reporting Requirements        | 169 |
|   | External Reporting                      | 170 |
|   | Internal Reporting                      | 171 |
|   | Operating Budget                        | 174 |
|   | Capital Budget                          | 177 |
|   | Long-Range Budget                       | 179 |
|   | Summary                                 | 179 |
|   |   |     |
|   | CHAPTER 7:                              |     |
| , | STAFF MANAGEMENT                        | 181 |
|   | Staff Requirements                      | 182 |
|   | On-site Staff                           |     |
|   | Employees of the Management Firm        |     |
|   | Contractors                             |     |
|   | Determining Adequate Staff Size         |     |
|   | Hiring Qualified Personnel              |     |
|   | Selecting Employees                     |     |
|   | Employee Onboarding                     |     |
|   | Retaining Valuable Employees            |     |
|   | Performance Appraisal Methods           |     |
|   | Compensation                            |     |
|   | Federal Programs                        |     |
|   | Communication                           |     |
|   | Promoting Morale                        |     |
|   | Continual Training                      |     |
|   | Developing Talents                      |     |
|   | Employee Discipline                     |     |
|   | Employment Policies                     |     |
|   | Progressive Discipline                  |     |
|   | . 1 00. 00011 0 Discipline              |     |

| Employee Termination              | 212 |
|-----------------------------------|-----|
| Facing a Layoff                   | 212 |
| Dismissing an Employee            | 213 |
| Employer Liability                | 214 |
| Summary                           | 215 |
|                                   |     |
| CHAPTER 8:                        |     |
| MARKETING AND TENANT RETENTION    | 217 |
| Understanding the Market          | 217 |
| Developing a Marketing Program    | 220 |
| Marketing and Branding            | 232 |
| Offering Marketing Incentives     | 234 |
| Measuring Marketing Effectiveness | 236 |
| Using Sales Techniques            | 239 |
| Approving a Prospect for Tenancy  | 243 |
| Retaining Tenants                 | 245 |
| Welcoming New Tenants             | 246 |
| Handling Requests                 | 246 |
| Building Goodwill with Tenants    | 247 |
| Summary                           | 248 |
| CHAPTER 9:                        |     |
| UNDERSTANDING THE LEASE           | 249 |
| Fundamental Elements of Leases    | 250 |
| Types of Leases                   | 251 |
| Lease Negotiation                 | 252 |
| Standard Clauses                  | 253 |
| Concessions                       | 257 |
| Tenant Options                    | 250 |
| Lease Renewal Techniques          | 260 |
| Other Lease Issues                | 262 |
| Rental Collection                 | 263 |
| Rent Due Date                     | 263 |
| Late Fee and Delinquency          | 264 |

| Collection System                             | 265 |
|---|-----|
| Eviction                                      | 265 |
| Security Deposits                             | 268 |
| Successful Leasing                            | 269 |
| Summary                                       | 270 |
| CHAPTER 10:                                   |     |
| MANAGING THE PHYSICAL ASSET                   | 271 |
| Property Systems Identification               | 272 |
| Schedules, Inspections, And Maintenance Tasks | 274 |
| Schedules and Inspections                     | 276 |
| Custodial Maintenance                         | 281 |
| Corrective Maintenance                        | 283 |
| Preventive Maintenance                        | 284 |
| Deferred Maintenance                          | 295 |
| Other Aspects of Maintenance                  | 295 |
| Safety  | 296 |
| Protecting the Environment                    | 296 |
| Controlling Energy Consumption                | 300 |
| Maintaining Property Security                 | 303 |
| Managing Maintenance Work                     | 304 |
| Staffing Choices                              | 304 |
| Record Keeping                                | 307 |
| Summary                                       | 310 |
|   |     |
| CHAPTER 11:                                   |     |
| RESIDENTIAL PROPERTIES                        | 313 |
| Rental Housing                                | 314 |
| Multifamily Housing (Apartments)              | 314 |
| Government-Assisted Housing                   |     |
| Military Housing                              | 321 |
| Senior Housing                                | 321 |
| Student Housing                               | 322 |
| Selecting Qualified Residents                 | 323 |

| Rental Agreement  | 331                                    |
|---|--|
| Resident Retention  | 339                                    |
| Common Interest Realty Associations   | 341                                    |
| Managing Condominiums   | 341                                    |
| Managing Cooperatives   | 345                                    |
| Planned Unit Developments   | 345                                    |
| The Role of Real Estate Managers Working with CIRAs   | 347                                    |
| Other Residential Properties  | 350                                    |
| Managing Single-Family Homes  | 351                                    |
| Managing Manufactured Housing Communities   | 352                                    |
| Maintenance Issues for Residential Properties   | 352                                    |
| Unit Preparation  | 353                                    |
| Maintenance for Common Area Amenities   | 355                                    |
| Insurance Issues  | 356                                    |
| Types of Insurance  | 356                                    |
| Choice of Insurance Packages  | 358                                    |
| Summary   | 359                                    |
|   |  |
| CHAPTER 12:   |  |
| OFFICE BUILDINGS  | 361                                    |
| Property Analysis   | 361                                    |
| Class of Structure  |  |
| Criteria for Classification   |  |
| Tenant Selection and Criteria   |  |
| Financial Stability   |  |
| Long-Term Profitability   |  |
|   |  |
| · ·   |  |
| Service Requirements  |  |
| Service Requirements Office Rent  | 379                                    |
| Service Requirements  Office Rent  Measuring Rentable and Usable Space  | 379<br>379                             |
| Service Requirements  Office Rent  Measuring Rentable and Usable Space  Establishing Rates  | 379<br>379<br>385                      |
| Service Requirements Office Rent Measuring Rentable and Usable Space Establishing Rates Space Planning  | 379<br>379<br>385<br>386               |
| Service Requirements  Office Rent  Measuring Rentable and Usable Space  Establishing Rates  Space Planning  Tenant Improvements                   | 379<br>379<br>385<br>386               |
| Service Requirements  Office Rent  Measuring Rentable and Usable Space Establishing Rates Space Planning Tenant Improvements  Office Condominiums | 379<br>379<br>385<br>386<br>386<br>389 |
| Service Requirements  Office Rent  Measuring Rentable and Usable Space  Establishing Rates  Space Planning  Tenant Improvements                   | 379<br>379<br>385<br>386<br>386<br>389 |

## **CHAPTER 13:**

| SHOPPING CENTERS                | 391 |
|---------------------------------|-----|
| Property Analysis               | 392 |
| Malls                           | 393 |
| Open-Air Malls                  | 394 |
| Trade Area Analysis             |     |
| Managing Shopping Centers       | 401 |
| Tenant Selection                | 402 |
| Retail Rent                     | 407 |
| The Retail Lease                | 412 |
| Other Commercial Property Types | 417 |
| Industrial Properties           |     |
| Warehouses                      | 419 |
| Lease Considerations            | 419 |
| Marketing Commercial Space      | 420 |
| Prospecting for Tenants         | 421 |
| Marketing on Value              | 423 |
| Insuring Commercial Properties  | 424 |
| Owner's Insurance               |     |
| Tenant's Insurance              | 426 |
| Summary                         | 427 |
| Glossary                        | 429 |
| Index                           | 487 |