IREM® Global Summit

Helping Property Managers Better Understand the Work of Asset Managers

Dustin C. Read, PhD/JD
Associate Professor of Property Management and Real Estate
William and Mary Alice Park Junior Faculty Fellow
Virginia Tech
dcread@vt.edu

Sponsored by:

CHAM
The Consortium for Housing and Asset Management

#IREMforward

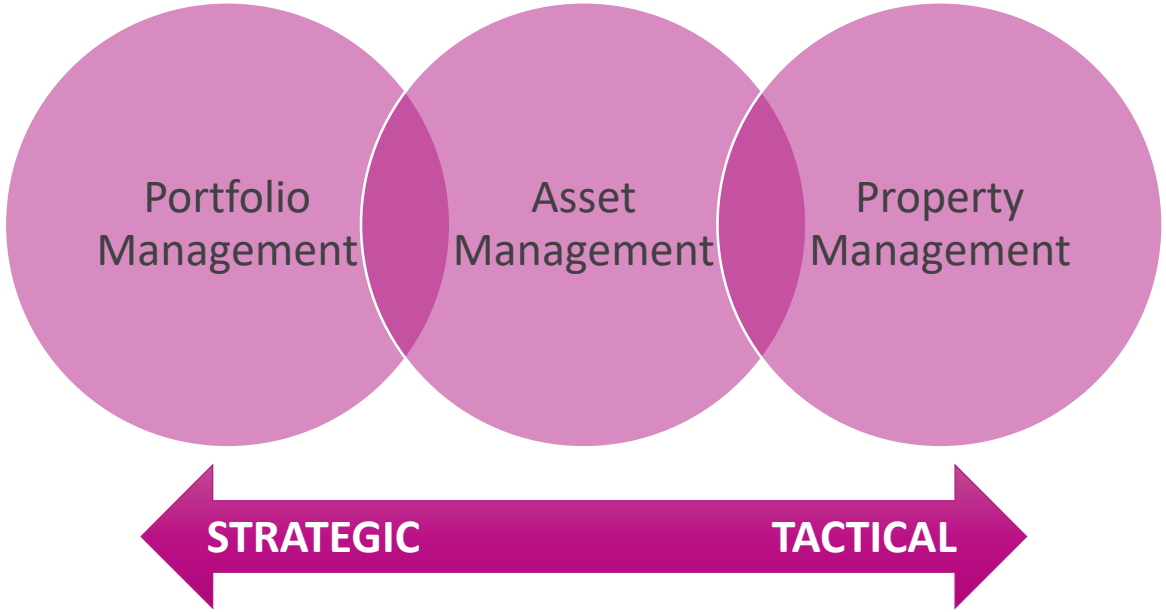
IREM®'s Real Estate Asset Management Initiative explores the points of connectivity between the property management and the asset management professions, as well as ways to help individuals working in both fields collaborate more effectively.

IREM®
Global Summit

Important Questions

- What are the primary responsibilities of asset managers and how do they differ from those of property and portfolio managers?
- What functions are involved in the asset management process and how are they changing in response to evolving real estate industry needs?
- How can asset managers and property managers work together more effectively to achieve mutually beneficial goals?
- What steps can property managers take to prepare themselves for careers in asset management if they so choose?

Primary Responsibilities



Best Practices:

1. Understand how culture, resources and inertia influence management hierarchies
2. Recognize that competitive forces are increasingly making strategy everyone's responsibility
3. Promote integration, not overlap, across levels of management to garner competitive advantage

Asset Management Process

Best Practices:

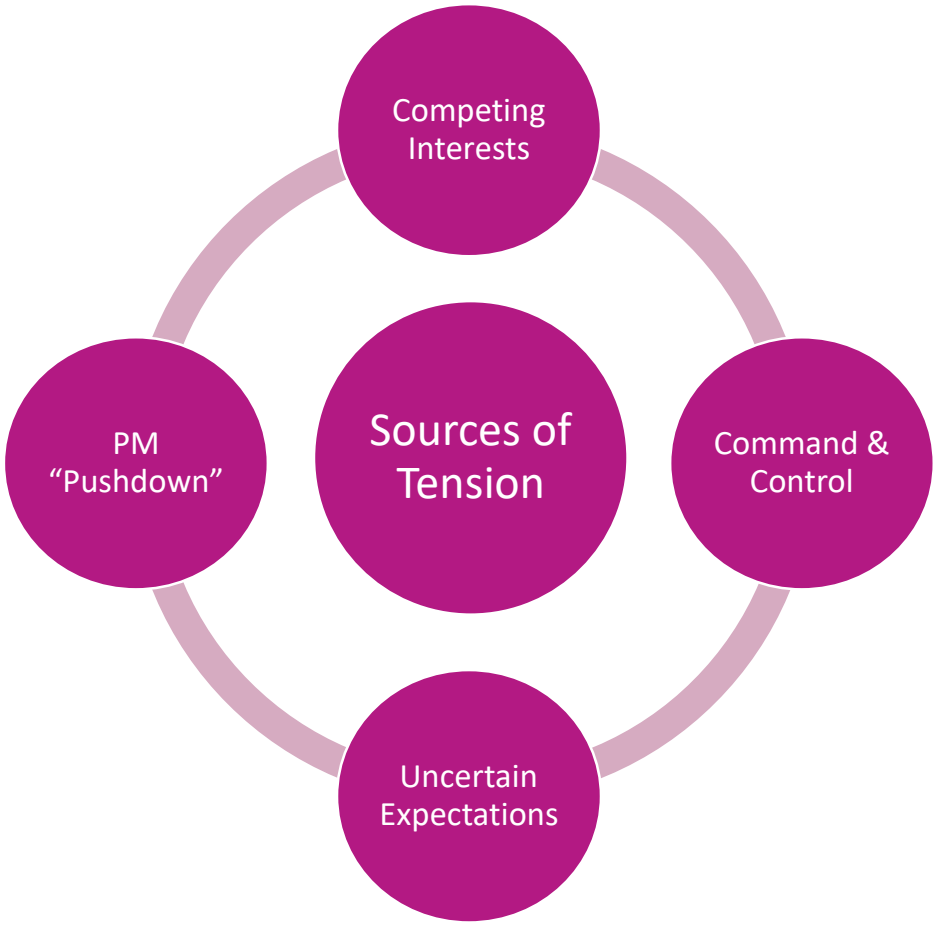
1. Ensure asset management personnel have an active role in all core functions
2. Avoid analytical, operational, and transactional orientations
3. Control, coordinate, cooperate, and communicate

IREM Global Summit

Promoting AM/PM Collaboration

Best Practices:

1. Expect asset managers to delegate effectively, provide actionable information, and serve as a resource
2. Require property managers to prioritize problems, vet solutions, and think about competitive positioning
3. Accept that professional responsibilities are becoming more rigorous at all levels of real estate management



IREM Global Summit

Career Advancement

Common Misconceptions

"I'm an excellent property manager and I'm ready for more responsibility."

"I work with budgets and I understand properties through the numbers."

"I want to stay in real estate, but increase my financial compensation."

"I want more autonomy and authority to make property-level decisions."

"I already do a lot of asset management work in my current job."

Best Practice:

1. Carefully consider what you enjoy doing and what generates professional satisfaction
2. Realize asset management is about value creation, not number crunching
3. Fill skill gaps, remain "market facing", and leverage the expertise you already have

“Property managers arguably create the greatest amount of value when they understand the investment objectives that led to the acquisition of the properties they operate, look beyond the physical confines of those assets to assess where they sit in the market, and make recommendations to enhance their competitive profile in ways that are accretive to defined financial goals.”

IREM Global Summit

Thank You

@InstituteofRealEstateManagement

@IREM_info

@IREMinfo

@Institute-of-Real-Estate-Management

IREM
Global Summit