

Real Estate Management Systems

Selecting the right system for your business in Asia

1: How can IT help my business?

Over the past 5 years, real estate management systems have matured greatly. These systems have become highly specialized and integrated with the general ledger and other back office systems. They can help automate many aspects of managing real estate, such as leasing, property management and investor reporting.

2: It can save you time and money

If you view the implementation of a real estate management system as a cost to the business, you are mistaken. For starters, it will save your staff a great deal of manual labour, both in report generation and in locating and fixing spread sheet errors. It will mean that your reports will take less time to generate and they can contain more useful information, trends, ratios, etc. without additional manual effort.

3: Selecting the right system

There are a number of systems on the market to consider. Some are more "Asia-ready" than others, i.e. capable of handling multi-country, multi-currency and local language. Some systems are more property management focused; others are more suited to fund management and asset management. Selecting the right system very much depends on what your business does and the type of information you need to collect and process for reporting purposes.

4: MS Excel is great but...

There are a surprising number of companies (both corporate occupiers and investors) that manage their real estate with little more than an Excel spread sheet. Whilst MS Excel is an incredibly powerful tool, it is not designed to be used as a management system. Its open design makes it prone to calculation cell errors that are difficult to locate. Excel typically requires a great deal of time-consuming manual data manipulation and consolidation, making it vulnerable to copy & paste errors (i.e. human error).

5: Not all systems are the same

Before deciding on which system to implement, an analysis of the business should be undertaken to understand the data requirements. The analysis should be focused around the reports to be produced for stakeholders and should also include a review of existing systems, if any. System requirements can be defined and compared against existing system capability.

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6: Which systems are available in Asia?

Globally, there are many real estate systems to choose from and most of them will tell you their system is Asia-ready if asked. But the reality is that only a handful of them are, and even then, be prepared for a few teething pains. A good starting point in assessing a system vendor is finding out whether they actually have a presence in Asia as this is vital to any successful implementation. Additionally, being able to speak to somebody in-region during your work day for system support is a huge benefit.

7: Know what data you need from your property manager

If you currently outsource your property management to a major service provider, there's a good chance they are using a customized version of a system called MRI. Your property manager will provide you vast with amounts of data, much of which you don't need, use or look at. Don't let this happen – sit down with your property manager and define your reporting requirements so that you only receive relevant, useful data.

8: Scalability & longevity

Managing a multi-asset portfolio, either as a corporate occupier or as an investor is a very data intensive business, even

more so in the case of managing the development phase of a project prior to the operating phase. Looking ahead at where your business will be in 3 to 5 years will allow you to select a system that will cope with your growing needs and increasing levels of sophistication in reporting.

9: Understand your reporting needs

Professionals responsible for managing real estate portfolios (corporate occupiers and investors/fund managers) all need different levels of detail of real estate data. Some only require a single line entry in their financial reports to recognize an investment gain or loss for the period. More active managers may want real-time information pertaining to all aspects of managing their properties. Whilst passive investors may not need a technology solution given their simple data requirements, active managers looking after multiple properties would hugely benefit from the increased visibility of each property's operations. Dashboards and KPIs can be customized for each user.

10: Pricing

License agreements of a real estate system vary greatly by vendor. Some charge an annual license fee per user, others charge a fixed annual fee and allow up to a certain number of users. Some are even moving towards charging a fixed annual fee per property being managed. Understanding your needs and how you intend to use your real estate management system will influence your annual license fee.

11: Own your data

When selecting a service provider to manage your property, you should know that, by default, the service provider will be inputting your real estate data on its own system and therefore you will not have ownership or control of that data. We believe that owning your data is important. To do this, implement your own system and get the service provider to enter your property data into it. That way, the data is yours.

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Continued...

12: Good governance

For corporate occupiers, head office will no doubt have put in place rigorous policies and procedures pertaining to the procurement of real estate and related services. Implementing a recognized real estate management system is good governance as it provides transparency; user access restrictions and “rules” or processes are hard coded so they cannot be tampered with. Whilst not infallible, a good system provides an added layer of comfort and security for managing risk and compliance.

13: Self-help data access for all stakeholders

One of the great advantages of implementing a real estate management system is its “self-help” capability, i.e. it allows various stakeholders to login to a secure, customised, web-based extranet and view pertinent information in real time based on their role. Access to real-time KPIs means greater transparency and it also means that management can spend less time fielding calls and emails from other stakeholders, such as investors, asking for various updates.

14: Greater freedom in selection of service providers

Having your own real estate management system gives you greater freedom of choice when appointing a best-in-location property manager. If the service providers is allowed to use their own systems to manage your property(ies), they become more embedded and harder to replace should their service quality drop to an unsatisfactory level. The service providers take full advantage of their “stickiness”. However, by insisting at the outset that service providers use your management system, then it is clear to both parties that if you are not happy with the quality of their work, they can be replaced with minimal business disruption.

15: Most systems are modular

If you are not sure about how much of your real estate management you wish

to migrate over to a new system, start with a basic version of the software until you appreciate the capabilities of the additional modules. Plan for a multi-phase implementation to (a) minimise business disruption; and (b) allow users to get used to the new system.

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16: Managing a portfolio with multiple legal entities

For investors and fund managers with multiple assets in a number of Asia-Pacific locations, rolling up all the investment data can become complex – tracking investor performance, unfunded equity, joint-ventures/partnerships, debt financing and local tax considerations – these can all be automated and managed through a quality system.

17: An open sourcing procurement platform

Corporate occupiers in Asia-Pacific who choose to outsource some or all of their real estate services are often steered towards selecting one company for the entire region. Here in Asia-Pacific, there is no single provider that is clearly the best in every location. Having your own real estate management system would equip you with a platform from which you would be free to select the best service provider in each location. You would no longer be tied to one regional provider. This has the added benefit of creating healthy competition among the service providers.

18: A global picture

For multinational corporate occupiers and investors with a global portfolio, a real estate management system allows

for convenient consolidation to provide you with an overall picture of the portfolio.

19: Offline modelling tools

Most systems offer tools that allow you to work offline to model and forecast on existing and prospective investments.

20: Consistency across the portfolio

Implementing one system for all assets allows you to have consistent policies and procedures across the organisation and also allows you to make more like-for-like comparisons across various locations.

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