



Introduction

1/3

Real Estate Management

- ❖ The most important document in the supervision of real property is the management plan.
- ❖ It outlines the property's physical and fiscal management and is directed toward achieving the goals of the property's ownership.
- ❖ Different owners may have widely different reasons for owning a real estate investment.
- ❖ Even for the same owner his goals may change during the term of the investment.
- ❖ For instance, during the initial term of the investment, an owner may be interested in a tax shelter and may want to make high mortgage payments plus high capital improvements. During the latter term of the investment and in anticipation of retirement, the owner may be more interested in cash flow and lower mortgage payments on the remaining debt. .



Introduction

- ❖ The strategy expressed in the management plan should reflect the goals of the owner, and, on implementation, the plan should produce the greatest yield as compared with all other strategies considered.
- ❖ Although property managers, for the most part, are compensated for their services in proportion to their ability to produce gross revenue, their continued employment is based on the ability to produce the highest net revenue over a period of years.
- ❖ A management plan is the format result of gathering, analyzing, and interpreting all information pertaining to a given property.
- ❖ A recommended format for a management plan is given in the following figure.



Neighborhood Analysis

2/8

Real Estate Management

- ❖ While the analytical processes are the same for all types of income property, the focus differs from residential properties to office buildings and shopping centers.
- ❖ The neighborhood is emphasized in evaluating a residential property's qualities, while location suitability is stressed for commercial or industrial properties.
- ❖ Analyzing a neighborhood first requires defining its boundaries.
- ❖ Often, the boundaries are geographical or man-made barriers (rivers, lakes, ravines, railroad tracks, parks, and streets), with obvious differences in population and land usage on either side of them. In many cases, neighborhood limits are not discernible visually.
- ❖ The manager, then, can obtain information from census data, newspaper research offices, city libraries, city planning departments, school boards, welfare agencies, and statisticians.
- ❖ Aided by these sources, the manager will be able to circumscribe the neighborhood in which a property is located.

