



Outline

Introduction

Regional Analysis

Neighborhood Analysis

Property Analysis

Market Analysis Measurement of Market

Analysis of Comparables

Analysis Alternates

Proposed Property Analysis

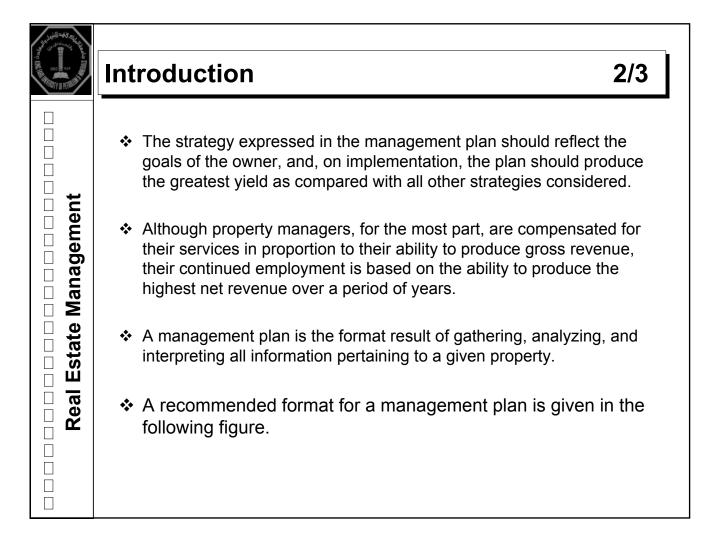
Rental Schedule Income and Expenses Projections Operations

Investment Analysis

Summary

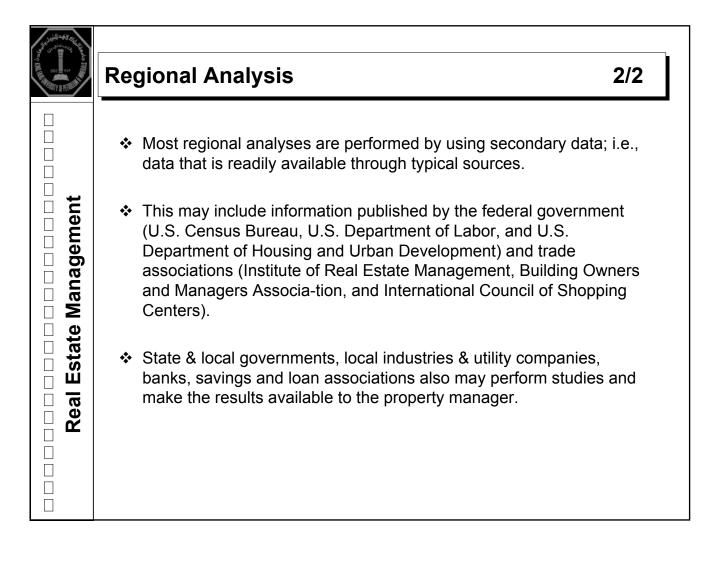
Real Estate Management

	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.

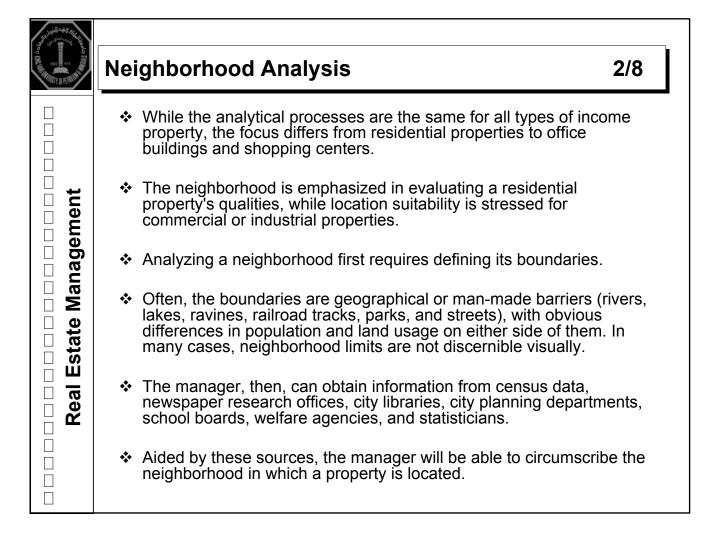


	Introduction		3/3
state Management	I. II. III. IV. V. V. VI.	Management Plan Outline Regional Analysis Neighborhood Analysis Property Analysis (Present Status) A. Physical B. Fiscal C. Operations 1. Policies 2. Personnel 3. Procedures Market Analysis Analysis of Alternates Property Analysis (Proposed)	
Real Est	VII. VIII. IX. X.	 A. Physical B. Implementation and Timing C. Fiscal D. Operations Financing (Proposed) After-Tax Financial Analysis Valuation (Present Status vs. Proposed) Conclusion and Recommendation 	

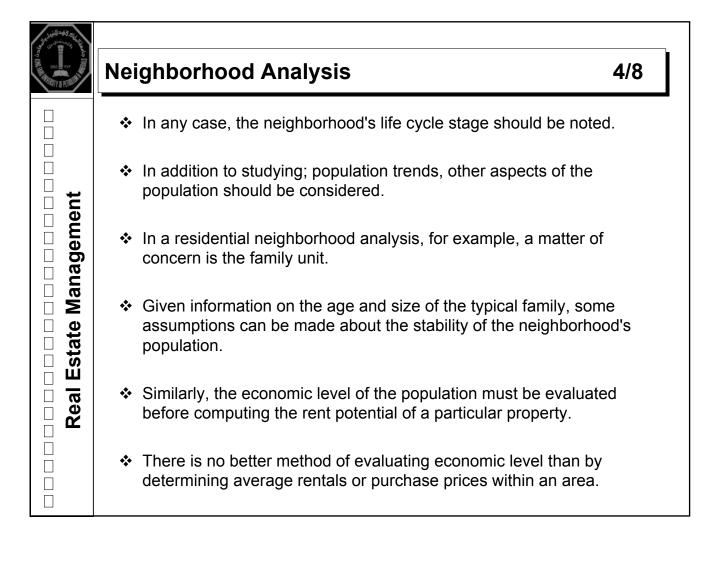
A CONTRACT OF CONTRACT	Regional Analysis 1/2
	The first step most managers take is to perform an in-depth study of the region in which the property is located.
anagement	There is no specific definition of a region, other than that it encompasses the city or metropolitan area that has a direct economic impact on the property to be managed.
Estate Management	The regional analysis identifies the general economic and demographic conditions and physical aspects of the area surrounding the property and determines the trends that affect the property.
ate Ma	Since people create value in real estate, the numbers and nature of the region's population are an important topic.
□ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □	In addition to analyzing political, governmental, and social climate ,growth factors and statistical data should be collected for business and industry, tourism and recreation, public improvements and facilities, public transportation and traffic conditions, education, and economic stability (industrial ingress and egress, corporate headquarters, and government installation).

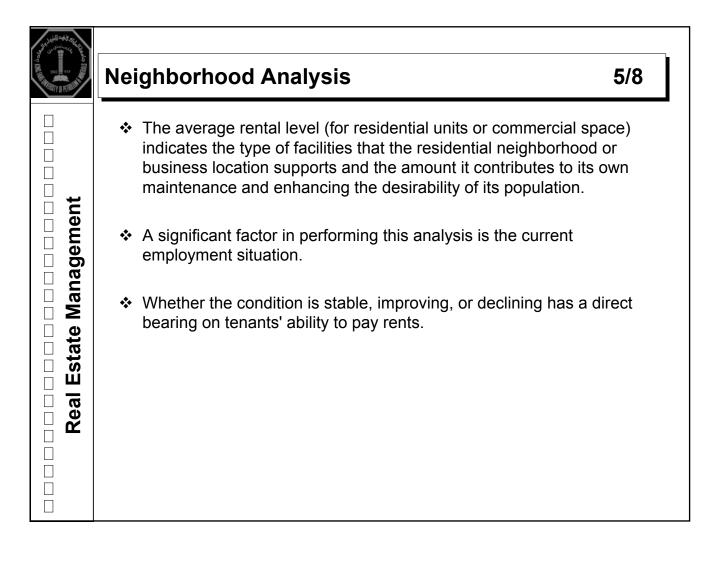


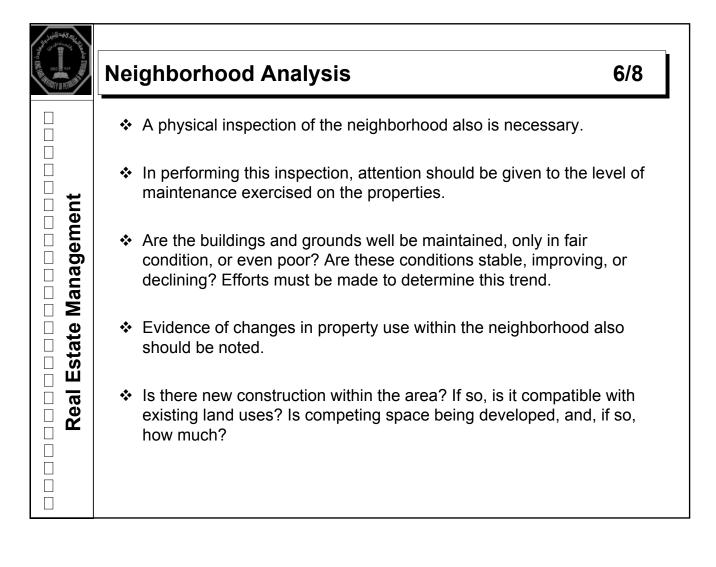
	Neighborhood Analysis 1/8
	The manager should compare the neighborhood with the broader economic and geographical area of which it is a part to determine why individuals and businesses are attracted to it.
ent	A neighborhood analysis is not a recollection of a part of town with which the property manager is generally familiar.
□ □ □ □ □ □ □	The science of property management does not permit the substitution of vague impressions for accurate, reliable data.
Estate Management	Unless the manager has recently analyzed the neighborhood in which the building is located, the exacting process of gathering all the required information cannot be eliminated.
a	From the property manager's point of view, a neighborhood is an area within which there are common characteristics of population and land use.
□ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □	In rural areas, a neighborhood may comprise many square miles; in densely populated metropolitan areas, a neighborhood may consist of a few square blocks or the vicinity of intersecting major streets.

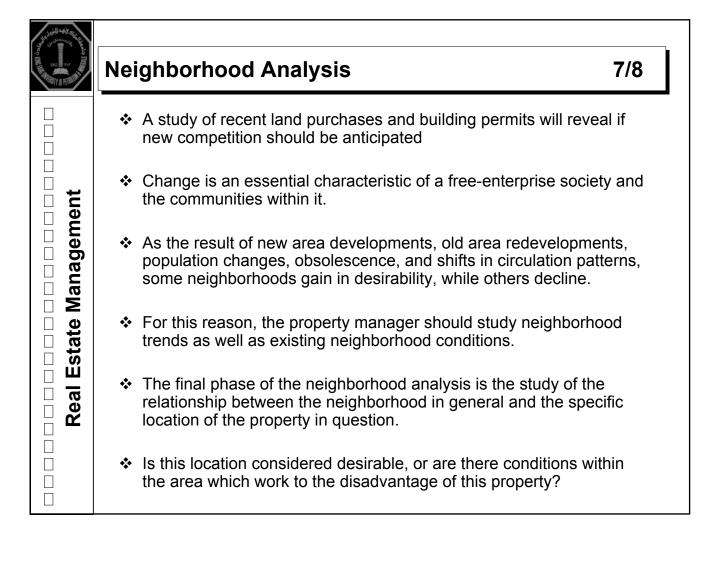


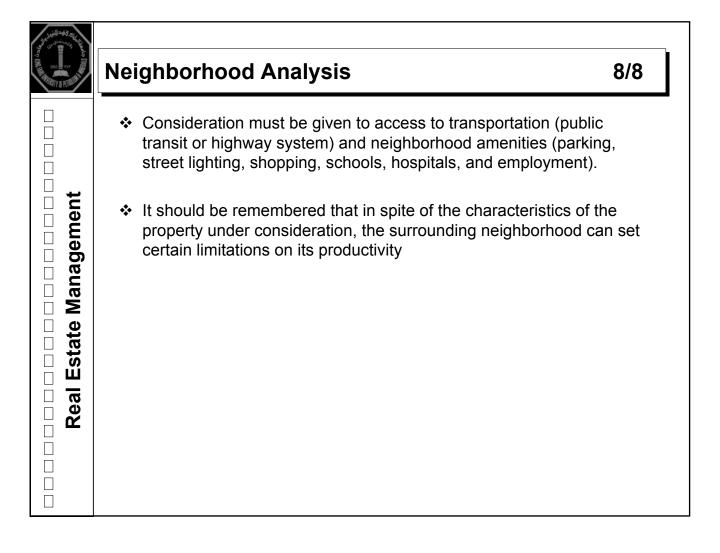
	Neighborhood Analysis 3/8	
	After the neighborhood limits have been defined, the second step is analyzing it is gathering concerning the population and its trends.	
gement	It is important to note that an increasing population is not necessarily a favorable trend. In a well-developed area, a population rise may indicate a change from single-family occupancy to rooming-house tenancy, which is not an improvement.	
Management	Thus, if a developed area increases in population without simultaneous new construction, other factors must be analyzed to evaluate the trend.	
□ □ □ □ □ □ □ □	But, if a partially developed neighborhood's population increases and there is building activity, the new growth suggests higher values and greater public acceptance.	
□ Real	This can be determined by studying the amount of vacant land available and its zoning.	
□ □ □ □ □ □	While generalizations are dangerous, it is usually safe to conclude that a decreasing population is an unfavorable trend.	

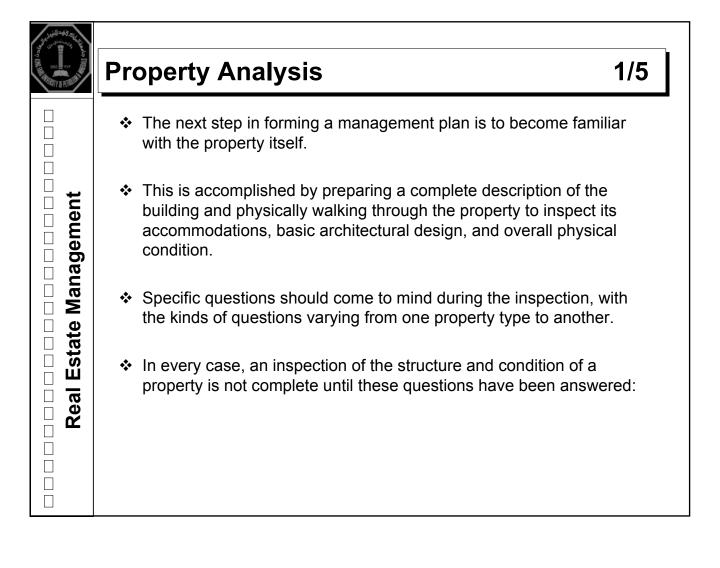












	Property Analysis 2/5
	How many living units or rentable square feet does the building contain? If it is an apartment building, what are the sizes of the units (room size, number of rooms)?
	How desirable is the property (visual impression, age, style, layout, approaches, public space, character of tenancy)?
Management	How attractive is the rentable space (layout, exposure, view, equipment, fixtures, overall modernity)?
□ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □	What is the physical condition of the building (roof, masonry, elevators, heating plant, mechanical equipment, windows and trim, hardware) structurally and in regard to maintenance? Has maintenance been deferred? Can obsolescence be cured? Are there functional inadequacies that can be corrected? Is a structural engineer needed to assay problems?
	What is the condition of the marketable areas (decoration, floors or floor coverings, shades or blinds, entrance halls, stairways, lockers and laundries, public spaces)?

