Chapter 12: Property Management

The role of the property manager is to manage the property with the objective of securing the highest net return for the property owner over the property’s useful life.

The management agreement establishes the relationship between the owner and the manager. (Figure 12.1, pages 258-260)
- The agreement should address the powers of the manager relating to
  - Rent setting
  - Lease signings
  - Rent collections
  - Power to spend money on behalf of the property
  - Authority to hire, fire, and supervise personnel
- The agreement should specify the compensation to the manager
  - Percentage of gross income
  - Fixed amount
  - Fee schedule for certain tasks
  - Hourly rate

Functions of a property manager include:
- administration
- marketing and advertising
- tenant selection
- lease negotiation
- move-in inspections
- property maintenance
- rent collection
- move-out inspections
- security deposit management.

See Real Estate Today Feature “Green Acres Shopping Center – A Property Management Success Story” on page 265.

For firms that own real estate assets for their own use, the task of managing the firm’s real estate is assigned to corporate real estate asset managers. The functions of an asset manager include:
- facilities management
- acquisition of additional space for the firm’s operations
- financing decisions relating to needed space
- disposition of corporate real estate assets.