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Clients benefit from First Realty Management's value added philosophy

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A value-added management philosophy emphasizes efficiencies and savings that can enhance each property's bottom line through increased asset value and marketability, lower expenses and higher resident and owner satisfaction. It's a long range, big picture approach that adds substantive value to every First Realty Management contract.

The value-added concept is critical during economic downturns when potential clients are striving to preserve diminishing values and marketability. When cash flow projections fall short, owners may be tempted to self manage or seek "mom and pop" style management that provides barebones services without the resources to address anything other than basic nuts and bolts issues. This approach may allow owners to get by in the short term, but will usually have long term financial consequences.

A lower management fee does not necessarily translate into lower cost. Professional management can keep property owners and developers out of trouble—and often more than pays for itself. Clients are often impressed when First Realty's senior management team shows them how aggressive risk management and loss prevention programs can substantially reduce insurance premiums. They learn how to connect with various utilities that still offer energy efficiency retrofits at little or no cost. First Realty can also help with a cost benefits analysis to determine whether cogeneration or geothermal heating makes sense during a major rehab or new construction. Now more than ever, client owners expect their properties to run efficiently and productively. As a result, First Realty is proactive in seeking innovative ways to save (and buy) energy, in aggressively negotiating service and vendor contracts, and in pursuing new avenues for heat recovery and other methods to reduce energy consumption and save money. Sometimes the solution is as simple as adding new windows or insulation. In others, creative thinking comes into play. At a Brighton location, First Realty advised adding vestibules to the entrances, which reduced air infiltration and resulted in significant savings in heating and cooling.

Some owners assign a site manager or office bookkeeper to handle financial functions without professional assistance or oversight. First Realty provides a fully-staffed accounting department headed by its CFO, a CPA, and managed by an experienced Controller to implement appropriate accounting controls and oversee the investment of client funds and financial reporting.

Fees charged by outside auditors for their required annual audits are frequently lower for First Realty managed properties because records are maintained so meticulously.

First Realty also employs a full-time risk coordinator, a purchasing agent (and assistant), two full-time construction specialists, a full-time MIS specialist, a VP of training and government relations, and full time directors of human resources, marketing, and communications. All of them provide valuable support to the client property staff.

Clients also achieve savings by purchasing equipment such as appliances, plumbing or lighting fixtures at volume discounts through the company's central purchasing department. Condominium clients have been pleased to take advantage of First Realty's s bulk purchasing power to buy such items as water-saving showerheads, light bulbs or ice melt compound. The company also negotiates purchase agreements for gas, oil and electricity for clients, saving money as well as ensuring cost stability for the budget year.

First Realty's rental property clients also rely on financial and regulatory expertise that exceeds the usual. For example, at a coop in South Boston, the senior staff worked with the resident group in control of the property to insure its long-term affordability after the tax credit compliance period expired and loans became due that threatened to displace low and moderate income residents. At another community in Providence, First Realty worked with the non-profit board, its lenders and regulatory agencies to introduce more revenue into the property and help to ensure long term stability and affordability. Those efforts resulted in First Realty receiving an award from the governor in a special ceremony at the Rhode Island statehouse in April. In fact, the company has earned a series of awards for multiple property owners, yet another byproduct of its broad range of valuable resources available to clients.

By consistently and successfully demonstrating the value of its services to property owners and developers-- First Realty Management has maintained strong momentum for over 50 years, regardless of economic pressures. The company currently manages a portfolio of over 6,000 apartments and condominiums in every price range and style.

In a recent ceremony at the statehouse, the governor of Rhode Island presented the state's prestigious Private Sector Partners In Housing Award to First Realty Management. Shown (from left) are: Frank Cevetello, vice president property management; Nancy Hogan, vice president government relations & training; Jan Brandin, chief operating officer; Kathleen Spaulding, First Realty regional manager for Rhode Island; and Richard Godfrey, executive director of RI Housing.

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