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Taking a look at how we will continue to create asset value

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As we come to the end of 2012, property managers need to look at how we will continue to create asset value as we begin 2013. The global recession that is affecting the commercial real estate business will most likely continue in early 2013, so we should evaluate our strategies for creating asset value in our properties in order retain tenants and attract new tenants.

Here are six strategies that were presented at a BOMA International conference that need consideration as we head into 2013. These strategies include: increasing revenue, decreasing expenses, managing vacancies, out-manage the competition, retaining tenants and improving your company's performance. While each of strategies is multi-faceted outlined below are some key considerations for each of these that we all will need to focus on in 2013.

Increasing revenue would encompass a myriad of ideologies from ensuring rent rolls are correct and billing to tenants is correct to ensuring accounts receivables are kept under control to charging tenants for extra services. While all these tasks are not new, sometimes we have a tendency to overlook these key processes in favor of trying to lease our properties.

Decreasing expenses does not mean cutting services. There are ways to decrease expenses without affecting tenant satisfaction and expectations. Some of these include ensuring your building energy management systems are being utilized to their full capacity (adjust start/stop times for weekends/holidays and taking advantage of milder outdoor temperatures), adjusting times when fans/motors run (these require excess amount of electricity and making adjustments could save a significant amount of money) and just thinking smarter when it comes to service contracts and managing expectations and requirements for these services (many times small changes to service levels can be made without customers even noticing) thus reducing costs.

Managing vacancies and out managing your competition go hand in hand. By properly reviewing your property and ensure there is a safe and secure environment for your tenants gives you a leg up from the competition. Keeping your lobby and exterior of your facility clean and "prospective -tenant" ready allows you to provide your existing tenants with exceptional service while at the same time presenting a clean environment which would attract new tenants. Again, this should not increase costs but may just require extra "drive bys" by your management team and reallocation of where services are taking place.

Retaining tenants is imperative in this market. Be keen to listen to the market when it comes to your tenants' business and look to be pro-active when it comes to tenant's space requirements. Keeping tenants happy and providing constant communication with them regarding their business needs allows you to create a give and take relationship with them. They know you understand their business and have an interest in their needs as a management firm.

Lastly and more important is improving your company's performance. We want to ensure we are employing personnel that truly "love" this business and want to provide great service to clients. Be

sure they share your company's values and strategies while at the same time have the desire to service our clients to the best of their ability. While they may always have the appropriate training for all aspects of the job, having the right attitude and initiative which matches your firm's core values is really what is most important. As we start 2013, it is important to have the right personnel on board who can take your firm to the next level of service.

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