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## **Modernizing real estate management - by Jared Curtis**

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Investing in real estate presents many unique opportunities — and challenges — that don't exist in conventional capital markets.

When building a portfolio, you have to start with an accurate set of information about any building you are considering adding to your investment. Otherwise, there could exist significant differences in the assets you think you're managing and the way those buildings exist in reality. Real estate, and real estate asset management, are really focused on mitigating risks and promoting incremental improvements.

The basis for incremental improvements is accurate data. You need an understanding of what the property really is before you start making decisions about risk mitigation and managing liability, while adding value all the while. Without accurate documentation, you run an enormous risk of damaging your asset(s).

Redoing the kitchens, renovating the common areas, adding new floors; any of these things can add value. But buying the wrong amount of materials can cost you money, and ultimately stems from a lack of accurate data. Using inaccurate data is avoidable. Up-to-date building documentation is an insurance policy in protecting –and improving –your investment. All of these things add up when you think of a real estate portfolio consisting of dozens or even thousands of buildings.

### **Expose Risks And Minimize Liability**

Precision is everything; and as a real estate asset manager, it's your responsibility to ensure accuracy. You must demand it. Operating from up-to-date and professionally captured building measurements is where you should start.

Whether it's warehouse space, apartment space, or retail space, leases and rental agreements need to be structured in a way that attracts tenants and limits liability. There's obviously a legal side to that, where you want to make sure you don't have bad terms in your agreement, but there's also a practical side of needing to know what the space really is — right down to the square inch.

## Measurement Mistakes Can Cost Your Portfolio. Base Your Decisions On Reality.

The primary goal of an asset manager is to increase property value and the return on investment for the portfolio. If you sign a lease for 10,000 s/f but the space is actually 12,000 s/f, you're leaving money on the table.

### To Increase Your Returns, You Need To:

- Hire good people and work with good leasing agents;
- Ensure properly managed cash flow;
- Avoid unnecessary risk and liability when negotiating deals; and
- Work with exceptional data.

You need exceptional data that allows for seamless communication with your investors and your clients. Existing Conditions are the experts in providing a key piece of that data in accurate measurements. We can help you realize the maximum value of your property and identify risks early on in an efficient, cost-effective way.

### Understand Your Assets

Real estate asset managers are continually pushed to focus on environmental concerns and energy efficiency — and rightly so. Obtaining accurate documentation of your buildings will enable you to cost-effectively improve your buildings while simultaneously lowering energy consumption.

For example, some buildings are 're-skinned' with an additional facade layer, effectively like putting a sweater and rain jacket over an otherwise drafty, leaky building. For other buildings, an accurate roof plan is a must-have for the design and installation of solar panels, green roofing, and rainwater capture systems.

In instances where the existing mechanical/electrical/HVAC system is at the end of its lifecycle and due for an energy-efficient upgrade, you need accurate drawings of those systems in order to build a plan to replace them. Those drawings can be extraordinarily complex and virtually impossible to produce without hiring an expert in existing conditions.

### Know Your Buildings Inside And Out

Empower your team to work from a solid, reliable foundation that minimizes errors and back-tracking while maximizing value and efficiency. Increase the value of your assets with the accurate data you need to make value-driving improvements, while minimizing costly mistakes that jeopardize the health of your portfolio due to inaccurate building measurements.

Existing Conditions is a pioneering company that creates digital versions of the built environment more accurately and efficiently than anyone else in the market. Existing Conditions uses reality capture tools such as 3D laser scanning and drone imaging to deliver the most reliable existing

conditions surveys of buildings. Jared Curtis has lectured at Cornell AAP and Harvard GSD, and is an alumni of Cornell Architecture. He is also co-chair of NAIOP'S Government Affairs Committee. Recently, he has shared his thoughts on real estate and technology in pieces by the Boston Globe, ULI, Boston Magazine, NAIOP, Banker & Tradesman, Bldup, and the Boston Foundation.

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