



opportunity to succeed.

Impacting Value at the Property Level

By: Scott Brown
SVP – Asset Management
Signature Office REIT

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The Vital Few – Top Priorities of an Asset Manager

- Leasing
- Tenant Relations
- Property Operations
- Market Knowledge

Cap Rate Formula

$$\text{Cap Rate} = \frac{\text{Net Operating Income (NOI)}}{\text{Value (Purchase Price)}}$$

Value Formula

$$\text{Value} = \frac{\text{Net Operating Income (NOI)}}{\text{Cap Rate}}$$

Valuation Example

$$\text{Value ?} = \frac{\text{NOI} - \$1,000,000}{\text{Cap Rate} - 8.50\%}$$

What is the value?

Creating Value – New Leasing

- Curb appeal
- Attend prospect showings

Creating Value – Tenant Relations

- Understand tenant needs
- Exceed their expectations
- Tenant Council
- Tenant surveys
- Begins on first day of lease
- Walk around
- Response time

Creating Value – Property Operations

- Maximize income
 - Retain existing tenants
 - Fill existing vacancies
 - Other income
- Minimize expenses
 - Rebid major contracts annually
 - Evaluate scope of work & frequency
 - Preventative maintenance
 - “It’s in the budget”

Creating Value – Market Knowledge

- Understand local economic & market conditions
- Understand the competition

The Business Plan – Is it a waste of time?

- Strategic & tactical planning document
- Executive plan for next year & beyond
- Importance to an asset manager
- Comparison to the annual budget
- How a property manager can stand out among peers

Case Study

Increasing Value by Decreasing Expenses

Case Study

Prepaid CAM Expenses

Case Study

Base Year Expense Management

The Vital Few – Value Creation at the Property Level

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My Contact Information

Scott Brown

SVP – Asset Management

Signature Office REIT

6200 The Corners Parkway

Norcross, GA 30092

(770) 243-8422 (O)

(770) 315-7066 (M)

Scott.Brown@SignatureREIT.com