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Performance Benchmarks in Commercial Property Management

Commercial Real Estate Brokerage

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By John Highman

In commercial property management or retail property management you should have a number of performance indicators to allow you to track the progress of current building and tenant events. It is no secret that many property managers are very busy most of the time; it is therefore very easy to overlook key facts and issues.

Here are some ideas to help you structure a performance indicator program for commercial or retail property management today.

1. Answering landlord and property owner calls or emails are on top of the list. Whilst urgent issues with the landlord happen immediately, all other landlord contact should happen on the same day. Check for these landlord communications twice a day.
2. Tenant contact will happen at all hours and for many different reasons. The greater the number of tenants that you have in your portfolio, the greater the issue. Most tenant calls will come in to your office or mobile phone first thing in the morning between 8am and 11am. Given that this time of day is normally your most productive, get someone to screen the calls and take messages where appropriate. As long as the matter is not urgent, it is sensible to get back to the tenant later in the day.
3. Your landlords should get a written email or letter update from you weekly or monthly depending on the size and type of property. The larger the property the more frequent the reporting. This discipline is also good from the point of keeping records and tracking current issues.
4. Urgent issues have to be handled immediately. As to what is urgent and what is not, that is a subjective consideration. Someone in your office has to screen your emails and calls to identify the important and very urgent issues. Property performance and the threat of human injury are key factors in determining what is 'urgent'.
5. Your arrears in the properties that you manage should be checked every morning first thing. Unpaid monies and rents are a critical part of staying on top of things. Don't let arrears get away from you. It is a daily process. Report to the landlord in writing and seek instructions regards rent and arrears recovery. Set a target level of arrears in your portfolio that is not to be exceeded.

6. Vacancy management and leasing is really important to the property performance over the long term. Don't turn a 'blind eye' to the problem. Deal with the vacancies and market the vacancy to available tenants in the local area. Keep your vacancies low; this takes hard work and focus. Set a vacancy factor that is not to be exceeded in landlord properties.
 7. Determine a time frame where maintenance requests are to be responded to and actioned. Have a process of updating the person that made the call so they know what progress has been made.
 8. Lease documents will always be active in one way or another. Ensure that all your leases are current and the critical dates are well managed. Track the status of all lease negotiations including rent reviews, renewal options, expire dates, and make good requirements.
- response on critical factors of property performance. You can add to these items above and take them to the next level.

So this is just a start, but it is a good start to help you create a property management control system in your real estate office. When you and your fellow property managers work to a system, the tenants, and the landlords can get better service and

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