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Property Management

Essentials

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Trafalgar Group Profile

- Property management is Trafalgar's core business
- 40 year track record managing a wide variety of properties across South Africa
 - Special interest managing Inner City properties
- Currently manage 60,000 units in 1,200 buildings including over 1 million m2 of commercial, retail and industrial premises (reference sites include Waterfall Estate, Blue Valley Golf Estate, Spruitsig Park)
- Registrations include:
 - Estate Agency Affairs Board ("EAAB")
 - National Association of Managing Agents ("NAMA")
 - Council for Debt Collectors
- Trafalgar has a property investment company acquiring residential renovation opportunities for rental purposes

Trafalgar is a well established, fully accredited, national property management specialist with a 40 year track record



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Property Management Essentials:

- Effective financial management:
 - Careful investment feasibility - positive cash flow from the outset
 - Billing, collections and debt collection – accurate, efficient, consistent
 - Utility recoveries – 90% plus recoveries
 - Budgets and income statement reporting – manage variances
 - Damage deposit recoveries from tenants
- Effective facility management:
 - Building manager (preferably resident for medium to large buildings) inspections and onsite support
 - Security, cleaning, refuse removal
 - Reactive maintenance
- Maintenance: proactive and consistent

Managing people's homes requires fast, efficient and consistent service delivery



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Reviewing Monthly Management Reports:

- Rent roll
- Surplus report
- Arrears report
- Performance to budget report
- Maintenance inspection report
- Benchmark analysis

Measurement supports management of critical performance areas and continuous improvement



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Self-manage or Outsource:

- Location: trouble equals distance squared in property management
- Time
- Interest
- Systems
- Experience
- Core business implications
- Funder's expectations

*A property management fee should be compared to
core business opportunity costs*



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Property Management Team



Multifunctional team effort supported by an effective computer information system achieves best results



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Conclusions:

- Effective property management is a critical property investment success factor
- Efficient tenant account administration, budgeting and financial reporting supported by a tailored computer information system is essential
- Ensure onsite facility management excellence prioritising cleaning, security, refuse removal and maintenance
- A reliable, resident building manager is highly recommended
- Take time to review and action comprehensive monthly management reports
- Inspect your buildings regularly
- Recover 90% plus of utility costs and maximise tenant damages recoveries from deposits to

Clean, secure, well maintained properties supported with efficient tenant account administration achieve the best long term results



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Appendix A: Benchmark Analysis

		Electricity Recov	Water Recovery	Operating expense	Maint Operating Cost	Staff costs	Profit margin	Occupancy YTD Average	Budget Variance
	NDS								
1	BURLINGTON	121%	248%	24%	3%	10%	57%	100%	17%
2	COLLETTE	79%	108%	36%	8%	5%	49%	99%	1%
3	CONSTANTINE	109%	102%	45%	9%	11%	35%	99%	72%
4	GOLAN	92%	212%	31%	1.53%	13%	50%	98%	9%
5	HELDERBERG	111%	95%	44%	9%	10%	37%	100%	30%
6	KING BRUCE	218%	88%	39%	9%	13%	49%	99%	21%
7	ARUNDEL	62%	37%	87%	4%	8%	5%	94%	-86%
8	MBC	51%	63%	66%	6%	5%	27%	100%	-8%
9	JACARANDA	8%	165%	55%	19%	3%	24%	97%	-17%
10	RIDGE PLAZA	95%	98%	26%	0.98%	6%	59%	100%	14%
11	AITON COURT	58%	132%	46%	9%	5%	10%	100%	0%