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manager should supervise the overall operations of the property management company, i.e., define general management policies, monitor non routine decisions and transactions, and serve as a liaison between the property manager and the owner.

- **Supervise leasing and marketing.** The asset manager should review long-term leasing policies, monitor large or unusual transactions, and act as a liaison between the leasing firm and the owner.
- **Manage cash flow.** An essential and time-consuming role is to handle cash flow, the true measure of the economic success of the asset. Cash controls should be instituted and monitored.
- **Report requirements and timing.** Frequent reporting of pertinent information to the owner keeps him/her informed about the status of the property and makes necessary decisions easier.
- **If the owner is a foreign investor,** the asset manager may have the responsibility of preparing U.S. tax returns. For domestic investors, the asset manager's role would be limited to providing the essential tax information to the owner's accountant.
- **The proper maintenance of the property** is a major responsibility of the asset manager. This

includes overseeing a maintenance program and managing a capital improvements program. In making voluntary capital improvements, the manager must be sure that the prospective return exceeds the cost of the capital needed for the improvement.

- **Retain other professionals.** Attorneys, accountants, appraisers, and mortgage brokers are just some of the professionals who frequently must be retained in the course of managing improved real estate. The asset manager often has the responsibility of choosing a professional, although the choice may need to be ratified by the owner.
- **Contract adherence.** Contractual relationships often exist in connection with income real estate. These include the asset management agreement itself, the property management agreement, service contracts relating to the real property, tenant leases, mortgages and deeds of trust, and possibly a partnership agreement among the property owners. With the exception of the partnership agreement, the asset manager will be involved with these agreements in some manner. The manager should be aware of critical terms and provisions that give the owner valuable rights (e.g., a renewal right) or that can result in default if not complied with. □

Office Building, For Attorneys Only

Property managers must show some imagination to keep a property fully rented. One way to keep an office building occupied is to consider specializing—renting to members of one professional field.

Members of the medical profession have long realized the advantages of having an office in a medical building (that is, in a building occupied only by professionals in the health care field). The building is designed, equipped, operated and maintained solely for their particular professional needs.

This concept can also work for attorneys. Many attorneys would like to be in a building that is convenient to a central area, such as county and federal court buildings. One feature that could be even more important to attorney tenants and to the owner, in keeping tenants happy, is the fully equipped law library.

The Legal Office Amenity

When a law firm initially assembles a law library, it costs thousands of dollars. It costs thousands more each year to keep it up-to-date. This expense may

be the one thing that forces many attorneys to form partnerships or to share office space.

In one property, the developer created a long, enclosed room for the law library. He set aside one side of an entire floor and built in shelving to hold the books. Since the property was being developed for this purpose, the floor was given special design treatment. Floor loads for a library will be much higher than in other parts of an office building. The only furniture required for the room is worktables and chairs.

All of the tenant—attorneys in this building pay a small amount each month toward the salary of a full-time librarian who assists the attorneys with their research, handles the filing and book ordering, and takes care of the book collection.

In the building in our example, the suites filled quickly, rented to law firms only. The tenants stated that the law library was the attraction that convinced them to rent in this particular building. □

