

Property Management

Property management is a rapidly growing specialization within the real estate industry. Today's property managers must possess communication, legal, and technology skills. The property manager's role is far more complex than simply showing space, signing leases, and collecting rents. In reality, property managers need to generate the greatest possible net income for owners of investment properties. A property manager should have three goals:

1. Achieve the objectives of the property owner.
2. Generate income for the owner.
3. Preserve and increase the value of the property.

Property managers are finding they are require more varied skills as a market analyst, advertising executive, salesperson, accountant, diplomat, or even maintenance engineer. Moreover, the manager is expected to interact competently with many professionals in related fields: attorneys, accountants, environmental inspection companies, and so forth. The manager must acquire and refine a wide range of interpersonal skills in order to work effectively with owners, tenants, employees, outside contractors, the general public, and others in the real estate business.

There are various types of property managers, or specialists in the property management field. Commercial properties may include multistory office buildings, shopping malls, strip shopping centers, ministorage centers, or warehouses. Residential properties vary from large multifamily apartment communities to single-family dwellings. Association management may include condominiums/cooperatives and town houses. Other opportunities for specialization include subsidized or affordable housing, manufactured home parks, elderly housing, & military housing. The most recent specialty is managing REOs, bank-owned real estate as a result of so many housing foreclosures.

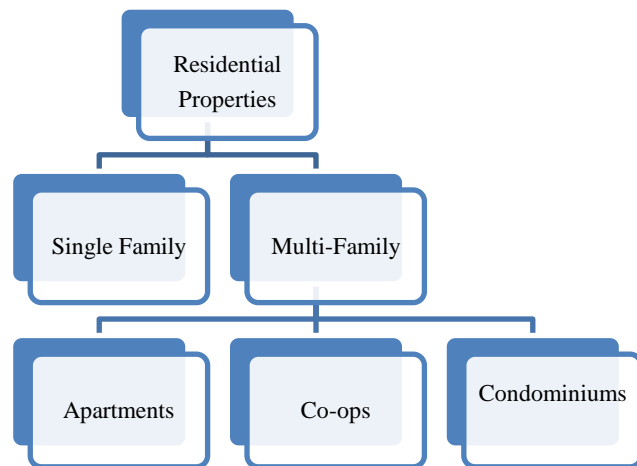
Typically professional property management involves structures built on real property that are not intrinsic to the operation of a business or industry. For the purposes of studying specialized property management, real estate can be divided into four major classifications, with each type of property requiring a different combination of skill and knowledge on the part of the property manager. The 4 major classifications are:

1. Residential
2. Commercial
3. Industrial
4. Special-purpose

Residential

Residential property includes privately owned residences as well as government and institutional housing. Residential property satisfies the basic shelter needs of the population and is the largest source of demand for the services of professional property managers. While there are many different types of residential properties through-out the U.S., single-family and multi-family dwellings are most common in Alaska. A thorough understanding of the Landlord-Tenant Act is essential for all property managers.

This flow chart shows the typical types of residential properties that are the subject of property management agreements.



Commercial

Commercial real estate includes various types of income-producing properties, such as office buildings, shopping centers, stores, gas stations, and parking lots. Commercial properties are generally considered to be "public accommodation"-a private entity that provides goods, services, facilities, or accommodations to the public. Even though commercial premises are privately owned, the public have certain rights to use them. Essentially, commercial property provides either services or goods to the public, which determines the two principal categories of commercial real estate:

1. Office property
 - a. occupants provide services
2. Retail property
 - a. goods are sold

Properties that are considered office property include low-rise (walkup) offices; high-rise complexes; or office parks (also called business parks). Whether the office property is situated downtown in a commercial district, or in a suburban development, its success is determined by its location in relation to the prospective workforce, transportation facilities, and other business services.

Retail property includes:

1. Freestanding buildings
2. Traditional shopping centers designated by size (strip centers, neighborhood centers, community centers, regional shopping centers, and superregional malls)
3. Specialized centers such off-price stores, factory outlets, & specialty centers

Freestanding, single-tenant buildings are often owner-occupied and managed. Strip centers usually consist of 4 to 10 stores located on a corner of a main thoroughfare and are designed primarily for convenience shopping. Neighborhood centers are the largest, containing 15 to 20 retail outlets. Community centers can consist of up to 70 stores and in some areas even more.

