

Role of property manager now blurs with that of asset manager

The role of the property manager is evolving, says Sean Paul, executive director of Spire Property Management, with the lines being blurred between that of a property manager and that of an asset manager.



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He highlights a white paper produced by the Institute of Real Estate Management (IREM) entitled *Asset & Property Management: A Shifting Dynamic*.

“In general, the role of property management involves the effective management and operation of commercial or residential properties. A property manager acts on behalf of the owner in roles such as collecting rental, lease administration, maintenance of the property, working with staff and contractors, risk management, enforcing rules and guidelines, and importantly - tenant relations in a bid to ensure tenant satisfaction and ultimately retention.”

“By comparison, asset management is centred on financial matters and focuses on maximising the return on investment and identifying new methods of creating additional value in the asset,” says Paul, who goes on to advise that whereas in the past these roles were separate and distinct from each other, this has now changed and effective property managers must also act as asset managers, seeking to maximise the earning potential of a building for their client.

Providing financial recommendations

“Some people may think of property managers as just being that person who knocks on the door once a month to collect a rent cheque from the tenant on behalf of the building owner, however the evolving property managers are taking on the responsibility for financial analysis and making recommendations based on the financial impact to the property. They prepare annual budgets and work toward improving the net operating income of a property.”

Gregg Huntingford, CEO of Spire concurs and says that whilst property managers are expert in the day-to-day operations of a property, asset management requires strategic thought and implementation in order to actively enhance the cash flow and value of the assets - maximising the return on investment and value of property.

“In our opinion, the most effective property managers are those who have learned to think like asset managers in order to combine both a strategic and tactical approach to managing a property,” says Huntingford.

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