Nomenclature, Scope of Service, and Interfaces of Real Estate Investment-, Portfolio-, Asset-, Property and Facility Management based on the “Basic Concept of Real Estate Management”

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Agenda

Real Estate Management –
    The Basic Concept Structures REM

Management Levels and Perspectives –
    Nomenclature and Concepts

Investment-, Portfolio-, Asset-, Property- and Real Estate
    Facilitymanagement –
    Scope of Services and Interfaces
Execution of Real Estate Lifecycle Tasks has Long Been Done by Owners/Users Themselves …
… but this is changing rapidly – Problem Definition

Sales, Recycling, Redevelopment

Needs determination, Due Diligence, Financing, Acquisition, Project Development, (Re)Construction

Recovery

Conception/Supply

Usage/Operation

Operation, Maintenance, Letting, Refurbishment, Modernization

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With Deconstruction of Activities, How are They Going to Be Managed Optimally?
Change of Management Levels in the Real Estate Business

Real Estate Management (REM)
- Planning/Developing,
- Organising,
- Steering/Coordinating, and
- Controlling
Real Estate Activities

Real Estate Activities (Core Processes)
- Conception/Supply
- Usage/Operation
- Recovery

Specialization and Deconstruction of Activities Results in Higher Needs and Specialization of Management
With Deconstruction of Activities, How are They Going to Be Managed Optimally?
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Real Estate Activities

Specialization and Deconstruction of Activities Results in Higher Needs and Specialization of Management
Overall, Three Perspectives Have to be Considered in Real Estate Management …
… which guide level-spanning management concepts.
Integrative View is Demonstrated Best by a Cube That is Apportionable as Necessary

Basic Concept of REM with 3 core and 2 situational dimensions

Source: Kämpf-Dern/Pfnür (2009), S. 14

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Facility Management –  
Scope of Services and Interfaces
Individual, Situational Configurations Impede Universally Valid Definitions, but …

… within blurred borders consistent statements can be made.

Source: Kämpf-Dern (2009), S. 17
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“IREM” and “CREM” Currently are the Predominant Management Concepts
More and more others are developing – orientation needed
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Investment-, Portfolio-, Asset-, Property- and Real Estate
  Facilitymanagement –
  Scope of Services and Interfaces
On Each Management Level: Managing Lower Level, Advising Upper Level, Decisions & Controlling
Scope of tasks on each management level

Clarity on scope of tasks and responsibility essential for coordination and success
Result: Coherent Definitions and Tasks for Each Management Level Specified for Each Perspective

Table 1: Definitions sowie im Allgemeinen übliche Leistungen je Ebene

<table>
<thead>
<tr>
<th>Investmentmanagement</th>
<th>Portfoliomanagement</th>
<th>Assetmanagement</th>
<th>Propertymanagement</th>
<th>Facilitymanagement</th>
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</thead>
</table>


Result: Coherent Definitions and Tasks for Each Management Level Specified for Each Perspective

Source: Kämpf-Dern (2009), S. 22-26
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**Result: Coherent Definitions and Tasks for Each Management Level Specified for Each Perspective**

**Real Estate Asset-management (REAM)** is the strategic management of real estate objects. REAM strives to achieve the goals of a return-oriented investor or a user during the life cycle phase of usage/operation and at the interfaces to conception/supply, respectively recovery.

**REAM**

- develops strategies for real estate objects and organizes & controls implementation;
- deals with existing as well as with prospective objects.

**Source:** Kämpf-Dern (2009), S. 22-26

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Clear Definitions and Scope of Tasks Lay Foundation for Further Improvements

Take-Aways

- Higher expectations from investors and users and a complex, globalizing world
  - Deconstruction and specialization of real estate core activities as well as real estate management tasks.
- Nevertheless, need for an integrative view,
  - symbolized as a cube consisting of smaller management cubes, each with dimensions of life cycle phases, management levels and perspectives.
- But deconstruction leads to
  - more and more interfaces between these cubes, not only between jobs or departments, but even between companies.
- Clarity about the nomenclature and the tasks of REM is
  - major preliminary for organization and coordination of interfaces.
- Organization and coordination of interfaces requires answering
  - questions of controlling, job design, personnel development, corporate culture,
  - Solutions are crucial for reaching the targets connected to real estate activities.

A lot of interesting research questions wait to be answered!