

SAP® REAL ESTATE MANAGEMENT

SUPPORT FOR THE ENTIRE REAL ESTATE AND FACILITIES LIFE CYCLE

The SAP® Real Estate Management application provides end-to-end support for portfolio management, corporate real estate management, commercial real estate management, and facilities management. It can help you develop, construct, operate, and deploy property and make costs more visible and controllable.



Ongoing economic globalization, stronger competition, and an increase in mergers and acquisitions have increased the challenges of real estate and facilities life-cycle management. In addition to facing increased cost pressures, corporate real estate managers find that demand for space changes more often. They also have a greater need to integrate the deployment of space with various corporate departments. Besides improving space utilization, these managers must optimize real estate services, raise revenue through third-party use, and decrease their operational costs. These challenges are particularly important, given the fact that corporate real estate represents the largest asset for most firms and the second-largest operating expense after payroll.

The managers of commercial real estate face greater portfolio diversity, a higher dependence on capital markets for property financing, and a range of new legal requirements. To meet these challenges, they must optimize compliance and risk management, enhance the skills of their employees, address increased business competition, and modernize their IT landscapes.

The SAP® Real Estate Management application includes comprehensive support for real property development, construction, operation, and deployment. The application is built on the SAP NetWeaver® technology platform and is seamlessly integrated with other SAP software for enterprise resource

planning. The result is a centralized database for property information, combined with robust analytical tools and powerful functions for property-related processes across an enterprise.

Support for Key Management Processes

SAP Real Estate Management helps to streamline and optimize such key business activities as portfolio management, commercial real estate management, corporate real estate management, and facilities management – as well as a variety of essential support processes.

Portfolio Management

SAP Real Estate Management can help you define your real estate portfolio and manage all related business-partner assignments. You can use the application to evaluate property cash flow and track details related to building architecture, facility use, and the involvement of business partners. You can analyze property performance by drilling down to individual pieces of property and can visualize specific property features through integration with your existing CAD and geographic information system software.

SAP Real Estate Management makes it simple to create standard reports on building expenses, revenues, vacancies, measurements, contracts, conditions, maintenance, and service costs. You can also track portfolio changes that result from purchases and sales.

Commercial Real Estate Management
Commercial real estate managers – including managers of retail, office, industrial, and residential property – need a solution for enterprise resource planning to cover their core business processes and drive revenue. SAP Real Estate Management supports real estate search, lease administration, rent escalation, common-area maintenance reconciliation, and percentage rent management. You can use the application to manage and operate third-party property or manage expense and income leases and other property-related contractual agreements.

SAP® Real Estate Management provides robust functionality for support processes such as records management, document management, and business data and workflow management.

Built-in functions help you monitor critical days and renewal options, make price index-related adjustments and other rent escalations, and manage percentage rent agreements. You can also match vacant properties to requests from prospective tenants; create contract

offers; and calculate chargeable expenses, balances, advance payments, and their adjustments for common-area maintenance reconciliation.

Corporate Real Estate Management
The managers of offices, branches, and other corporate work space help a core business achieve goals such as growth, cost reduction, and a productive environment for employees. SAP Real Estate Management supports these efforts with functions for such key activities as space management and the assignment and movement of employees to specific spaces. You can integrate these functions with your existing CAD visualization tools.

SAP Real Estate Management can also handle room and service reservations for one-time and recurring meetings, as well as the booking of services such as catering. Other tools help you allocate costs for using work spaces and meeting rooms to the relevant organizational units within your company.

Facilities Management
SAP Real Estate Management supports business processes related to building construction, operations, modernization, maintenance, repair, and service with functions that are integrated with SAP software for project systems and enterprise asset management. You can use SAP Real Estate Management to plan investments, monitor construction



SAP Real Estate Management provides strong support for both corporate and commercial real estate management.

and modernization projects, and schedule maintenance work. The application helps you handle notifications for unscheduled maintenance and service requests from users and helps you manage framework agreements about facilities services and material with external service providers. Other features help you plan work orders with external and internal resources and reconcile costs for facilities operations to internal departments and external tenants.

Support Processes

SAP Real Estate Management provides robust functionality for property support processes such as records management, document management, and business data and workflow management. You get powerful tools to do the following:

- Post expenditures and earnings on profit-and-loss accounts
- Create open items on customer and vendor accounts
- Plan and execute cost and revenue postings – including allocations and settlements for profit and cost centers
- Invoice open items on accounts receivable
- Handle payments, collections, dunning, disputes, installments, and write-offs
- Create correspondence and organize incoming and outgoing documents into folders
- Incorporate industry- and customer-specific functions

Driving Revenue and Growth

SAP Real Estate Management helps corporate real estate managers optimize the utilization of space. They can use the application to analyze vacancies, integrate space management activities, track employee assignments to office and meeting rooms, and allocate space usage and service costs to specific departments. By letting companies adapt work space more quickly to the changing needs of their core businesses and providing work space services more effectively, the application can contribute to a company's top-line growth.

For commercial real estate management, the application can enhance revenue and growth by optimizing portfolio value, reducing risk, and facilitating smarter buy and sell decisions. This means a faster return on acquisition and merger investments and a shorter time-to-benefit period for construction and redevelopment activities. SAP Real Estate Management helps optimize lease administration by reducing the time and effort involved in handling recurring procedures, meeting legal requirements, and elevating retention rates and related lease revenues. This – plus increased customer satisfaction and decreased service and administrative costs – can enhance bottom-line growth.

In addition, SAP Real Estate Management helps to ensure that all costs are visible and controllable for any type of property management. You further control expenses by automating transactions and optimizing maintenance, repairs, and building services. Of further benefit is support for improved decision making through the use of automated reports based on such key performance indicators as vacancies, utilization rates, costs, and revenues. For managers of corporate real estate, SAP Real Estate Management provides full transparency into space utilization and the allocation of costs and revenues by department. For managers of commercial real estate, it provides increased insight into all lease and financials data.

SAP Real Estate Management is powered by the SAP NetWeaver technology platform. SAP NetWeaver unifies technology components into a single platform, providing the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver also helps organizations align IT with their business.

Find Out More

Companies in 50 countries across all industries use SAP Real Estate Management to optimize real estate and facilities life-cycle management. To find out how you can benefit from this powerful application, visit our Web site at www.sap.com/realestate.

Summary

The SAP® Real Estate Management application provides full real estate and facilities life-cycle management support for managers of corporate and commercial real estate. In addition to providing a centralized database of information, it offers robust analytical tools and powerful functions for the development, construction, operation, and deployment of property.

Challenges

- Manage complex portfolios resulting from mergers and acquisitions
- Comply with changing legal requirements and compliance in new markets
- Maximize space utilization and services
- Minimize operational costs
- Outsource noncore operational activities
- Optimize risk management

Supported Business Processes and Software Functions

- **Portfolio management** – Manage business partners, track property details, analyze property performance, create standard reports, and handle property changes due to purchases or sales
- **Commercial real estate management** – Automate real estate searches, lease administration, rent escalation, third-party property management, contract offers, and payment calculations
- **Corporate real estate management** – Optimize space management, assignments and moves of employees to specific spaces, and room and service reservations
- **Facilities management** – Plan investments, monitor construction and modernization projects, and schedule maintenance work
- **Support processes** – Gain greater control over records, documents, business data, and workflows and integrate processes smoothly with your financials application

Business Benefits

- Enhanced portfolio value
- Reduced risk
- Smarter buy and sell decisions
- Faster return on acquisition and merger investments
- Shorter time-to-benefit period for construction and redevelopment activities
- Greater cost visibility and control
- Optimized space utilization and lease administration

For More Information

Call your SAP representative or visit us on the Web at www.sap.com/realestate.

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