Lease Administration: Reducing Risks and Costs

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Meet Our Presenters

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THE FOUNDATION FOR CLIENT SOLUTIONS

- Accounts Payable
- Accounts Receivable
- Cash Management
- Bank and Funding
- Reconciliations

Real Estate Accounting

- Tenant Improvement Projects
- Moves, Adds, Changes

Project Management (PM)

- Strategic Portfolio Management
- Deal Execution

Transaction Management (TM)

- Ops & Maintenance
- Energy Management
- Supply Chain
- Office Services

Facility Management (FM)
PROCESSSES

• Not just information – It’s Lease Intelligence

1 DOCUMENT COLLECTION
Coordinate, facilitate and collect your data to flow into a single, central repository

2 ABSTRACTION
Provide a clear picture of your portfolio so you can operate more strategically

3 ENHANCED REPORTING
Better quality data results in more effective reporting

Critical Dates – A strategic “look forward” at your pipeline for possible opportunities

Rent Management – Mitigate your risk of overpayment and underpayment by letting our centralized group of accounting professionals handle review and payment
Case Closed

All stages tracked in Salesforce, with supporting documents & full correspondence available

Update Confirmation

System update confirmation sent back to TM team for their review and comments

Update Verification

System update validated by senior Portfolio Administrator against lease

Abstract Sense Check

Once completed and validated by another individual, abstract is sense checked by lease admin team for completeness

Abstract Input

Signed-off abstracts are ready to upload into system (to supplement data already transferred from Transaction Module)

Pre-abstraction Update

Awaiting for abstract, key details transferred to Contract from Transaction (semi-automated data transfer)

Document Quality Check

Lease Admin team reviews the documents for completeness and sends for abstraction

Document Workflow

System notification automatically logs new abstraction case in Workflow

Transaction Close-out

Lease key details & documents transferred from TM team to Lease Admin via Database (automatic notification)

LEASE ADMINISTRATION PROCESS

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Lease Admin team reviews the documents for completeness and sends for abstraction

Awaiting for abstract, key details transferred to Contract from Transaction (semi-automated data transfer)

System notification automatically logs new abstraction case in Workflow

Lease key details & documents transferred from TM team to Lease Admin via Database (automatic notification)
### Approach to Achieving 100% Data Accuracy

#### Abstract & Update Process
- 4 eye principal
- Independent validation

#### Quality Assurance
- Verifications by 2nd Data Administrators
- Quarterly checks of input & updates quality (DIAC)
- Gap reports and Data Completeness Checks
- Team Leader sample verification
- Error tracker in Salesforce (IQR)
- Quality and Trainings Team

#### Audit
- Risk assessment
- Database accuracy
- Yearly Audits - min 30 records
- Identification of risk areas
- Remedy actions

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**Data Accuracy driven by:**
- Accuracy inherited from previously managed systems
- Ongoing updates
- Lease abstraction projects

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**Go-Live:** Data migrated to database

**Business As Usual:** Data updates by CBRE

**Audit Scope:** Data inherited and Business as usual
# TECHNOLOGY AND REPORTING

## BUSINESS ANALYTICS SERVICES AND VALUE ADDED TO CLIENTS

<table>
<thead>
<tr>
<th>SERVICE TYPE</th>
<th>CORE SERVICES</th>
<th>VALUE ADDED</th>
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| Regular Reporting | - Portfolio Overview  
- Critical Dates Reporting  
- Financial Interims  
- Expiration Reports  
- Month Over Month Variance  
- Rent Export Files  
- Abstraction Issues  
- Executive Dashboard | - Deeper understanding of current portfolio => optimisation  
- Greater control over Client’s RE Finance |
| Ad hoc Reporting  | - Validation Reports  
- Support business with facts & figures  
- Property strategy support | - Ensure data integrity and top quality  
- Deliver information to support decision making process |
| Analytics         | - TM Dashboards  
- Road Map reporting  
- Unallocated Cash Analysis | - Intuitive tailored dashboards  
- No need to have advanced IT skills to analyze advanced reports  
- Dynamic reporting with drill-down options |
HOW WE MEASURE LEASE ADMIN PERFORMANCE

KEY PERFORMANCE INDICATORS

**ACCURACY**
- of lease abstractions and database

**ABSTRACTION**
- of new documents within agreed timeframe

**CRITICAL DATE REPORTS**
- presented at agreed upon times

**DIALY ALERTS**
- and critical date notifications

**ACCOUNTING AND FINANCIAL REPORTING**

**QUALITY CONTROL AND AUDIT**
FASB/IASB LEASE ACCOUNTING STANDARD

Find and abstract ALL leases
Assess systems & third-party provider readiness
Initiate dialog with your auditors

Flowchart data collection and internal review/approval processes:
- Quantify operating expenses & variable lease payments
- Identify “Initial Direct Costs”
- Assess & reassess if renewal options are “reasonably certain”

Identify internal stakeholders, including real estate, treasury, accounting, CFO etc.
Estimate impact to balance sheet, ratios & debt covenants

What can companies be doing now?

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THANK YOU.

Gracias.  謝 謝 .  Salamat.  धन्यवाद.  Obrigado.  شكرا  


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