

Managing Commercial and Mixed Use Properties

CHAM Conference 2005

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Asian Resource Center



Madrone Hotel



Mar Commercial



San Antonio Community Revitalization Initiative (SACRI)



Swan's Marketplace Courtyard



Swan's Marketplace



Avalon



San Pablo Senior Housing



Mr. Hatch's 107th Birthday, Oct 2005



Preservation Park



In-house vs. Outsourcing

Optimal to have in-house staff for cost effectiveness and timeliness, with the following exceptions, which are better placed with outside vendors:

- Pest control
- Equipment maintenance
- Painting
- HVAC
- Large electrical systems
- Roofing
- Plumbing

Skill Sets for Commercial Management Staff

- Leasing
- Construction manager skills/Facilities Manager
- Be able to troubleshoot quickly
- Know your buildings, their systems and maintenance requirements
- Read blueprints easily and accurately
- Budgeting
- Rent roll preparation
- Real estate agent license
- Legal document familiarity

Important Resource for Commercial Development and Management

Separate But Equal Rolodexes (Commercial and Residential)

- Consultants
- Legal Counsel
- Designers
- Construction Managers
- Contractors
- Some Vendors

Fruitvale Village



Working with a Broker

Commission vs. Consulting Comparison

Assumptions:

- 2000 SqFt
- 5 year lease term
- \$2.50 per foot (NNN)
- \$5,000/Monthly Rent
- \$60,000 Annual Rent

| Commission Schedule | | |
|-------------------------|-----------------------|-----------------|
| Year 1 | 7% | \$4,200 |
| Year 2 | 7% | \$4,200 |
| Year 3 | 6% | \$3,600 |
| Year 4 | 5% | \$3,000 |
| Year 5 | 5% | \$3,000 |
| Total Commission | | \$18,000 |
| Consulting Approach | | |
| | Hourly Fee | \$175 |
| | Approximate Hours | 50 |
| | Consulting Fee | \$8,750 |