

Property Management 7th Edition

Chapter Outline

CHAPTER 2: Property Management Economics and Planning

- I. Overview
- II. The General Business Economy
 - A. Seasonal Variations
 - B. Cyclic Fluctuations
 - 1. Expansion
 - 2. Recession
 - 3. Contraction
 - 4. Revival
 - C. Lull
 - D. Long-Term Movements
 - E. Random Changes
 - F. Government Influences
- III. The Real Estate Economy
 - A. Factors Affecting Value of Real Estate
 - B. The Rental Market
- IV. The Management Plan
 - A. Market Analyses
 - 1. Regional
 - 2. Neighborhood
 - a) Boundaries and land usage
 - b) Local building codes and regulations
 - c) Transportation and utilities
 - d) Economy
 - e) Supply and demand
 - f) Neighborhood amenities and facilities
 - g) Evaluating the data
 - B. Property Analysis
 - 1. Thorough Description
 - 2. Leases
 - 3. Physical Condition
 - a) Exterior
 - b) Interior
 - c) Equipment
 - d) Health or safety hazards
 - 4. Evaluating Comparables
- V. Analysis of Owner's Objectives
 - A. Corporate and Institutional Objectives
 - B. Government Objectives
 - C. Individual Owners' Objectives

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- VI. Preparation of the Management Plan
 - A. Financial Planning Reports
 - 1. Operating Budget
 - 2. Five-Year Forecasts
 - 3. Comparative Income and Expense Analysis
 - B. Required Information to Formulate Operating Budget
 - 1. Optimum Rents
 - 2. Gross Annual Scheduled Rental Income
 - 3. Anticipated Revenue
 - 4. Income Adjusted to Reflect Anticipated Market Trends
 - 5. Yearly Operating Costs
 - 6. Reserve Funds
 - 7. Cash Flow
 - C. Operating Budget
 - D. Five-Year Forecast
 - E. Comparative Income and Expense Analysis
 - F. Presenting the Plan
- VII. Summary