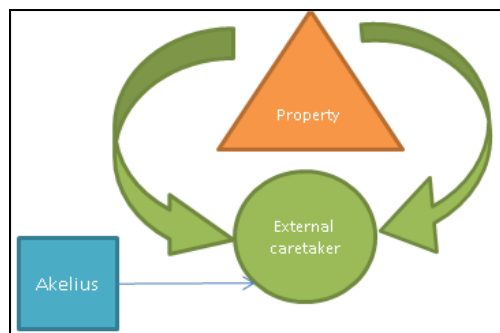


# How do you organize tenant lists when you do not have any business system?

Oliver Trabalski, 2009-04-14

## The initial situation

Before we started the project of implementing our own tenant lists we always requested the list from the external caretaker. In Germany all services concerning the property are outsourced. For general information we had to deal with 14 external caretakers, that was an exhausting work which took a long time.



*Akelius Germany work with external caretakers*

Furthermore, all these companies work with different types of software. As a result of this, they delivered different file types, e.g. pdf-file, different styles of excel files, and in paper format. To analyze, evaluate or work with a tenant list was a tremendous amount of work, to be able to bring the files into an evaluable condition.

*Three weeks before we started with the internal valuation process, we began to collect all the relevant figures. It was completely impossible to get tenant lists we could use instantly. We received copied tenant list (100 apartments) via fax. During the valuation we put all these figures in our standardized excel file. Unbelievable!*

That is why we decided to start a project with our own tenant lists. The whole project took about one month; we started with a requirement analysis, after this we created the template and input all the relevant information. At the end all the employees received training in how to use it correctly.

## Requirements of the tenant list

Before we started with the project we arranged a requirement analysis. To find out what the need was, all employees were asked what they needed. The conclusion of these projects was that the function and handling had to be easy and understandable. Here are some conclusions:

- Easy handling
- All relevant information will be shown fully automatically
- Same partition for easier analysis
- Same style (no different colors and font styles)

We decided to create an excel-based tenant list with all these features.

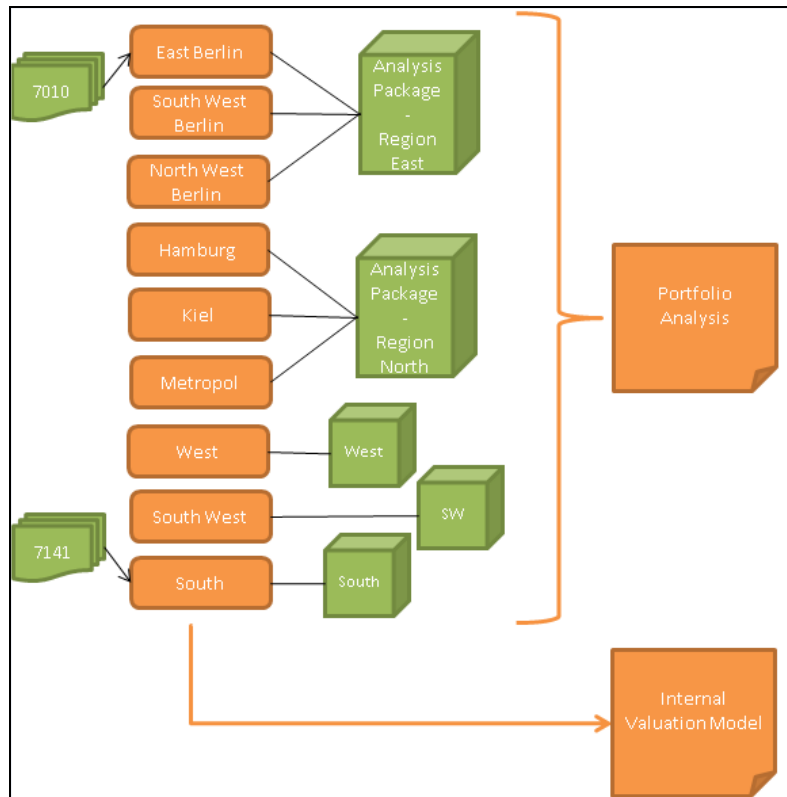
## Importance of tenant list

For every employee a current tenant list is an indispensable tool for their daily work. During the interviews with the Asset Managers we analyzed their requirements, in their daily work the list is used for:

- Letting
- Relevant information about the property
- Potential of rent increases
- Reporting:
  - o Vacancy & Leases
  - o New lease agreements
  - o Business plan
  - o Budget
  - o Reporting to external partners
- Statistics and analysis
- Internal and external valuation

## Structure

Germany is divided in five regions. All in all, Akelius had 152 properties with approx. 8,100 apartments. Moreover, the regions East and North are separated into three sub-regions. For every sub-region we have a dedicated tenant list in excel with all properties. All relevant data flow in the regional analysis package, the package is a powerful tool for the regional managers; they have all key facts summarized. On the top of these files is a complete portfolio analysis for the financial department and the German director. Concerning the permanent updating, all analysis tools are up-to-date. The next diagram shows logical structure of the system.



### *Logical structure*

All tenant lists are used for the quarterly internal valuation. During the valuation process the lists have to copy in the valuation model. The valuation model is linked with the list and updates itself.

## The tenant list

After the requirement analysis we created a template for a tenant list in excel. All figures are counted fully automatically, the style formats are deposited. The file shows you different colors for different situations for an easy overview over the property:

- Red → Vacancy
- Yellow → Notice of terminations
- Green → Re-letting unit

So we assure that the list always has the same partition, style and all the same formulas in the background. Another feature is automatic counting of “New lease agreements” and “Vacancy & Leases”. So we assure that all Asset Manager use the same approach to report the “New lease agreements” and “Vacancy & Leases”. Another important feature is the automatic view of the rent potential relating to rent index (“Mietspiegel”). At all times the rent potential is visualized.

von (YYYY-MM-DD): 2008-01-02  
 bis (YYYY-MM-DD): 2008-12-31  
 Mon.E: Monatszahl: 6  
 Anzahl: 6  
 Filiale: 2  
 NKM: 2.198,63 € NKM: 498,00 €

Anzahl Wohnumzüge: 6  
 Ø Zimmergröße: 1,7  
 Ø Größe in qm: 46,00  
 Neuzugangsmiete: 8,01 €

oben: 6,91 €  
 mitte: 5,63 €  
 unten: 2,83 €  
 40-60: 4,38 €  
 60-90: 2,83 €  
 ->0: 4,28 €  
 Potential: 3,17 €  
 179,31 € 264,07 €

vacant apartments (without contract): 0  
 vacant apartments (with contract): 1  
 other units: 0

Apartment No.	Statistik	Commer.	Total
7026	31	2	33
Vacancy:	1	0	1
Area:	1.806,50	0	1.807,64
Area vacancy:	80,00	0,00	80,00
NO/year:	132,823	16,027	148,660
U./q.m:	0,00 €	10,18 €	

Miete: 4,4%  
 Vacancy fees: 0,0%  
 Vacancy comm.: 0,0%  
 Vacancy: 4,1%  
 3,0%

Objekt	No.	Apartment No.	Street	ZIP	City	Location	sehr	Rooms	Name	Net rent €/m²	Overhead	heating	other	contract	Rent	MWS	Start	End
7026	1	WE	Ostertberger Straße 6	10435	Berlin	VH 1L	60,00	3	Lernhard	157,15	90,00	-	-	Netto	0,00		2007-05-01	2009-04-30
7026	2	WE	Ostertberger Straße 6	10435	Berlin	VH 2L	68,85	3	Koch	232,00	109,00	-	-	Netto	341,00		1995-05-01	
7026	3	WE	Ostertberger Straße 6	10435	Berlin	VH 3L	68,85	3	Sören Meinolf	162,86	109,00	-	-	Netto	256,86		1990-04-01	
7026	4	WE	Ostertberger Straße 6	10435	Berlin	VH 4R	54,88	2	Wassermann	162,86	109,00	-	-	Netto	256,86		1990-04-01	
7026	5	WE	Ostertberger Straße 6	10435	Berlin	VH 5R	65,79	2	Heinrich	274,95	122,26	-	-	Netto	397,21		2006-05-01	
7026	6	WE	Ostertberger Straße 6	10435	Berlin	VH 3R	65,79	2	Di Ciccio	44,55	101,00	-	-	Netto	145,55		1995-05-01	
7026	7	WE	Ostertberger Straße 6	10435	Berlin	VH 4L	63,20	3	Siva	17,01	101,00	-	-	Netto	277,01		1995-02-01	
7026	8	WE	Ostertberger Straße 6	10435	Berlin	VH 4R	57,36	2	Glasman	393,46	89,00	-	-	Netto	482,46		1998-04-01	
7026	9	WE	Ostertberger Straße 6	10435	Berlin	SF 1L	37,87	1	Dognany	25,00	75,00	-	-	Netto	325,00		2007-05-01	
7026	10	WE	Ostertberger Straße 6	10435	Berlin	SF 2L	34,80	1	Wiese	285,36	65,00	-	-	Netto	350,36		2008-08-01	
7026	11	WE	Ostertberger Straße 6	10435	Berlin	SF 3L	34,80	1	Maren	285,36	65,00	-	-	Netto	350,36		2008-08-01	
7026	12	WE	Ostertberger Straße 6	10435	Berlin	SF 4L	35,98	1	Platzek	235,00	66,00	-	-	Netto	301,00		2007-11-01	
7026	13	WE	Ostertberger Straße 6	10435	Berlin	QUEGL	43,50	2	Janaszack	295,00	75,00	-	-	Netto	370,00		2007-08-01	
7026	14	WE	Ostertberger Straße 6	10435	Berlin	QUEGL	43,50	2	Sarah Liene	295,00	75,00	-	-	Netto	370,00		2007-08-01	
7026	15	WE	Ostertberger Straße 6	10435	Berlin	QUEGL	43,50	2	Sharen	295,00	75,00	-	-	Netto	370,00		2007-08-01	
7026	16	WE	Ostertberger Straße 6	10435	Berlin	QUEGL	43,50	2	Sharen	295,00	75,00	-	-	Netto	370,00		2007-08-01	
7026	17	WE	Ostertberger Straße 6	10435	Berlin	QUEGL	43,50	2	Corinna	487,71	7,00	-	-	Netto	494,71		2008-05-01	
7026	18	WE	Ostertberger Straße 6	10435	Berlin	QU TL	45,00	2	Christine	32,00	80,00	-	-	Netto	400,00		2005-04-01	
7026	19	WE	Ostertberger Straße 6	10435	Berlin	QU TL	45,00	2	Jäger	274,95	6,11	-	-	Netto	352,06		1998-03-15	
7026	20	WE	Ostertberger Straße 6	10435	Berlin	QU 2L	48,30	2	Vogel	32,00	80,00	-	-	Netto	400,00		2005-04-01	
7026	21	WE	Ostertberger Straße 6	10435	Berlin	QU 2L	48,30	2	Burke	386,40	8,00	-	-	Netto	394,40		2008-02-16	
7026	22	WE	Ostertberger Straße 6	10435	Berlin	QU 2M	46,27	2	Funk	296,76	6,11	-	-	Netto	302,87		2004-08-13	
7026	23	WE	Ostertberger Straße 6	10435	Berlin	QU 3L	48,30	2	Frederik	216,91	83,00	-	-	Netto	299,91		1998-08-15	
7026	24	WE	Ostertberger Straße 6	10435	Berlin	QU 3M	49,00	2	Maist	44,00	9,00	-	-	Netto	53,00		2008-07-16	
7026	25	WE	Ostertberger Straße 6	10435	Berlin	QU 4L	54,50	3	Janine-Bettina	301,93	145,00	-	-	Netto	446,93		2009-01-16	
7026	26	WE	Ostertberger Straße 6	10435	Berlin	QU 4M	54,50	3	Janine-Bettina	301,93	145,00	-	-	Netto	446,93		2009-01-16	
7026	27	WE	Ostertberger Straße 6	10435	Berlin	QU AM	48,57	2	Rebe	316,70	83,00	-	-	Netto	399,70		2005-08-01	
7026	28	WE	Ostertberger Straße 6	10435	Berlin	QU AR	64,56	2	Tanneberger	384,13	105,00	-	-	Netto	489,13		2005-08-01	
7026	29	WE	Ostertberger Straße 6	10435	Berlin	VHDGR	64,00	1	Klar	550,00	104,00	-	-	Netto	654,00		2004-12-01	
7026	30	WE	Ostertberger Straße 6	10435	Berlin	QU DGR	131,50	4	Lorenz	937,00	189,00	-	-	Netto	1126,00		2003-09-01	
7026	31	WE	Ostertberger Straße 6	10435	Berlin	EG GE	72,88	0	Andreas	765,75	98,00	-	-	Netto	863,75		1999-05-01	
7026	32	WE	Ostertberger Straße 6	10435	Berlin	EG GE	72,88	0	Haupt	765,75	98,00	-	-	Netto	863,75		1999-05-01	
7026	33	WE	Ostertberger Straße 6	10435	Berlin	EG GE	72,88	0	Haupt	765,75	98,00	-	-	Netto	863,75		1999-05-01	

Example - tenant list

## Functionality (Excel)

In this chapter the author wants to give a quick overview over some excel-formulas used, with these few formulas the tenant list were produced.

### 1) SUM

The formula is used for normal accumulation of rows or columns. Use it for the counting of the square meters.

### 2) SUM PRODUCT

If you want to count with one or more attributes, you have to use this formula. For example you want to sum the square meters of all vacant apartments. In this example you have to use a formula with two attributes.

### 3) COUNTIF

This formula is used for the counting of special sources. Use it when you want to count the number of apartments.

### 4) IF

IF functions are one of the most versatile functions available in Excel and other spreadsheet programs. What this function does is test a value in a specific cell to see if that value meets a certain condition. If it does, one result will happen, if not a different action can occur.

### 5) Combination of these formulas

All these formulas were frequently used together in the combined formula.

### 6) Relative and absolute references for queries

When you copy a formula, you have the choice of making it relative or absolute. Relative references adjust to location. Absolute references remain constant regardless of location.

## Statistic tool

With all this given information, we created the statistic part of the tenant list. Concerning the work with relative and absolute references it is possible to analyze all the tenant lists. We created a statistic summary for every region. The tool can be used by the regional manager for example to have a quick look over the vacancy in their region, and which property is responsible for the change of the vacancy ratio in their region. Before the manager requests the different information from the appropriate asset manager, they can have a look at this tool. Another interesting effect of this statistic tool is the regional tenant list. Here you will see every lease contract in one file. To analyze a complete region is quite easy. With one click you see all vacant units (apartment, commercial and other units),

abrogation and re-letting units. You find an overview segmentation of the portfolio.

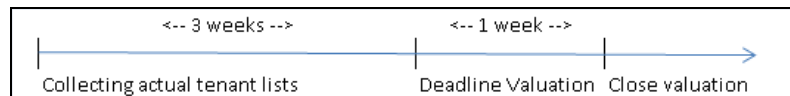
	Units			Area		Vacancy [Units]			Vacancy [Area]		Vacancy [per cent]		Vacancy [HLA]		New vacancy	
	Residential	Parking	Commercial	Residential	Commercial	WE	STPL	GE	WE	GE	Units	sqm	Units	sqm	Units	sqm
<b>Region Ost</b>	4 288	504	74	260 506	9 495	142	84	5	8 401	467	3,31%	3,22%	38	2273	2,43%	2,35%
I - Ost	1 650	120	34	99 340	5 700	36	10	0	2 263	0	2,16%	2,20%	0	510	1,70%	1,76%
II - NWB	1 514	168	8	85 774	695	56	29	0	3 338	0	3,70%	3,89%	20	1181	2,38%	2,52%
III - SWB	1 122	208	32	75 391	3 100	50	45	5	2 801	467	4,46%	3,71%	10	575	3,57%	2,86%
<b>Region Nord</b>	2 025	559	59	115 479	5 365	41	155	4	2 603	277	2,02%	2,25%	2	103	1,93%	2,17%
Hamburg	1 384	296	52	76 758	4 550	20	89	4	1 189	277	1,47%	1,52%	0	0	1,47%	1,52%
Kiel	404	75	4	24 554	558	13	22	0	868	0	3,22%	3,54%	2	103	2,73%	3,12%
Metropol	257	188	3	14 167	257	8	44	0	565	0	3,11%	3,99%	0	0	3,11%	3,99%
<b>Region West</b>	237	62	4	13 874	516	5	5	1	298	200	2,11%	2,15%	0	0	2,11%	2,15%
<b>Region Süd West</b>	308	192	17	20 662	1 456	1	27	0	66	0	0,32%	0,32%	0	0	0,32%	0,32%
<b>Region Süd</b>	1 063	786	15	68 691	2 111	19	75	0	1 211	0	1,79%	1,76%	4	264	1,41%	1,36%
<b>Germany</b>	7 919	2 083	169	479 211	18 943	208	346	10	12 579	944	2,63%	2,62%	44	2 640	2,07%	2,07%

**Statistic tool – Summary Germany**

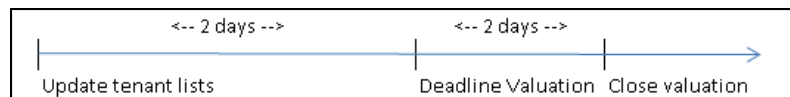
## Economical process flow

It is clear that we save a lot of time when we implement our own tenant lists. To illustrate the time saving the author wants to show the valuation procedure.

Before we used our own tenant list, we started three weeks before the valuation deadline with the collecting of the tenant list. When we had collected all lists, we transformed them in our template. All in all we needed approx. 4 weeks.



With the standardized lists, it is possible to value our properties within 2 days. When all files are updated we enter them in a quick and easy way into our valuation files.



Another concrete example for saving time is when banks or other external provider need a tenant list, or the time saving for the internal reporting.

## **Conclusion**

The reorganization of our tenant list was a worthwhile project. The time saving is enormous. Now we can focus on property development and not so much time on reporting and tenant list organization. The project is also preliminary work for when we implement our new IT-system.