

Back to the Basics Series
**Construction, Property Management,
& Asset Management Basics**

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CONSTRUCTION CLOSING



- Finalize architectural plans/specifications & get government approvals
- Bid for & hire general contractor
- Insurance
- Hire other vendors (PW monitor, environmental consultants, deputy inspector, CASp, etc.)
- Update financials & reports
- Update property management & services plans
- Finalize lender/investor agreements
- Construction loans close & investor enters partnership.
- Money available to start!



MANAGING THE CONSTRUCTION PROCESS

- Construction - Now the fun begins ... but why is it so expensive!
- What's the Project Manager's/Owner's role?
 - Staying on schedule, remaining within budget, quality control, & lease-up
 - Ensure project meets all government & lender requirements
 - Consultant coordination (CASp, LEED, etc.)
 - Utilities!!



MANAGING THE CONSTRUCTION PROCESS: DRAWS

- Weekly meetings: Owner, Owner's Rep. (Const. Mgr.), GC, & Architect
- RFI's, Submittals, Potential Change Orders, & Change Orders
- Ensure compliance with lender requirements
- GC progress payment request, backup documentation, & lien waivers
- Draws on loans tied to construction progress
- Monthly draw meeting with Lender's inspector
- 10% retention
- Insurance, Performance & Payment Bonds



THE TRANSITION PLAN

- Finalize Property Management & Service Plans
- Hire on-site staff
- Set-up bank accounts
- Hire all vendors
- Furnish all offices & community spaces
- Turn-on all utilities
- Punch Walk
- Obtain Cert. of Substantial Completion
- Temp. Certificate of Occupancy (CofO)

- CofO/Placed In Service
- Final Completion



LEASE-UP AND GRAND OPENING

- Begin operating the property
- Lease-up
- Start services
- Grand Opening: Time to celebrate!



PERMANENT FINANCING CONVERSION

- Government approvals
- Lien releases/endorsements
- As-builts/ALTA survey
- Insurance
- Final application for payment
- Cost audit
- Update financials
- Compliance certifications
- Review & finalize permanent loan documents



FINAL CLOSE-OUT

- Create Project Close-out Manual
 - Affordability matrix
 - Lender requirements
 - Final as-built plans
 - GC & subcontractor information
 - Final specifications
 - Warranties
 - Unique aspects of the project
 - System controls
 - Permits, (T)CofO, & NOC
 - Approved property management & services plans

- Create Operations Manual, Capital Plan, & Preventative Maintenance Plan
- PIS Package and 8609 (IRS approval)



ASSET MANAGEMENT: WHAT IS IT?



- Assist with design, determine specifications, & input on VE
- Help with Transition Plan & permanent conversion
- Fiscal health of portfolio
- Physical health of portfolio
- “Green” upgrades
- Regulatory compliance
- Capital renovations
- Long-term Repositioning Strategies



CONCLUDING REMARKS

If you have any questions, feel free to contact either of us at

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