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

Alexander Russell
COO
Many Mansions

Derrick Wada
VP of Real Estate
Many Mansions
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

Summit View Residents are Moving in!
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)
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 ....

Alexander Russell, COO
Phone: 805-338-4117
Email: alex@manymansions.org

Derrick Wada, VP of Real Estate
Phone: 805-496-4948 ext. 228
Email: derrick.w@manymansions.org