

The University of Melbourne

Semester Two, 2005

Faculty of Architecture, Building and Planning

Subject Number: 702-855

Subject Title: Property Management

Exam Duration: Three (3) hours

Reading Time: 15 minutes

This paper has 3 pages

Authorised materials:

Electronic calculators

Instructions to Invigilators:

Standard script books only required.

Exam paper may be removed from the examination room.

Instructions to students:

The student is to write their student number on the examination answer booklet.

Answer FIVE questions: both questions in Section A are compulsory; then choose 3 from Section B.

The allocation of marks is shown on each question. Start each question on a new page.

Paper to be held by Baillieu Library

Paper to be held by Architecture Library

SECTION A – Answer BOTH questions in this Section

Question 1 - compulsory

(35 marks)

You are the senior Corporate Real Estate (CRE) Manager for an Australian company which manufactures products that are marketed around Australia and South-east Asia. The Chief Executive Officer (CEO) has asked you to prepare a report detailing your advice regarding a property strategy that could be implemented to support the organisational strategy detailed in the following scenario.

The Scenario

The company's property portfolio currently consists of a number of freehold premises including an up-to-date manufacturing plant and a nearby but separate, head office building in which the company's administrative, sales and product support teams – all of which service the entire region – are located. Your market is in every state of Australia, both metropolitan and major regional centres, as well as a growing overseas sector. However, the domestic market is mature and in order to increase profitability the company is about to embark on a strategy of developing brand identity and differentiation from its rivals. This includes providing a better and more responsive service to new and existing clients, both locally and off shore.

Prepare a response for submission to the company's board of directors, in report format, based on this scenario. It may be appropriate to discuss aspects and recommendations which may include, *inter alia*:

- Method of tenure for the property holdings
- Retention or disposal of existing properties
- New properties that may be required
- Workplace practices with property implications which may be employed
- Holistic performance measurement tools that could be used to align organisational and property strategies, and the types of measures so included
- Organisation of the CREM unit to support this new strategy
- Non-property ways of achieving the strategy that have consequences for property requirements.

Ensure that you state any assumptions you adopt clearly and that they conform to the context of the question.

Question 2 - compulsory

(35 marks)

With reference to the topic of your term paper this semester in this subject, identify the context, issues and prospects of relevance to the property management paradigm. Your discussion should provide critical analysis, synthesis and review of the material presented. Case study material may be incorporated where relevant.

SECTION B – Choose THREE questions from this section

Question 3

(10 marks)

Discuss the following statement from the perspective of the management of the shopping centre asset: *'Retailers are our clients.'* - State Manager, ASX top 50 property investment company, 2005

Question 4

(10 marks)

Identify and discuss the nature of the standard terms and conditions of a lease for a commercial property tenancy and its significance for the effective management of the property asset from the point of view of the lessor, the lessee and the property manager.

Question 5

(10 marks)

Critically discuss the following proposition: The effective management of property assets in the public sector is subject to and constrained by considerations which are significantly different from the management of those in private ownership.

Question 6

(10 marks)

Your client has recently returned from a business trip to a trade fair in northern Europe and was impressed by the focus on environmental sustainability which was a feature of premises occupied by similar business organisations there.

In the role of facilities manager, provide your client with a brief report to support the introduction of changes which would provide a more effective workplace if the triple bottom line considerations of investment return, environmental sustainability and ethical responsibility were to be incorporated in the company's working environment.

Question 7

(10 marks)

Discuss the proposition that leading facility resource management practices need to draw as much upon human resource management as on the traditional facilities management paradigm.

END OF EXAMINATION PAPER