

SAP Solution Brief

SAP for Engineering, Construction & Operations

SAP Commercial Real Estate

PORTFOLIO VISIBILITY AND PROPERTY LIFECYCLE MANAGEMENT

PROACTIVELY GROWING YOUR BUSINESS WITH AN INTEGRATED SOLUTION

The SAP® Commercial Real Estate application is an integrated solution that enables you to manage complex property portfolios covering retail, industrial, and residential properties as well as landholdings. Empower yourself to make better decisions, increase your competitive position, and grow your margins.



Challenges Facing Commercial Real Estate Companies

Commercial real estate companies are under constant pressure to increase their margins by maintaining high occupancy levels, investing in the right markets at the right time, delivering projects on time and within budget, controlling operating costs, and getting full reimbursement for their common area maintenance expenses. And they must do all this while strategically planning their growth and diversification into new geographical areas. Leaders in commercial real estate require insight into every aspect of their business, enabling them to make the right decisions regarding their operations and strategies to maintain and increase margins in an ever-changing and competitive industry environment.

Although point solutions can support certain industry-specific business processes, many such solutions are incomplete. As point solutions, they do not have the functionality to support the entire real estate lifecycle in a fully integrated manner, nor do they support a broad range of country localizations with respect to language, currency, measurement types, tax requirements, and so on. In addition to these functional shortcomings, point solutions have a fundamental technological barrier. They lack full integration with automated functionality that can provide complete transparency and real-time access to a single version of the truth. In addition, they are dependent on interfaces that require time, effort, and expense to build and maintain.

The SAP® Commercial Real Estate application helps eliminate these barriers by providing a property lifecycle solution that delivers a single integrated data source as well as an integrated analytical layer for customized reporting, portfolio analysis and valuation, and capital planning. As part of the SAP for Engineering, Construction & Operations solution portfolio, this application integrates with other readily configurable SAP software solutions, including the SAP ERP application and the SAP NetWeaver® Business Warehouse component. The result: you can quickly automate and streamline your operations and gain greater insight into the performance of your real estate portfolio.

Real-Time Visibility and Reporting for Property Portfolios

One of the biggest challenges facing commercial real estate executives is portfolio insight. This challenge could include monitoring building occupancy levels or accessing portfolio data needed to plan for future investments. With SAP Commercial Real Estate, you gain access to a single source of real-time and historical data that is integrated throughout the entire enterprise. This single source of the truth simplifies access to information by senior management, giving them an accurate basis for their decision making, budgeting, and planning as well as providing them a complete audit trail. Through the application's role-based portals, managers, departments, and teams across the company gain instant access to information they need to fulfill their responsibilities, while built-in security features help ensure data consistency and integrity.

THE BEST-RUN BUSINESSES RUN SAP™



Fast and Accurate Analysis for Investment Strategies

SAP Commercial Real Estate helps you make smarter growth and diversification decisions. A fully integrated analytical layer captures data, such as core financial, project, facility maintenance, and real estate data, from all integrated solutions. It provides you with customized reporting functionality and calculation tools that help you analyze your data more easily. With better business intelligence at your fingertips, you can manage your portfolio more effectively and improve the accuracy of your capital planning, budgeting, and forecasting.

Real-Time, Flexible, and Collaborative Project Management

SAP Commercial Real Estate gives you the flexible, collaborative, and real-time functionality you need to help ensure consistent quality and lower financial and scheduling risk during projects. You gain better visibility into capital improvements, tenant build-outs, and build-to-suit projects for better cost control, budget forecasting, and adjustments. Automated project scheduling helps you keep projects on track. Accurate and real-time data capture helps your teams and departments work together more efficiently.

Tenant Retention and Control of Operating Expenses

By providing visibility and process automation across the entire lifecycle of your properties, SAP Commercial Real Estate helps you optimize facility-related processes and view associated costs so that you can pinpoint and reduce

operating expenses accordingly. It enables you to proactively monitor and control costs. It also provides you with real-time occupancy information, allowing you to track costs related to underutilized space. It can help you improve service provider and client satisfaction by accelerating the capture and fulfillment of administrative and maintenance requests. Improved communication with tenants, landlords, and service providers helps you make sure that procedures and policies are followed.

Automated Common Area Maintenance Cost Calculations and Recovery

Firms managing shopping centers, retail malls, office environments, and industrial parks may have thousands of tenants with individual leases and multiple expense pools across hundreds of properties. Landlords are required to calculate and pass through the correct amounts of common area maintenance (CAM) charges to their tenants. The SAP Common Area Maintenance Expense Recovery application is a fully integrated and highly flexible add-on solution to SAP Real Estate Management. It allows effective control of expense recoveries by automating this process, so you can optimize your investment planning and receive full reimbursement for your common area invoices.

Proactive Lease Administration

You can proactively manage the entire lease lifecycle, from initial lease abstracting and setup through billing, lease changes, critical-date tracking, renewals, and lease expiration or early termination. The software helps you



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ensure that no lease-critical date goes unnoticed. Automated processes and templates increase productivity and minimize the risk of human error, helping you keep tenant and landlord satisfaction high and administrative costs low. Complete integration with the SAP ERP Financials solution allows for a clear audit trail of all financial activities related to your lease portfolio and a clear view of tenant and landlord accounts. This integration also supports the automation of special accounting posting requirements.

Integrated Document Management

SAP Commercial Real Estate provides an open platform that allows you to link your existing documents to the relevant real estate objects. Alternatively, you can use SAP tools to store and organize your documents and correspondence that have been generated using software such as SAP Interactive Forms software by Adobe or "smart form" functionality from SAP.

Scalability and Flexibility for Future Growth

SAP Commercial Real Estate supports the scalability and flexibility your company needs to move swiftly to execute new strategies. It has a broad range of localizations that support your company's entry into new geographical areas. You can also diversify your portfolio with greater ease because the application supports a variety of lease and process templates across all property types.

Enterprise Performance Management

SAP BusinessObjects™ enterprise performance management solutions integrate with SAP Commercial Real Estate. This can help you improve enterprise performance by aligning strategy with the actions required to achieve it. The openness of SAP software enables lease-level budgeting and allows you to consolidate financial and nonfinancial information to obtain a more complete picture of the performance of your portfolio. You gain the insight necessary to make better decisions about the acquisition and disposition of properties in your portfolio.

Best Practices for Business Planning and Consolidation

In the past five years, the combination of consolidation and corporate growth has resulted in commercial real estate companies that lack the underlying management processes needed to support further growth. To sustain revenue growth and profitability, you need more detailed investment analysis, more effective operational management, and more sophisticated market forecasting.

The SAP Best Practices for Business Planning and Consolidation package provides methods, tools, and documentation that help commercial real estate companies implement best practices for managing complex processes, develop investment strategies for growth, and maximize the use of resources.

Partner Ecosystem

SAP has an extensive partner ecosystem and has taken steps to make sure that your SAP solutions are not only compatible but also run on the same platform and share a common architecture whenever possible. Software integration delivered by partners supports your CAD software and geographic information system (GIS) technology by providing views of floor plans and geographic visualization of land parcels, buildings, and other portfolio-relevant structures. These visualizations can also support activities such as space planning and move management by enabling you to "see" spaces and their allocations. In addition, SAP software provides standard interfaces to CAD and GIS applications from key partners to better support your everyday business processes.

Benefits Summary

Key benefits of SAP Commercial Real Estate include:

- Improved transparency and portfolio visibility through more accurate property analysis and enhanced forecasting capabilities
- Integrated analytics that provide quick and accurate reporting for better decision making
- More control over project operations with better data visibility

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- Greater ability to overcome operational problems resulting from growth and increased complexity
- Proactive and strategic lease management for increased tenant retention
- Automated processes across the entire property lifecycle to improve efficiency, control costs, and enhance tenant satisfaction
- Increased project visibility and collaboration for delivering projects on schedule and within budget
- CAM expense recovery that permits owners and operators to receive full reconciliation of CAM-related expenditures

For More Information

To find out how your company can benefit from SAP Commercial Real Estate, contact your SAP representative or visit us at www.sap.com/industries/eng_construct/index.epx.

Summary

The SAP® Commercial Real Estate application delivers a single integrated data source and an integrated analytical layer for customized reporting, portfolio analysis, and capital improvements planning.

Business Challenges

- Maintain high occupancy levels, invest in the right markets, and deliver projects on time and within budget
 - Control operating costs and reduce financial risk
 - Correctly calculate and pass through common area charges to tenants
 - Grow and diversify into new geographical areas
 - Achieve greater insight into all aspects of the business and optimize the product portfolio
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Key Features

- **Portfolio management** – Achieve more accurate property analysis and real-time forecasting
 - **Project management** – Keep projects on time and teams working efficiently with automatic scheduling and real-time project data capture
 - **Common area maintenance expense recovery** – Automatically settle common area invoices for shopping centers, retail malls, and office environments
 - **Lease management** – Minimize manual efforts and errors associated with repetitive and complex processes through automation, critical-date tracking, and templates
 - **Document management** – Link documents to real estate objects or use SAP tools to store and organize documents
 - **Enterprise performance management** – Gain a more complete picture of your portfolio's performance by integrating with other SAP solutions
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Business Benefits

- **Better-informed decision making and more accurate forecasting** with increased transparency and visibility into your portfolio
 - **Faster execution of new strategies** with more accurate analyses and enhanced forecasting functionality
 - **Improved cost management** with a single source of real-time and historical data that is integrated throughout the enterprise
 - **Enhanced tenant satisfaction** thanks to automated processes, proactive lease management, and improved communications
 - **Greater collaboration among project teams** that enables your company to deliver projects on time and within budget
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For More Information

Call your SAP representative, or visit us at www.sap.com/industries/eng_construct/index.epx.

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