

**SAP Solution Brief**  
**SAP Real Estate Management**



## **OPTIMIZED PROPERTY PORTFOLIO MANAGEMENT FOR PUBLIC SECTOR ORGANIZATIONS**

**Increase the Value of Property and Real Estate Investments**

Public sector organizations own and manage a wide variety of real estate as part of their mission to deliver constituent services. A comprehensive, single solution can help you manage the complete life cycle of real estate assets and make timely, accurate decisions. The SAP® Real Estate Management application, part of the mySAP™ ERP application, helps you optimize the value of property portfolios by streamlining management processes, reducing costs, and enhancing control.

Public sector organizations are among the largest property and real estate owners in the world. All levels of government – central and federal, state, regional, and local – own, manage, and maintain real estate and physical property, such as land, buildings, and structures. The uses of this real estate are widespread and varied: government facilities where services are provided, military installations, police and fire departments, schools and universities, recreation facilities, and transportation hubs such as railway terminals and airports. These properties and infrastructure elements are crucial to the ability of public administrations to fulfill their mission of delivering constituent services.

Providing optimal service and efficiency, especially in a changing economic and social climate, demands that agencies prudently manage and control these properties. Yet many public sector organizations lack a unified, holistic view of their real estate holdings. They often have difficulty making decisions that optimize property values. Frequently, they struggle to stay current with such issues as compliance and regulations, timely payment of taxes, and maintenance and repair.

Your administration needs a single, comprehensive source of information about its real estate portfolio and powerful, integrated business software that helps it make accurate, timely decisions that optimize its investments. The SAP® Real Estate Management application, which is part of the mySAP™ ERP application, helps you gain insight into and enhance control over your entire portfolio of property and real estate investments. By helping you streamline and manage every stage of the real estate portfolio life cycle, SAP Real Estate Management lets you increase the value of your agency's property holdings and optimize their management – delivering enhanced value to your constituents and stakeholders through new efficiency, control, and cost savings.

## **Lack of Visibility and Integration Compromises Control and Efficiency**

Cost-effective management of public infrastructure is critical for public sector organizations to provide services to constituents, whether internal or external to the organization. From driver's license bureaus to health and human services agencies to customers and border control points, physical properties are essential to delivering these vital services. However, careful management and control of this infrastructure is often problematic.

Public sector organizations struggle with a variety of property portfolio management challenges, including the following:

- **Lack of transparency**  
Clearly understanding the full portfolio of property owned can be difficult. Often, it is impossible to verify whether property is being used in compliance with various regulations.
- **Limited space optimization**  
Without cross-organizational visibility into the properties owned, you can't optimize property and space utilization. Without an integrated business system that can assign internal costs based on usage, you have no way to prioritize space usage or identify opportunities to reduce space consumption.
- **Compromised savings opportunities**  
Decentralized management of real estate can prevent you from leveraging potential savings that you can realize from bundling purchases for services, standardizing management processes, or outsourcing.
- **Poor process integration**  
For most agencies, real estate contract accounting and public tax and revenue management capabilities are separate, discrete, unintegrated systems. A centralized solution enables you to make decisions and take action based on more accurate and complete data. For example, property managers could match rental law-related postings with budgeted values specified in the agency's funds management applications.
- **Insufficient support for socially responsible decision making**  
With discrete automated or manual information systems, agencies lack the consolidated information they need to make fair and timely decisions. For example, many governments manage public housing agencies that allocate living spaces based on predefined social criteria. To properly fulfill their social responsibilities, these organizations require the ability to efficiently handle mass contracts.
- **Inadequate tax revenue management**  
For local governments, property tax revenues represent the greatest contribution to the general fund. Yet many agencies lack the capabilities to maximize compliance or to ensure that the taxpaying process – including calculations, invoicing procedures, and collection efforts – is handled accurately and in a timely fashion.
- **Vast quantities of data**  
Public authorities are responsible for managing huge volumes of property-related data in public registers. These registers, which can include public information about ownership, rights and limitations, development plans, site protection, and ground contamination, to name only a few, are typically not electronic and not linked to the primary data processing systems. This lack of integration makes it difficult for property managers to efficiently access the appropriate information about a parcel or building.

## **Powerful Support for Every Stage of the Real Estate Portfolio Life Cycle**

Offering the solution that public sector real estate managers need to streamline and manage every stage of the real estate portfolio life cycle, SAP Real Estate Management delivers the strategic and operational support that can make property management a core competency of your agency. With this solution, you can do the following:

- **Professionally acquire and dispose of properties**  
You can judiciously manage the building, trade, and leasing of property. The application handles accounting for real estate purchase and sales contracts, as well as the acquisition and retirement of assets. You can plan, monitor, and execute the construction of new property while collaborating with construction partners. You can also manage lease terms from inception to termination.
- **Intelligently manage real estate portfolios**  
You can analyze and manage all property-related data, including property type, usage details, business partners, and property register information.
- **Efficiently handle property management tasks**  
You can handle real estate requests from internal and external parties, fulfill existing offers, address the terms of existing leases and other contracts, and cost-effectively execute labor-intensive processes, such as adjustments to rent or other charges and maintenance of common areas.
- **Execute management tasks**  
You can proactively address management issues, such as building operations, maintenance and repair, and modernization and refurbishment. You can track regular maintenance and services against plans and maintenance task lists, and you can manage procurement activities such as processing bids and awarding contracts.

## ▪ **Streamline processes through integrated support**

Because SAP Real Estate Management is part of mySAP ERP, it is closely integrated with the financials and logistics functions of mySAP ERP. This integration helps you streamline processes and quickly access information. For example, when you process leasing transactions, your related accounting, controlling, maintenance, and reporting functions are seamlessly updated. You can also automatically generate comprehensive reports, manage documents and records, and work with text and files using Microsoft Office and Adobe Acrobat. You can create a wide variety of standard reports on contracts, conditions, vacancies, costs, and revenues, as well as standard letters for mass processes such as rent adjustment, service charge settlement, or sales-based rent settlement.

## **New Transparency and Control in Property Management**

With increasing taxpayer demand for accountability and a changing social climate, public administrations can no longer afford to rely on rigid, monolithic business systems to support their property management strategies. Instead, you need a solution that can increase efficiencies, improve economic viability, enhance process transparency, and support effective communication with the public.

SAP Real Estate Management helps you to increase the value of your property portfolio by providing such benefits as:

- **Enhanced strategic business insight**  
With the comprehensive and real-time data provided by the SAP application, you can better analyze data on existing properties and proactively manage your portfolio. The application can be integrated with a variety of computer-aided design and geographic information systems, giving you unprecedented visibility and management of physical space. Using key performance indicators, you can track revenues, costs, and related financial data throughout your property portfolio.

■ **Improved communications**

Efficient communication with internal and external users helps property managers to actively manage properties while addressing changing market conditions, tenant needs, and agency requirements. You can even offer dedicated, Web-based self-service information and services to tenants.

■ **Increased productivity and efficiency**

Automated service and contract management features reduce the time spent on routine tasks, while freeing you to focus on value-enhancing activities such as cost reduction and space optimization.

■ **Streamlined processes for increased flexibility**

By using the application to handle routine procedures – like calculating usage fees for publicly funded houses or approval processes shared by different authorities – you can enhance your agency’s efficiency, as well as its ability to flexibly respond to changing requirements.

**Building Your Own Success**

To learn more about how SAP can optimize your property portfolio, call your SAP representative today or visit us on the Web at [www.sap.com/realestate](http://www.sap.com/realestate).

**Powered by SAP NetWeaver®**

SAP Real Estate Management is powered by the SAP NetWeaver® platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organizations align IT with their business. With SAP NetWeaver, organizations can compose and enhance business solutions rapidly using enterprise services. As the foundation for enterprise services architecture (ESA), SAP NetWeaver allows organizations to evolve their current IT landscapes into a strategic environment that drives business change.

**Public Sector Organizations Realize the Value of Integrated SAP® Solutions**

The SAP® Real Estate Management application is being successfully used by many public sector organizations around the world, including:

- Auckland City Council, New Zealand
- BIMA – Bundesanstalt für Immobilienaufgaben, Germany
- Camara Municipal de Lisboa, Portugal
- Christchurch City Council, New Zealand
- City of Ghent, Belgium
- City of Ottawa, Canada
- Landeshauptstadt Stuttgart, Germany
- LEG – Landesentwicklungsgesellschaft Baden-Württemberg, Germany
- Ministerie van Financien, Netherlands
- ÖSAG – Österreichische Autobahnen- und Schnellstraßen-Aktiengesellschaft, Austria
- Österreichische Bundesforste AG, Austria
- Toronto District School Board, Canada