

## Facility, Asset and Property Management: Inter-changeable?

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Readers might have come across one or more of the above terms and some people seem to use them inter-changeably. Nonetheless, in more technical parameters, and while the three aspects are somewhat related, **they have different emphasis and focus**. A brief summary is as follows (bearing in mind this may not be the only acceptable or the best description):

- a) **Facility Management** = in simple terms, this is concerned with making the best possible use of 'facilities', including but not limited to real estate facilities, to ensure and enhance the optimal business operations and efficiency of the user / owner corporation. It involves various aspects and processes, including human and managerial ones, and the well being of the user / owner's business scope and operations takes priority. Corporations like IBM, Microsoft, Coca-Cola etc which own and / or lease various 'facilities' around the world, a facility management approach can help them identify their facility needs, reduce idle facilities, plan for better facilities, and enhance operational efficiency.
- b) **Asset Management** = this is concerned with making the best possible use of real estate assets, via disposition, acquisition, investment and / or development, to achieve the best possible revenues and income given certain time, return and risk parameters. In short, the basic approach or aspiration is quite similar to stock / bond (also a type of assets) fund management, the only difference is that a real estate asset manager would be dealing in real estate assets. Also, some of the real estate analytical tools have also been 'borrowed' from stock / fund analysis. The economic performance of the real estate assets is paramount in this aspect. Obvious examples of business operations requiring asset management would be the real estate developers, funds or investment trusts.
- c) **Property Management** = this focuses more on the day to day running and management of real estate properties. There are broadly two aspects. (1) Lease or User Management = i.e. by and large the 'software' aspect e.g. collection of rents, attention to user needs or requests, tenancy coordination and recording etc. (2) Building Maintenance = i.e. the 'hardware' aspect e.g. fixing leaking pipes, performing routine building tests, renovating dilapidated portions etc. The latter may also be further divided into several categories = (a) Preventive Maintenance, such as routine inspections of elevators, (b) Regular Maintenance, such as replacement of fire extinguishers in batches before expiration, and (c) Ad-Hoc Maintenance, such as fixing a leaking drain pipe.

If there is any relationship between the above three aspects, it would be that the first two would require **a good property management team** to maintain, monitor and manage their facilities and assets so that the desired results would be achieved (or have a better chance of being achieved).