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The hidden ROI of efficient property management

Unlocking profitability through streamlined operations, enhanced tenant experience, sustainability, and technology.



Efficiency leads to profitability

Property owners and managers are constantly seeking new ways to enhance the profitability of their assets. One often overlooked aspect that can significantly impact a bottom line is the efficiency of day-to-day operations.

By pairing streamlined workflows with the right technology solutions, property owners can **significantly** enhance the efficiency of their maintenance and service ticket processes.

And those enhancements can lead to real dollars.

For instance, the most effective property management teams use technology to streamline work orders, preventive maintenance (PM), and regular inspections to proactively address issues before they become major problems – and they do it far more easily than those who rely on old-school methods. When these three areas of property management are streamlined, it leads to tangible results that can help increase the profitability of a building.

Here's how:



Faster response times to tenant issues

Prompt responses to requests coupled with proactive maintenance greatly enhances the tenant experience. In fact, some technology platforms will actually track tenant satisfaction ratings for you over time. Satisfied tenants are more likely to renew their leases, reducing vacancy rates and securing a consistent revenue stream.

The ROI: Higher tenant satisfaction ratings. Happy tenants keep longer leases. Prism by Building Engines makes it easy to capture real time tenant feedback and service ratings and boost satisfaction scores to 95% or higher.



Cost efficiency and optimization

Efficient maintenance and work order processes also prevent additional expenditure on costly repairs that can occur due to neglected upkeep. Furthermore, cost profiling is significantly improved, enabling precise resource allocation and forecasting.

Modern proptech solutions can greatly boost service efficiency by enabling your property teams to complete more tasks at a quicker pace. With capabilities for incident management, preventive maintenance, work order management, and inspections, building operations technology helps streamline key operational processes. Case in point, Lillibridge Healthcare Services reported a 73% productivity improvement in work orders and other activities after implementing the Building Engines platform.

The ROI: Increased service efficiency. Property management technology can help teams complete tasks 2x faster (at least) – from work orders and incident management to preventive maintenance and inspections.



OpEx reduction

Operational expense (OpEx) reduction is another way to boost the bottom line. Because the best proptech optimizes the value derived from existing staff and resources, work gets done at a faster rate. As a result, property teams attain the flexibility needed to deploy team members to other essential maintenance areas that might have previously been neglected. This not only cuts down on repair and replacement costs but also extends the lifespan of crucial equipment.

The ROI: Significant OpEx reduction. Using building operations and performance technology unlocks extra value from your existing staff and resources, and can increase useful life of key equipment by 10x.



Capturing billable services revenue

Another sometimes hidden benefit of some proptech solutions is that they help you capture revenue from billable services that you were previously missing. That's because platforms like Building Engines meticulously record every action, capturing billable events that might have been overlooked or inaccurately computed. With automated rules for billing services and mark-ups integrated into the system, you can ensure no revenue opportunities are missed, enhancing profitability.

The ROI: Uncover hidden revenue. Property management technology can capture billable services that otherwise slip through the cracks or are calculated incorrectly. That alone can boost revenue services revenue 10%!



Case in point: How The Grove unlocks property management efficiency

The challenge

The management team at The Grove struggled with issues such as coordinating different budgets, calculating separate common area maintenance (CAM) fees, and coding invoices for multiple buildings. The challenge extended to managing different types of leases, a process that often led to confusion. Additionally, the tenants often felt disconnected from the property management team due to inefficient communication and delay in maintenance services.

The solution

Prism by Building Engines streamlines property management workflows, enabling the group to separate tasks by property, track and manage work orders, handle inspections and incidents, and facilitate resource reservations.

Certificate of insurance (COI) tracking to simplify management and improve compliance rates is another feature that won the team's approval.

Prism's online portal allows tenants to interact directly with the property management team. And the convenience of the mobile app further enables the tenants to make requests quickly, get receive via text or email, and expedite the process of completing work orders.

The results

The implementation of Prism has greatly improved efficiency. Notably, the number of emails to the management team has reduced, thanks to the self-booking feature for resource reservations and self-service work order submissions.

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Instead of emailing or calling to provide an update, we can go directly on the Prism work order and add comments. And it quickly sends tenants an update. We can do that from our phone.

Maricela Fregoso

GM, The Grove in Charlotte, NC



The high value of sustainability

Sustainability, of course, is no mere trend for property owners and managers. It's become a critical driving force that contributes significantly to a property's impact on the environment, appeal to lessees, and the bottom line.



Energy efficiency

According to the U.S Department of Energy's Better Building Initiative, commercial buildings can reduce their energy use by an average of 20% with strategic sustainability practices and technologies, translating to considerable operational savings. Upgrading to energy-efficient lightings, HVAC systems, and appliances reduces energy consumption, decreases greenhouse gas emissions, and directly impacts utility bills. Over time, these savings offset the initial investment, thereby increasing the property's ROI.



Cost efficiency and optimization

Cool mornings and warm afternoons can result in outdoor temps that span 20 to 30 degrees. This results

in frequent "comfort swings," when tenants adjust the thermostat to offset the warm or cool outside temps. Some regions experience high humidity, causing your HVAC to run more frequently to keep building occupants comfortable.

Running your HVAC to meet these demands (and maintain tenant comfort) requires energy and lots of it. These costs eat away at your bottom line and hinder your sustainability goals. HVAC costs account for 50% of total energy consumption and 20% of CRE operating costs, according to research. And rising energy costs only compound this.

AI-based technology that can predict space-temperature fluctuations, extend the life of equipment, and slash tenant comfort complaints has emerged as a low-cost way to deliver a massive ROI. An HVAC system powered by machine learning and AI can also help buildings qualify for key energy incentive programs, furthering ESG goals and improving the bottom line.





Building appeal & value

Sustainable property management also increases the building's appeal for tenants. More and more businesses are adopting environmental responsibility in their operations and are willing to pay premium rents for green spaces. Properties featuring natural light, enhanced indoor air quality, efficient energy, and water systems are becoming increasingly attractive. It can lead to improving tenant acquisition and retention rates, ultimately leading to higher rental revenues and thus elevating ROI.

According to the U.S. Green Building Council, LEED-certified buildings have been found to command higher occupancies and rental rates compared to their non-green counterparts. On average, rent LEED-certified buildings can command 11.1% higher rent than non-LEED certified buildings.

Further, sustainable buildings tend to have a higher asset value. JLL's "Decarbonizing the Built Environment" report found that 63% of leading investors strongly agree that green strategies can drive higher occupancy, higher rents, higher tenant retention and overall higher value.

Lastly, investing in sustainability can mitigate the risk of obsolescence. Properties that are not energy-efficient or do not meet evolving standards and regulations could potentially face legal liabilities or see their market value decline. Retrofitting these properties can be costly, so incorporating sustainable practices early on is a strategic financial decision.

The ROI: 10%+ higher rent for sustainable and LEED-certified buildings versus non-green buildings



Scorecard for property management efficiency

As noted, the most efficient property management can enhance tenant satisfaction, optimize operational costs, and ultimately, elevate the value of your property portfolio.

But how do you assess your performance? How do you know your property management is where it needs to be? Or, more importantly, are you aware of the areas where you need to enhance your operational processes?

Use this scorecard to rate your building operations. Each item on the checklist is worth one point. Tally up your score, compare it to the following grading system, and gain insights into how your commercial property management stacks up. Whether you're in an excellent, good, or needs-attention state, this checklist and scorecard will provide you with an actionable path forward.



Property Management Efficiency Scorecard

Operational efficiency

Have you implemented a system for managing work orders and preventive maintenance effectively?

Have workflows been streamlined to maximize efficiency?

Do you use a comprehensive property management platform that addresses your management needs?

Tenant relations

Have you established a systematic way to promptly respond to tenant issues?

Do you have a process for capturing tenant feedback and service ratings in real time?

Are there communication channels for tenants to directly contact the property management team?

Cost efficiency and optimization

Do you have a system to prevent additional expenses on costly repairs due to neglected upkeep?

Have you implemented technology solutions to boost service efficiency and do more tasks faster?

OpEx reduction

Are you optimizing the value derived from existing staff and resources?

Have you reduced operational expenses as much as possible with existing solutions?

Revenue maximization

Are you capturing all revenue from billable services and ensuring no opportunities are missed?

Do you have a clearly defined system for billing services and mark-ups?

Performance tracking and analysis

Are you regularly tracking and analyzing the effectiveness of your property management?

Do you have key performance indicators (KPIs) that align with your property management objectives?

Sustainability

Does your property employ energy-efficient practices, such as using LED lighting and Energy Star-rated appliances, to reduce overall energy consumption?

Have you implemented an efficient HVAC system, and do you conduct regular inspections and maintenance to ensure it's operating at optimum energy-saving levels?

Future preparedness

Have you considered upcoming trends in the property management field?

Are you equipped to adapt your processes as technology and industry trends change?

Compliance

Are all properties meeting local and federal regulations?

Is there a systematic process for tracking Certificate of Insurance (COI)?

Are tenant compliances being monitored and managed effectively?

Continuous improvement

Are there processes in place for regular review and improvement of property management strategies and procedures?

Total score out of 22

Property management efficiency scorecard

For each checklist item, assign a score of 1 if you have fully implemented this in your building operations. Here's how to interpret your score:

Score 17-22: Strong

Congratulations, your commercial property management is in a terrific place! Keep the momentum going by [assessing your technology stack](#), identifying gaps to close with [new software applications](#), and create room for growth by [keeping up with industry trends](#).

Score 9-16: Good

You've made significant strides toward efficient management of properties, but there are still opportunities for improvement. Identify the areas you've missed and plan actionable steps to address them – and explore how the right technology can help. This will not only make your operations more efficient but could also improve your profitability.

Score 1-8: Needs Attention

Your property management processes require a closer look. But don't worry, with dedication and the right tools, you can improve your operations. Review the points you missed in your score and prioritize fixing those gaps. Consider implementing a comprehensive property management software platform to take care of several points simultaneously.

As a reminder, this score is simply a guide. Each property and portfolio is unique and may require a personalized approach to property management. Efficient property management isn't a one-off, but a continuous process of improvement and evolution.

Key benefits of property management software

- Streamlined property management workflows via mobile app
- Direct communications to eliminate disconnect with tenants
- Prioritized work orders based on urgency
- Real-time incident reporting to avoid costly accidents
- One digital location to track all materials, costs, and tenant communications
- Faster work order completion rates
- Accountability with billbacks and reports to ensure tenant compliance

Conclusion

Take the next step for efficient operations

A well-managed property directly translates to happier tenants, optimized operational expenses, and increased profitability. By adopting streamlined workflows, leveraging technology, and focusing on both proactive and reactive measures, you can significantly elevate the value of your portfolio.

Remember, your success hinges not just on having an efficient system in place, but also on continuous assessment and improvement. Efficient property management isn't just a strategy you implement, it's an ongoing commitment to operational excellence, tenant satisfaction, and revenue growth. And it's a journey that becomes much easier with the right technology stack.

To experience this transformative potential firsthand, we invite you to take a self-guided tour of Prism by Building Engines. The journey to efficient property management begins with a single step. Take yours today.

Take the tour →

What customers have to say about Prism by Building Engines:

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Response time has improved with Prism. We have taken the turnaround time from 48 hours down to 24 hours.

Tina Silverio

GM, Blanchard Plaza in Seattle

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Prism keeps a paper trail and keeps the tenants notified on the progress of work orders, rather than simply saying that a work order is either open or closed. It's a much better way of communicating with tenants.

Maricela Fregoso

GM, The Grove in Charlotte, NC

About Building Engines

Building Engines, a JLL company, improves net operating income and performance across the world's most successful commercial real estate (CRE) portfolios. Our customers increase property management efficiency, deliver the best tenant experience, and reduce operating costs with Prism – the industry's most innovative and powerful building operations platform. Today, more than 1,000 customers—including Beacon Capital Partners, Brixmor, and SL Green—rely on Building Engines to manage critical operational needs across more than four billion square feet and 35,000 properties worldwide.

About JLL

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500 company with annual revenue of \$20.9 billion and operations in over 80 countries around the world, our more than 103,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAYSM. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.



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