



# JOINT LIST OF SERVICES PROPERTY MANAGEMENT GERMANY

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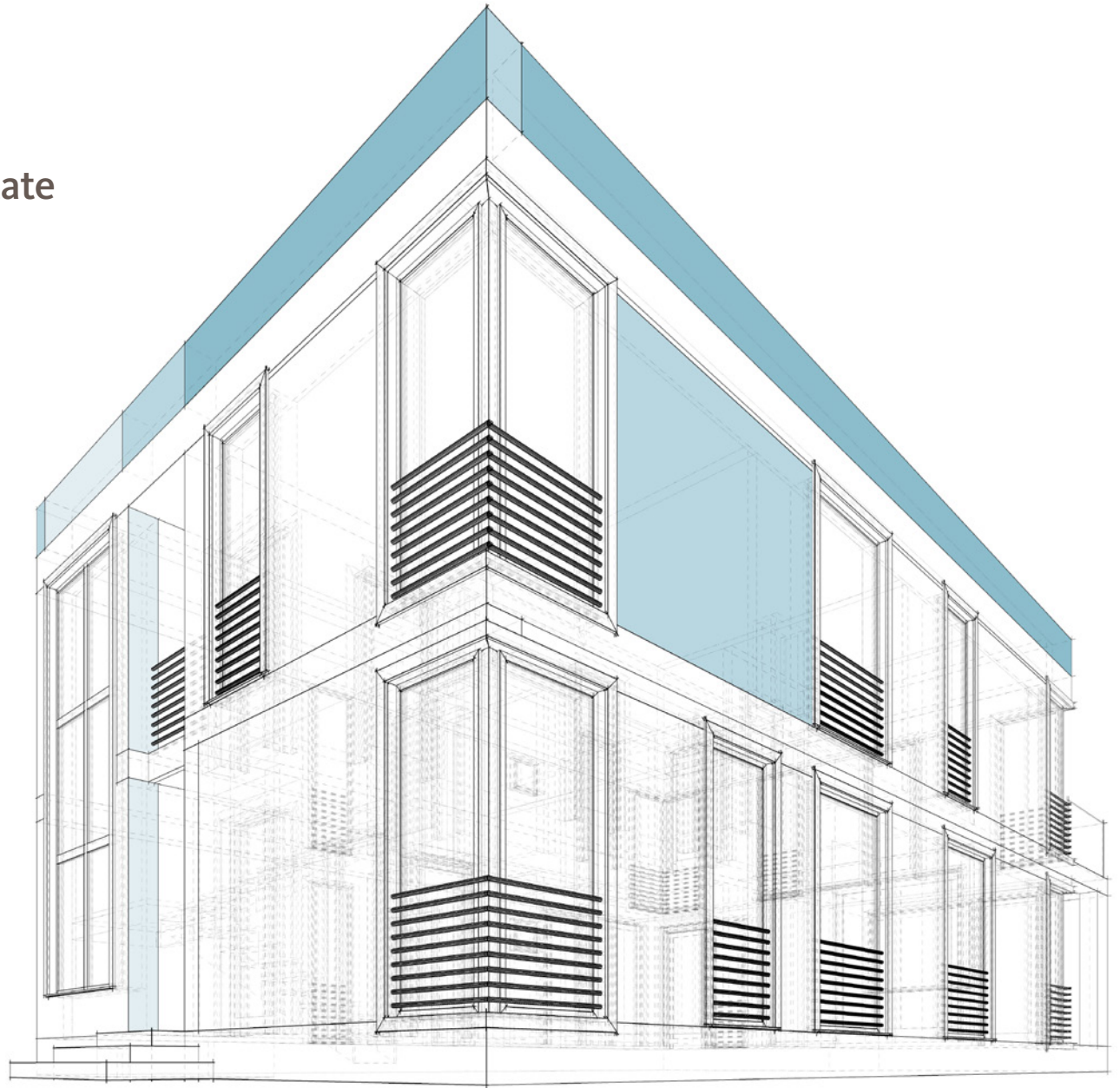
**BAMBI**  
Circle of Real Estate

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## BAMBI – Circle of Real Estate

The BAMBI Circle is an association of 27 investment companies and property management companies that aims to develop joint initiatives to promote the continuous professionalisation of the German real estate industry. Essentially, the alliance focuses on the creation of market transparency, benchmarks, best practice strategies and closer cooperation between market participants. The Circle is sustained by the commitment of its managing directors, the management board members and the executives of the constituent companies.



The following companies are part of the BAMBI Circle:

#### Investment houses:



#### Service provider / Property Management:







**Current situation:** | In 2019, the BAMBI Circle came up with the idea of developing a joint list of services for property management (hereinafter referred to as LSPM) with the aim of defining a general market standard. This was a response to the fact that there is no generally applicable standard for such a list of services on the German market, whereas comparable standards already exist in the asset and facility management fields. As a result, a variety of different lists of services are being used in property management today.

This inconsistent situation is associated with a number of drawbacks: in their various contractual relationships, client and contractor are required to distinguish which services are owed and which are not, in contrast to other contractual relationships. On top of this, the diversity of the lists of services complicates standardised mapping in IT systems, among them ERP systems, document management systems or workflow systems, and, last but not least, hampers price setting and price comparability. Finally, a standardised list of services can help avoid regulatory loopholes and differences in interpretation.

In this sense, this document aims to provide market players with an overview of the contents that should be included in a list of services for property management.

**Project approach** | As a first step, the basis and fundamental structure of a standardised LSPM was created. This was based on an analysis of existing lists of services, and the main focus was put on issues that frequently lead to discussions and divergent interpretations of contracts between service providers and their clients.

As a next step, the present version was revised and finalised with the support and advice of the Professional Groups Asset Management and Sustainability of the Royal Institution of Chartered Surveyors (RICS).

The RICS Professional Group Asset Management had already published a 2nd edition of the List of Services for Asset Management in Germany in 2015. Through their work, the responsible members of the Professional Group have gained valuable knowhow and practical experience for this task.

The present LSPM reflects the status of the current debate; a revision is planned once initial experience has been gathered, and new trends and supplementary information will be added, for example on the subject of remuneration or tasks property managers will be confronted with in the ESG (environment social governance) context.

**Acknowledgments** | The BAMBI Circle would like to take this opportunity to convey its special thanks to the members of the RICS Professional Group Asset Management.

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### RICS Professional Group Asset Management

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## General notes

For the purpose of this List of Services, “property management” refers to the fiduciary management of all operational property-related functions in consideration of the current property and user requirements with the aim of ensuring the building’s smooth, safe and cost-effective operation.

**Structure** | The LSPM comprises eight service sections, the last of which (ESG: environmental, social, governance) is of a descriptive nature. Within the other seven service sections, services are broken down into main areas and recorded and described in tabular form.

Services are sub-divided into basic services, optional services and special services (for definitions, see below under Remuneration). Furthermore, use of the option of agreeing further specifications, such as recurrence/frequency of a service, or adding comments, such as references to correlating services in the LSPM, is both intended and recommended.

The service sections are primarily based on the standard market breakdown into commercial and technical property management. Separate service areas like letting services and transactions as well as data management, reporting and document management have been given their own sections. Similarly, onboarding and offboarding are discussed in separate sections.

Each tabular service section is preceded by a short explanatory text.



**Application** | The LSPM in its present form is focused on the property management of commercial real estate, such as office buildings or retail properties. Although application to residential properties is conceivable, this would necessitate a number of adaptations.

Since required and customary services and their assignment to functions like asset management, property management and facility management vary from country to country, the LSPM is intended for application in Germany.

The List of Services has been designed as an appendix to the actual property management contract. To allow the contracting parties to adapt the LSPM to the respective contractual relationship, the tabular parts of the LSPM are also available in digital form. The comments field, in particular, can be used to conclude individual agreements.

**Mandatory nature** | This document is for information only. RICS Deutschland encourages parties active in property management contracts to be aware of this document and bear the contents in mind.



**Level of detail** | The level of detail in the LSPM is a trade-off between superficial, brief presentations and the very extensive Lists of Services often found in practice. It is debatable to what extent a greater level of detail will help contracting parties to achieve smooth cooperation in practice; a list of services cannot cover all conceivable elements and issues of the service relationship. Moreover, experience shows that very extensive contracts of several hundred pages are hardly ever put into practice.

A suitable formulation in the actual contract, which governs the principles of the service relationship and furthermore states clearly to what extent the contents of the list of services should be regarded as exemplary or conclusive, offers a solution to this problem. A simple, structured

escalation mechanism, which should ideally provide for the involvement of a mediator if the parties fail to reach agreement, should be arranged to resolve divergent interpretations.

**Contractual design** | The design of property management contracts is not part of this LSPM. Nevertheless, the authors recommend considering a number of points that ensure smooth service relationships.

With a view to the contract term, given the high costs both contracting parties incur at the beginning and at the end of the contract, it may be presumed that terms under two years are not cost-effective for clients. Where clients prefer a shorter term (for example in the event of a sale), this could be incorporated via a break-up fee. On the other hand, terms of more than three years restrict the parties' option of a regular termination.

For portfolios with a buy-and-sell strategy, precise rules for property acquisitions and disposals should be defined in advance, right through to possible adjustments to the organisation and the remuneration structure.



**Remuneration** | In line with the remuneration requirements specified in the List of Services for Asset Management by RICS Deutschland, the remuneration of property management services should comply with the following principles:

- Fairness: the remuneration should be balanced
- Transparency: the calculation of the remuneration must be plausible
- Planning reliability: the remuneration amount and payment dates must be reasonably plannable
- Manageability: the calculation of the remuneration must be feasible
- Incentives: the remuneration should include performance-related incentives

The LSPM provides for a breakdown of the property management remuneration into three categories:

- I. Basic services, which must be provided in all cases and are duly commissioned upon the conclusion of the contract. In practice, the remuneration of basic services is mostly guided by the contractually agreed rental income, in specific the net rent debit positions. Depending on the portfolio under management, it may be recommendable to agree a minimum or fixed remuneration, for instance for vacant units.
- II. Optional services, which the contract already covers in terms of both the service itself and its remuneration, but which must be requested individually. Typically, these are not recurring and costly services, such as active letting services or control of technical services. The



remuneration of optional services is often based on the volume of the service rendered (for instance concluded tenancy agreement, cost of a measure) that underlies these services. Unless otherwise agreed, the client is obligated to contract optional services from the property manager as opposed to a third party.

- III. Special services, which are also governed by the contract in terms of their content. However, there is no obligation to provide such services since, in response to the client's request, the property manager is free to decide whether or not to provide the service (for example based on available resources). Vice versa, the client is free to decide whether to have a special service provided by the property manager or by a third party. The remuneration should be agreed on a case-by-case basis.



As regards the amount of a reasonable remuneration, the diagram below may give an indication of factors that generate higher or lower costs:

Property-specific factors		
Multiple tenants / assets	Segmentation	Single tenants / assets
Low	Portfolio volume	High
Decentralised, dispersed	Regionality	Centralised, clustered
Medium, value add	Quality and strategy	Good, core
Higher remuneration		Lower remuneration
Multi-layer	Client structure	Simple
Intensive	Resource intensity	Low
None	Synergies	Pronounced
Extensive	Subsequent services	None
Extensive	Special services	None
Organisational factors		

[Source reference: „Leistungsverzeichnis Asset Management“, RICS Deutschland, 2015]

Higher costs arise in property management both during the onboarding and the offboarding phase. This should be given due consideration which, in practice, is achieved either through separate remuneration or through inclusion in the basic remuneration.

The costs associated with the preparation of a sale can also be included in the remuneration, for instance in the form of a cost-based remuneration or an agreed fixed exit fee.

**Operator's responsibility** | The subject of the operator's responsibility is often perceived as complicated. Principally, it is common practice to delegate the operator's responsibility that is assignable to the owner in several steps, for instance by the property manager to a facility manager. For this purpose, the two parties should agree in good time before the start of the service provision whether and under which conditions delegation of the operator's responsibility is admissible.

Moreover, effective delegation requires not only coordinated organisation and proper documentation but also the introduction of effective controls and the assignment of sufficient discretionary powers to the respective subsequent management level (for example from property manager to facility manager).

The parties should agree these organisational points at least in outline, for instance in the form of an operator concept.

**Other points** | For the sake of clarity, we would like to emphasise that the property manager is not required to provide any advisory services for which a permit, authorization, license or approval is required in the context of the Legal Advice Act or the Tax Consultancy Act.



## C Service modules | I – Onboarding

To ensure a structured transfer of the mandate, it is advisable to agree on an adequate **onboarding phase** that precedes the actual commencement of services (one to three months as a rule) and to provide both sides with the necessary resources. With regard to the List of Services, it should be noted that aside from the individual services during this phase, preparatory measures must be implemented for other services, such as bank connection, data transfer, reporting and ESG compliance, which are specified in the subsequent sections.

In the context of acquisitions, due diligence documents (data room, checklists, etc.) should be provided at an early stage. Property data, documents, other files and items as well as pending transactions are usually transferred from the outgoing to the incoming property manager. This must be transparently reported to the owner.

Verification of the completeness and plausibility of the data, documents, etc. that are required and transferred for service provision is of particu-

lar importance as onboarding shortfalls often lead to long-term quality problems. The result of this verification should also be documented and reported to the owner. Missing documents and data that are considered necessary must be procured. This is generally done by the property manager at the client's expense.

In the onboarding context, the extent to which the conditions for any agreed delegation, such as operator's responsibility, are satisfied (in particular inventory documentation as well as coordination regarding the organisation) must also be ascertained. Aside from contractual obligations, the scope of the granted authorizations and regulatory requirements (e.g. KAGB [Investment Code]/BaFin [Federal Financial Supervisory Authority], ESG) to which the client is subject, which thus affect the services provided by the property manager, also play a role. Under certain circumstances, such regulations may directly or indirectly affect qualification requirements, workflows and reporting.

Point	Number	Service	Specification	Basic service	Optional service	Special service
<b>I – Onboarding</b>						
<b>1</b>	<b>Documents</b>					
	1.1	Transfer of all documents required for the performance of the contract (tenant and property documents) from owner, in orderly condition including logging	Client and contractor must coordinate the structure and type of the logging system; custody of originals must be specified	●		
	1.2	Organisation of professional archiving at third party companies of documents not required for contract performance, provided they are not taken over by the client	Third-party costs usually assumed by client		●	
	1.3	Assessment of the plausibility and apparent completeness of the documents typically required for contract performance	This also applies to documents required for the discharge of the operator's responsibility, provided this was stipulated in the contract	●		
	1.4	Notification regarding missing documents required for contract fulfillment according to the result of the above assessment, in writing or text form (e.g. email)	The result of the audit should be documented by a report	●		
	1.5	Procurement of missing documents, including those relating to third-party obligations (seller, other servicer providers, etc.)	In the case of already known needs or special topics (e.g. lack of building permits), specify in more detail.		●	
<b>2</b>	<b>Data recording, data processing</b>					
	2.1	Initial recording of relevant property and contract data including quality assurance	If a system other than the owner's system is being used and the data are available on this system	●		
	2.2	Commercial verification of tenant master data and VAT key on the basis of existing tenancy agreements	The parties should agree on conclusion of the contract whether and to what extent they consider this service to be necessary		●	
	2.3	Transfer of tenants' balances including quality assurance (plausibility, structure and supporting documents)	The result of the quality assurance should be documented in a report	●		
<b>3</b>	<b>Communication of mandate assumption</b>					
	3.1	Notification of tenants in coordination with the client		●		
	3.2	Notifications of change to suppliers and authorities	As a rule, this task should be completed no later than 14 days after the start of service provision; where applicable, several communications may be required in the event of delays, such as delayed availability of the bank accounts	●		
	3.3	Involvement in the adjustment of banking authorisations for the management accounts		●		
<b>4</b>	<b>Transfer of open transactions</b>					
	4.1	Pending transactions to the extent customary in the market	'extent customary in the market' should be defined jointly by client and contractor (e.g. 6 months)	●		
	4.2	Transfer of open items (debtors and creditors)		●		
	4.3	Transfer of pending legal matters concerning current tenants		●		
	4.4	Transfer of pending legal matters concerning former tenants				●
	4.5	Clarification of open items (debtors and creditors) from preceding periods (before assumption of mandate)			●	



Point	Number	Service	Specification	Basic service	Optional service	Special service
	4.6	Preparation, dispatch and posting of ancillary cost statements from preceding years	This also includes associated documents, for instance third-party consumption statements		●	
	4.7	Identification and implementation of outstanding maintenance work and specialist inspections from preceding years			●	
	4.8	Continuation and completion of initiated repair and capex measures within the agreed value limits		●		
	4.9	Continuation and completion of initiated repair and capex measures above the agreed value limits	This may also include subsequent obligations of a previous owner		●	
	4.10	Transfer and continuation of warranty management	Including transfer of associated amounts retained/guarantees			●
5	<b>Inventory data room</b>					
	5.1	Structuring, establishment and initial population of an inventory data room	This service is contracted and compensated separately if the services are agreed separately in addition to or instead of document management pursuant to Point 14			●
	5.2	Structuring and first filling				●
	5.3	Digitisation of existing documents				●
6	<b>Other points</b>					
	6.1	Joint site survey with client	As a rule within four weeks of the start of service provision	●		
	6.2	Providing client with an initial assessment regarding the termination or continuation of main property-related contracts	Within six months of the start of the contract; may also include insurance policies	●		
	6.3	Development and coordination of a concept governing the discharge of the operator's responsibility including specifications concerning organisation, documentation and control	The parties must specifically define who will cover the different aspects of the operator's responsibility	●		
	6.4	Coordination of the client's objectives and requirements in the field of sustainability, e.g. regarding the selection and contracting of service providers and suppliers, including coordination of respective framework parameters		●		
	6.5	Coordination of concrete implementation of reporting requirements (e.g. account system, mapping, dataflows) in regard of operational needs and due regulatory requirements, unless already stipulated in the contract	Respective specifications may already be defined in the actual contract	●		
	6.6	Definition of responsibilities and services as well as subsequent inspection of peak/buyer statements (operating and ancillary costs including respective tenants' prepayments) with sellers	As a rule, this service is only necessary when there is a change in ownership; it is only considered a basic service in the case of peak statements where the contract for sale does not contain any respective special details (client must report special details in the contract for sale and the costs of their incorporation must be agreed between client and contractor)	●		
	6.7	Coordination with client regarding required authorisations		●		
	6.8	Preparation of the opening of rental and management accounts after coordination with the AG		●		



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## C Service modules | II – Commercial property management

With profit-making typically being the client's main interest and the management of cash flows playing a key role, the commercial segment is the core of property management. In this sense, the aim of **commercial property management** is the optimal economic operation of the real estate.

Commercial property managers represent the interests of the owner and act within the parameters defined directly or indirectly by the owner. In addition to the ongoing operational coordination of individual issues, it is advisable to organise regular feedback rounds at the management level in order to coordinate fundamental questions, e.g. of an organisational nature (responsibilities, processes, etc.), relating to the current contract.

Property managers require suitable written authorisation to represent and assert the owner's interests vis-à-vis tenants and third parties. Where appropriate, a distinction should be made between the owner's external representation and the internal relationship between client and contractor, for instance in cases where the property manager needs to procure the client's prior internal approval for certain transactions.

Key aspects of commercial property management comprise the administration of tenants and tenancy agreements as well as rent collection and accounting of operating and ancillary costs. Availability for queries and communication with tenants are important factors in this context. Furthermore, objections should be dealt with swiftly to ensure the sustainability of debtor accounts. Moreover, core commercial property management services also comprise the management of service providers, for instance in the field of technical and infrastructural facility management,

and of suppliers. Such management must be appropriately documented to ensure proper discharging of the operator's responsibility and reporting to the client.

As regards the processing of payment transactions including auditing, the parties should agree on the specific organisation of account management and disposition as well as controls. In respect of the settlement of insurance claims, the parties should agree on the possible involvement of an insurance broker and on the structure of interfaces and reporting.

Debit-side and credit-side transactions must be recorded, processed and posted in the property accounting context (note: reporting services will be addressed in the next service section). Property accounting also includes the provision of data for the preparation of financial statements and the calculation of preliminary VAT returns as well as the management of a register pursuant to §15a UstG (German Value Added Tax Act), depending on the agreed scope of services.

Due to their material importance, data management, reporting and document management services which, strictly speaking, are also elements of commercial property management, have been given their own section in the following.

Point	Number	Service	Specification	Basic service	Optional service	Special service
<b>II – Commercial property management</b>						
7	<b>Client / owner support services</b>					
	7.1	Guarantee of availability for telephone calls (within the normal core business hours the parties have agreed)	Coordination of a communication and escalation plan is advisable for large-scale contracts; where applicable with feedback rounds / workshops	●		
	7.2	Attendance of regular meetings with client, including records of the meetings	Where applicable, refund of travel expenses; frequency depends on complexity	●		
	7.3	Attendance of tenants' or owners' meetings on behalf of the client	Basic service in the case of annual cycle	●		
	7.4	Direct notification in the event of significant unusual divergences (accidents, major damages, catastrophes)		●		
8	<b>Tenant support services</b>					
	8.1	Guarantee of availability as first point of contact for tenants and service providers, within the normal core business hours which the parties have agreed		●		
	8.2	Organisation of 24-hour emergency call availability for technical incidents etc., e.g. via a FM service provider	If the contractor provides this service, it is classified as a special service			
	8.3	Provision, maintenance and operation of a web-based tenants' portal for questions, damage reports, etc.	Scope must be defined; also includes incorporation into / interfaces with contractor's processes and reporting to client			●
	8.4	Handling correspondence with tenants as well as clarifying and answering tenants' questions/ concerns	Principally, it is assumed that the contractor is always the first point of contact for tenants	●		
	8.5	Monitoring and assertion of obligations arising from tenancy agreements	Client must ensure that the property manager has such opportunity to verify the obligations; if necessary, rights such as entering the rented property should be granted	●		
	8.6	Implementation and documentation (record, photos) of the commercial and technical transfer and return of the rented property	Return also includes verification, request and follow-up on tenants' obligations and, where applicable, deduction of rent collateral; this is an optional service for more complex transfers involving a dismantling obligation (e.g. tenant's interference with the building stock).	●	(●)	
9	<b>General commercial property management</b>					
	9.1	Handling of communication (written, personal, etc.) with authorities, public offices, neighbours and suppliers as well as exercising the client's rights	Including required updating of authorisations	●		
	9.2	Monitoring of current service, utility and disposal contracts re. potential contract extensions and terminations and timely submission of corresponding recommendations for action	See also para. 17.8 Technical PM / maintenance, inspection and service contracts	●		
	9.3	Event-related support of FM or client / landlord / expert outside regular site survey appointments			●	
	9.4	Checking and implementation of rent increase options (index, graduated, revenue-dependent rent, other) in coordination with the client	Usually submission of proposals to client and implementation after client's approval; parties should agree on frequency (e.g. monthly)	●		
	9.5	Budget preparation including all income from current agreements (rental and lease income) and expenses (operating and ancillary costs as well as maintenance and repair), in consideration of information from previous periods available to the contractor and of discernible, necessary maintenance measures	Note: assumptions regarding new tenancies are usually made by the client	●		
	9.6	Insurance management including recording of current insurance policies, writing or receipt (e.g. from tenant) of damage reports, immediate and effective reporting of damages to insurance broker appointed by the client and correspondence with the insurance company as well as handling of damage and payments	Note: technical damage processing/handling of insurance claims: see para. 22	●		

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Point	Number	Service	Specification	Basic service	Optional service	Special service
	9.7	Filing of property tax waiver applications (enquiry and application at the local authorities)	Prior consultation of client required		●	
	9.8	Organisation of archiving of property-relevant documents at a (national) archiving service at the expense and in the name of the owner	Third-party services, such as file collection and initial recording, updating initial recording and cataloguing, 24-hour archive requests and data-secure disposal on expiry of the legal retention periods in coordination with the client	●		
	9.9	Management of code card systems and keys, including security certificate, issue and collection of code cards or keys including documents	Special PM service in exceptional cases only (usually provided by a FM service provider)			●
10	<b>Property accounting: debit-side transactions and receivables management</b>					
	10.1	Recording and maintenance of all relevant property and contract data, such as tenancy agreements and tenancy agreement debit positions		●		
	10.2	Posting, monitoring and clearing of debtors' incoming payments	This includes any required assignment / account reconciliation	●		
	10.3	Suggestion and, where applicable, posting of allowances relating to tenancy agreements in consideration of rent collateral		●		
	10.4	Cost transfers to tenants and other receivables from third parties according to accounting specifications		●		
	10.5	Recording and management of rent collateral and, where applicable, investment of tenants' deposits according to statutory requirements and client's specifications	Management of rent collateral also includes regular checks and topping up if rent collateral has been claimed fully or partially by the landlord	●		
	10.6	Monthly check of account balances and comments on balances and outstanding items	Comments should reveal processing status of outstanding items	●		
	10.7	Out-of-court pursuit of claims arising from the contractual relationships under management, for instance assertion of payment claims (e.g. rent arrears, entire reminder process up to the 2nd reminder including proposal for further course of action)		●		
	10.8	Transfer to and assistance in the judicial prosecution of claims arising from the contractual relationships under management in cooperation with a lawyer appointed by the owner/client, including the necessary preparatory work		●		
	10.9	Agreement and management of instalment /deferment agreements in coordination with the client		●		
11	<b>Property accounting: credit-side transactions</b>					
	11.1	Recording of credit-side transactions, for example incoming invoices including maintenance of credit-side master data		●		
	11.2	Checking invoices for content and accuracy, as well as account assignment and posting of invoices according to client's specifications, invoice clearance and payment	Auditing and processing of invoices includes a break-down into apportionable and non-apportionable elements as well as a proposal regarding VAT accounting; for invoice approval and payment, any approval reservations that may exist on the client's side must be observed; discount periods must be observed when corresponding funds are available	●		
	11.3	Setup and clearance of recurring postings		●		
	11.4	Ongoing monitoring and settlement of open items on accounts payable		●		
	11.5	Liquidity planning of management accounts and timely requests addressed to client (cash request)		●		



Point	Number	Service	Specification	Basic service	Optional service	Special service
12		<b>Support of financial statement preparation</b>				
	12.1	Timely delivery of any data required for the owners' monthly and annual financial statements according to client's schedule; support of all other work arising in connection with the preparation of monthly and annual financial statements, where applicable in coordination with the responsible auditors (allowances, provisions, etc.)	Basic service, unless required more than once every three months	●		
	12.2	Timely delivery of documents and figures required to prepare VAT registration and tax returns		●		
	12.3	Support of all work connected with tax audits according to client's requirements	This is an optional service if the audit period precedes the start of the contractor's contract	●		
	12.4	§15a Value Added Tax Act (UStG): transfer of legacy data from the §15a register including historical option rates and correction items for the last ten years	The transfer of legacy data requires an organised form and proper documentation. Where this is not assured, the contractor must provide the client with a respective notification. In this case, the parties must agree separately on their course of action (e.g. implementing the register as a special service). Note: In cases where this service is to be classified as a basic service, the parties should make a respective agreement before concluding the contract.		●	
	12.5	Creation and maintenance of correction items pursuant to §15a VAT Act and coordination of the §15a register with the client or a third party contracted by the client and transfer of corrections to such third party	Contents of the §15a register must be included in the preliminary VAT returns. Note: In cases where this service is to be classified as a basic service, the parties should make a respective agreement before concluding the contract.		●	
13		<b>Ancillary cost accounting</b>				
	13.1	Creation and ongoing administration of ancillary cost structure and participation in accounting		●		
	13.2	Implementation and posting of ancillary cost accounting for the accounting periods starting at the beginning of the contract and ending before the end of the contract, including adjustments of prepayments	Where applicable, contracting of external consumption cost accountants and deviation analysis	●		
	13.3	Implementation and posting of ancillary cost accounting for the accounting periods ending before the beginning of the contract (where applicable including adjustments of prepayments)	Before the conclusion of the contract, client and contractor should agree on the remuneration of this optional service and whether this service is likely to be required		●	
	13.4	Processing of appeals and queries from tenants, including inspection of supporting documents etc. for accounts prepared by the client	This may also be the case after the contract has effectively ended	●		

## C Service modules | III Data management, reporting and document management



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**Data management** | The quality of the property-related data greatly affects the daily operational management of the property and represents a key element of the property's value chain. In this respect, data quality assurance plays a key role. Reporting deadlines must be observed to ensure that the data is up to date.

Data management serves as the basis of numerous contractual obligations, such as reporting, tenancy supervision and accounting.

**Reporting** | Reporting is a key component of client communication and information. On top of this, it is often a prerequisite for compliance with regulatory provisions affecting the owner, such as those issued by BaFin. A clear definition of the form the reporting should take (e.g. via templates), its scope (e.g. including deviation analysis and comments), delivery (frequency and timing) and quality (quality assurance obligations, acceptable error margin) should be included in the property management contract.

In principle, the required reporting, which has ideally been defined in the contract, can be broken down into commercial, technical and accounting reports. Nature and scope (included data) as well as the standards of the individual reports should be agreed individually with each client.

Alternatively, or in addition to the submission of regular reports, the parties may also agree on the transfer of data from the property manager's system (hereinafter also referred to as Enterprise Resource Planning or ERP) to the asset, portfolio or fund management software. This can be set up either via file import or via automated interfaces. Ideally, the scope



of the initial setup of such interfaces should also be defined in detail, as should the approach to subsequent adjustments. This frequently requires customisation or mapping of the property manager's ERP system to ensure that the data can be automatically generated and delivered.

If the property manager works with the client's software, the reporting requirements must be adjusted accordingly. Moreover, technical details, such as the number of applicable licenses and the required hardware and software as well as necessary training for the property manager, must be agreed and included in the calculations.

**Document management** | In terms of digital documents, document management platforms have proved to be effective for providing the documents required beyond reporting, e.g. tenancy agreements or tenant records, on a permanent as well as an up-to-date basis.

Unless the client specifies a particular system, the property manager uses its own systems. The property manager must guarantee the completeness of the data processed during the mandate period in appropriate processing periods as agreed at the start of the contract and must make such data available. The parties may agree the client's right to access the property manager's systems and regular provision of backups.

Such regulations shall be stipulated analogously for physical documents. In this context, statutory record-keeping obligations and the client's requirements must be complied with.





Point	Number	Service	Specification	Basic service	Optional service	Special service
<b>III – Data management, reporting and document management</b>						
14	<b>Data management (for interfaces see reporting)</b>					
	14.1	The contractor is responsible for the proper recording and documentation of all administrative transactions as well as the storage and archiving of the data collected and processed by the contractor.		●		
	14.2	The contractor shall protect the client-related data against unauthorised access and make sure that the data are stored, used and processed pursuant to the applicable statutory or supervisory provisions as well as the client's specifications.	Where the client is subject to supervisory provisions, such provisions must be specified in advance.	●		
15	<b>Reporting</b>					
	15.1	Setup and operation of an interface between the contractor's and the client's ERP system(s)	The parties must agree in advance whether interfaces should be configured manually, via import files or as an automated interface in accordance with the client's specifications.			●
	15.2	Agreement of a schedule for purposes of reporting and data and document provision		●		
	15.3	Monthly delivery of accounting data to the client's financial accounting department in a format specified by the client and further processed by the contractor, including trial balance and total balance	The data must be suitable for processing for monthly/quarterly/annual financial statements; it must be determined whether changes may be made after the end of the month; closing deadline and delivery date must be agreed	●		
	15.4	Monthly delivery of the VAT option key (in consideration of client specifications regarding the VAT status of vacant units and the VAT treatment of parking spaces)	Derivation of the VAT key (surface area, rent, VAT status) must be plausible	●		
	15.5	Annual delivery of data for the annual financial statements, including evidence of non-allocatable operating costs and vacant units, balance confirmation of accounts kept by the contractor, valuation of receivables and payables, deposit certificates, etc.	Deadlines must be fixed and the financial year specified	●		
	15.6	Monthly annotated delivery of the standard reports agreed between client and contractor in terms of type, content, format and delivery dates, for instance: <ul style="list-style-type: none"> <li>- Tenant list including residual terms, options, terminations, vacant units, etc.</li> <li>- Arrears list including comments on processing status</li> <li>- Rent abatement list including reason and status</li> <li>- Rent increase proposal list with explanations</li> <li>- Rent collateral report</li> <li>- Operating cost accounting and appeal reporting</li> <li>- Liquidity plan</li> <li>- Litigation</li> <li>- Reporting on insurance claims</li> <li>- Maintenance and inspection schedule</li> <li>- Target-actual comparison of technical measures across all measures</li> </ul>	When setting up automated interfaces, it must be verified to what extent standard reports are still required and to what degree such information is already mapped in the target system (avoidance of parallel delivery of data)	●		
	15.7	Preparation of generally feasible special reports according to the client's specifications	This optional service cannot be priced in advance; however, it should be calculated by the contractor according to the client's specification and provided on the client's request, in case of doubt remuneration according to cost		●	
	15.8	Reporting on unexpected and exceptional significant events		●		
	15.9	Modification of contents and/or form of reporting due to new requirements specified by client, legislators or other stakeholders	This optional service cannot be priced in advance; however, it should be calculated by the contractor on the client's request and provided on call; in case of doubt remuneration according to cost		●	



Point	Number	Service	Specification	Basic service	Optional service	Special service
16		Document management				
	16.1	In coordination with the client, the contractor actively pursues the enforcement of the procurement of missing records and documents	This optional service cannot be priced in advance; however, it should be calculated by the contractor on the client's request and provided on call; in case of doubt remuneration according to cost		●	
	16.2	The contractor ensures proper recording and documentation of all administrative transactions and manages all property-related documents in a filing structure agreed with the client (either as hard copies or in electronic form).		●		
	16.3	Organisation of professional archiving at third parties of documents that are no longer needed for the provision of the services, provided the documents are not transferred to the client and, on the client's request, assistance in retrieving archived documents	External costs are assumed by the client, assistance in retrieval of documents, for instance on expenses basis		●	
	16.4	Client's and contractor's up-to-date delivery of specified documents to a platform provided by the client, for example: - Tenancy agreements with supplementary agreements and, where applicable, important correspondence - Sureties and important warranty documents - Supply and service agreements - Ground plans and land register map - Inspection and maintenance logs (fire protection, drinking water supply, lifts) - Documentation proving that the operator's responsibility is being accomplished - Site survey records - Key books/access documentation, unless this is the responsibility of the facility management - Energy certificates	May be agreed as basic service on contract conclusion if required on a permanent basis and if scope and nature of the provision is also agreed;  access and storage rights should be granted to client if contractor operates a digital document storage system (to be specified); where applicable, the parties may agree backup or mirroring to a destination to be determined by the client		●	
	16.5	On request, the contractor shall provide the client with complete duplicates or copies of all documents relevant to commercial management.				●
	16.6	The originals of the contracts and contractual documents (if in the contractor's possession) and important written correspondence are backed up by the contractor and stored in accordance with the legal requirements (e.g. tenancy agreements; rent collateral, rent adjustment letters; termination letters; transfer logs and return records).	The parties must define in principle which original documents, for instance tenancy agreements and rent collateral, are stored by which party and which requirements apply to storage and accessibility.	●		

## C Service modules | IV Technical property management

Given that **technical property management** is a multi-layered and complex field, the respective section in the LSPM is highly detailed. It is therefore advisable to define in the actual contract, at least in broad outline, the respective interfaces between client and contractor (e.g. if technical asset management is incorporated) on the one hand, and between contractor and third parties (e.g. facility management) on the other.

One of the main tasks of technical property management is its important control function. As regards maintenance and service agreements, property managers specifically control and document the performance of inspections and the implementation of resulting measures. In the property management context, they must perform regular and documented site inspections to ensure that the building is in an operational and safe condition. Documentation provides important evidence that the operator's responsibility (OR duties) is being fulfilled.



Furthermore, property managers are usually responsible for the management of technical maintenance measures, including insurance claims.

In practice, such simple technical measures require neither project management based on AHO (Committee of Engineer Associations and Boards of Engineers for Fee Structures for Architects and Engineers) nor planning services

according to HOAI (Regulations on Architects' and Engineers' Fees), either for single trades or the entire measure. In real life, a distinction is often made between basic services and optional services according to the projected costs of the measure based on value limits:

- The implementation of measures up to a definable value limit should be considered a basic service. Client and contractor should agree such value limit for the specific proper-

ty before the contract is signed (guideline: in practice, such value limits often lie between kEUR 5 and kEUR 20).

- In the event of higher construction costs, a fee is commonly charged (often as a percentage of the net construction total; the percentages decline with a rising construction sum and agreements are made on a case-by-case basis above a certain upper threshold (e.g. above kEUR 500 net)).
- For information only: independent of the issue of separate remuneration, the contract usually stipulates a threshold, for instance kEUR 2 net, up to which the property manager may award services by private contract and specifies how prices are assessed above the threshold (for example comparative quotes including award proposal, via award portals or through framework agreements).

When the threshold value triggering remuneration is exceeded, or above a different freely definable volume, for instance kEUR 100 net, the parties often stipulate that the client may contract other service providers to implement the measures. The client should be aware that

this creates an additional interface, the management of which is the client's responsibility (e.g. invoice verification). In these cases, property managers only take over the commercial administration, e.g. posting and account assignment of invoices, where applicable also formal contracting of services according to the client's specifications/templates.

The other fundamental case comprises larger-scale, more complex measures, especially those involving the coordination of several trades. In these cases, it is often necessary to appoint a project manager or arrange for the property manager to provide project management services as an additional service. In special cases, individual coordination is required before the start of the measures as to whether these services are necessary (e.g. where carpets are laid on a large scale, the size of the measure may make project management appear necessary; however, a project management fee rarely applies since only one trade is involved).

The following criteria could be used as guidance for the assessment of the complexity of a measure and as a basis on which client and property manager should come to an agreement whether project management is necessary:

- a) Number of trades involved
- b) Integration of external planners
- c) Volume of the construction measure

As a rule, project managers also provide services, such as budget monitoring, which are otherwise part of the implementation of technical measures.

Where measures require planning services, such services are usually awarded separately

and are not provided by the property manager (unless the company has planners with the required skills). For this reason, they are not included in the LSPM.

A further key subject is warranty management and warranty tracking: both are included in the remuneration in cases where the measures are managed by the property manager. For services provided by third parties, warranty management and warranty tracking should either be awarded to the third party (phase 9 HOAI), or a separate remuneration regulation is required.

Finally, technical property management is often responsible for the retendering of facility management services. The parties should ex-

plicitly define the degree to which this represents a special service, not least depending on the question whether the property manager is responsible for the award or manages a specifically contracted service provider.



Point	Number	Service	Specification	Basic service	Optional service	Special service
		<b>IV – Technical property management</b>				
17		<b>Maintenance and inspection / service agreements</b>				
	17.1	Monitoring of technical requirements and intervals for maintenance services and inspection of technical equipment based on the current property documentation		●		
	17.2	Inspection of maintenance services owed by tenants in accordance with the provisions of their tenancy agreements		●		
	17.3	Ongoing retrieval, documentation and verification of completeness of maintenance logs, inspection reports, TÜV assessments in respect of contracted service providers, especially facility managers as well as tenants in accordance with such agreed regulations		●		
	17.4	Notification of client of material defects		●		
	17.5	Initiation of repair of defects listed in the documented records (unless they relate to stock that has been taken over) - in the case of tenants' obligations: requirements for tenants	Para. 19 and para. 20 apply to the implementation of any technical measures that may be required in this context	●		
	17.6	Verification of removal of defects and defect clearance notifications		●		
	17.7	Contracting of specialist and technical inspections (unless provided by facility manager) and monitoring of implementation		●		
	17.8	Management of maintenance and service contracts (excluding facility management): conclusion/ contract amendment/renegotiation/termination/optimisation proposals according to principles of proper management	Applies exclusively where no facility management contract has been concluded. For facility management tender see paragraphs 26 and 27	●		
	17.9	Retendering of individual maintenance and service agreements based on the current list of services (cost check)	Applies exclusively where no facility management contract has been concluded. For facility management tender see paragraphs 26 and 27	●		
	17.10	Retendering of individual maintenance and service agreements involving modification of the list of services or current service range	Applies exclusively where no facility management contract has been concluded. For facility management tender see paragraphs 26 and 27		●	
18		<b>Property management</b>				
	18.1	Identification, documentation and initiation of appropriate / necessary repair and maintenance measures (short, medium, long-term)		●		
	18.2	Regular site surveys for inspection of technical condition and safety including documentation and follow-up on identified defects	A minimum and maximum frequency (as basic service) should be agreed for the individual property before the contract is concluded	●		
	18.3	Annual preparation of a technical report for the property including the budget for technical work		●		
	18.4	Technical tenancy supervision, specifically receipt and documentation of defect reports		●		
	18.5	Damage assessment and recording including documentation		●		
	18.6	Monitoring and control of technical onsite supervisor or facility manager		●		
	18.7	Audit and approval of invoices (service invoices)		●		
	18.8	Ongoing maintenance (at least initiation and verification) of existing technical documentation for measures carried out or controlled by the contractor, including ongoing operation		●		



Point	Number	Service	Specification	Basic service	Optional service	Special service
	18.9	Ongoing maintenance (at least initiation and verification) of the existing technical documentation for measures not carried out or controlled by the contractor			•	
	18.10	Assisting the client in the collection of data and information as well as delivery for ESG monitoring and respective reporting / benchmarking	E.g. GRESB, ECORE, etc.		•	
19		<b>Implementation of technical work involving construction and ancillary construction costs up to EUR ... net</b>				
	19.1	Identification of type and scope of the respective maintenance and renovation measure		•		
	19.2	Consultation with client in accordance with the applicable clearance arrangements		•		
	19.3	Placing of orders, inspection of service provision (also informally) and invoice processing and approval	Formal final inspections are not part of this service unless they have been expressly agreed	•		
20		<b>Implementation of technical work involving construction and ancillary construction costs of EUR ... net and above</b>				
	20.1	Identification of type and scope of the respective technical measure	As a rule, external planners are involved with respect to the following items: - Measures with corresponding planning applications of any kind (change of use, ventilation application, new fire protection concept, other building applications) - Complex tenant improvements involving special measures and necessary technical buildings systems (TBS) planning as well as plant and assembly planning - Complex TBS and fire protection projects		•	
	20.2	Consideration of general parameters under the applicable licence regulations and, where necessary, initiation of verification and procurement of required licences			•	
	20.3	Preparation of a cost projection (construction and ancillary construction costs based on DIN 276, cost groups 300 to 700)			•	
	20.4	Comparison and preparation of measure-specific budgets and coordination with client (construction and ancillary construction costs based on DIN 276, cost groups 300 to 700)			•	
	20.5	Preparation of a decision paper and obtaining decisions and clearance from client in accordance with the applicable clearance arrangements			•	
	20.6	Ongoing, measure-specific budget monitoring			•	
	20.7	Procurement of quotes including list of services			•	
	20.8	Request for comparative quotes for measures with a total volume in excess of EUR ...			•	
	20.9	Placing of orders, processing and formal inspection of measure	In this case, the project supervision of the property management assumes the task pursuant to point 25. This is an independent monitoring responsibility of the builder's representative rather than an additional task		•	
	20.10	Assessment / control of companies involved in the planning and construction process in regard of the contractual performance obligations			•	
	20.11	Invoice processing (audit, approval and transfer to payment run)			•	
	20.12	Random checks of the rectification and clearance of defects identified during the building inspection			•	
	20.13	Collection of agreed collateral			•	

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Point	Number	Service	Specification	Basic service	Optional service	Special service
	20.14	Documentation of warranty deadlines for completed construction measures			●	
	20.15	Documentation and management of measure-specific collateral retentions and guarantees			●	
	20.16	Receipt and classification of measure-specific defect reports			●	
	20.17	Notification of warrantor re. defects			●	
	20.18	Monitoring of deadlines, setting of additional deadlines			●	
	20.19	Management of stakeholder appointments			●	
	20.20	Request of defect clearance notifications from the warrantor			●	
	20.21	Verification of defect clearance notification			●	
	20.22	Release of retained collateral and guarantees			●	
	20.23	Processing/payment of guarantees and retained collateral			●	
	20.24	Measure-specific communication with tenants in coordination with commercial property management			●	
21	<b>Commercial support for third-party technical measures</b>					
	21.1	Commercial support (preparation of the order document, etc.)	According to client's specifications and instructions	●		
	21.2	Account assignment and payment of invoices	Audit and approval of invoices by client or optional service	●		
	21.3	Audit of invoices/budget tracking/liquidity management, mapping in ERP system			●	
	21.4	Support of measure-specific tenant communication (information)		●		
	21.5	Tenancy supervision and coordination of tenant appointments			●	
22	<b>Management of insurance claims</b>					
	22.1	Implementation of emergency measures in the event of damage to prevent personal injury and damage to property, subsequent notification of client		●		
	22.2	Damage report to insurance company		●		

Point	Number	Service	Specification	Basic service	Optional service	Special service
	22.3	Contracting of companies for damage processing in coordination with the insurance company	Para. 19 and para. 20 apply to the implementation of any technical measures that may be required in this context	●		
	22.4	Settlement with the insurance company, account assignment according to client's specifications	In some cases, costs relating to insured measures are posted separately	●		
23	<b>Warranty management of measures not implemented by the contractor (final inspection shortfalls from project development / new buildings are usually client's responsibility)</b>					
	23.1	Submission of proposals and procurement of quotes for the provision of warranty tracking services			●	
	23.2	Involvement in the award process and submission of an award proposal			●	
	23.3	Involvement in the contracting of a third party for warranty tracking services after clearance by client (including contract preparation)			●	
	23.4	Forwarding of defect, damage and malfunction reports to the third party contracted for warranty tracking			●	
	23.5	Regular requests of processing status (overview lists, statements)			●	
	23.6	Request of inspection records, final inspections, evidence, etc. regarding the removal of reported defects			●	
	23.7	Plausibility check of defect removal reports (overview lists, consultation of tenants, facility management, building caretaker or other service providers)			●	
	23.8	Tracking of warranty deadlines, initiation of inspection appointments required by third parties pursuant to the client's documented information			●	
	23.9	Notification of client and recommendation of measures			●	
	23.10	Attendance of final inspections by third party contracted for warranty tracking			●	
	23.11	Measure-specific communication with tenants in coordination with commercial property management			●	
24	<b>Warranty tracking of measures not implemented by the contractor</b>					
	24.1	Receipt and classification of measure-specific defect reports				●
	24.2	Notification of warrantor re. defects				●
	24.3	Monitoring of deadlines, setting of additional deadlines				●
	24.4	Tendering and support of substitute measures, support of any legal steps the client may have to initiate, e.g. proceedings for the preservation of evidence				●
	24.5	Management of stakeholder appointments				●
	24.6	Request of defect clearance notifications from the warrantor				●

Point	Number	Service	Specification	Basic service	Optional service	Special service
	24.7	Verification of defect clearance notification				•
	24.8	Release of retained collateral and guarantees				•
	24.9	Processing / payment of guarantees and retained collateral				•
	24.10	Measure-specific communication with tenants in coordination with commercial property management				•
25	<b>Project management</b>					
	25.1	Definition of the tasks, coordination of programme for the overall project and definition of project term				•
	25.2	Involvement in customary tenant consultations for planning updates				•
	25.3	Assistance in establishing the budget				•
	25.4	Clarification of requirements for deployment of (expert) planners and other specialists				•
	25.5	Involvement in the procurement and evaluation of quotes, award negotiations and order placement with project participants				•
	25.6	Involvement in the award process and order placement with contracting companies				•
	25.7	Coordination and management of project participants (excluding contracting companies) in regard of costs, deadlines, quality				•
	25.8	Updating of project targets				•
	25.9	Preparation and inducement of client's decisions				•
	25.10	Monitoring of deadlines and costs with reference to project targets				•
	25.11	Invoice processing				•
	25.12	Organisation and participation in final inspections on a random basis				•
	25.13	Organisation and participation in transfers / start-up operations on a random basis				•
	25.14	Involvement in the verification and compilation of project documentation				•
26	<b>Supervision of facility management tenders (by third parties)</b>					
	26.1	Clarification of task				•
	26.2	Involvement in the determination of required principles and information				•

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Point	Number	Service	Specification	Basic service	Optional service	Special service
	26.3	Submission of proposals and request for bids for a facility management tender				●
	26.4	Coordination and supervision of project participants				●
	26.5	Involvement in the award process and submission of an award proposal for a facility management tender				●
	26.6	Involvement in the tender, negotiation, preparation and conclusion of a facility management contract				●
	26.7	Audit and approval of invoices				●
	26.8	Support during the facility manager's start-up phase				●
27	Implementation of facility management tenders (by contractor)					
	27.1	Procurement of bids based on existing list of services				●
	27.2	Where necessary, commissioning of a facility management list of services				●
	27.3	Submission of an award proposal				●
	27.4	Preparation of award according to client's specifications				●
	27.5	Coordination of contract conclusion by client				●



## C Service modules | V Letting services

**The letting of commercial space** is an activity for which owners frequently engage asset management or other third parties, such as letting agents, instead of commissioning such letting activities from property management as a basic service. In these cases, property management plays a supportive role which is nevertheless important for the success of the letting activities.

Property managers may offer this activity as an optional service, either for special types of use (for instance residential, storage or parking) or within certain thresholds (for example small surface areas), or comprehensively.

Occasionally, these options are combined, whereby the property manager coordinates the activities of the third parties that have been contracted to provide the letting services.

Depending on the desired form of the letting activities, they should be broken down individually into basic services, optional services and additional services in the LSPM. They should also be recorded in the contract along with corresponding performance-related fees.

Note on portfolios with mixed-use properties: this applies analogously to residential use, although it is comparatively more common for the property manager to assume this task.

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Point	Number	Service	Specification	Basic service	Optional service	Special service
		<b>V – Letting services</b>				
28		<b>Preparatory support for letting services</b>				
	28.1	Preparation and maintenance of an occupancy plan			●	
	28.2	Guarantee of appropriate condition of space intended for letting	Guarantee in this context means coordination and control, not the provision of the actual service, e.g. cleaning	●		
	28.3	Vacancy management in the sense of comprehensive management of empty spaces and buildings beyond temporary vacancy management	For properties with high, longer-term vacancy rates, e.g. properties subject to ongoing revitalisation			●
29		<b>Activities relating to new tenancies</b>				
	29.1	Selection and management of external estate agents	Contracting is usually the client's responsibility			●
	29.2	Procurement of credit rating information				●
	29.3	Conduct of tenancy agreement negotiations				●
	29.4	Preparation of the tenancy agreement according to the client's template and conclusion of the tenancy agreement	Basic service if templates are used (e.g. residential tenancy agreements)		●	
	29.5	Supporting the client in regard of letting activities in the usual extent, for example: - Provision of data and property information - Coordination of access for site inspections - Depending on authorisation scheme, signing of tenancy agreements according to client's instructions (i.e. no review of content)	Includes neither sight inspections nor planning services or coordination with prospective tenants	●		
30		<b>Additional new tenancy activities by property manager (services included, provided commission is paid)</b>				
	30.1	Preparation and implementation of a tenancy concept, or examination of current tenancy concepts as to their marketability				●
	30.2	Coordination, preparation and implementation of site inspections				●
	30.3	Conduct of tenancy agreement negotiations, including credit rating assessments, etc.				●
	30.4	Preparation of the tenancy agreement according to the client's template and/or coordination with a legal advisor and conclusion of the tenancy agreement				●
31		<b>Activities relating to current tenancies</b>				
	31.1	Processing of exercise of options without changes in content		●		
	31.2	Active tenancy extensions and changes in floor space involving existing tenants			●	

Point	Number	Service	Specification	Basic service	Optional service	Special service
32		Technical support of letting activities				
	32.1	Involvement in the preparation of technical letting concepts and economic efficiency calculations				•
	32.2	Involvement in planning coordination with tenants (including special tenant requests) before and after conclusion of the tenancy agreement				•
	32.3	Preparation of tenants' space planning				•
	32.4	Preparation of cost and time projections				•
	32.5	Preparation or involvement in the preparation of documents relating to tenancy agreements (building and amenities description, tenant improvements planning, tenant improvements budget				•



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## C Service modules | VI Support of selling activities

Where available, the property manager should provide the documents and information needed for a sale. This requires close coordination with the asset management and other project partners (e.g. estate agents).

Since it is not always clear on conclusion of the contract whether a sale will occur during the property manager's mandate, this service is not considered a basic service, particularly since it is not recurrent.

The costs arising to the property manager depends on a number of circumstances – some of which are not within the property manager's sphere of influence – such as availability and quality of documents and information, the preferred processing scope and the level of sales process support.

Point	Number	Service	Specification	Basic service	Optional service	Special service
<b>VI – Support of sales activities</b>						
33	<b>Preparation and support of sales activities</b>					
	33-1	Upload of digital documents into a data room provided by the client	Includes implementation of a naming convention defined by the client		●	
	33-2	Procurement and digitisation of non-existent documents	Provided the documents are accessible and available to the contractor			●
	33-3	Attendance of site inspections with prospective buyers	This is an optional service if the scope or number of inspections exceed the customary scope in the management field - excluding sales		●	
	33-4	Involvement and support of the Q&A process			●	
	33-5	Preparation of an overview of the completed maintenance work of the last 5 years (at most: since start of the mandate)	ESG-relevant measures must be processed separately on client's request		●	

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## C Service modules | VII Offboarding

The services owed in the **offboarding** context, especially after the effective expiry of the contract, frequently create conflicts between client and property manager. It is therefore advisable to stipulate these services with the same diligence that is applied to the services during the ongoing contractual relationship.

A distinction is made between offboarding triggered by a sale and offboarding triggered by a change of property manager – hence without a change in ownership. Furthermore, it should be noted that offboarding services may often be required long after the original expiry of the management mandate.

The client's legitimate interest in subsequent services must be weighed against the property manager's equally justified interest in reliable planning conditions regarding the end of the services owed and the associated commitment of resources. It should thus be borne in mind that, after expiry of the mandate, due to a lack of capacities and other resource commitments, the property manager may no longer provide services that it may have provided previously under the ongoing contractual relationship as a gesture of goodwill.



Insofar, it is important to specify these services in the contract, not least as a contribution to a cooperative relationship between the contracting parties after the contract has expired.

On termination of the mandate, the contractor must ensure that all relevant data as well as digital and physical documents relating to the mandate period and the previous history are fully transferred to the client or the new property manager within an appropriate period of time.

Point	Number	Service	Specification	Basic service	Optional service	Special service
<b>VII – Offboarding</b>						
34		<b>Handovers</b>				
	34.1	Compilation and organised handover of all physical and digital files and documents, which have been taken over, updated or newly created by the contractor, to the client or a third party that has been contracted by the client and is obligated to take over the documents	This also applies to access systems, unless these are management by a facility manager, and to original contracts, guarantees, collateral, etc.  The contractor is usually not responsible for any costs associated with returns, for instance transport	●		
	34.2	Transfer of an electronic copy of the master data and other management-related transferable information from the contractor's IT system to the client or a third party appointed by the client in a format that can be digitally processed	Data format, e.g. xlsx or .csv; on client's request before end of contract; for example VAT correction items (including §15a register, provided such a register is maintained by the contractor)	●		
	34.3	Compilation and organised handover of pending transactions to the client		●		
	34.4	Participation in a transfer site inspection involving a third party appointed by the client	Within four weeks of the expiry of the contract		●	
35		<b>Communication</b>				
	35.1	Forwarding an information letter to tenants in coordination with the client	Prior consultation of client required	●		
	35.2	Notification of change to suppliers and authorities	Unless it has been agreed that this is the buyer's/new PM's responsibility	●		
	35.3	Termination of bank accounts after consultation with client		●		
	35.4	Answering queries for a maximum period of three months after the end of the contract	Optional service if the period is longer	●		
36		<b>Subsequent activities</b>				
	36.1	Delivery of reports for the period until contract expiry		●		
	36.2	Disbursement of rents arriving after the end of the contract on accounts held by the contractor	As a rule, accounts should be closed promptly on expiry of the contract (e.g. 65 days after transfer of rights and obligations or end of management mandate)	●		
	36.3	Involvement in preparing the statement of account as at the transfer date for the new owner		●		
	36.4	Preparation of the statement of account as at the transfer date for the new owner			●	
	36.5	Accounting of heating and operating costs for all accounting periods ending within the contractual term		●		
	36.6	Assertion and collection of client's rent receivables, including after contract expiry, for example in cases where receivables were not included in the sale				●



## C Service modules | VIII ESG – Environment, social, governance

**Sustainability** in the broader sense is increasingly becoming an important subject in society and the economy. However, the term is used to cover a wide range of topics. A uniform definition does not exist and interpretations vary depending on the product, service, industry and provider. The challenge now is to develop specific criteria that create transparency, comparability and quantifiability.

In the financial and entrepreneurial world, the ESG approach to assessing sustainability has taken root. ESG stands for environmental, social, and governance.

### Environmental criteria include:

- Environmental management, e.g. ISO 14001 or equivalent
- Environmental impact of products and/or services
- Resource management and efficiency
- Energy, waste and water management
- Operational and sustainability standards
- Biodiversity

### Social criteria include:

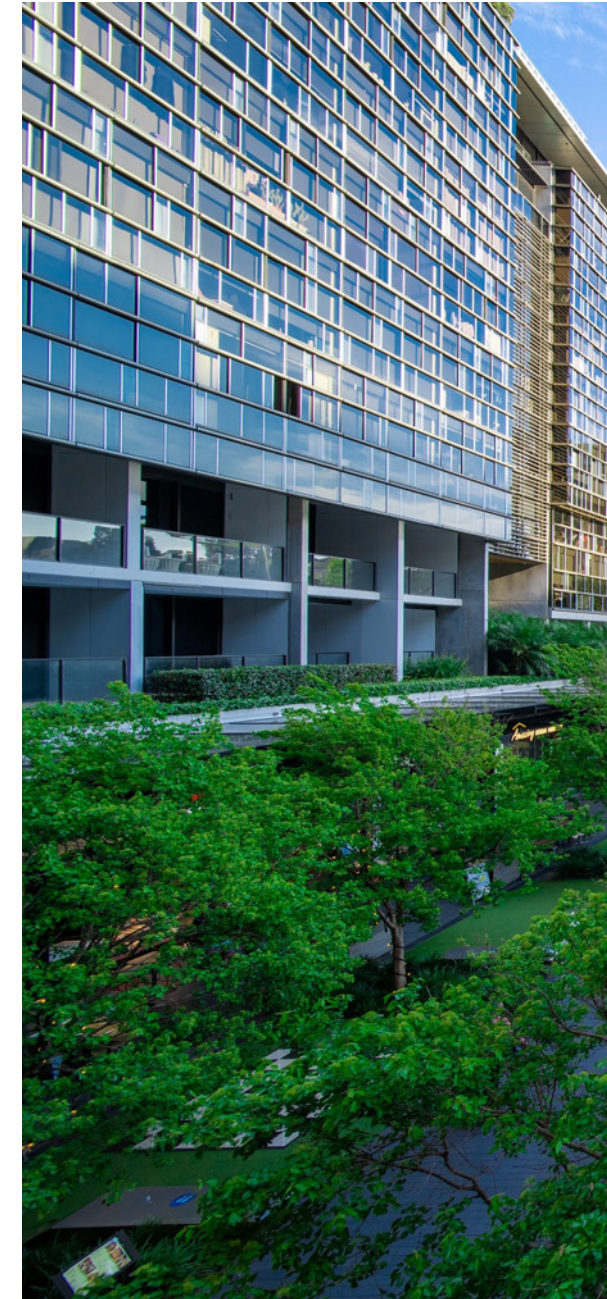
- Health and safety
- Product responsibility (e.g. in regard of health and wellbeing)
- Further education and training
- Data protection and management
- Supply chain management (e.g. with respect to fairness)
- Pricing

### Governance criteria include:

- Unternehmensethik
- Gesetzeskonformität
- Auswahl Vertragspartner
- Reporting und Wissenstransfer
- Regionale Wertschöpfung
- Vergütung

Property management plays a key role in the sustainable operation/management of real estate. The implementation of ESG criteria in property management depends on the incorporation of criteria or sustainable services into property management contracts and into the structure and organisation of the property management services. In this context, the operation of properties should follow sustainable criteria and the environmental, social and governance criteria should be in balance; in specific, this means economical use of resources in compliance with the principle of economic efficiency and maximum possible participation of users. New, innovative approaches may contribute to the achievement of higher sustainability standards in the long term.

If social and political responsibilities are to be met, existing operational strategies and the associated contracts between property management, facility management and tenant/user must, for a start, be aligned with and based on the above-mentioned goals in order to implement all measures undertaken in the context of ongoing maintenance and repair not only according to costs but also in consideration of the ESG criteria. The goal should be to establish a continuous process of optimisation that leads to the successive achievement of the ESG objectives.







Meeting this challenge means that the demands on property management in terms of sustainable services are becoming increasingly diverse. For example:

- Support in the process of initial and follow-up building certifications according to standard certificates like DGNB, LEED and BREEAM
- Support in energy audits
- Incorporation of ESG criteria in (existing) FM contracts
- Upgrade of the IT landscape to facilitate the swift, standardised export of ESG-relevant data from existing systems into ESG tools.
- Tenders for energy supply and waste management as well as the selection and introduction of energy data collection portals and smart metering

Aside from technical and organisational requirements, tenancy agreements and other contracts should contain stipulations regarding the availability of the required data.

Only in the best-case scenario, property management can thus access all building data, including the data held by users (tenants). This poses a certain problem and creates a conflict between the goals of confidentiality on the one hand and access rights on the other. A possible solution to this problem is the Green Lease which defines, among other aspects, a balanced approach to the handling of data.

The above requirements reflect the current status of the framing of the ESG debate. Owing to the dynamic changes that are taking place in this area, a conclusive assessment of ESG-related services is currently not

possible. However, it is clear that the requirements arising from “new” sustainability topics will translate into additional services for property managers. It would be useful to define such services in the form of a new industry standard.

From the property management perspective, the services arising from ESG objectives are associated with considerable additional costs. The extent to which such services will be included among the basic, optional or additional services varies at present and must therefore be determined individually by the contracting parties.



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# BAMBI

Circle of Real Estate

The tabular parts of the LVPM as an Excel version and further information on our BAMBI circle can be found on our website.

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