

Property Management - A Proposal

Robert E. Forrester, SR/WA

Property Management, as we in the International Right-of-Way Association know it, is fast becoming an art. As we learn more and more of its uses and as we continue to teach others how to apply its principles, we realize that its theories and principles require constant considerations. This article will attempt to look back into classical management theory in an effort to propose three groups for consideration as proponents of practical applications to property management.

INTRODUCTION

In the typical community, pressures to strengthen the tax base are often at odds with the desire for open space and clean air. At the heart of this conflict is the question of how to manage the real property owned by the local government. Does the public trust, as determined by the governing group demand that lands owned by the city or county be held indefinitely, as a passive asset, or does the local government's obligation to manage local resources wisely and efficiently dictate that it use real estate holdings to improve its financial position?

My first choice will describe a kind of system a local government can put into place to help it make rational decisions about the real estate assets it holds. The local government's dual role as user and investor will be explored, and the sometimes conflicting needs of operating departments, neighborhood residents and the business community will be examined.

The local government will frequently find that there is already within their employees a talent for the managing of their real properties. These may be former real estate sales personnel, current owners of income properties, trained right-of-way agents, or present property managers. A selection from one or more of these personnel can form the nucleus for a team which, when combined with other disciplines can provide in-

dependent observations, evaluations and recommendations to the governing body.

THE PROPERTY MANAGEMENT TEAM

It is proposed this team be designated as a "Property Management Team." This Property Management Team will become useful when observations of current real property management procedures for the organization yield some of the following:

"Our only interest in real estate is to support the needs of our operating departments. Real estate decision making is driven by the program needs of our departments and by problems requiring immediate attention."

"We have no single source to go to for our real estate information, analysis, planning or recommendations. In fact, the precise size and value of our real estate is not known."

"We have little time to plan for the

Interpersonal relations have shifted toward more cooperation, openness in decision making and emphasis on performance based on labor-management trust. A goal of many organizations is to get workers highly involved in their jobs through quality improvement groups or labor advisory groups.

Several writers, among them, Douglas McGregor, Rensis Likert, Chris Argyris and William Ouchi have presented studies in support of a change in worker-manager relations that result in a greater productivity.

McGregor wrote in 1960 about two sets of assumptions management made about employees. These sets were given the catchy titles "Theory X" and "Theory Y."

Theory X portrayed the worker as lazy, lacking ambition and creativity and wanting above all else, security. Managers holding Theory X likely tend to manage using concepts that see management responsible for

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use of our property. Our strategic plan for real estate presumes that we will hold it until someone proves to us a better alternative exists. We have no need to understand the real estate markets and no need for resources to do anything but respond to requests."

WHY A TEAM?

The choice of the title "Property Management Team" for the management group to be given the responsibility for managing the local government's real property allows for a short discussion drawing on classical studies in interpersonal relations.

Over the past 25 years, profound changes in management theory have been observed. Changed social values and increased educational levels in the work force have required the manager to seek newer methods to maintain and improve the technique.

planning, organizing, and making important decisions. This type manager directs people and assumes management responsible for motivating the worker.

Theory Y utilized a different set of assumptions in which people were seen as being ambitious with work being a natural part of their jobs. These people seek responsibility and self-control in achieving goals.

Theory Y produces delegation of important decision making, less passiveness and increased trust of employees.

McGregor's contribution was that he forces managers to examine their assumptions about people and how these assumptions in turn, influence their own management practices.

Rensis Likert developed a questionnaire to measure characteristics of organizations, classifying management practices into four "systems."