

THE PROPERTY MANAGER



Standing from left to right : Zulkifli Bin Abd Aziz, Selina Khor and James Gorgey

Our philosophy on property management is to regard it as a process and as an essential platform by which we deliver services to our tenants and maintain the assets of Axis-REIT. This is done so that the assets continue to deliver performance expected of them in the future.

As always there is a critical balance between the need to spend funds on maintenance and upkeep and the need to contain costs and deliver results for our investors. To assist us in achieving this balance in 2009 we have started a program of Life Cycle Management for the entire portfolio to better identify long term maintenance issues. The aim of this is to achieve a more accurate cost management of all the elements that make for the optimum performance of our building systems.

To underpin this life cycle management initiative we have increased our team with the addition of Mr. James Gorgey, a mechanical engineer, and En. Zulkifli bin Abdul Aziz, an electrical engineer. James comes from a project background as well as having experience in mechanical engineering maintenance programs and Zulkifli has had experience in delivering facilities maintenance in a variety of property types including the demanding hotel sector.

Another measure introduced in 2009 was the introduction of a qualification review for all our service providers with a view to achieve better services and costs delivered to the buildings. Both contractors and suppliers were regularly graded and assessed on a quarterly basis with remedial action taken if required if there was a shortfall in quality. This program has already seen results with improvements in services at all levels together with reduced costs.

As a deliverable metric across the portfolio, our maintenance costs achieved an average of 16.50% of total gross income for the portfolio in 2009. We will continue to improve on this figure for 2010 and at the same time work to improve performance of the buildings by measuring the incident frequency and tenant satisfaction.

In 2010, we plan to computerize a majority of our property management functions and reporting. We see this as an essential step in building a platform that can be scaled up as we support the Manager as they grow the portfolio. Any property management platform must be flexible in order to accommodate a growing portfolio as seamlessly as possible and we see a well designed computerized platform as essential to achieving this aim.