



Regional Conference  
Western Cape – South Africa

# Property Management Versus Facilities Management

Speaker: **Edward Hector**  
11 October 2018



# One of South Africa's Biggest Challenges



# Inequality ... From World Class Infrastructure



# Inequality .... To Serious Challenges



**SOUTH AFRICA**

**It's all falling apart: Engineers' infrastructure warning to government**

25 June 2018 - 16:43

# We Are Not Alone



The DEVASTATING fire which ripped through the Grenfell tower block in West London left 72 dead and hundreds homeless.



WORLD

Italy bridge collapse: 'Its state of deterioration was notorious'

Ylenia Gostoli 16 Aug 2018 12:03

# Context – The Built Environment



## Public Works

93 000  
buildings  
R 117b



26  
Public  
Universities



Retail

Listed Funds  
R720b



Banks  
(ABSA  
1300  
branches)



Property  
Management  
Companies



# Context – The Built Environment



# Interrelationship



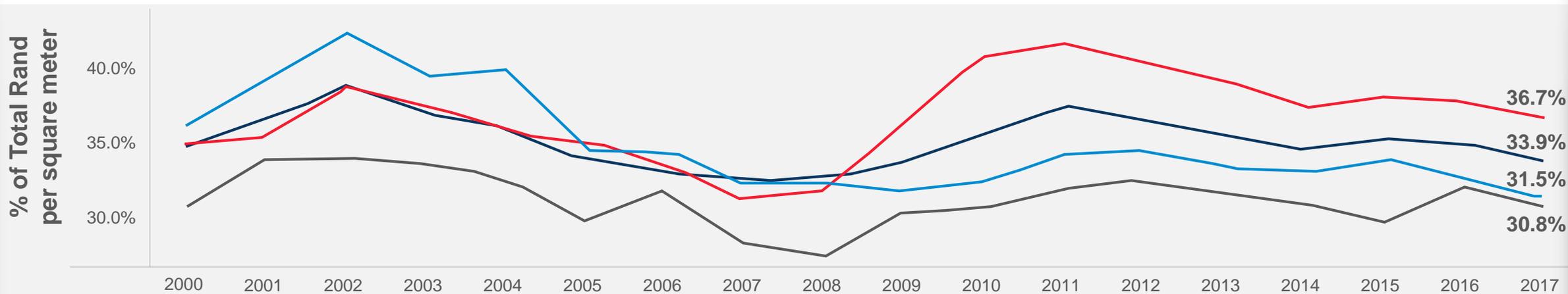
# Property Management - Data



All Property & per sector  
2000-2017

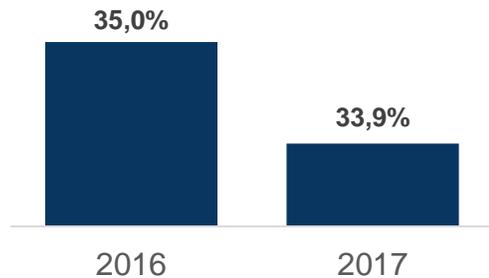
## Operating Cost as a % of Gross Income

■ All Property    
 ■ Industrial    
 ■ Office    
 ■ Retail

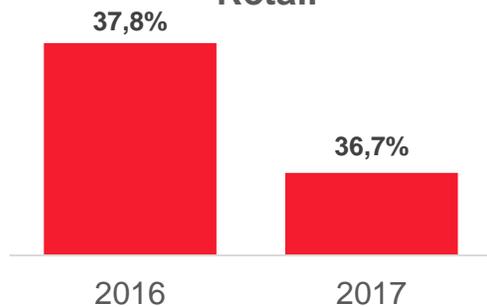


### Latest Period compared to previous

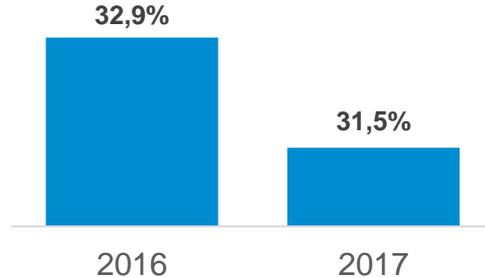
#### All Property



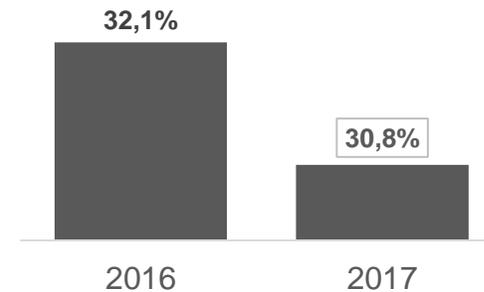
#### Retail



#### Office



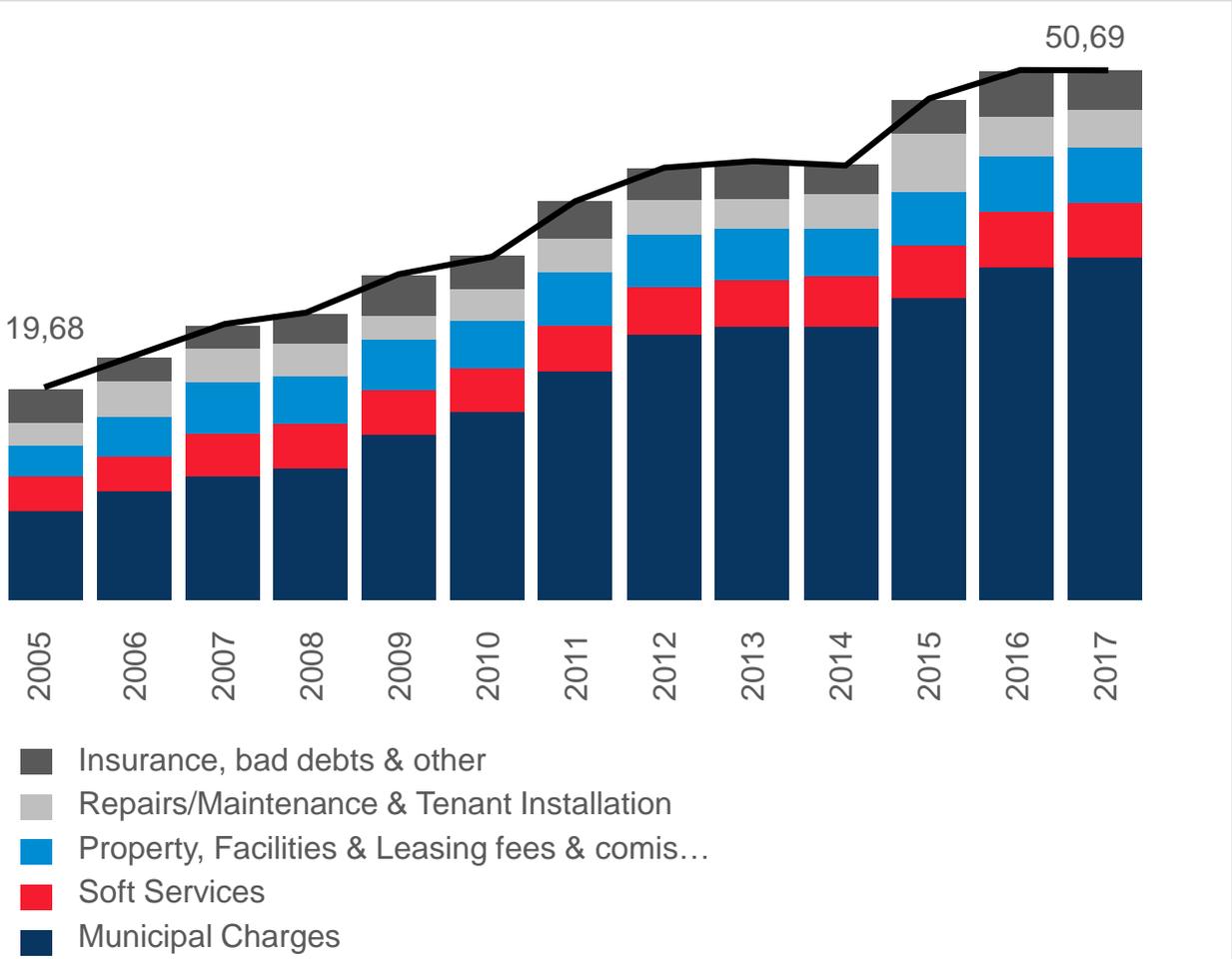
#### Industrial



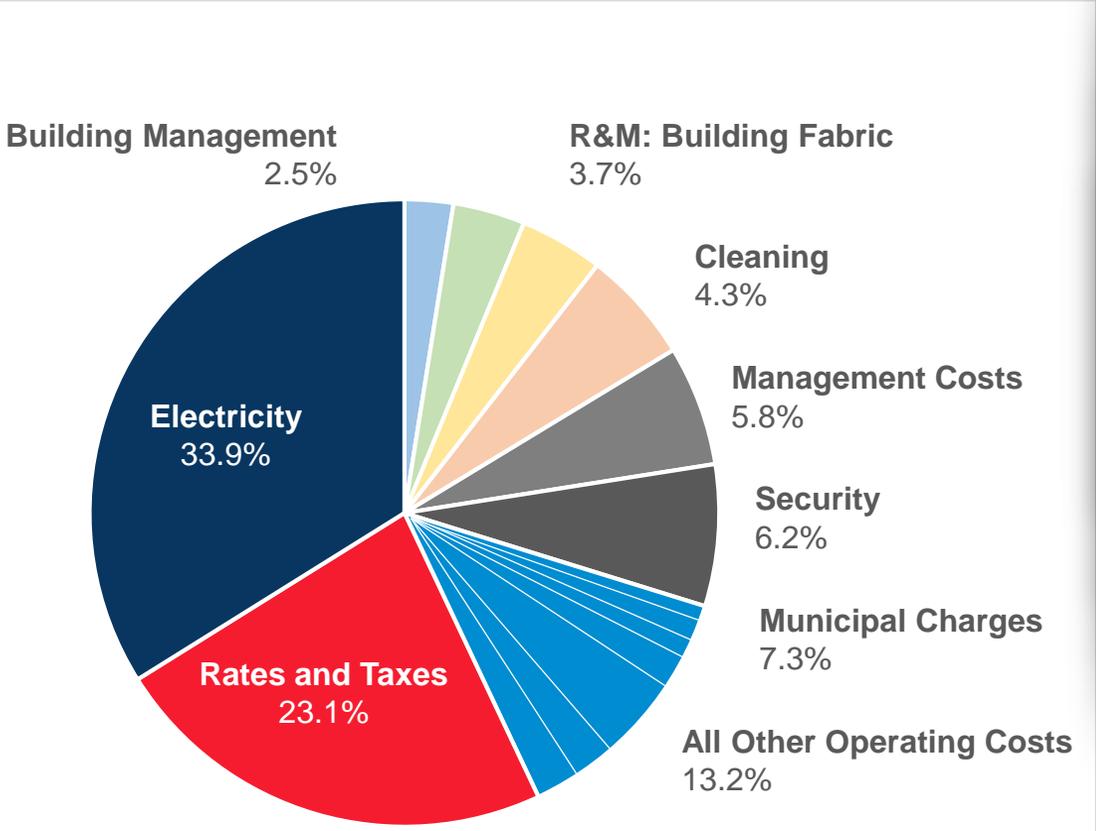
# Property Management - Data



Operating Cost category trend; Rand per sqm



Operating Costs; % of Total



Source: MSCI Real estate



# Property Management



Lease administration

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Risk management

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Compliance

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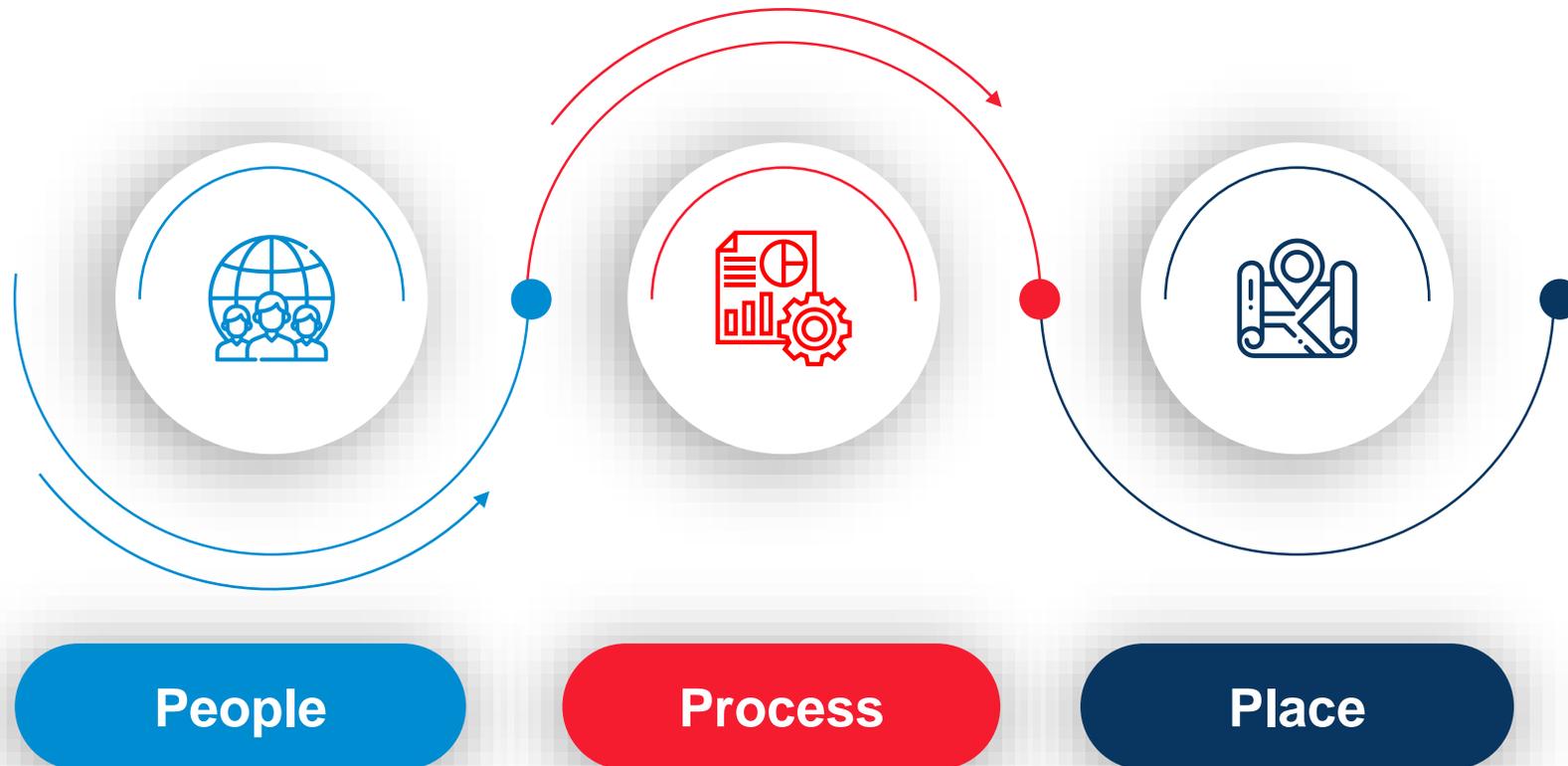
Contract management

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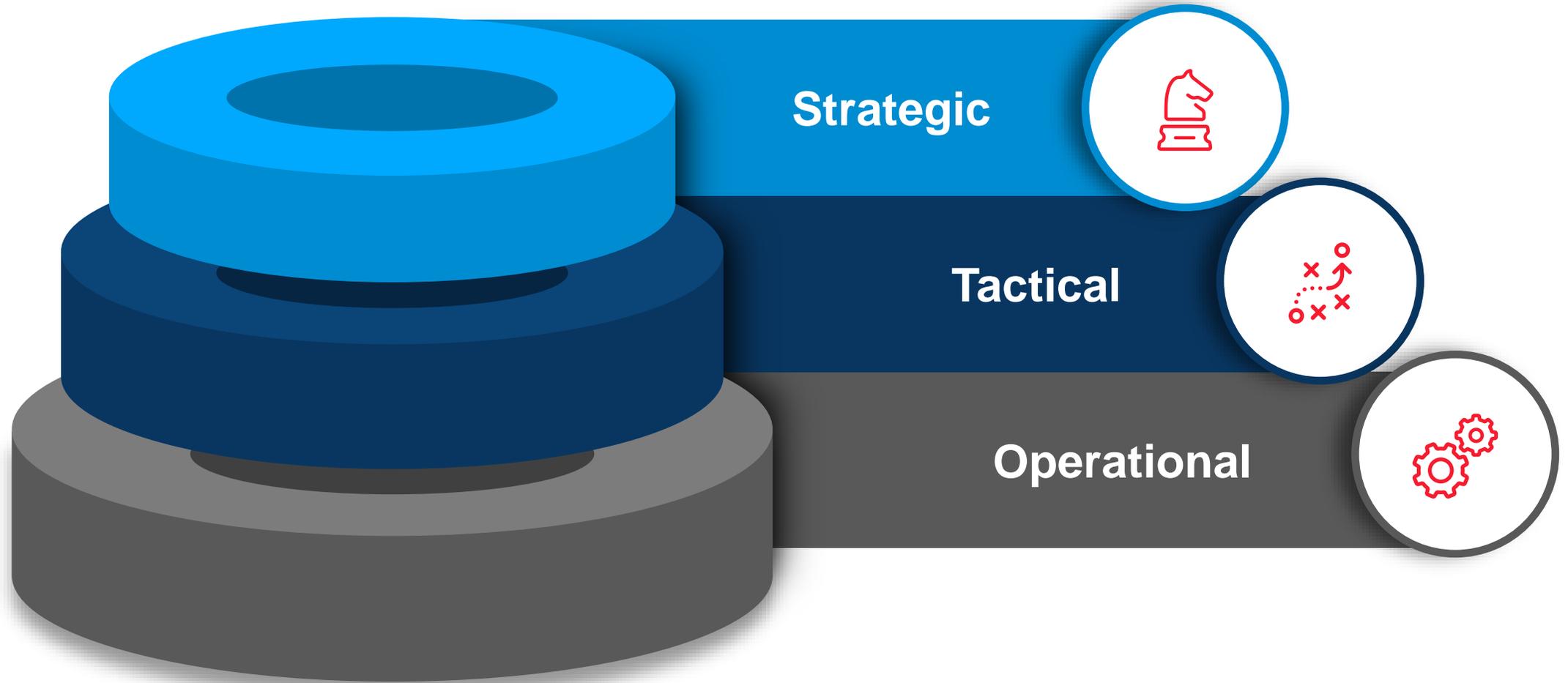


Utilities

# Facilities Management



# Facilities Management



# Drivers Of Change – How Facilities Management Developed



60's development of computers

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70's oil crisis

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Unhappiness with space

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Cost of space

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Rising employee expectations

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Impact of IT on  
business functions

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Pressure for efficiency  
because of global competition

# Facilities Management



**In the early years FM was crisis orientated and reactive. Decisions about Facilities were dispersed, un-coordinated and came low and late in the decision structure of most organizations**

# Facilities Management – We cannot all be Google



# Facilities Management – We cannot all be Google



The Google approach is "right for their own company," but "each company needs its own fit between the physical infrastructure of the office and their own organizational culture."

*Jeremy Myerson - Helen Hamlyn chair of design at London's Royal College of Art and is an expert in workplace design*

# Strategic Facilities Management



Addresses the War For Talent

Strategic



Tactical



Operational



Strategic FM is  
Employee Experience Centred

## Give Employees

- The Workplace They Want
- The Tools They Need
- A Culture they can Celebrate



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**Thank you**