

# Oracle Property Manager

Oracle® Property Manager streamlines and automates lease administration and space management, enabling you to more intelligently manage your real estate portfolio. Whether you are a corporate, commercial, or retail/franchise operation, Oracle Property Manager offers a comprehensive solution for reducing costs and identifying new revenue opportunities, minimizing contractual and financial risk, and providing data transparency that helps maximize the value of your real estate.

## REDUCE OPERATING COSTS

Build a smarter, more profitable business by intelligently managing your real estate. Oracle Property Manager streamlines the management of leases through improved tracking and visibility of lease terms, systematic complex lease calculations, and the automation of billings, payments, and Common Area Maintenance (CAM) reconciliation. Leveraging financials as a natural extension of the lease administration process reduces overhead and the risk of errors while maintaining control of payment and billing execution with the lease administrators.

## ACCOUNTING COMPLIANCE

The leasing world for tenant side of reporting and accounting was disrupted by accounting standards of IFRS16 and ASC842. Oracle Property Manager was enhanced to respond to these changes and help users to comply with these standards and thereby avoid serious violations from non-compliance.

Oracle Property Manager is empowered with the ability to capture, summarize, calculate Lease Data for helping you to comply with IFRS16 or ASC842, or as the case may be both these accounting standards. These enhanced capabilities include

- Generate calculations for Balance Sheet balances and Expenses
- Account for the above balances and expenses in compliance with IFRS16 or ASC842
- Generate Financial Statements from the tenant's perspective for Compliance and Disclosure requirements under these accounting standards

## Key Benefits

Oracle Property Manager offers the following benefits:

- Accounting compliance for IFRS16 and ASC842
- Reduce operating costs by automating repetitive tasks and complex calculations
- Capture and manage key lease dates and milestones
- Assign space and monitor utilization

## Key Features

### COMPLIANCE NEEDS

- Calculation of balances and expenses needed for tenant reporting, accounting and disclosure requirements under IFRS16 and ASC842.
- Automatically generate normalized lease accounting transactions in accordance with FAS 13 and IAS 17

### DEFINE AND MANAGE PROPERTIES AND SPACE

- Record and track data for each floor and space for a building

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- Provide infrastructure for Initial and Subsequent measurements/remeasurements of Lease Balances for Compliance
- Collect, process, and summarize data coming from new Compliance needs for Internal and External stakeholders

- Define and manage maximum and optimal levels of occupancy for a space
- Define and manage common, rentable, assignable, and usable areas for each space
- Track names, phone numbers, and addresses for property contacts
- Automate space definition with integrated CAD solution

The screenshot displays the 'Subledger Journal Entry' interface. At the top, it shows 'Ledger: Vision Finland', 'Journal Entry Status: Draft', 'Balance Type: Actual', and 'GL Date: 01-Jan-2020'. The 'Category' is 'PN LEASE BOOKING', 'Completion Date' is '24-Apr-2020 06:12:25', and 'Journal Entry Type' is 'Standard'. Below this, 'Transaction Information' includes 'Transaction Number: BOOK116002', 'Regime Code: IFRS16', 'Lease Name: nav-tax-cases', 'Transaction Type: BOOKING', 'Lease Number: 36472', and 'Document Sequence Name: Document Sequence Number'. A 'Lines' table follows, with columns for Details Number, Account, Accounting Class, Entered Currency, Entered DR, Entered CR, Accounted DR (EUR), Accounted CR (EUR), and Supporting References. The table contains 6 rows of data. At the bottom, 'Accounted Amounts' are shown as 'Accounted DR (EUR) 58,686.11' and 'Accounted CR (EUR) 58,686.11'.

Details Number	Account	Accounting Class	Entered Currency	Entered DR	Entered CR	Accounted DR (EUR)	Accounted CR (EUR)	Supporting References
1	60-000-1196-000-0000	PN Booking	EUR	23,478.09		23,478.09		00
2	60-000-1196-000-0000	PN Booking	EUR	23,462.89		23,462.89		00
3	60-000-1196-000-0000	PN Booking	EUR	11,745.13		11,745.13		00
4	60-000-2444-000-0000	PN Booking	EUR		23,478.09		23,478.09	00
5	60-000-2444-000-0000	PN Booking	EUR		23,462.89		23,462.89	00
6	60-000-2444-000-0000	PN Booking	EUR		11,745.13		11,745.13	00

Fig 1: Lease Accounting Transaction According to IFRS16

## AUTOMATE PAYMENT AND INVOICE CREATION

Flexibility within Oracle Property Manager enables the modeling of financial terms and conditions for payment or billing: Users can create and approve payments and billing terms for one-time execution or any user-defined period throughout the life of a lease; create terms in multiple currencies within the same lease agreement; automatically generate recurring payments and billing schedules for each lease; review schedules for each accounting period and authorize payments and billings as they become due.

## AUTOMATE THE ASSESSMENT OF RENT INCREASES

The calculation of index-based rent adjustments can be complex and time-consuming. Oracle Property Manager automatically assesses and generates the appropriate increases based on fluctuations of various indices. The flexibility of user-defined index tables provides unlimited support for calculating increases on any type of index and allows different indices to be used on a single lease. Industry-standard practices such as caps, floors, and ceilings are supported.

## AUTOMATE THE ASSESSMENT OF VARIABLE RENT

Sales based rent calculation is critical to any retail operation. Variable Rent functionality automatically calculates rents based on sales volume while supporting industry practices of deductions from sales, banded breakpoints, caps, floors, ceilings, and netting of other rent-related items.

## RECOVER COMMON AREA MAINTENANCE COSTS

Managing the billing, recovery, and reconciliation of Common Area Maintenance (CAM), insurance, taxes, and other expenses pose a management challenge. Costs that are not directly attributable to a specific tenant, often represent the largest portion of a landlord's operating expenditures; recovery of CAM and other expenses can represent as much as 50% of lease revenues. Additionally, these types of expenditures are typically the most painful part of billing calculations, with errors in expense recovery having a significant impact on a property's return on investment. Oracle Property Manager

## STREAMLINE LEASE ADMINISTRATION

- Abstract and manage critical lease information, agreements, and other contractual obligations
- Automatic notification of lease milestones and other actionable events
- Calculate rent increases based on indexes
- Calculate variable rent (percentage rent) on actual or forecasted sales
- Apply abatements and allowances to variable rent

## MANAGE CAM AND OTHER EXPENSE RECOVERABLES

- Maintain unique recovery terms and conditions for each tenant
- Automate the calculation and reconciliation of CAM and other expenses

## AUTOMATE PAYMENTS AND BILLINGS

- Authorize and generate payments and billings directly into Oracle Payables and Oracle Receivables

## RELATED PRODUCTS

Oracle Property Manager is integrated with the following products:

- Oracle Financials
- Oracle Human Resources

provides the ability to allocate CAM and other costs back to tenants per the terms and conditions of the lease.

### IDENTIFY COST SAVINGS AND REVENUE OPPORTUNITIES

Space is a resource that can represent wasted expenses or missed revenue if not managed properly. Oracle Property Manager provides the ability to manage occupancy and quickly identify underutilized space. Automating occupancy management from a revenue lease perspective and leveraging integration with Oracle Human Resources from an expense lease perspective reduces the administrative overhead of accurate occupancy tracking.

### MANAGE SPACE DEFINITION

Designed per BOMA and IFMA standards, Oracle Property Manager provides space management capability to allow for proper space attribution and accurate tracking of space measurements within your real estate portfolio. Oracle Property Manager allows for the segregation and qualification of properties into different types of portfolios from a single solution. Space definition from CAD drawings can be managed through the open, bi-directional CAD interface. The design of the system ensures the accuracy of space measurements from the smallest defined space to the overall gross measurement of the property.

### AUTOMATE SPACE ASSIGNMENT AND UTILIZATION

Knowing how you currently utilize your space and where you have vacancies is a key element in making informed decisions when managing your real estate. Oracle Property Manager streamlines space assignments, tracks occupancy and vacancies, and monitors capacities in each defined space. Facilities managers and space planners have access to this information online (rather than having to visit each space), dramatically reducing the cost of space administration. For landlords, tenants are automatically assigned to space as leases are finalized, providing real-time vacancy information.

### VISUALIZE SPACE AND SHARE DATA WITH CAD SYSTEMS

The difference between reading a report and seeing the same data laid out graphically can have a significant impact on your decision-making process. Visualization in real-time space attributes, utilization, and occupancy greatly enhances your ability to manage your real estate holdings. Oracle Property Manager provides Public Views that enable you to layer space attributes, utilization, and occupancy information into CAD drawings through the Web. Public Views help protect your investment in your CAD visualization solution while enabling you to take advantage of each new release of Oracle Property Manager.

### MINIMIZE CONTRACTUAL AND FINANCIAL RISK

Unfortunately, time cannot be turned back. There is no recovering from a missed lease renewal, a failure to give notice of termination when under an automatic renewal clause, or any other missed contractual deadline. In response to this problem, Oracle Property Manager allows the tagging of any lease clause as a "critical date." Once a clause is tagged, automatic alerts are sent to the responsible parties with the appropriate lead-time necessary for analysis and action before executing, renewing or terminating a lease option - renewals need never be missed again.

### PROVIDE DATA TRANSPARENCY

Integrity in your management reporting is crucial to understanding the health of your business. Disintegrated systems that rely on manual data re-entry or costly integration often leads to incongruence between transaction details and the summarized reports management typically reviews. Firms demonstrating best practices must rely on clear audit trails to confidently validate management-level information. Oracle Property Manager, as an integrated part of the Oracle E-

- Oracle Projects
- Oracle Enterprise Asset Management

#### RELATED SERVICES

The following services are integrated with Oracle Property Manager:

- Oracle Consulting Services
- Oracle On-Demand
- Oracle Education
- Oracle Support

Business Suite, gives you a clear and complete audit trail, from the signing of the lease through the payment or collection of the rent.

### **PROVIDE FINANCIAL INTEGRITY**

Organizations need to provide comprehensive information access. Oracle Property Manager provides a “single source of truth” for all leasing activity with online, real-time drill-down to individual payment or billing items. Lease administrators have the ultimate control over approval and processing of payments and billings with the ability to see when a check was cut or cash collected.

### **MAINTAIN DETAILED LEASE HISTORY**

Detailed lease history is critical to understanding the changes made during the life of a lease. Oracle Property Manager keeps careful track of the history of every change made to your lease records, including who made the change, the reason for the change, and the change date. The entire life cycle of the lease from inception through all amendments is preserved across your portfolio of leases.

### **BENEFIT FROM FLEXIBLE REPORTING**

Reporting is critical to the success of every organization. Your information must not only be accurate and reliable but readily available so you can make better decisions, faster. Oracle Property Manager provides a comprehensive set of reporting tools that allow you to analyze everything from the efficiency of space utilization to the reporting of ROU and liability in multiple GAAPs for disclosure reporting.

### **CAPITALIZE ON GLOBAL OPPORTUNITIES**

Oracle Property Manager supports international business practices to help you manage your real estate operations worldwide. Examples include the support of multi-currency transactions, multi-lingual business documents, languages, and country-specific address formats. There is also embedded functionality to support localized accounting requirements, and leasing terms and conventions. Regardless of where you own property or where you do business, Oracle Property Manager can help you better manage your existing portfolio and expand globally.

### **ORACLE LEASE CONTRACTS COMMAND CENTER**

Oracle Property manager enables you to configure, record, and generate accounting for your equipment leases as a lessee with your existing Oracle Financials license. The Lease Contracts Command Center provides actionable insights on this data to empower lease administrators to curate lease information for IFRS16/ASC842 disclosures, forecast and manage lease costs, and improve lease renewal negotiations all without custom operational reporting. With tools and visualizations such as actionable indicators, interactive charts, and consumer-like search and filters, users can browse and drill on whatever captures their attention, revealing new information on which to base next discovery steps. Through this "information-driven navigation", users can quickly narrow in on priority transactions and take immediate, informed action.

The Oracle Lease Contracts Command Center is available to gain insight into equipment leases for lessee data at no additional cost to licensed users of Oracle Financials, Release 12.2.4 and above.

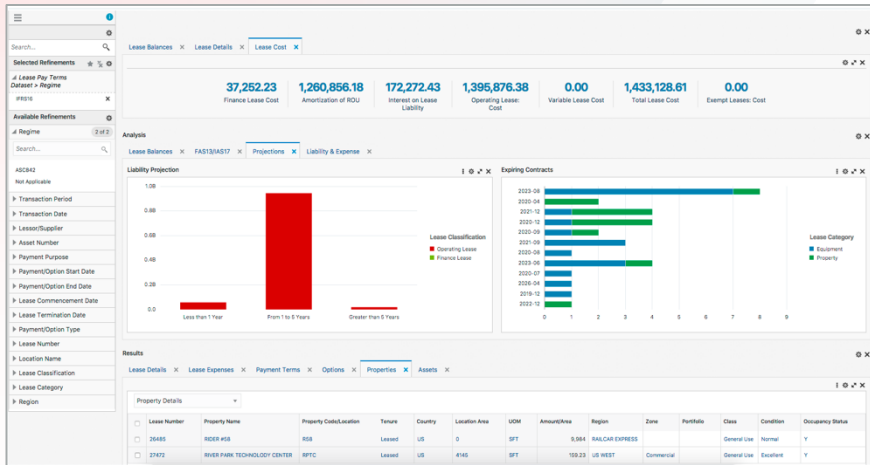


Figure 2: Liability Projections in Lease Contracts Command Center

## ORACLE E-BUSINESS SUITE—THE TOTAL SOLUTION

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more - all from applications that are built on the unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, products - all aspects of your business. Whether you implement one module or the entire suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.

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