

EFFECTIVE ASSET MANAGEMENT IN MULTIFAMILY

BHARAT KONA



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Former Silicon Valley Tech Professional General Partner & Investor since early 2019 Warrior since 2022

ABOUT ME

Multifamily Portfolio:

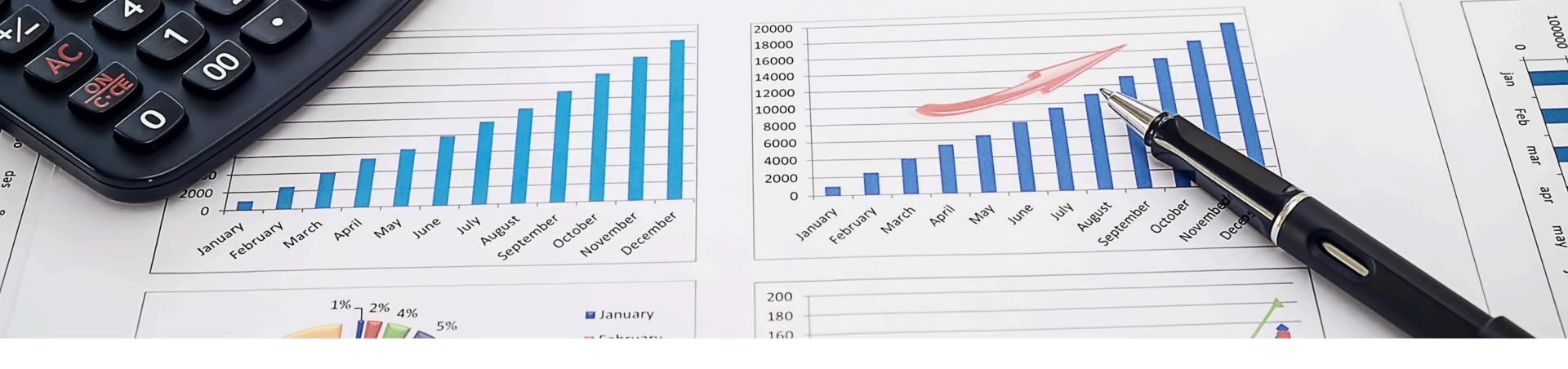
- GP in 9 multifamily deals (868 doors across 6 states: MO, KS, GA, SD, TX, FL)
- 7 value-add assets | 2 ground-up construction projects |
 1 land entitlement deal
- Total AUM: \$99M | Total Capital Raised: \$7.5M
- Completed 2 full life cycle exits as GP
- Part of Asset Management in every deal

Additional Investments & Roles

- Limited Partner in 7 multifamily deals (South & Midwest)
- Seed-stage investor in a Tech Startup
- Investor/Producer in an indie film based in the SF Bay Area

Community Engagement & Interests

- Board Member/Volunteer for two nonprofits supporting education for underprivileged children
- Global Traveler



WHAT IS ASSET MANAGEMENT?

The process of overseeing, managing, and optimizing all aspects of a property, including its operations, capital expenditures (CapEx), finances, and overall strategy, to maximize its performance and value.

THE REALITY OF ASSET MANAGEMENT

- Asset management rarely gets the spotlight like deal finders or capital raisers (Fact!)
- It's a demanding, often thankless role requiring skills, experience, and long-term patience.
- Critical Impact: Asset management can make or break a deal (Fact!)
- **Team Structure:** Build asset management teams based on skills and experience
- Team Involvement: All partners must be actively engaged in asset management





KEY RESPONSIBILITIES OF ASSET MGMT.

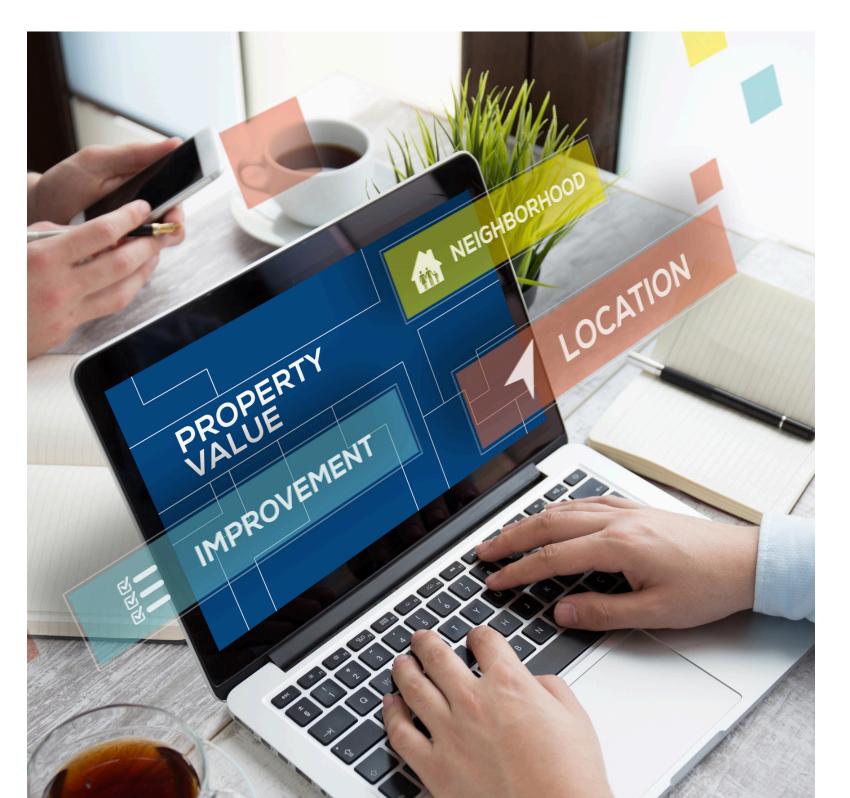
- Asset Management/Lead GPs
- Boots on the Ground: On-site presence for property inspections
- Capital Expenditures (CapEx): Planning, budgeting, and overseeing property improvements
- Financial Management: Monitoring income, expenses, cash flow, and profitability
- Investor Relations: Communicating updates, reports, and performance metrics
- Project Management: Coordinating timelines and project deliverables within GP team
- Advisory & KPIs: Setting and tracking key performance indicators (KPIs) for informed decisionmaking
- Note: Each general partner can have more than one responsibility or can shared among multiple partners, depending on the the team size.

ASSET MGMT. LEADERSHIP & COORDINATION



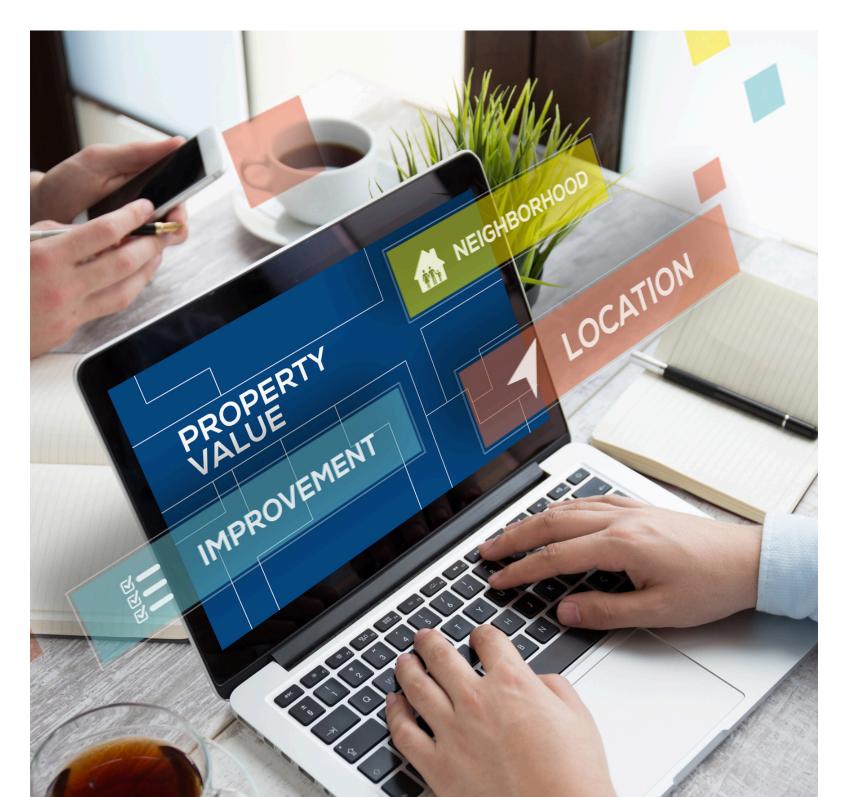
- Lead GP Team & Asset Management: Oversee and manage the asset management team and the overall GP team
- Coordinate with Property Management: Foster collaboration and streamline communication
- Weekly PM Calls: Track progress, resolve issues, and align on goals
- Operational Strategies: Implement strategies to improve property operations
- Monitor P&L: Develop and track the monthly Profit & Loss plan
- Operations Oversight: Manage leasing, occupancy, delinquency, and tenant issues
- Contract Review: Periodically shop and negotiate contracts (e.g., trash, landscaping)

BOOTS ON GROUND/CAPEX



- Be the Boots on the Ground: Actively oversee property
- Property Inspections: Inspect interiors, exteriors, and vacant units for issues
- Manage Cost Segregation: Work with third parties on cost segregation
- Provide Asset Reports: Deliver regular asset updates to the GP team
- Coordinate with PM: Collaborate with property management on capital improvements

BOOTS ON GROUND/CAPEX



- Vendor Management: Obtain quotes, approve pricing, and manage vendor work
- Oversee Rehab Projects: Manage the rehab process from start to finish
- Post-Renovation Inspections:
 Conduct inspections before and after renovations
- Track CapEx Budgets: Monitor
 CapEx expenses and provide budget
 reports to the GP team

FINANCIAL MANAGEMENT & REPORTING

- Perform Financial Due Diligence: Conduct thorough financial assessments and evaluations
- Coordinate with Management Accounting:

 Collaborate on financial tracking and reporting
- Work with CPA: Liaise with CPAs for tax filings and K-1 preparation
- **Provide Reports:** Deliver monthly and quarterly financial reports to stakeholders
- Manage Bookkeeping: Oversee and ensure accurate bookkeeping practices



INVESTOR RELATIONS MANAGEMENT

- Create Investor Reports: Prepare and deliver monthly/quarterly updates for investors
- Manage Investor Relations Portal: Oversee the portal for seamless communication and access to reports
- Manage Investor IRAs: Handle Investor IRA accounts and requests from IRA companies
- Create Quarterly Webinar Content: Develop content for investor webinars



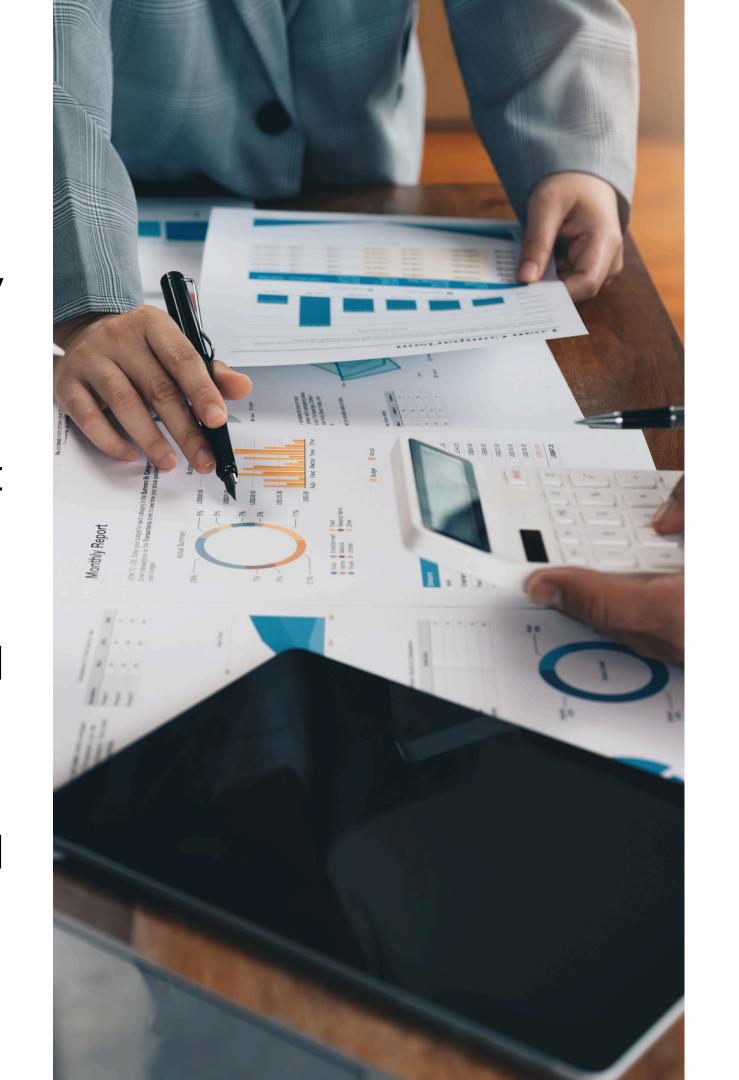
PROJECT MANAGEMENT

- **Team Meetings:** Organize and lead team meetings to align on goals and progress
- Manage Projects & Tasks: Create, track, and manage projects and tasks across teams
- Track Milestones & Timelines: Ensure all projects stay on schedule and meet key milestones
- **Identify Risks:** Proactively raise risks related to timelines and milestones



STRATEGY / KPIs

- Monitor KPIs: Regularly track and evaluate key performance indicators
- **Provide Direction:** Offer guidance and implement best practices to improve performance
- Market Trends: Advise on changes in the market and adjust strategy accordingly
- Raise Risks: Flag any risks impacting timelines and project milestones



EFFECTIVE ASSET MANAGEMENT PRACTICES

- AM Leads' Role: Ensure all partners are actively involved in asset management
- **GP Split for Asset Management (AM):** Typically, 35% of the General Partner (GP) share is allocated to Asset Management, **even in a joint venture**.
- Hold PM Team Accountable: Ensure property management is held responsible for leasing and collections
- **Expenses:** Monitor expenses closely they can make or break a deal (Fact!). Should not be highter than 45%-50% of Income.

EFFECTIVE ASSET MANAGEMENT PRACTICES (CONTINUED)

- Investor Communication: Maintain transparency and keep investors informed through regular, active communication
- **Prepare for Challenges:** Asset management isn't always smooth be ready for obstacles and unexpected issues
- Be Proactive: Anticipate potential problems and address them early
- Support Each Other: Foster a collaborative environment to tackle challenges together



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calendly.com/eldoradocapital/30min



