



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 decision-making
- **Note:** Each general partner can have more than one responsibility or can be shared among multiple partners, depending on 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 higher 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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Q & A