

Cornerstone Solutions Review

RealPage recently invited us to Dallas to learn more about their Portfolio Asset Management (PAM) system. During two days of meetings with their development team, we had the opportunity to examine and test drive the product. We navigated the system with the ease and grace of a 14-year-old handling a new Apple device. It is intuitive and effortless—no help needed from experienced professionals.

PAM has much to offer, such as workflows, that is very useful in the workplace. However, with limited time and space, we will focus on four key areas that most impressed us:

- 1) Property Management System Agnostic
- 2) Lease and Portfolio Management
- 3) Portfolio Explorer
- 4) Monthly Package Generation

Property Management System Agnostic

Even though RealPage's PAM system is well integrated with their own commercial management software, it can swiftly access data from other leading property management systems. Many of their clients are importing data daily from Yardi, MRI, Timberline and JDEdwards. This data is collected and normalized in PAM, making it easy to generate and compare key performance indicators as well as create standardized monthly reporting packages. Some PAM competitors are single-source solutions developed to integrate with their core property management and accounting systems—but they have difficulty accepting data from systems other than their own. This design feature is very important to the asset management community because it gives them the flexibility of hiring any third-party property manager with no concerns about the back-office system or the version being used. PAM has highly adaptable integration tools that make it simple to import and convert data without a technical team supporting the effort.

Lease and Portfolio Management

The PAM system is comprised of both static and financial data including lease, property and portfolio information. For example, the system maintains its own rent rolls complete with lease expiration dates. Asset managers have lease-level data at their fingertips and do not have to navigate a back-office system to obtain a rent roll. PAM also has property and portfolio information such as location, ownership structure, debt and bank covenants readily available to support buy or hold recommendations when reviewing a property or portfolio. Most of this data cannot be stored in the leading property management systems; it is merely captured on Excel spreadsheets sitting on a common drive within an organization. PAM offers a single location for storing and maintaining portfolio and property data without any additional cost to the organization.

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Portfolio Explorer

A favorite feature of the PAM system is Portfolio Explorer which allows users to select the assets, financial data and timeframe for their analyses. This application is difficult to describe but it is the sexiest aspect of the system, as anyone who has seen it will agree. If our description falls short, we are sure that someone at RealPage will be more than happy to demonstrate it.

Portfolio Explorer begins as a blank slate. Three palettes on the left side of the screen provide the basis of who, what and where of any analysis. The first palette is comprised of the assets or their attributes available for analysis. For example, users can select Portfolio A comprised of 20 buildings or Asset Manager John Smith and his portfolio or both. Users have many attributes from which to choose when running an analysis.

The second palette is the financial data being used for the analysis, such as balance sheet or income statement data. The system can also incorporate statistical data and user-defined algorithms. This palette identifies the data to be used in the analysis, and users can mix and match the types of transaction data being selected.

The third palette is the timeframe being reviewed: monthly, quarterly or annual. Users can ask for a rolling 12 months to appear in the analysis and vary from month to month; they can incorporate actuals or budgets; and they also have the freedom to create ad-hoc variance reports that can be saved and generated each month if so desired.

Our description of Portfolio Explorer does not do it justice, but we hope it creates enough interest to motivate asset managers to consider reviewing it.

Monthly Package Generation

The last and best part of the PAM system, from accounting and asset management perspectives, is the ability to easily generate monthly report packages. These packages can be printed on letterhead or distributed electronically to anyone associated with the portfolio, including investors, bankers and other third parties designated by the asset manager.

PAM can generate financial reports that include variance narratives at any level of detail specified by the asset manager. Property managers can include comments with their financial uploads; these are imported into PAM and available for the monthly reporting package. Once the data is imported, it is usually reviewed and massaged by the accountant before being sent on to the asset manager for approval. Inherent in the system are workflows that move the package from inception through the approval process until it is finalized and published.

This functionality is used by a number of reputable public and private entities. We do the accounting for a private equity fund and each month we electronically transfer our property management data via PAM for AEW Capital Management. It works like a dream and has significantly reduced the month-end reporting time as compared to our client's other month-end commitments.

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In conclusion, we found the two days of review and training in Dallas to be very productive and informative. We learned a lot about the Portfolio Asset Management system and its capabilities. RealPage has a solid product, made especially effective because it is system agnostic and can be used with any one of the leading property management systems in the marketplace. We expect that many more companies—frustrated with their single-source solution and looking for a viable alternative—will evaluate PAM in the near future.

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