

Sierra Balmain is introducing an offer for operational cost audits.

Sierra Balmain has created a new service aimed at helping owners and managers of commercial properties in Poland optimize their costs. The Common Charges Audit not only enables identifying and organizing areas for savings but also visualizing the cost dynamics in the future, evaluating the perspective of the property's development, and building its long-term value. The company emphasizes that this proprietary service was made possible through unique expertise accumulated over 20 years of experience in managing a highly diverse range of commercial buildings.

Currently, shopping centers face growing challenges in maintaining infrastructure, ensuring security, and achieving energy efficiency. Cost optimization has become a crucial priority for owners and investors.

Sierra Balmain, being one of the largest independent real estate advisory firms in Central and Eastern Europe, has announced the launch of a new service designed to address these challenges. The Common Charges Audit involves a thorough examination of the cost structure related to maintaining shopping centers and provides owners and property managers with the opportunity to optimize costs, ultimately achieving higher profitability in the dynamic shopping center market.

This is an innovative service, and as Dorota Suchodolska, Head of Operations at Sierra Balmain, points out, its advantage lies in the long-standing, extensive, and rich experience in managing a highly diversified asset portfolio.

"As one of the largest third-party managers with 20 years of experience in the market, we have built a strong foundation of best business practices in cost optimization. We have operational knowledge and insights from in-depth data analysis of the properties we manage. We conduct tender processes for each service, engage in discussions with suppliers, are familiar with current rates, and have access to objective data, both historical, current, and forecasted. Managing multiple properties allows us to negotiate prices on a portfolio basis and standardize reporting. Moreover, what sets us apart is our experience in managing a highly diversified portfolio of properties. This gives us unique knowledge, which we use to create our benchmarks."

Currently, Sierra Balmain manages 23 properties with a total area of 620,000 square meters. These properties vary in terms of size, location, and ownership form. The company also undertakes consulting projects for prime properties, convenience centers, and retail parks, both in major Polish cities such as Warsaw, Wrocław, Gdańsk, Poznań, and smaller ones like Starachowice, Konin, or Jelenia Góra. These range from large properties with over 60,000 GLA (Gross Leasable Area) to smaller ones below 20,000 GLA.

Depending on the investor's requirements, the Common Charges Audit may consist of four stages. The first is an initial analysis of charges in the context of other retail properties, followed by a thorough analysis of contractual agreements, verification of Common Charges settlement, and finally, the identification and implementation process of changes with the involvement of dedicated experts. Recommendations and next steps are presented at each stage for identifying savings or ESG (Environmental, Social, and Governance) solutions.

Sierra Balmain wychodzi z ofertą audytu kosztów operacyjnych

"Based on such an audit, we can understand where savings are possible, plan and implement changes in that direction, but importantly, also draw conclusions about the future costs of a given property. We can diagnose what the appropriate indicators are for each cost component and based on that, obtain an image of whether the property is prospective or will remain profitable in the future," says Dorota Suchodolska.

Additionally, as noted by the Sierra Balmain expert, the service not only allows recognizing the potential of the property but also building its greater value in the long term. Many challenges related to maintaining the competitiveness and cost efficiency of shopping centers stem from significant increases in energy and gas prices. At the same time, there is a clear trend in the market towards increasing awareness in areas of ecology and ESG activities. Decisions made by tenants are also influenced by these factors when selecting properties for long-term partnerships.

"It's worth noting that many buildings do not have advanced, energy-efficient technologies, which require financial investment. Therefore, through the audit, we can find alternative solutions for savings in these areas. For example, recently we reduced the consumption of heating gas by 15% and optimized energy consumption costs by 40% in the facilities we manage. These elements, combined with ESG strategies, have become important, and there is no turning back from this trend. Investors and property owners should approach the Common Charges Audit as an investment in the future," concludes Dorota Suchodolska, Head of Operations at Sierra Balmain."

Sierra Balmain operates in the CEE region, and has been present in Poland for 20 years. Company provides real estate services in polish 17 cities on 23 assets with a combined value of €1.3bn and 1,370 tenants.

Steeped in experience with shopping and entertainment centres, Sierra Balmain has significant experience managing arguably the most complex and challenging real estate assets classes to operate. The strong human aspect to these buildings provides the perfect background when looking at the need for the convergence of retail, entertainment, workspace, lifestyle, culture and by extension, logistics in the present real estate environment.

Sierra Balmain successfully provided service to, and executed transactions with, dozens of Europe's largest and most well-known investors.