

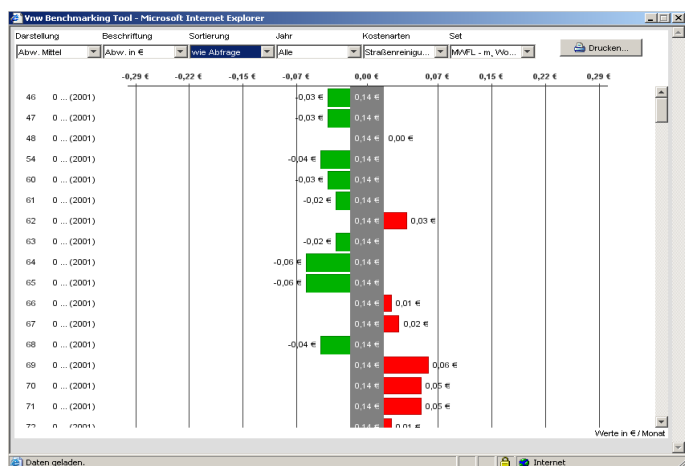
BekoBench – Benchmark To Be Better!

The origin of benchmarking in German Real Estate Management was a **rapid increase in operating costs of rental apartments** in the years 1990s. For example, in the case of refuse collection it amounted to over 100 % from 1991 to 1999 according to *Statistisches Bundesamt* (German Statistical Office). The size of operating costs makes Germans call them “second rent” (Zweite Miete).

Altogether German tenants pay **€ 40.000.000.000 operating costs each year**, which shows distinctly it is worthwhile to search for saving possibilities.

The first step towards this objective should be an extensive analysis and looking for cases where operating costs deviate evidently from the average. To satisfy a need for comparison the real estate industry, associations of housing companies and scientists created in 2001 the *Geislinger Konvention* which establishes the rules of conducting the benchmarking of operating costs. Precisely it specifies:

- the structure data regarding the housing company (e.g. ‘number of units managed’), property (e.g. ‘construction year’), technical building equipment (e.g. ‘heating type’), contract (e.g. ‘domestic cleaning by care-taker’), consumption data (e.g. ‘wastewater consumption’)
- the breakdown of operating costs (e.g. ‘water supply cost’, ‘drainage cost’, ‘heating cost’)
- the computing methods (e.g. ‘VAT included’, ‘remove 5 % of upper and lower outliers from the dataset’) and reporting principles (e.g. ‘presenting a distribution curve’).



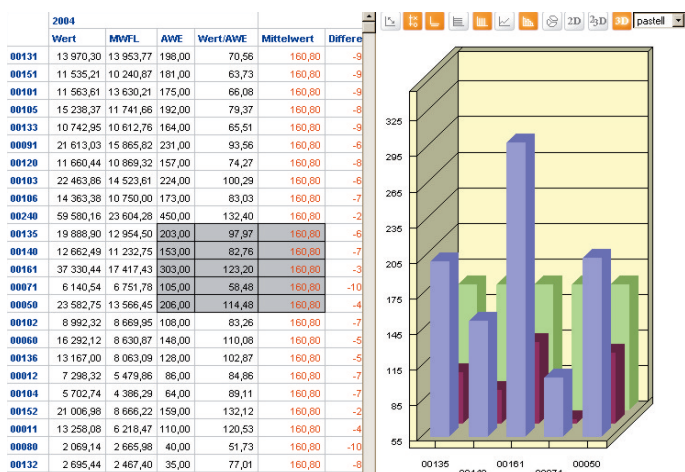
BekoBench results from the cooperation between *Verband norddeutscher Wohnungsunternehmen* (North German Association of Housing Companies) and DomData Software and Consulting. It is an Internet portal enabling a **comprehensive analysis of operating costs in managed rental apartments in comparison with those of other housing companies.**

BekoBench satisfies the regulations of the *Geislinger Konvention* and offers the following functions:

- data import from various ERP systems,
- setting complex conditions as for the units to compare (e.g. ‘only from the given region’, ‘of the living space within a given range’, ‘of the power consumption within a given range’),
- delivering immediate results presented both as lists and as meaningful diagrams,
- sophisticated manipulation of results based on the cube technology.

Nowadays over 250.000 rental units in nearly 50 housing companies all over Germany constitute a reliable comparison basis.

BekoBench is an indispensable tool for an efficient management of operating costs in every housing company.



Current success of BekoBench makes us think of its future development. We plan to let tenants access the gathered data and allow them to compare their flats with other ones. The extension prospects comprise including other types of costs (like maintenance costs) into the benchmarking process as well. Moreover the possibility of entering other business areas is examined. Finally we intend to cross the German border and adapt the software to the requirements of different markets.