

ALTUS SUMMIT 2026 · SESSION 04

Property Management Duel

Battle for the Bottom Line

Tuesday, June 9 | 1:15 - 2:15 PM

YOUR PANEL

Meet the Duelists



MODERATOR

Karina Neff

ISSA | Altus Collective



PROPERTY MANAGER

Glenn Hugo

Founder
PM Solutions Group, LLC



BSC OPERATOR

Doug Flaig

CEO
Stratus Building Solutions

SETTING THE STAGE

The Office Landscape

The market is shifting. What does that mean for the PM-BSC relationship?

20.2%

U.S. office vacancy rate — essentially flat YoY, signaling we've hit the peak

5.2M

SF of four-quarter rolling net absorption — highest level since 2020

-13.6%

YoY decline in sublease inventory as tenants recommit to their space

Income Statement Account / Category	Notes	January	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	Total	% of annual budget
Revenue															
Base Rent - Office		765,237	765,237	780,190	796,633	814,182	824,674	830,406	880,595	881,949	1,233,518	1,234,174	1,234,210	11,041,003	
Base Rent - Retail															
Rent Concessions		(42,749)	(42,749)	(57,710)	(73,860)	(87,098)	(69,266)	(172,248)	(157,332)	(206,452)	(524,243)	(508,049)	(501,078)	(2,442,833)	
Parking Income		68,331	72,742	72,107	70,644	79,384	77,349	76,167	74,410	76,936	71,641	74,106	70,667	884,484	
Storage		2,695	2,695	2,695	2,695	2,695	2,695	2,695	2,695	2,695	2,695	2,695	2,695	32,336	
Tenant Billed Electricity		2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400	
HVAC Income		500	500	500	500	500	500	500	500	500	500	500	500	6,000	
Tenant Bill Back Income		-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating Expense Reimbursement		16,889	16,889	16,889	16,889	16,889	16,889	13,885	13,885	13,885	13,885	13,885	13,885	184,643	
Property Tax Reimbursement		6,908	6,908	6,908	6,908	6,908	6,908	6,783	6,783	6,783	6,783	6,783	6,783	82,144	
Misc. Income		-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue		820,010	824,421	823,778	822,608	835,659	861,949	760,388	823,736	778,496	806,979	826,293	829,861	9,814,176	
Operating Expenses															
Cleaning															
Trash/Recycling Removal		2,051	1,751	2,151	1,751	1,751	2,151	2,051	1,751	2,151	1,751	1,751	2,151	23,212	
Cleaning Contract		39,198	39,198	39,198	39,198	39,198	39,198	39,570	39,570	39,570	52,220	52,220	52,220	510,560	10%
Cleaning Supplies		50	-	-	50	-	-	50	-	-	50	-	-	200	
Window Washing		3,791	586	586	586	586	5,586	3,791	1,486	586	586	586	586	19,342	
Total Cleaning		45,090	41,535	41,935	41,585	41,535	46,935	45,462	42,807	42,307	54,607	54,557	54,957	553,314	4
Repairs & Maintenance															
Alarm System		2,863	3,563	2,863	2,863	3,563	2,863	2,863	3,563	2,863	2,863	3,563	2,863	37,156	
Electrical Repairs		550	550	550	550	550	550	550	550	4,350	2,550	2,050	550	13,900	
Electrical Supplies		350	350	350	350	350	350	350	350	350	350	350	350	4,200	
Elevator		3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,179	3,179	3,179	36,790	
Elevator R & M		700	700	700	700	700	4,600	700	700	700	700	700	700	12,300	
Energy Mgt. Systems		658	658	658	658	658	658	658	658	658	658	658	658	7,900	
HVAC Contract		-	2,218	2,244	1,000	2,218	3,100	2,244	2,218	-	-	2,218	-	17,460	
HVAC Repairs		1,750	1,750	2,500	1,750	1,750	2,500	1,750	1,750	2,500	1,750	1,750	2,500	24,000	
HVAC Supplies		1,163	1,163	3,663	1,163	1,163	1,163	1,163	1,163	3,663	1,163	1,163	1,163	18,950	
Bulbs & Ballasts		700	700	700	700	700	700	700	700	700	700	700	700	8,400	
Minor Supplies		125	125	125	125	125	375	125	125	125	125	125	125	1,750	
Int Painting & Decorat		650	3,150	650	650	3,150	650	650	3,150	650	650	3,150	650	17,800	
Parking Lot Cleaning															
Extermination		480	480	480	480	480	480	480	480	480	480	480	480	5,760	
Plumbing Repairs		300	300	6,250	300	1,950	300	1,400	1,400	7,250	300	300	300	20,350	
Plumbing Supplies		975	975	975	975	975	975	975	975	975	975	975	975	11,700	
Roofing Repairs		150	150	150	150	150	1,250	150	150	150	150	150	150	2,900	
Ext. Signage		-	-	500	-	-	500	-	-	500	-	-	-	1,500	
Int. Signage		-	300	-	300	-	300	-	300	-	300	-	300	1,800	
Fitness Center		7,199	5,771	5,771	5,999	5,771	5,771	5,999	5,771	5,771	5,999	5,771	5,771	71,362	
Tools & Equipment		250	250	550	250	250	250	250	550	250	250	250	250	3,600	
Water Treatment		370	250	250	370	250	250	370	250	250	370	250	250	3,480	
Int. Repairs & Labor		2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	25,980	
Ext. Repairs & Labor		-	8,000	-	5,150	18,000	8,000	-	8,000	-	-	8,000	-	55,150	
Garage Repairs & Maintenance															
Doors, Locks & Keys		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	
Uniforms		460	460	460	460	460	460	460	460	460	1,460	460	460	6,520	
Total Repairs & Maintenance		25,886	38,056	36,582	31,136	49,406	42,238	28,030	39,456	38,838	28,137	39,407	25,539	422,708	3

Grounds															
Ext Landscape Contract			551	551	551	3,551	551	551	551	551	551	551	551	551	9,618
Int Landscape Contract			200	200	200	200	200	200	200	200	200	200	200	200	9,700
Snow Removal			100	800	25	625	25	25	25	25	25	25	100	800	2,600
Total Grounds			851	1,551	776	4,376	776	776	776	776	776	776	851	11,051	24,118
Security Guard															
Security Guard			25,763	31,963	30,214	24,179	30,799	24,179	24,763	30,215	24,763	24,179	30,799	25,347	327,163
Total Security Guard			25,763	31,963	30,214	24,179	30,799	24,179	24,763	30,215	24,763	24,179	30,799	25,347	327,163
Fire Safety															
Fire Safety Contract															
Total Fire Safety			2,750	10,250	2,750	2,750	8,910	3,555	5,350	2,750	3,830	2,750	2,750	3,555	51,950
Utilities															
Electricity			80,641	75,641	70,641	66,521	66,641	68,091	75,641	81,641	80,641	75,641	79,641	89,641	911,018
Water & Sewer			7,500	7,500	7,500	7,500	7,500	8,750	8,750	8,750	8,750	7,500	7,500	7,500	95,000
Fuel Oil			-	750	-	-	-	-	-	750	-	-	-	-	1,500
Total Utilities			88,141	83,891	78,141	74,021	74,141	76,841	84,391	91,141	89,391	83,141	87,141	97,141	1,007,518
General & Administrative															
Bank Charges			-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising & Promotion			760	460	460	4,114	460	5,660	4,560	460	460	1,610	2,160	12,160	33,324
Dues & Subscriptions			1,137	1,137	5,221	1,137	1,377	2,372	1,137	1,137	1,137	1,137	1,137	1,137	19,202
Rent- Mgmt Office			3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	44,828
Education & Seminars			600	600	600	600	600	600	600	600	600	600	600	600	7,200
Office Supplies			1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200
Other Administrative			250	-	250	-	250	-	250	-	250	-	250	-	1,500
Postage & Courier			258	153	153	258	153	153	258	153	153	258	153	153	2,256
Printing & Copying			445	445	445	445	445	445	445	445	445	445	445	445	5,340
Telephone			2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Travel & Transportation			125	125	125	125	125	125	125	125	125	125	125	125	1,500
Charm City Concierge			4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,062	4,062	48,746
Amenity Space			3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Shared Work Space			3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Total General & Administrative			20,973	20,318	24,652	24,077	20,808	26,753	24,773	20,318	20,568	21,573	22,268	32,018	279,096
Management Fees															
Management Fees			25,339	25,471	25,451	25,409	25,800	26,572	23,309	25,177	23,780	24,515	25,078	25,184	301,086
Total Management Fees			25,339	25,471	25,451	25,409	25,800	26,572	23,309	25,177	23,780	24,515	25,078	25,184	301,086
Payroll															
Management Salaries			21,754	21,754	21,754	21,754	21,754	21,754	21,754	21,754	21,754	21,754	21,754	21,754	261,045
Engineering Salaries			28,832	28,832	28,832	28,832	28,832	28,832	28,832	28,832	28,832	28,832	28,832	28,832	345,984
Total Payroll			50,586	50,586	50,586	50,586	50,586	50,586	50,586	50,586	50,586	50,586	50,586	50,586	607,029
Insurance															
Insurance - Property/liability			6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,945	6,945	6,945	80,363
Total Insurance			6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,945	6,945	6,945	80,363
Real Estate Taxes															
Real Estate Taxes			103,719	103,719	103,719	103,719	103,719	103,719	113,445	113,445	113,445	113,445	113,445	113,445	1,302,985
Personal Property Taxes			-	-	-	3,100	-	-	-	-	-	-	-	-	3,100
Total Real Estate Taxes			103,719	103,719	103,719	106,819	103,719	103,719	113,445	113,445	113,445	113,445	113,445	113,445	1,306,085

2

1

— The P&L

CATEGORY	ANNUAL
Base Rent — Office	\$11,041,003
Rent Concessions	(\$2,442,833)
Parking Income	\$884,484
Reimbursements & Other	\$331,522
Total Revenue	\$9,814,176
Total Operating Expenses	(\$4,960,430)
Net Operating Income	\$4,853,746

BUILDING VALUATION

\$69.3M

NOI ÷ 7% Cap Rate

OPERATING EXPENSES — \$4,960,430

Where the Money Goes

Real Estate Taxes	\$1,306,085
Utilities	\$1,007,518
Payroll	\$607,029
Cleaning	\$553,314
Repairs & Maint.	\$422,708
Security	\$327,163
Management Fees	\$301,086
G&A	\$279,096
Insurance	\$80,363
Other	\$76,068

THE CLEANING LINE

Inside the \$553K

LINE ITEM	ANNUAL	% OF TOTAL
Cleaning Contract	\$510,560	92.3%
Trash / Recycling	\$23,212	4.2%
Window Washing	\$19,342	3.5%
Cleaning Supplies	\$200	0.0%
Total Cleaning	\$553,314	100%

MONTHLY CONTRACT RUN RATE

\$42,547

Average across 12 months

CONTRACT INCREASE (OCT-DEC)

+33%

\$39,198/mo → \$52,220/mo mid-year

5% CONTRACT SAVINGS

\$25,528

= \$364,686 in building value at 7% cap

THE BOTTOM LINE

Why This Duel Matters

CURRENT NOI

\$4,853,746

Building value: \$69,339,227 at 7% cap

ENHANCED NOI (5% JANITORIAL SAVINGS)

\$4,879,274

Building value: \$69,703,913 at 7% cap

ENHANCED ASSET VALUE

+\$364,686

Increase in building value from just a 5% improvement in janitorial efficiency

A \$25,528 annual savings amplified 14x through cap rate valuation

ROUND 1

Choosing a BSC Partner

What do property managers actually look for when selecting a BSC — and what tells them it won't work out before the contract is even signed?

1

ROUND 2

The Sales Process

The biggest mistakes BSCs make when trying to win new business — and the hardest objections they face in the room.

2

ROUND 3

Stay or Switch

What causes a property manager to change BSC providers — and what makes them stay through a rough patch?

3

ROUND 4

Pricing & the Real Numbers

How pricing conversations actually work from the property manager's perspective — and how BSCs can navigate them honestly.

4

ROUND 5

Communication & Reporting

The role of data, reporting, and communication in the long-term client relationship — and what the ideal response looks like when something goes wrong.

5

ROUND 6

Franchise vs. Independent

How a large BSC franchise model competes against smaller independent operators — and how property managers evaluate the difference.

6



OPEN FLOOR

Audience Q&A

Your turn. What do you want to know
from both sides of the table?

THANK YOU

Property Management Duel



Karina Neff · Glenn Hugo · Doug Flaig

