

Lease Property (PM7.1)

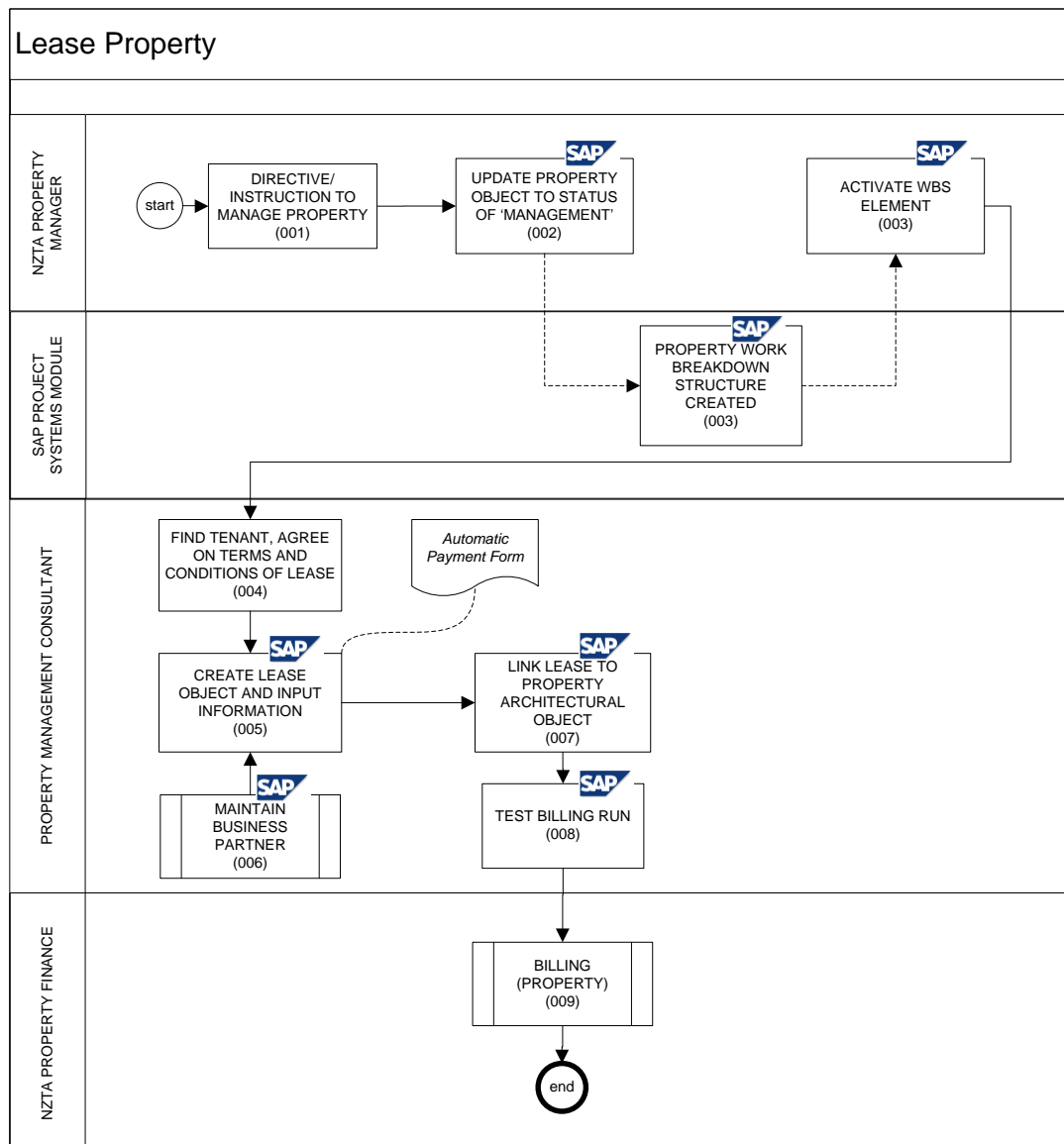
This process details the steps required to lease a property to an external party (on non-Road Reserve). The distinction with Road Reserve and non-Road Reserve is made as the decisions around the leasing and use of Road Reserve require approval from the NZTA Highway Network Managers.

Note: The Property Management Consultant manages all leases on property owned or being acquired. This includes negotiating terms, dealing with owners wanting to stay in their property following acquisition and lease activities like early termination of lease, rent reviews, initial and on-going maintenance (etc.). Apart from invoices, statements and debtor letters, no lease lifecycle outputs (letters/correspondence) are expected from SAP.

Calculations of rent reviews are calculated by the Property Management Consultants outside of SAP and applied manually to the leases. In some instances occupation is documented by licence. This does not change the SAP procedures.

Process flow diagram

The process flow is shown below.



Process steps

The steps for this process are detailed below. All steps are completed by the Property Management Consultant (PMC) unless otherwise indicated.

Step	Action
1.	The NZTA Property Manager directs the Property Management Consultant to manage a property. This is usually due to a recent property acquisition.
2.	The NZTA Property Manager updates the Property Object to the status of 'Management' in transaction RE80. Refer to the RE80 (Maintain Management Property) transaction guide for more detail.
3.	When the property was first entered, SAP automatically created a corresponding Work Breakdown Structure element (WBS element) for the property. This allows income and expenditure to be forecasted and for the actuals to be coded to the property. The NZTA Property Manager changes the status of the WBS element so that actual costs can be charged against it using transaction CJ20N. Refer to the CJ20N Activate WBS Elements transaction guide for more detail.
4.	Advertise to find a tenant, and once found, negotiate with the tenant (commercial or residential), and gain approval from NZTA.
5.	Once the Lease Agreement (or Licence) is signed by both parties, input key Lease Agreement information into the system using transaction RE80. Refer to the RE80 (Create Lease Contract for Non-Road Reserve) transaction guide for more detail. Key information includes: <ul style="list-style-type: none"> • Start date of occupation. • Term. • End date of occupation. • Regional Area. • Agreed amount of License/lease. • Company Entity (if applicable). • Property lease is associated to. An electronic copy of physical signed lease document is uploaded to the system via a URL within SAP using transaction RE80. Refer to the RE80 (Create Lease Contract for Non-Road Reserve) transaction guide for more detail.
6.	Create a new Business Partner with a role type of 'Tenant' and associates them to the lease using transaction RE80. Refer to the RE80 (Create Business Partner) transaction guide for more detail. Notes: <ul style="list-style-type: none"> • This process is an input to step 5 (Create Lease) and artefacts such as the automatic payment form cannot be created until this step is completed. • In order for the financial documents to post relating to the lease, a Contract Account must be created relating to the Tenant Business Partner using transaction CAA1. Refer to the CAA1 (Create Contract Account) transaction guide for more detail.
7.	Link the newly created lease to a Property using transaction RE80. Refer to the RE80 (Create Lease Contract for Non-Road Reserve) transaction guide for more detail.
8.	Run a dummy billing run based on the Lease information to ensure that SAP creates the billing as expected. This can be done using the Simulation function in the Lease contract object using transaction RE80. Refer to the RE80 (Maintain Lease Information) transaction guide for more detail.

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Step	Action
9.	Creating both the lease and a Business Partner type of Tenant kicks off the setup of billing for the lease or tenancy. This is automatically generated by the system and NZTA HNO Property Finance do the posting within the system. Refer to the AR07 Billing (Property) business process for more detail.

Business rules

There are no business rules for this process.