



RHarper Consulting Update

Why an Owner's Representative is an Essential Part of Your Project Team



Whether you are starting a new construction project, a renovation, or a rehab, you may have reason to engage an Owner's Representative (OR) to protect your interests as planning and construction move forward. Unsophisticated Owners often don't even know this service is available to them; however, the trend over the past few years has been for equity sources and lenders to require professional representation on the Owner's behalf. Regardless, it should be a decision the Owner considers as the project planning begins – keeping in mind that the Owner's Representative can provide significant value during the planning and design process, as well as during the construction administration phase.

A third-party OR is an essential member of the development team, unless an Owner is a professional, full-time developer with an in-house construction management staff. Having a resource who is well versed in design, means, and methods is critical to ensuring a successful project implementation. The earlier in the process the OR is engaged, the greater value they provide - to truly function as a representative of the Owner, the OR must fully understand which program elements and goals are of paramount importance to the Owner and channel them into the execution of the project.

In addition to the typical areas of monitoring budget, schedule and quality, there are a number of less obvious areas where an Owner's Representative can provide value for the Owner's team:

Geotechnical – An Owner will often do the minimum amount of soil investigations during the due diligence period, and the design team will simply accept those findings and proceed. However, once preliminary plans are formulated, additional soils testing can provide information which may affect the foundation design or otherwise mitigate risks associated with subsurface conditions. The savvy OR makes sure that the design team has not only the minimum information, but all of the relevant information to make the right decisions during the planning and design phase of the project.

Contracts – Review of the design and construction contracts is a critical function of the OR and can provide tremendous value to the Owner's team. The basic level of coordination between what the design team is producing and what the Contractor requires is often lacking. Making sure the contract terms are aligned in the best interests of the project (not just the Owner), is imperative to a high functioning team and successful project completion.

Focus – In today's environment, Owners are primarily coming from disciplines outside of the construction environment such as finance, banking, or leasing. Understandably, their focus is on deal structure, debt or equity acquisition, or other non-construction elements. Engaging an experienced OR ensures that the Owner's team has the necessary construction-industry perspective, and allows other team members to focus on their areas of expertise and interests.

Development projects today face a number of challenges. An Owner's primary responsibility is to manage the risks and shepherd the project to a successful completion. Assembling a balanced team with expertise in all areas of development is crucial to mitigate risk and achieve the project's goals – it's vitally important to ensure that you have all the right team members on board early in the project process.

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RHarper Consulting Group provides development consulting, program management, and owner representation services focused on the senior living and mixed use sectors. In addition, Mr. Harper is also a listed mediator and arbitrator providing dispute resolution services for the construction and real estate industries.

Roger Harper, Principal of RHarper Consulting Group, provides development consulting services to the senior housing industry.

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