

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.F.08

AREA: Asset Management

SUBJECT: Real Estate Transactions

1. PURPOSE

The purpose of this document is to prescribe policies and procedures related to the role and responsibilities of the University of Houston System (“UHS”) Office of Real Estate Services (“ORES”), and establish procedures for initiating and completing the sale, lease, purchase or conveyance of real property, or any interest in real property. All real estate transactions and services for UHS and its universities, campuses, divisions, colleges, schools, departments and/or other UHS entities (collectively called “UHS institutions”) shall be managed and coordinated through ORES.

ORES is responsible for ensuring the fulfillment of the requirements for approvals and reporting to the UHS Board of Regents as prescribed in [Board Policy 55.01.1](#). UHS institutions shall be responsible for engaging ORES as early as possible with regard to potential real estate transactions, including leases (whether lessee or lessor), purchase and sale transactions, easements, licenses and rights to enter or use agreements, or any other real estate related transactions. ORES shall be involved in the initial planning stages of the process and shall guide or oversee communication and negotiation with the counterparty.

2. POLICY

This administrative memorandum applies to all UHS institutions, and all real estate related transactions.

3. ROLES AND RESPONSIBILITIES OF OFFICE OF REAL ESTATE SERVICES

- 3.1. UHS institutions shall involve ORES in the early negotiations of all real estate related transactions.
- 3.2. All real estate related transactions shall be submitted to ORES in writing by the administrator, department head, director, business office team member, or the individual responsible for the management of the proposed transaction.
- 3.3. To ensure the best value to UHS, ORES shall assist the requesting entity with research, gathering information, market interpretations, valuations/appraisals, and/or acquiring a market survey/study, which will be completed by a qualified consultant.
- 3.4. Lease contracts for space and easements shall be entered into in accordance with

applicable law and as provided in this policy. Transactions related to the acquisition of real estate shall be entered into in accordance with applicable law, as provided in this policy, and as provided in [SAM 03.F.05](#).

4. INITIATING REAL ESTATE TRANSACTIONS WITHIN UHS

- 4.1. Each real estate transaction, for any UHS institution, shall begin by the requesting entity contacting ORES for the ORES Request for Services Form, which can be found at the ORES Website ([Leases](#) or [General](#)). Completion of this form will include the preparation of a completed transaction information packet and shall at a minimum include:
 - 4.1.1. Date of transaction information packet submittal;
 - 4.1.2. Name, title, telephone and email address of person seeking advisory services, information, or any other real estate services;
 - 4.1.3. Description and purpose of the proposed transaction, issues to be addressed, and/or information or services sought;
 - 4.1.4. Timeline and deadlines;
 - 4.1.5. Copies of contracting or procurement documents, if any; and
 - 4.1.6. Supporting documentation, if any.
- 4.2. ORES will assign priorities to all transaction information packets received, based on factors that include, but are not limited to: deadlines, the availability of personnel to respond to the requests, and the potential consequences to UHS of postponing a response to such requests. All real estate related transactions are reviewed with executive leadership on a recurring basis to assist in developing priorities.

5. PROCESS OVERVIEW AND PROCEDURES

- 5.1. The requesting entity/department will define program requirements for the proposed transaction submitted to ORES and, as further described above, shall provide a complete transaction information packet to ORES.
- 5.2. ORES will perform the following actions once a complete transaction information packet is submitted:
 - 5.2.1. Review completed transaction information packet.
 - 5.2.2. Draft documentation as appropriate.
 - 5.2.3. Depending on the type of transaction, ORES will initiate and/or coordinate due

diligence efforts, which may include, but are not limited to, the following:

- a. Obtaining a title commitment;
 - b. Ordering a real property appraisal;
 - c. Ordering a Phase I and/or Phase II Environmental Site Assessment (ESA);
 - d. Ordering a land survey;
 - e. Conducting market research;
 - f. Preparing cost/benefit analysis for the real property transaction only; and
 - g. Coordinating site inspection by Facilities/Construction Management (“F/CM”) or securing an inspection through a third party.
- 5.2.4. Negotiate with relevant third party(ies) and finalize all business terms with the input of the requesting entity/department.
- 5.2.5. Ensure compliance with UHS policies and all applicable regulatory requirements.
- 5.2.6. Ensure proper review and approvals have been obtained which may include, but are not limited to, the following:
- a. Review and approval by UHS F/CM;
 - b. Review and approval from the UH Fire Marshal’s Office;
 - c. Review and approval from the UHS Office of Risk Management;
 - d. Review and approval from UHS Environmental Health and Safety; and
 - e. Review and approval by the UHS Board of Regents (in accordance with [BOR Policy 55.01.1](#)).
- 5.2.7. Submit completed transaction packet to the Office of General Counsel (“OGC”) for formal review and approval.
- 5.2.8. Facilitate any changes requested by the OGC.
- 5.2.9. Route OGC-approved documents for execution.
- 5.2.10. Submit a copy of the fully executed transaction document(s) to the initiating entity/department.
- 5.2.11. Provide University of Houston Police Department, OGC, General Accounting, Financial Reporting, Business Services and F/CM with a copy of the fully executed transaction document(s) and alert related parties such as Office of Risk Management of the completion of the transaction.

6. REVIEW AND RESPONSIBILITY

