

Better Than Averages

Study the data and ignore the hype when it comes to measuring performance.

BY GREG ABEL

For years, the apartment industry has searched for benchmarks to help gauge performance. Using vastly improved software and comprehensive reports from management companies, service partners and consultants nationwide, Tracey Hopkins, of JumpStart Marketing, and Lisa Trosien, of ApartmentExpert.com, created a sophisticated, detailed portrait of exactly how the apartment industry is performing—by the numbers. They presented their findings during June's 2007 NAA Education Conference & Exposition in Las Vegas.

The pair sought specific data from sources who provided the numbers with the agreement of anonymity. These data helped to answer some of the burning questions in property management, such as: Who is the better prospect, a caller or a walk-in? (Answer: A walk-in by a ratio of 2:1). What is the average closing percentage for leasing staff on stabilized assets? (Answer: 35 percent). And, is it time to dump print advertising or is it still viable? (Answer: Contrary to online hype, print is not dead. Leads are generated almost equally between online and print sources—about 28 percent by each).

Among the most alarming statistics revealed was the national average time to turn a vacant apartment: a disappointing nine days. "You are going to lose a lot of people," Trosien said. "We have to improve."

The discussion of print vs. online marketing generated a lot of buzz among attendees at the session, as the speakers confirmed that a combination of print, online and other marketing activities drive leads—not one over the other. They warned that dropping print ads could be a major mistake.

"I believe print drives leads to the Internet," said Trosien. "Even Google is buying print inventory."

The research revealed that 55 percent of leases were Web-driven and 52.9 percent came from print sources. Regional variations came into play here, with residents in some

Renters' Choice

Community features rated most important by renters.



markets, such as Washington, D.C., being more Web-savvy.

Print sources drive 28 percent of leads, with the Web close behind at 27.6 percent. A blended approach was responsible for 24 percent of calls. Trosien and Hopkins revealed a useful litmus test for evaluating the effectiveness of a media source: It should generate at least 20 new phone calls per month.

The data revealed that prospective residents often conduct their primary research online, but when it comes to making a decision, 80 percent of Internet shoppers make a call. Accordingly, leasing managers must improve their phone skills, because the longer a prospect stays on the phone, the more likely he or she is to make an appointment for a visit. A call lasting six to seven minutes leads to a better than 50 percent chance of an appointment.

So what is the average length of a leasing call? Industry partners and community managers reported that calls answered by onsite staff last an average of two to three minutes, but calls handled by a call center average nearly 5.5 minutes.

"We've gone to a call center and the research confirmed that we made the right decision," said Jonathan Cohen, a

Regional Director with Westminster Management in Florham Park, N.J., a session attendee.

Why Don't You Stop By?

A related finding was that 46 percent of the time, a caller will request a general appointment to see the community. Only 23 percent of the time does the caller set a specific time and date. If a caller does take the time to inquire by phone, Hopkins and Trosien recommend that the leasing professional seize the moment and suggest a specific time for the prospective resident to stop by on that same day.

Despite the conventional wisdom that a phone caller is four times a better prospective resident than a walk-in, the data showed

that a walk-in is actually twice as likely to rent as a phone caller. For that reason, management should consider having a call center to handle phone calls so that staff can better attend to the needs of walk-ins.

Hopkins' and Trosien's research found that communities must do a better job of responding to e-mail inquiries. About 45 percent of e-mail leads are responded to within two hours, and another 11 percent in two to four hours. But an "unacceptable" rate of 24 percent get no reply at all.

"That's like leaving the door locked all day," Hopkins said. "We are still dropping the ball significantly."

Other Notes and Benchmarks

A Web site is crucial in today's market. A good 50 percent of prospects inquire online after regular business hours. If a community does not have a Web site, it potentially is missing half of its renter base.

Research showed that real-time availability, if working properly, does make a significant impact on leasing and marketing and will soon become an expected

Some Averages

Number of sources used to make a rental decision	2.17
Number of visits before signing a lease	1.9
Closing rate for leasing staff on stabilized assets	35%
Closing for leasing staff on assets in lease-up or under rehabilitation	38%

feature. Prospective renters want to see everything available online, including prices of residences. If that is not an option, put up a representative sample. But only a small percentage (roughly 10 percent) will lease an apartment solely based on an Internet viewing.

Most already know that the busiest day for onsite visits is Saturday, followed by Friday. Preferred times are between 1 p.m. and 2 p.m. and 2 p.m. and 3 p.m. Managers should make appropriate staffing decisions regarding lunch hours, etc.,

based on this information. The busiest days for Web phone leads are Monday and Tuesday when people are at work and dig around on their computer during a break; with the fewest number of leads coming in Wednesday and Thursday, which might well be considered the "weekend" for property management professionals.

Same-day leasing bonuses can help seal the deal. The experts suggested following the airline model of allowing a 24-hour hold without penalty for cancellation.

Above all, Hopkins and Trosien encouraged the industry to look at their marketing activity to understand trends and to act on the data, not hunches. For example, rather than including a box on a form to check "which source" a lead might have seen to bring them in for an appointment, they said to leave a blank line and encourage the visitor to list several sources. ■

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