

Better Than Averages

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

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 these 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 from print sources. Regional

Renters' Choice

Here community features rated most important by renters.

They were:

- Trash pickup: **74 percent**
- Strong reputation: **64 percent**
- Pets: 51 percent
- E-mail and text message communication: **48 percent**
- Pay rent electronically: **34 percent**
- Car wash area: **23 percent**
- Clubhouse: **22 percent**
- Free DVD: **21 percent**
- Community social events: **18 percent**
- Saunas: **13 percent**
- Tanning: **11 percent**

0 20 40 60 80 100

variations came into play here, with residents in some 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 a 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 five-and-a-half 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., another session attendee.

"Why Don't You Stop By?"

A related finding was that, 46 percent of the time, callers set up only general appointments to see a community. Only 23 percent of the time is a specific time and date set up, but that is far preferable. If a caller is taking the time to make a phone inquiry, Hopkins and Trosien suggested seizing the moment and suggesting a specific time for them to stop by the same day.

Despite the conventional wisdom that a phone caller is four

times a better prospect 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 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 absolutely 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 is potentially missing half of its renter base.

Research showed that real-time avail-

Stats at a Glance

Average number of sources used to make a decision on a rental:

2.17

Average number of visits before leasing:

1.9

Average closing percentage for leasing staff on stabilized assets:

35 percent

Average closing percentage for leasing staff on assets in lease-up or under rehabilitation:

38.1 percent

ability, if working properly, does make a significant impact on leasing and marketing and will soon become an expected 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.

Eight days a week. 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.

First impressions. Same-day leasing bonuses can be helpful in sealing the deal. The experts suggested following the airline model of allowing a 24-hour hold on a community without penalty for cancellation.

Above all, Hopkins and Trosien encouraged the industry to look closely at their marketing and leasing 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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