



Engaging the New Age

A Who's Who panel of talent and student housing expertise discusses current approaches to development, marketing and operations.



BY LAUREN BOSTON

Not since Charles Dickens have we seen such great expectations.

There's no arguing that today's student housing residents are entitled. However, they're also paying customers. During the General Session "2014 Exchange & Engage: Executives, Meet Your Customers" at the 2014 NAA Student Housing Conference & Exposition at the ARIA Las Vegas in March, an executive panel shared their expertise on meeting Millennials in the middle.

Following is the discussion, moderated by Jessica Nix, Vice President of Marketing for Peak Campus Companies.

Nix: What are some of the most recent amenity trends in student housing?

Donna Preiss: A lot of us are doing Starbucks cafés inside our clubhouses. The line was 30 minutes long at the ARIA Starbucks this morning. We've also done a lazy river.

David Neef: Weather is a factor at a lot of our properties, so we look for indoor activities. We've experimented with two- or three-lane bowling alleys.

Chris Richards: We put in space for a hair salon or spa but that hasn't been very successful.

Miles Orth: Lazy rivers, golf simulators, bowling alleys. It's interesting—the amenities are certainly changing, and becoming developer-driven as opposed to customer-driven. We're trying

*Panelists: **Scott Duckett**, COO, Campus Advantage; **David Neef**, COO, INNOVATIVE Real Estate Companies; **Alex O'Brien**, President, Cardinal Group Management; **Miles Orth**, EVP & COO, Campus Apartments; **Donna Preiss**, Founder & CEO, The Preiss Company; **Christine D. Richards**, CPM, Senior VP & COO, EdR; with moderator **Jessica Nix**, VP of Marketing, Peak Campus Companies*

to compete with each other and have to create some advantage over our competitors. When you think you've built the best-in-class, someone else does something extraordinary.

Nix: There are some markets where it's add, add, add. Are we starting to over-amenitize projects?

Scott Duckett: First and foremost, I think you have to focus on customer service and location. Many folks think they can sink a fortune into an amenity package, but you have to look at other things as well.

Preiss: We would love to have granite in our communities, but we looked at our assets and saw that when you over-amenitize, students will always like it but you may not be getting a yield for those dollars. You have to understand who you are and what place you hold in that market.

Orth: You have to decide if you want to put the limited money you have into interior unit renovations or the clubhouse. The clubhouse is the sizzle but unit interiors are the meat that will sustain the customer over time.

Alex O'Brien: You have to be *the* No. 1 something. Internally we were joking and said, "Let's just be No. 2. Let's just be the second-hottest girl there." But in all seriousness, be the No. 1 something.

Nix: What is your strategy for figuring out what will keep you competitive?



Preiss: We're trying to figure out how to be the leaders in student housing and Alex is trying to figure out how to be the hot girl!

Richards: We can't relocate existing properties, so I have to figure out what makes a community feel closer to campus. Services like night-time shuttles help with that.

Neef: We think about investing in programs that are truly customer-service based. True customer-service programs are appreciated as much as amenities sometimes.

Duckett: Word-of-mouth is the biggest source of traffic and leases. We really focus on the current resident base and encouraging them to reach out to their friends.

Nix: What development trends are you seeing?

Duckett: We're seeing more and more smaller-sized communities that are close to campus.



Preiss: We did a five-bedroom this year that was incredibly successful and increased our profit margin more than a four-bedroom. Someone mentioned to me having pods with private bedrooms and bathrooms, but shared kitchens in the center with lockers and mini fridges. It's an interesting paradigm shift we could look at. It would do away with roommate issues.

Orth: Another shift is the increase in international students and what they're looking for. They want more in the way of location and value, and not as much on the amenity side.

Nix: Where have you just knocked development out of the park?



Richards: We had a project where we got the location right. It was a block from campus and had the perfect mix of bedrooms and prices, as well as parking. Somehow we got the full package completely right. When we went to lease-up, we couldn't take new leases.

It's a dream—a dream I had heard about for years but never experienced until this year.

Neef: [We get it right by] understanding our demographic and really listening. Sometimes it can be something simple like having an enormous amount of common area meeting space in a community that's located in a cold climate.

O'Brien: You have to buy it right and build it right and have rents that match. We had three new deals and the market was already saturated. Our market analysis was that there are no bars, the Greek scene is weak and there's nowhere to hang out. We took the message to students. We converted an old food truck into a mobile leasing truck and it became a party on wheels that goes where students are. You have to figure out what the market doesn't have. This market had pools and gyms, but it didn't have *the* place to hang out. We took that message to the streets.

Preiss: In Raleigh, N.C., we had an experienced team and a strong brand. We leased up the first year and increased rents each year since. When you can build a brand, the student housing follows the hospitality industry to some extent. Residents will be loyal.

Nix: How do you stay relevant with the Millennial generation?

Richards: We have 1,200 employees company-wide, 700 of whom are students. That's how we stay relevant, by using that pool. They'll let you know if something you're doing is wrong.

Orth: Surveys. You have to engage and have focus groups. That is how you have to stay in touch. It drives development, amenities and value.

Duckett: You have to master short-term as well as long-term trends.

O'Brien: The data is there. The information is right in front of your face. What are you going to do with it? What assumptions are you making? Which student housing community is going to be the first to not build a pool? Who's going to get off of Facebook?



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Once you've polled everyone, what decisions are you going to make?

Nix: Social media—we get it. How do you manage that to make sure you're not just doing it mindlessly or for fun, but with a purpose?

Neef: We revamped our platform. Social media is a big component of that but we've also engaged some outside monitoring firms. Ours is a combination of grassroots and folks on the ground, but also understanding what's relevant to a specific property. We've found a lot of value in outside firms measuring social media.

Preiss: Talking about Facebook, I'm one of the old people who likes it and that's why it's not cool anymore. It's important to create a reason why your residents should be on Facebook. Have "Brew Days" where students can go on your community Facebook page and ask for coffee and the staff will bring it to them. We did a program where we'll bring you breakfast at night—but they have to ask for it on Facebook. It's all about creating positive interactions rather than worrying about eliminating the negative.

Orth: There is an expectation of engagement. Parents are putting in service requests for students. There's an expectation that you bring pancakes to the students. I'm not very engaged in social media but my kids are. It's a medium you have to be involved in. From our perspective, it drives cost down and improves NOI.

O'Brien: Staff recruiting is the big thing. During the interview process, we look at their Facebook and Twitter accounts and make sure they understand engagement. It needs to be organic. You don't want to have to teach them.

Nix: With social media and the Internet making it so easy for customers to speak their mind, how do you feel about online reviews?

Richards: You have to leave the real stuff out there—never delete negative reviews. No one is perfect. Also make sure you're responding. If they're bantering back and forth, nip it in the bud and take it offline.

Duckett: We work with a third-party service provider and they'll instantly notify us if there's a review of the organization. We respond to everything as soon as possible. If it's negative, we want to work with that student to make them happy. In some cases it works out and they'll include a follow-up review online. Of course there are still sour apples out there. You can't make everyone happy.

O'Brien: One thing we don't do very well is train people to ask for what they want. We have a 40 percent renewal rate, yet not one positive review online. We have to train our employees to ask for positive reviews. Don't get caught up in how to fix a negative review.

Preiss: When one of your leasing consultants or maintenance technicians gets a nice note or email, put it on the company website. If another employee sees someone getting 200 "at-a-boys" that day, they might go out of their way the next day to see if they can get the same recognition. You're recognizing people that implement these things on the ground level.

Neef: We can probably all raise the bar with customer service compared to other industries. Social media gives us the opportu-

nity to hear concerns we might not know about otherwise. The key is to understand what the real frustration is. If someone says, “Your company sucks,” well, why? Understand the root of the problem. The No. 1 question asked at Disney theme parks is, “What time is the 3 p.m. Disney parade?” But what they’re really asking is, “Where is the parade?” So get to the root of it—why are you mad at management? Get specific. It’s a great opportunity to take the next step in customer service.

Nix: Are your companies adapting your customer service based on your residents’ demands?

O’Brien: It goes back to the training of your onsite teams. I think the bar is very low in the student housing industry. There’s a mentality of “well, these kids.” No, it’s “these customers.” We’re starting to recruit outside of the industry. We send people to Ritz Carlton training. We can’t just look at our residents as entitled kids who want, want, want. They’re paying customers.

Duckett: We conduct Student Pulse Surveys three times per year to keep current with changes, as well as to monitor the performance of our onsite team.

Neef: If you can take a page out of Fortune 500 companies, you can really create a brand.

Nix: At least one-third of the booths at the Exposition were customer-service based products. Are you subscribing to any of those and including add-ons along with the brick and mortar of your business?

Orth: A lot of concierge services are driven by students and parents. There’s an expectation from students that we service them. Laundry, package delivery, bringing things to their room—there are so many facets and it’s interesting to see the number of vendors that cater to that and how that’s evolved.

Neef: A great opportunity is with the parents. Sometimes we get so focused on calling parents with bad news and it’s amazing how much positive feedback we get from contacting parents and saying, “We stopped in on your child’s apartment and everything is great.” It’s those small things that mean the world to parents. Then, when it comes to renewals, you’ve already had the dialogue and you’re not just calling for the first time for more money.

Preiss: Customer service really means: “What is it that I’d really like if I lived in an apartment?” On one of the biggest properties we own, residents can call and let us know that their trash is outside and we’ll have someone come and pick it up. At that same site, if students have problems with their printers, they can email the documents to us and we’ll print them. It creates touch points. ■

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