



Facilitator Guide

Marketing



Marketing

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Notes to Facilitator

This guide is designed to help you manage the information for this module and to help increase consistency at all training locations nationwide.

Duration

This is a 6 hour, 30 minute module (excluding breaks and lunch).

Materials Needed

- PowerPoint slides
- Marketing Participant Workbook
- Creekwood Case Study

Using Slides

You will notice that some of the slides build, and when that happens, it can be difficult for the Facilitator to know when the slide is at its end. To help with that, there is a red period that indicates the last build. On any slide where you don't see a red period, that means that there is more, and to click again.

Knowledge Checks

There are Knowledge Checks at the end of the PWB. They are used by participants as a self-study after class and are not to be reviewed in class. A copy of the Knowledge Checks with answers are at the end of this Facilitator Guide.

Participant Workbook

Participant Workbook pages are noted throughout the facilitator guide. Use them to direct participants to summaries of classroom content. When providing page numbers, explain to participants they can follow along with classroom content, take notes, and/or use the content as a study aid after class. In some cases additional details are listed in the Participant Workbook; this is supplemental “nice-to-know” information.

Remind participants that the space provided in the workbook should be used for notes. Tested concepts and explanations will include the case study, the slides, the reference material and the facilitator’s oral explanations.

At the end of each Participant Workbook, you will see Knowledge Checks pertaining to that section. Explain to participants that they can use these for self-study after class. Answer are provided on the pages following the questions.

Module "At-A-Glance"

The timing in this guide is provided as a guideline and is estimated on an average class size of 25; modify or alter as needed.

Topic	Activity	Duration
Introduction	<ul style="list-style-type: none"> • n/a 	10 mins
Introduction to Marketing & the Marketing Mix	<ul style="list-style-type: none"> • Participants will learn about the CAM's role in marketing and the marketing mix 	45 mins
Marketing Plan—Market & Competitor Analysis	<ul style="list-style-type: none"> • Participants will learn the components of a marketing plan • The market analysis and competitor analysis will demonstrate the effects on the property 	60 mins
Marketing Plan - Pricing	<ul style="list-style-type: none"> • The role of pricing and its evaluation is taught 	15 mins
Marketing Plan – Resident Profile	<ul style="list-style-type: none"> • Participants will learn the features of the resident profile and the importance of identifying a target market to maximize marketing spending 	40 mins
Marketing Plan—Objectives & Strategies	<ul style="list-style-type: none"> • Marketing objectives are taught as the goals of a marketing plan • Marketing strategies answer "how" the objectives will be met' 	30 mins
Marketing Plan—Promotional Mix	<ul style="list-style-type: none"> • The promotional mix explores the wide variety of methods to market 	50 mins
Marketing Plan—Budget, Measurement & Evaluation	<ul style="list-style-type: none"> • Participants will learn the components of a marketing budget • Measuring and evaluating successful marketing plans are essential for the CAM 	50 mins
Writing the Plan	<ul style="list-style-type: none"> • Participants will draw conclusions about their competitive advantages and strengths 	30 mins
The Impact of Marketing	<ul style="list-style-type: none"> • Participants will explore the financial impact of successful marketing and the value added to the owner's investment 	25 mins
Managing Occupancy	<ul style="list-style-type: none"> • Participants will track the relationship between occupancy and marketing 	25 mins

- Occupancy reporting will be explored and explained

Wrap Up

- n/a

10 mins

390 minutes

Introduction

Welcome

Slide 1

Welcome participants.



Materials

Slide 2

Provide the following materials and explain their purposes.

Click and explain the Participant Workbook:

- Used in class to follow along with information, take notes, and complete activities
- Used as a study aid for the exam
- Contains high-level information covered in class, worksheets, activity information, etc.

Click and explain the Reference Guide:

- Used after class as an on-the-job reference
- Contains detailed information about topics covered in class

Materials

Participant Workbook  <div style="border: 1px solid #ccc; padding: 5px; background-color: #f9f9f9;"> High-level information <ul style="list-style-type: none"> • Follow along in class • Take notes • Complete activities • Study for exam </div>	Reference Guide  <div style="border: 1px solid #ccc; padding: 5px; background-color: #f9f9f9;"> Detailed information <ul style="list-style-type: none"> • On-the-job reference • Study aid for exam </div>
---	--

NOTE: Operating procedures vary among companies, states, etc.

Agenda

Slide 3

Display slide.

Review the Agenda.

Agenda

- Introduction to Marketing
- Marketing Plan
 - Market Analysis
 - Competitor Analysis
 - Pricing
 - Resident Profile
 - Target Market
 - Objectives
 - Strategy
 - Promotional Mix
 - Recommendations
 - Budget
 - Measurement and Evaluation
- Writing a Marketing Plan
- The Impact of Marketing
- Managing Occupancy

Introduction to Marketing

Slide 4

Display the section title slide and **Introduce** the topic.

Transition "As a CAM you will need to understand the basic concepts of marketing and how to apply them to ensure your property reaches its potential."



Introduction to Marketing

Marketing

Slide 5

Display Marketing: Definition slide.

Define Marketing:

- Integrated and coordinated activities that encourage people to initially rent or continue renting an apartment

Click to Review each point.

Marketing: Definition

Integrated and coordinated activities that encourage people to **initially** rent or continue renting an apartment

- Activities include research and promotion
- Focus is inside and outside the community .



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Slide 6

Display Marketing Purpose slide.

Click to Show each point and **Review** the purpose of marketing efforts.

Marketing Purpose

- Realize optimum value of a property
- Achieve maximum rent levels
- Achieve and maintain occupancy goals
- Meet financial objectives
- Understand resident wants and needs
- Retain existing residents at optimal renewal rates
- Deliver excellent customer service to residents



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Slide 7

Show the video.

Marketing

A CAM's Role**Slide 8**

Display Marketing Plan: A CAM's Role slide.

Explain that while they may not actually write and present the plan, a CAM plays a key role in the development of the plan.

Click and List the things a CAM must know to contribute to a Marketing Plan.

Marketing as a Team Effort**Slide 9**

Display Marketing as a Team Effort slide.

Explain that the management team *and* the onsite personnel must recognize that marketing is a team effort. Everyone is involved in the process from planning to implementation.

Click to Show each point.

Ask:

- How would you involve a maintenance technician in marketing?
- How would you involve an assistant manager in marketing?

Answers may vary.

ACAM's Role

- Prepare and implement marketing plan
- Price and analyze marketing and advertising materials
- Identify present and future marketing opportunities
- Measure, monitor, and evaluate marketing efforts
- Educate and involve onsite personnel in marketing >

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The extent of your role is dependent on:

- The owner or management company's philosophy
- The job responsibilities of employees
- The size and location of the property

You must understand a number of factors:

- Each part of the marketing effort
- How it impacts property operations
- The marketing message and direction.

Marketing as a Team Effort

- A property owner and/or management company establish strategic direction
- You recommend, implement, and monitor marketing activities
- You involve the entire staff in the process .



Marketing Mix**Slide 10**

Display The Marketing Mix slide.

Define Marketing Mix:

- Major controllable variables that impact the desired market response

Click and Explain that it is also called the Five (5) Ps.

- Product
- Price
- Promotion
- Place
- People

Marketing Mix – The 5 Ps

Your overall property marketing plan consists of various components:

- Those components include:
- ✓ Your property amenities, features and services
 - ✓ The location of your property and how it compares to competitors
 - ✓ The rents, deposits and various fees you charge
 - ✓ The techniques you use for getting out information about your property
 - ✓ The various people involved in your marketing efforts.



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Product**Slide 11**

Display Product slide.

Define Product Marketing:

- The product or service offered to customers

Click and Explain that in the apartment industry this refers to:

- The apartments
- The property amenities
- Services
- Brand identity

Click and Explain that products are evaluated and marketed by a set of criteria.

Product

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Click and Explain that product quality should be evident in every aspect of the community:

- Curb appeal
 - Cleanliness and well maintained appearance of the grounds
 - Amenities
 - Common areas
 - Models
 - Market ready apartment homes
- Professional appearance and conduct of staff members
- Collateral materials given to a prospect

Click and Explain that features are used extensively to promote the product. Examples include:

- Covered parking.
- Access gates.
- Fitness/business centers.
- Individual alarm systems.
- French doors.
- Washers and dryers

Click and Explain that availability will also play a part because prospects may be disappointed or discouraged when a unit style is not available when they need to move. Or—a particular view or location within a building that is desirable may also not be available.

Place**Slide 12****Define Place:**

- The distribution channel or method for making a product available to customers.
- In the multifamily housing industry, the location of the apartment and community.

Click and Explain that place marketing includes defining and marketing the physical location, relative location and comparative location.

**Define Physical Location:**

- All the specific geographical or physical aspects of a property. You can't change the physical location of where a property is situated.

Define Relative Location:

- Location of a community in relation to customer needs and desires, such as:
 - Shopping service districts
 - Recreational facilities
 - Medical facilities
 - Schools
 - Places of worship

- Transportation hubs including public transportation options

Define Comparative Location:

- How a community's location compares to the competition.
 - Is it more visible?
 - Is it closer to major employment centers?
 - Is it more accessible to public transportation?
 - Is it in a better school district?

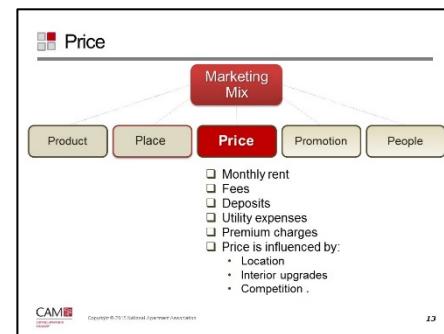
Price**Slide 13**

Display Price slide.

Explain that Price includes:

- Monthly base rent.
- Fees—parking, pets, valet trash pick-up.
- Deposits.
- Utility expenses.
- Premium charges for additional features and services.

Note that base rent may be influenced by other criteria such as location, interior upgrades, other amenities, or competing properties in the submarket.



Promotion**Slide 14**

Display Promotion slide.

Explain how the promotional marketing aspect of marketing is used to convince potential residents to select an apartment community over a competitor's apartment community. A property uses promotion to achieve occupancy and resident retention objectives.

Read what is typically included in Promotion.

**People****Slide 15**

Display People slide.

Explain that People includes everyone involved in marketing efforts.

List examples.

**Slide 16**

Display Reference: Five Ps Evaluation Checklist slide.

Refer participants to the Participant Workbook for the **Five Ps Evaluation Checklist**.

Review content from Participant Workbook.

Reference: Five Ps Evaluation Checklist



See the Participant Workbook for a **Five Ps Evaluation Checklist**..

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Five Ps Evaluation Checklist

P	Description	Evaluation Checklist
Product	<ul style="list-style-type: none"> A product or service you offer customers In the apartment industry this refers to: <ul style="list-style-type: none"> Apartments The apartment community Services Brand identity and logo 	<input type="checkbox"/> Rental Information Center <input type="checkbox"/> Clubhouse <input type="checkbox"/> Amenities <input type="checkbox"/> Models <input type="checkbox"/> Ready Apartments <input type="checkbox"/> Services Offered
Price	<ul style="list-style-type: none"> Price includes: <ul style="list-style-type: none"> Monthly base rent Fees Deposits Utility expenses Premium charges for additional features and services Base rent may be influenced by other criteria such as location, interior upgrades, or other amenities. 	<input type="checkbox"/> Rent comparison and evaluation <input type="checkbox"/> Amenity fee comparison and evaluation <input type="checkbox"/> Comparison of discounts, specials and fees <input type="checkbox"/> Value-added components <input type="checkbox"/> Floors <input type="checkbox"/> Views <input type="checkbox"/> Concessions and marketing incentives <input type="checkbox"/> Rental mix <input type="checkbox"/> Pricing software and real-time pricing
Promotion	<ul style="list-style-type: none"> Marketing used to convince potential residents to select an apartment community over a competitor. It includes: <ul style="list-style-type: none"> Advertising Public relations Sales promotion Relationship selling 	<input type="checkbox"/> Advertising/Marketing Themes <input type="checkbox"/> Advertising Resources <input type="checkbox"/> Other Advertising Resources <input type="checkbox"/> Corporate marketing <input type="checkbox"/> Resident Promotions <input type="checkbox"/> Lease renewals
Place	<ul style="list-style-type: none"> Distribution channel or method to make a product available to customers In the apartment industry, this refers to the location of the apartment and community Includes defining and marketing Physical Location, Relative Location, and Comparative Location 	<input type="checkbox"/> Study of Location <input type="checkbox"/> Site Neighborhood <input type="checkbox"/> City/Region
People	<ul style="list-style-type: none"> Everyone involved in marketing efforts <ul style="list-style-type: none"> Onsite personnel Management team Contract workers Marketing partners Vendors Prospects 	<input type="checkbox"/> Determine Appropriate Staffing Levels <input type="checkbox"/> Staff leasing training <input type="checkbox"/> Leasing personal knowledge of submarket <input type="checkbox"/> Awareness of competitive advantage <input type="checkbox"/> Staff shops <input type="checkbox"/> Proper incentives

Slide 17

Display Marketing Success Factors slide.

Review the marketing success factors found in the matrix on the next page.

Marketing Success Factors

- Future-oriented
- Goal-focused
- Customer-centric
- Team oriented
- Communicated effectively
- Consistent
- Repetitive
- Flexible
- Regularly monitored and evaluated



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Slide 18

Display Reference: Characteristics of Successful Marketing slide.

Refer participants to the Participant Workbook for a summary of the **Characteristics of Successful Marketing**.

Review content from Participant Workbook.

Reference Characteristics of Successful Marketing

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See the Participant Workbook for a summary of the **Characteristics of Successful Marketing**.

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Characteristics of Successful Marketing

Success Factor	Description
Visionary	It is focused on current activities, while considering future trends and technologies. This information is used to remain competitive and stay ahead of competitors.
Goal Oriented	Benchmarks are established, goals are set, and plans are implemented that support the overall mission and objectives. Successes and failures are evaluated against goals.
Customer Focused	Marketing efforts are focused on meeting the needs of current and prospective customers and arouse their interest in the product. Building good customer relations is essential.
Team Oriented	Everyone participates in the planning process and activities that keep a company focused on the customer's wants and needs.
Communicated Effectively	Effective communication is incorporated in every aspect of marketing. The target audience receives a meaningful message and responds.
Consistent	The consistency of the message delivered allows the consumer the ability to more fully understand the product and thereby pre-qualify him or herself to purchase it. Additionally, it can promote corporate image and consistent quality.
Repetitive	It repeats the message to ensure that customers retain pertinent information about your product and the services that you offer. It also works to reinforce the message to your team.
Adaptable to Change	Successful marketing is adaptable to the changing market. With new technologies emerging and shorter product life cycles, competition is heightened. Successful marketing tracks these changes and adapts them to the overall marketing plan.
Monitored and regularly evaluated	The only way to determine the effectiveness of any marketing program is to closely monitor its results. Not only by counting traffic and leases, but also by determining your "return" on your marketing efforts and investment.

Marketing Plan

Slide 19

Display the section title slide and **introduce** the topic.

Transition “We finished the last section talking about success. In order to know if your marketing plan is successful, you need to identify clear goals.”

Explain that the success of any marketing plan depends largely on:

- Current knowledge of the physical nature of a property.
- Products and services offered by your community.
- Products and services offered by competitors.
- External factors such as the immediate neighborhood and amenities and services available in the submarket.



Marketing Plan

Slide 20

Display Marketing Plan slide.

Transition “The Marketing Plan outlines the objectives and the strategy you will use to meet those objectives.”

Marketing Plan

Detailed, written account and timetable of the objectives and methods to be used to achieve the property's financial goals by marketing the property effectively.

- Helps develop, guide, and coordinate marketing efforts
- Serves as a roadmap to achieve goals
- Keeps staff on course .



Define Marketing Plan

- A detailed, written account and timetable of the objectives and methods to be used to achieve the property's marketing goals

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Explain that the Marketing Plan is not written every month. It is an in-depth analysis of your community, and generally written for a special circumstance.

Marketing Plan: A CAM's Role

Slide 21

Display Marketing Plan: A CAM's Role slide.

Explain that while they may not actually write and present the plan, a CAM plays a key role in implementing the plan.

List the things a CAM must know to contribute to a Marketing Plan.

Marketing Plan: A CAM's Role

To contribute to a Marketing Plan, you must:

- Know every aspect of your product and its relative performance
- Understand reports, their source, and their value
- Utilize reports to analyze property performance
- Understand your audience .


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Goals of the Marketing Plan

Slide 22

Display: Goals of the Marketing Plan

Click and List the goals of the marketing plan

- Meet prospect and resident desires and expectations
- Differentiate your property from your competitors
- Identify a unique positioning statement
- Deliver high impact messaging that the customer will notice
- Distribute materials and information in such a way that it easily reaches the customer
- Identify appropriate support and resources to execute the marketing strategy

Goals of the Marketing Plan

- Meet prospect and resident desires and expectations
- Differentiate your property from your competitors
- Identify a unique positioning statement
- Deliver high impact messaging that the customer will notice
- Distribute materials and information in such a way that it easily reaches the customer
- Identify appropriate support and resources to execute the marketing strategy .

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Need for a Marketing Plan

Slide 23

Display Need for a Marketing Plan slide.

Click to Show each point and **Review** the reasons and examples for the reasons why a Marketing Plan might be created.

Need for a Marketing Plan

- A component of the property owner's annual business plan and budget
- Closely linked to an owner's business & investment objectives
- Created when there is:
 - Critical need: e.g. new ownership
 - Repositioning: e.g. significant physical or operational changes
 - Problem solving: e.g. occupancy issues or revenue shortfalls
 - Sustaining plan: e.g. ongoing efforts to keep the property in front of the customer's eyes .


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Marketing Plan Audiences

Slide 24

Display Marketing Plan Audiences slide.

Click to Show each point and **Review** the various stakeholders of a Marketing Plan.

Marketing Plan Audiences

- On-site property staff
- Management supervisory staff
- Owners and/or investors
- Lenders
- Regulatory agencies
- Future buyers .

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Marketing Plan Components

Slide 25

Display Marketing Plan Components slide.

Click and List the various components that make up a Marketing Plan.

Explain that we will use this list as a map for the rest of this chapter. We will explore each component.

Marketing Plan Components

1. Description of your community, amenities, and services
2. Market analysis - Location
3. Competitors
4. Current pricing
5. Resident profile
6. Target market
7. Marketing objectives (goals)
8. Marketing strategies
9. Promotional mix
10. Budget
11. Measurement and evaluation .


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Slide 26

Display Reference: Components of a Marketing Plan slide.

Refer participants to the Participant Workbook for a description of the **Components of a Marketing Plan**.

Review content from Participant Workbook.

Reference: Components of a Marketing Plan



See the Participant Workbook for a description of the **Components of a Marketing Plan** .

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Components of a Marketing Plan

Component	Description
Community, Amenities, and Services	The apartment property buildings themselves, the rental center, exterior and interior amenities, unit features and design, resident common areas, pay-for services and services included in the rental package, area discount programs, resident-friendly policies and practices, hours of business, communication tools and ready access to staff
Pricing	Monthly rent, amenity fees, recurring additional rents (i.e. garages); amenity-based pricing structure, add-on fees for views, floors and features; pricing structures and software, specials and/or leasing incentives, deposits, required insurance, cost to move-in
Target Market	Those individuals whom a community wants to market some of their marketing and advertising efforts. This includes economic, geographic and amenity characteristics that are non-discriminatory.
Competitors	Other area properties with whom you compete for residents and renewals. A competitor may not be a comparable. A comparable is similar in style and age, but a competitor may be different.
Marketing Objectives	A marketing objective identifies a specific goal and defines its achievement. Objectives are more effective the more specific they are. A leasing goal that says we need to improve leasing in the coming quarter is not as effective as specifying a closing ratio, or percentage of increase in a defined period of time. Objectives are goals. Objectives answer the question “what” and “why”.
Marketing Strategies	A marketing strategy defines how the objective will be met. It answers the questions “when,” “how,” “who”. It outlines the specific steps to be taken to achieve the objective. In the example above the objective can be met by assigning responsible parties, identifying how progress will be measured, when it will be measured and what programs or policies will be created to assist in achieving the objective.
Budget	A marketing budget projects costs to adequately supply effective marketing of the community. Typical budget categories include leasing salaries and bonuses, advertising, promotional or giveaway items connected with a campaign, signs, banners and flags, referral fees and gifts, website enhancements, software and application purchases, community outreach costs. All budget accounts are designed to increase and maintain community awareness of the property.

Component	Description
Promotional Mix	The promotional mix defines the five components that must be addressed and in peak operating levels in order to be successful in marketing programs and campaigns. The mix includes people, product, price, promotion and place.
Measurement and Evaluation	The critical process to define success in any marketing plan. Growth in production objectives (more leases, more traffic, and fewer notices) or expense control (marketing sources, electronic outreach, minimizing concessions and incentives) must be measured at the onset and throughout the identified period. In a 6-month plan to grow occupancy, increase rents and retain residents, measurements would likely be taken and evaluated at each month and even each week depending upon achievement of weekly and monthly targets. Evaluation must be made and communicated to the affected personnel striving for the goals.

Marketing Plan - Market Analysis

Slide 27

Display the section title slide and **introduce** the topic.

Transition “Before you can write a Marketing Plan, you need to understand your market. This takes some preparation.”



Marketing Plan – MARKET ANALYSIS .

Slide 28

Display MARKET ANALYSIS – Location slide and **Introduce** the topic.

Market Analysis - Location

A photograph of a woman with curly hair, wearing a dark blue plaid jacket, standing on a balcony. She is looking out over a cityscape with many buildings under a cloudy sky. A small portion of a laptop screen is visible in the bottom right corner of the slide.

- Region
- Neighborhood
- Property/Location
- Competitor Locations .

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A CAM's Role**Slide 29**

Display Market Analysis - A CAM's Role slide.

Explain that a CAM must be aware of the variety of events and trends in their area. A CAM will have a larger role in developing the Market Analysis.

Region**Slide 30**

Display Market Analysis - Region slide.

Describe a Regional analysis:

- An outline of economic and demographic characteristics the property's region; typically the metropolitan area

Explain that if an area is expanding economically, they may see higher employment and greater demand for housing.

Explain that an area may experience an economic downturn due to a major employer closing or increased growth and competition in neighboring areas.

Click and List what is included in a Regional Analysis.

Regional Analysis – Sources of Data**Slide 31**

Display Regional Analysis – Sources of Data

Click and List potential sources.

Say now let's take a look at a smaller area – the neighborhood.

Market Analysis - A CAM's Role

Be aware of events and trends in your area:

- Area expanding economically
 - Higher incomes
 - Greater demand for housing
- Area experiencing an economic downturn
 - Closing of a major employer
 - Increased competition in neighboring areas

You will be better able to assess the long- and short-term impacts on your property if you know what impacts your area.

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**Market Analysis - Region**

Economic and demographic characteristics outlined for the property's region; typically the metropolitan area

- Population characteristics
- Trends
- Economic conditions
- Recreation & entertainment
- Government structure
- Educational institutions
- Employment centers

**Regional Analysis – Sources of Data**

- U.S. Bureau of the Census (www.census.gov)
- American Housing Survey (www.census.gov/hhes/www/ahs.html)
- U.S. Bureau of Economic Analysis (www.bea.gov)
- State Agencies and Local Governments (www.statelocalgov.net)
- Local Chambers of Commerce
- Local real estate brokers .



Neighborhood

Slide 32

Display Market Analysis - Neighborhood slide.

Describe a Neighborhood analysis:

- An in-depth look at the area immediate to a property

Click and Point Out that the Neighborhood analysis has many of same elements as does the regional analysis but on a smaller, more specific scale.

Click and List what is included in a Neighborhood analysis.

Click and Explain that it is important to correctly determine a property's neighborhood for the most relevant analysis.

Slide 33

Display Neighborhood Boundaries slide.

Explain:

- The property's neighborhood may encompass a small geographical area, such as a few nearby properties, or a larger area, such as multiple blocks. Also called the Effective Market Area.
- These boundaries can be natural, such as rivers and lakes, or manmade barriers, such as streets and highways.
- The physical perimeter within which prospects are looking at properties are best defined by competition.
- You are competing with these properties on the basis of such factors as: location, rent, age, quality and type of construction, amenities, appearance.

Market Analysis - Neighborhood

- An in-depth look at the area immediate to a property
- Has many of same elements as a regional analysis but on a smaller, more specific scale
- Boundary definition:
 - Population characteristics
 - Trends
 - Economic conditions
 - Property types
 - Amenity and educational opportunities
 - Crime activity
 - Employment centers

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Neighborhood Boundaries

- Could be a small geographical area or a larger area, such as multiple blocks. Also called the *Effective Market Area*
- Boundaries can be natural, such as rivers and lakes, or manmade barriers, such as streets and highways
- The physical perimeter within which prospects are looking at properties is best defined by competition
- You are competing with these properties on the basis of such factors as: location, rent, age, quality and type of construction, amenities, appearance

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Property and Location

Slide 34

Display MARKET ANALYSIS - Property Location slide.

Describe a Property Location analysis:

- Contains information about a property's amenities and location, positive and negative aspects of each, and how they affect rentals

Click and Explain that the analysis helps identify opportunities and key issues relating to the property and its location to plan enhanced marketing efforts.

Slide 35

Display How To: Property Location Analysis slide.

Walk through a Property and Location analysis using the steps on the slide.

Ask "What type of data do we need to collect about features and location?"

Sample Answers:

- Proximity to shopping, highways, schools
- Parking availability
- Accessibility by public transportation
- Compliance with federal, state and local laws and codes
- Obsolescence issues relative to design, technology, taste, or demand

Click and Ask "What types of reports and documentation should we gather and examine?"

Sample Answers:

- Building exteriors and common areas
- Model apartments
- Property signage
- Vacancy reports and analysis
- Traffic reports
- Internal marketing programs
- Unit condition reports

Market Analysis – Property Location

Contains information about a property's amenities and location, positive and negative aspects of each, and how they affect leasing

- Identifies opportunities and key issues such as:
 - Whether features and benefits are being fully utilized
 - How new trends impact the property
 - How residents view quality and reliability
- Allows for proactive marketing efforts .



How To: Property Location Analysis

1. Collect data on the property's features and location
2. Gather and examine property reports and documentation
3. List negative aspects that affect leasing
4. Describe plans for future upgrades
5. Compare results of research with existing marketing efforts
6. Decide how to improve on marketing to take advantage of property's features and location .

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- Closing ratios
- Gross sales and net sales

Click and Ask “What are some negative aspects that have affected leasing in your communities?”

Answers might include:

- Busy streets
- Hidden location
- Neighboring properties

Click and Ask “What types of upgrades has your property undertaken?”

Answers might include:

- Additional amenities
- Additional services
- Exterior upgrades
- Exterior renovations

Click and Ask “Describe ways to determine your marketing efforts are working.”

Answers might include:

- Traffic report
- Applicant survey
- Applications secured
- Electronic leads

Click and Ask “How have you changed marketing to take advantage of your property’s features and location?”

Answers might include:

- Retail partners
- Transit discounts
- Preferred employer relationships

Competitor Locations

Slide 36

Display Market Analysis - Competitor Locations slide.

Ask "How does your property's location compare to its competitors?"

Ask "Determine your property's "comparative location."

Ask "What makes your property's location unique when compared to the competition?"

Explain that understanding a competitor's product, services, and marketing strategies helps a CAM can improve their product, services, and marketing strategies.

MARKET ANALYSIS - Competitor Locations

1. How does your property's location compare to its competitors?
2. Determine your property's "comparative location."
3. What makes your property's location unique when compared to the competition? .

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Slide 37

Display Reference: Types and Elements of a Market Analysis slide.

Refer participants to the Participant Workbook for the **Types and Elements of a Market Analysis**.

Review content from Participant Workbook.

Reference: Types and Elements of a Market Analysis



See the Participant Workbook for the **Types and Elements of a Market Analysis**.

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Types of Analyses

Type of Analysis	Description	Details
Regional Analysis	Economic and demographic characteristics outlined for the property's region; typically the metropolitan area	<p>Includes:</p> <ul style="list-style-type: none"> • Population and economic characteristics • Trends • Recreation & entertainment • Government structure • Educational institutions
Neighborhood Analysis	An in-depth look at the area immediate to a property	<p>Includes many of same elements as a regional analysis but on a smaller, more specific scale :</p> <ul style="list-style-type: none"> • Boundary definition • Population and economic characteristics • Trends • Property types • Amenity and educational opportunities • Crime activity
Property and Location Analysis	Contains information about a property's amenities and location, positive and negative aspects of each, and how they affect rentals	<ul style="list-style-type: none"> • Identifies opportunities and key issues such: <ul style="list-style-type: none"> ○ If features and benefits are fully utilized ○ How new trends impact the property ○ How residents view quality & reliability • Allows for proactive marketing efforts

Type of Analysis	Description	Details
Resident Analysis	Contains information about residents' demographics, their satisfaction with service levels, and their needs and wants	<ul style="list-style-type: none"> • Helps identify: <ul style="list-style-type: none"> ○ People who fit resident profile ○ Potential residents if repositioning • Provides ideas for Marketing Plan <ul style="list-style-type: none"> ○ Potential rent levels ○ Occupational targets ○ Amenity changes
Target Market Analysis	Refers to characteristics of the consumer a community wants to focus marketing and advertising efforts towards	<ul style="list-style-type: none"> • Completing preceding analyses helps you identify target markets • Part of overall affirmative marketing campaign
Competitor Analysis	Information about other apartment communities that compete with yours	<p>Helps you:</p> <ul style="list-style-type: none"> • Identify your competitive advantage • Identify areas of missed opportunity • Make innovative improvements • Identify needs not being met • Learn more about your market

Elements in a Market Analysis

Element	Description
Population Characteristics and Trends	<p>These elements include:</p> <ul style="list-style-type: none"> • Age • Occupations • Income levels • Education • Household size
Economic Conditions	<p>The region's major employers, business climate (favorable or unfavorable), types of business and employment opportunities.</p>
Recreational/Entertainment Venues	<p>The types of entertainment and recreational facilities are available in the region such as parks, zoos, museums, sports venues for participants and spectators, theater, movies, etc.</p>
Governmental Structure	<p>State and local government structure, growth policies, regulatory environment, and tax policies</p>
Educational Institutions	<p>Higher education facilities such as colleges and universities that serve the region.</p>
Boundary Definition	<p>Physical boundaries such as highways, parks, major roads or street patterns, or natural boundaries such as bodies of water.</p>
Economic Conditions	<p>These elements include:</p> <ul style="list-style-type: none"> • Job opportunities, and • Job growth (or loss) trends
Property Types	<p>The balance of residential, commercial, or industrial uses. The physical conditions of other property uses surrounding the property also impact quality.</p>
Amenity and Educational Opportunities	<p>Local school systems, shopping, recreational and entertainment facilities.</p>
Crime Activity	<p>Crime activity in the area is another quality factor affecting property appeal.</p>

Marketing Plan - Competitor Analysis

Competitor Analysis

Slide 38

Display the section title slide and introduce the topic.



Marketing Plan – COMPETITOR ANALYSIS .

Slide 39

Display Competitor Analysis slide.

Describe a Competitor analysis:

- Information about other apartment communities that are considered competition

COMPETITOR ANALYSIS

Information about other apartment communities that compete with yours

Helps you:

- Identify your competitive advantage
- Identify areas of missed opportunity
- Make innovative improvements
- Identify categories of customers whose needs are not being met
- Learn more about your market .



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Click and List the benefits of a Competitor analysis.

Slide 40

Display How To: Competitor Analysis slide.

Ask “When analyzing competitors, what information do you think you need to collect?”

Sample Answers:

- Who they are
- Each competitor's products
- Features or characteristics of the competitors' products/services
- Competitors' strengths and weaknesses
- Competitors' strategies and objectives

Click and Ask “What types of reports and information would you look for?”

Sample Answers:

- Competitive surveys
- Personal visits
- Photographs
- Internet research
- Competitors' ads/ collateral materials

Click and Ask “How do you determine how to improve to better compete?”

Slide 41

Display Questions to Ask slide.

Explain that a CAM should ask themselves the questions on the slide as they assemble information.

Click and Read key points on slide.

How To: Competitor Analysis

1. Collect information about competitors
2. Gather and examine reports and documents pertaining to competitors
3. Determine improvements you can make to your products, services, and marketing .



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Questions to Ask

- Are competing properties undergoing upgrades or implementing changes that will have an effect on your property?
- Are any new apartments under construction or being planned?
- What are your property's "negatives"? Are they fixable?
- Are you being realistic about your property's positives and negatives?

Marketing Plan - Pricing

Slide 42

Display the section title slide and **introduce** the topic.

Say “Pricing is a key factor of the competitive environment. Competitive rental rates are still the prospect’s main basis for comparison with competitors.”



Factors that Impact Rental Rates

Slide 43

Display Pricing - Factors that Affect Rental Rates slide.

Say “Now that you know the economic *basis* of rental income and rates, we will look at things that *affect* rental income and rates.”

Explain that a CAM must understand the local housing market before designing and implementing a specific marketing effort.

Click and List factors that affect rental income and rates.

Pricing- Factors that Affect Rental Rates



- Law of supply and demand
- Economic conditions
- Housing trends
- Competitors' offerings
- Property features
- HUD and government-assisted housing programs .

Law of Supply and Demand

Slide 44

Display Pricing - Law of Supply and Demand slide.

Define Law of Supply and Demand:

- An economic concept stating that if demand is high and supply is low, higher prices can be obtained

Read point on slide.

Click and Read point on slide.

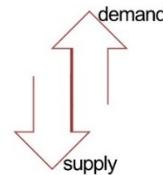
Explain that the key for using the principles of supply and demand is identifying when imbalances in supply and demand occur.

PRICING - Law of Supply and Demand

If demand is low and the supply is high, rents must be competitive to attract residents



If the demand is high and the supply is low, higher prices can be obtained .



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Local Economic Conditions

Slide 45

Display Pricing – Local Economic Conditions slide.

List the most important factors impacting economic conditions for apartment housing.

Click and Read points on slide.

Provide the following examples of economic conditions impacting rental rates:

- When interest rates are low, many renters choose to become homeowners, which can have a direct impact on rental rates.
- When job growth occurs, demand for housing increases.

PRICING - Local Economic Conditions

Factors impacting economic conditions for apartments:

- Population growth
- Household formation
- Job creation



When the local economy grows, rental rates may increase

Areas in an economic downturn may require reduced rental rates .

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Housing Trends

Slide 46

Display Housing Trends slide.

Click to Show each point and **Review** housing trends that affect apartment communities.

Ask “What happens when the economy goes into recession? **Walkthrough** each of the three examples .

PRICING - Housing Trends



Housing trends that affect apartment rent levels include:

- New construction of apartment units with better amenities
- New construction of single-family homes
- Conversion of rental homes to condominiums .

Competitors' Offerings

Slide 47

Display Competitors' Offerings slide.

Read bullet and **List** examples of amenities:

- Carports & garages,
- In-unit washers and dryers
- Fitness centers
- Hot tubs, swimming pools and spas

Pricing- Competitors' Offerings



- Assess the types or styles of apartments, rates, and amenities of your competition
- Estimate the monetary value of various amenities and apartment features
- Determine the value of utilities that may be included in rent
- Compare fees and deposits
- Do a "cash outlay to move-in" analysis .

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Click and Explain that estimating monetary value means deciding if a fireplace or washer/dryers worth \$10, \$20, \$50 or more in rent.

Transition – Now let's talk more specifically about rents and pricing.

Net/Effective Rent Guidelines

Slide 48

Display Net/Effective Rent Guidelines slide.

Ask the participants what is the difference between a net rent and a market rent. Guide the conversation to reflect that a net rent is the result of subtracting any programs that reduce the market rent.

Pricing- Net/Effective Rent Guidelines



- Before comparing a property to the competition, you must identify Net/Effective Rent
- Account for any programs that reduce the market rent amount .

Click to Show each point and **Review** guidelines about comparing Net/Effective Rents.

Explain that comparing market rents only will *not* help a CAM accurately understand rental rates among competitors.

Slide 49

Display Net/Effective Market Rent slide.

Explain that GPR is Gross Potential Rent. VAC is rent loss from vacancy, concessions, bad debt and nonrevenue units. TRR is Total Rent Revenue.

Click and Explain that Average Effective Rent is the ACTUAL rent received on occupied units net of concessions.

Click and Explain that Effective Market Rent is identified as all leases signed at scheduled market rent and all concessions awarded via a lease addendum.

Net/Effective Market Rent**Average Creekwood Effective Rent****Slide 50**

Display Average Creekwood Effective Rent slide.

Walk through the figures in the example.

Click and Ask "What is the Average Effective Rent?"

Click to Show answer.

Average Creekwood Effective Rent**Example:**

- 6 units leased @ \$489 = \$2,934
- 74 units leased @ \$572 = \$42,328
- 42 units leased @ \$698 = \$29,316
- 122 Total Units Leased = \$74,578

What is the Average Effective Rent?

$$\frac{\$74,578}{122} = \$611.29 \text{ rounded to } \$611.$$

Creekwood Effective Market Rent**Slide 51**

Display Creekwood Effective Market Rent slide.

Review the figures in the example.

Click and Ask "What is the Effective Market Rent?"

Click to Show each step of the calculation.

Creekwood Effective Market Rent Example**Example:**

- Market Rent = \$730
- Concession = 1 Month Free \$730
- 12-month lease

What is the Effective Market Rent?

$$\begin{aligned} 1. \ $730 \times 12 &= \$8,760 \\ 2. \$8,760 - \$730 &= \$8,030 \\ 3. \$8,030 \div 12 &= \$669.16 \text{ rounded to } \$669. \end{aligned}$$

Property Features

Slide 52

Display Property Features slide.

Read the slide.

Provide the following example:

- Units facing a pond or woods rather than the highway can be leased at slightly higher rates.

HUD & Gov. Assistance Programs

Slide 53

Display HUD & Gov. Assistance Programs slide.

Click and Explain that these programs are income restricted and rent limited:

- Rental rates are set by the government
- Residents must be income eligible
- Rates are limited to what the program allows

Pricing- Property Features



Identify features for which you can charge premiums

- Views
- Fireplaces
- Washer/dryer connections
- Floor levels
- Location on site .

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Pricing- HUD & Gov. Assistance Programs

- Subject to government-set regulations and rental rates
- HUD establishes "fair market rents" annually
- Government assisted programs serve groups based on income
 - Federally subsidized
 - Low Income Housing Tax Credit .



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Marketing Plan – Resident Profile

Resident Profile

Slide 54

Display the section title slide and introduce the topic.



Slide 55

Display Resident Profile slide.

Describe a Resident Profile:

- Contains information about residents' demographics, their satisfaction with service levels, and their needs and wants

Click and Explain that a profile of the *current* resident population helps identify the target market of *potential* residents.

Click and Explain that the profile provides ideas about:

- Potential rent level
- Occupational targets
 - Unless source of income is a protected class in the state
- Possible amenity changes

Resident Profile

Contains information about residents' demographics, their satisfaction with service levels, and their needs and wants

- Helps identify:
 - People who fit resident profile
 - Potential residents if repositioning
- Provides ideas for Marketing Plan
 - Potential rent levels
 - Occupational targets
 - Amenity changes .

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How To: Resident Profile

Slide 56

Display How To: Resident Profile slide.

Ask "What types of information could you collect in a resident survey?"

Sample Answers:

- Residents' satisfaction with service levels
- Residents' needs and wants
- The impact of geographic factors
- Resident demographics

Click and Ask "What would you look for when examining property reports?"

Sample Answers:

- Age
- Education
- Gender
- Marital status
- Average income
- Employment
- Household size

Explain that CAMs should not include any information from this list that is a protected class in their state.

Click and Ask "What kinds of characteristics would you look at to help describe your target market?"

Sample Answers:

- Demographics
- Habits
- Lifestyles
- Wants and needs
- Spending habits and disposable income

How To: Resident Profile

1. Conduct a resident survey
2. Examine property reports and documentation about prior and current residents
3. Describe the "market" – the ideal resident
 - Characteristics of the consumer towards whom you want to focus marketing efforts .

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Slide 57

Display Creekwood Resident Profile slide.

Click to Show each item of the Resident Profile for the Case Study location, Creekwood.

Creekwood Resident Profile

Average occupants per unit	1.45
Total children	22
Average age of children (in years)	7.6
Average age of adult leaseholders	35.1
Average length of stay (in months)	17.1
Average household income	\$29,557
Average rent-to-income ratio	24.5%
Gender	
Male	51.7%
Female	48.3%
Number of pets	46
Annual turnover	51.7%

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Marketing Plan – Target Market

Slide 58

Display the section title slide and **introduce** the topic.



Marketing Plan – Target Market .

Market: **Definition**

Slide 59

Display Market: Definition slide.

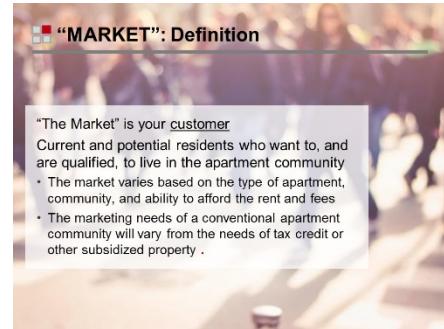
Explain that the first part of knowing the audience is to identify the market and what impacts it.

Define a Market:

- All current and potential residents who want to live in the apartment community and who are qualified to live there

Explain that a CAM must understand the local housing market before designing and implementing a specific marketing effort.

Click and List some variables impacting markets.



Market Segmentation

Slide 60

Display Market Segmentation slide.

Define Market Segmentation:

- A process where the market is reduced to smaller, more defined sub-markets

Click and Explain that groups may be classified according to characteristics e.g. geography, lifestyle, demographics, psychographics, product benefits, etc.

Click and Explain that market segmentation is designed to reach a specific segment within the identified market.

Click and Explain that fair housing laws require that properties be marketed affirmatively.

- A plan must reach out to persons who might not otherwise know about opportunities to rent at the property.
- As long as there is a broad overall affirmative marketing campaign, adding market segmentation to that campaign should not pose a fair housing risk.

Slide 61

Display Market Segmentation: Benefits slide.

Click to Show each point and **List** the benefits of market segmentation. Market segmentation allows you to get better results for your marketing dollars spent.

Market Segmentation

A process where the market is reduced to smaller, more defined sub-markets

- Classified by characteristics
- Designed to reach a specific segment within identified market
 - Specific segments within the larger market are called "target markets"
 - Target marketing: Developing strategies for each target market
- Fair housing laws require affirmative marketing .

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Market Segmentation: Benefits

- Allows for tailoring of marketing efforts
- Provides insight into how to reach a customer through advertising and promotion
- Allows you to maximize resources while increasing likelihood of success .



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**Instructor Note**

Limit time spent on factors impacting markets. Each slide is designed to take only a few seconds to provide a high-level overview and/or examples.

Factors Impacting Target Market

Slide 62

Display Factors Impacting Target Market: Location slide.

Review points about Location.

Factors Impacting Target Market: Location

- The principal factor limiting or enhancing a potential target market
- People are drawn to a location for jobs, schools, shopping, recreation, etc.
- Walkability has become a deciding factor.



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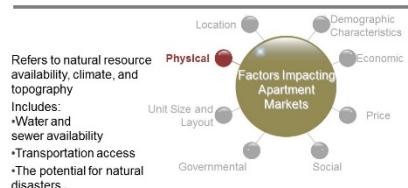
Slide 63

Display Factors Impacting Target Market: Physical slide.

Review points about physical characteristics.

Factors Impacting Target Market: Physical

- Refers to natural resource availability, climate, and topography
Includes:
• Water and sewer availability
• Transportation access
• The potential for natural disasters .



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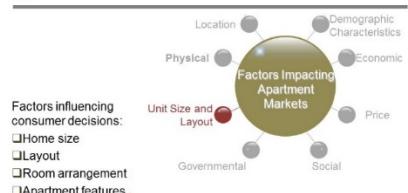
Slide 64

Display Factors Impacting Target Market: Unit Size and Layout slide.

Review points about unit size and layout.

Factors Impacting Target Market: Unit Size and Layout

- Factors influencing consumer decisions:
 Home size
 Layout
 Room arrangement
 Apartment features .



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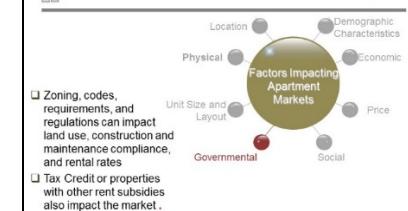
Slide 65

Display Factors Impacting Target Market: Governmental and Regulatory slide.

Review points about governmental regulations.

Factors Impacting Target Market: Governmental and Regulatory

- Zoning, codes, requirements, and regulations can impact land use, construction and maintenance compliance, and rental rates
- Tax Credit or properties with other rent subsidies also impact the market .



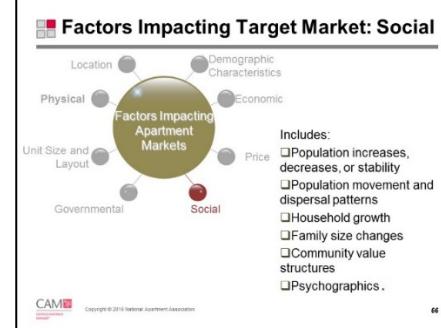
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Slide 66

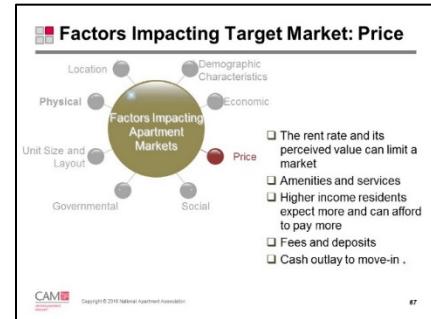
Display Factors Impacting Target Market: Social slide.

Review points about social impacts.

**Slide 67**

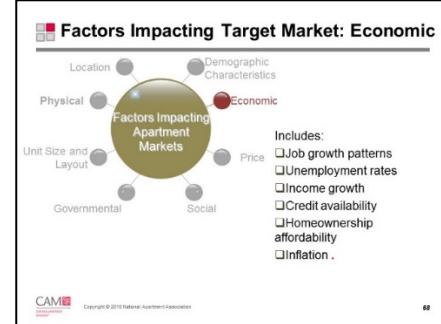
Display Factors Impacting Target Market: Price slide.

Review points about price.

**Slide 68**

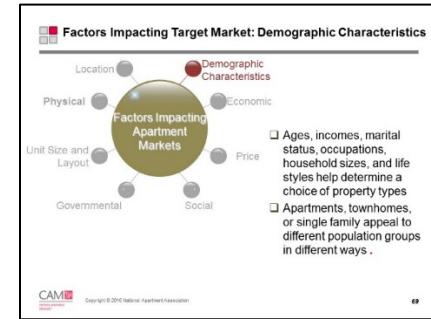
Display Factors Impacting Target Market: Economic slide.

Review points about economic impacts.

**Slide 69**

Display Factors Impacting Target Market: Demographic Characteristics slide.

Review points about demographic characteristics.



Slide 70

Display Reference: Factors Impacting Markets slide.

Refer participants to the Participant Workbook for descriptions of **Factors Impacting Markets**.

Review content from Participant Workbook.

 **Reference:** Factors Impacting Markets



See the Participant Workbook for a list and description of **Factors Impacting Markets**.

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Factors Impacting Markets

Factor	Description
Location	The principal factor limiting or enhancing a potential market; people are drawn to a location for jobs, schools, shopping, recreation, etc.
Physical	Refers to natural resource availability, climate, and topography. Includes: <ul style="list-style-type: none"> • Water and sewer availability • Transportation access • The potential of natural disasters
Unit Size & Layout	Apartment home size, layout, and room arrangement can also define a property's market.
Governmental	These impact land use, establish construction and maintenance compliance requirements, and rental rates in some markets: <ul style="list-style-type: none"> • Zoning classifications(residential, commercial, industrial, agriculture) • Building codes, e.g. fire & safety • Homeland security requirements • Environmental regulations • Rent control legislation • Fair housing requirements • Housing subsidies • Income and property taxes • Landlord-tenant laws
Demographic Characteristics	<ul style="list-style-type: none"> • Ages, incomes, marital status, occupations, household sizes, and life styles help determine a choice of property types. • Apartments, townhomes, or single family appeal to different population groups in different ways.
Economics	<ul style="list-style-type: none"> • Job growth patterns • Unemployment rates • Income growth • Credit availability • Homeownership affordability • Inflation

Factor	Description
Price	The rent rate and its perceived value can limit a market. Factors include: <ul style="list-style-type: none">• Amenities and services• Fees• Higher income residents expect more and can afford to pay more
Social	<ul style="list-style-type: none">• Population increases, decreases, or stability• Population movement and dispersal patterns• Household growth• Family size changes• Community value structures
	Other important elements that impact the perceived quality of the property's location, includes: <ul style="list-style-type: none">• Proximity, accessibility, and availability of transportation systems• Educational institutions• Shopping• Employment• Cultural and entertainment centers• Social services, and• Public safety providers

Marketing Plan - Objectives

Slide 71

Display the section title slide and introduce the topic.



Marketing Plan – Objectives .

Marketing Objectives – “The What”

Slide 72

Display Marketing Objectives – “The What” slide.

Explain that a marketing objective identifies a specific goal and defines the metrics that will be used to determine if the goal has been successfully achieved.

Marketing Objectives – The “What”

Identify a specific goal and define the metrics that will be used to determine if the goal was successfully achieved. Marketing objectives should:

- Define desired results
- Be measurable
- Identify a clear time frame
- Be clear and specific
- Be achievable
- Be consistent with one another .



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Market Objectives: Example

Slide 73

Display Marketing Objectives: Example slide.

Read the example marketing objective.

Click to Show the part of the objective that shows desired results.

Click to Show the part of the objective that shows it can be measured.

Click to Show the part of the objective that shows an assigned time frame.

Marketing Objectives: Example

Increase traffic by 25% for the quarter

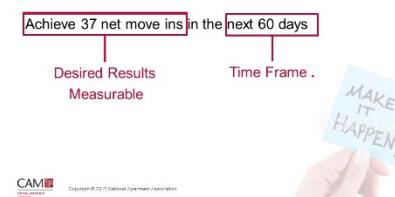
Desired Results

Measurable And Specific

Time Frame .



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Slide 74**Display Marketing Objectives: Example slide.****Read** the example marketing objective.**Click to Show** the part of the objective that shows desired results.**Click to Show** the part of the objective that shows it can be measured.**Click to Show** the part of the objective that shows an assigned time frame.**Marketing Objectives: Example****Slide 75****Display Marketing Objectives: Example slide.****Read** the example marketing objective.**Click to Show** the part of the objective that shows desired results.**Click to Show** the part of the objective that shows it can be measured.**Marketing Objectives: Example**

Marketing Plan - Strategy

Slide 76

Display the section title slide and **introduce** the topic.

Say that in the previous section we explored the “What.” In this section we will explore the “How.”



Marketing Strategy – “The How”

Slide 77

Display Marketing Strategy –the “How” slide.

Define the purpose of a marketing strategy:

- To outline the steps needed to achieve marketing objectives

Marketing Strategy – the “How”



Click to Show each point and **Review** the goals of a marketing strategy.

Slide 78

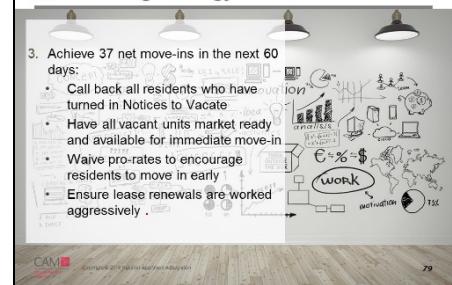
Display Marketing Strategy slides to show specific examples of how to develop a detailed strategy to achieve articulated goals.

Marketing Strategy



Slide 79

Marketing Strategy



Slide 80

The slide is titled "Marketing Strategy" and features a list of three tasks. Task 3 is highlighted with a yellow background and a checkmark icon.

Marketing Strategy

3. Achieve 37 net move-ins in the next 60 days:

- Call back all residents who have turned in Notices to Vacate
- Have all vacant units market ready and available for immediate move-in
- Waive pro-rates to encourage residents to move in early
- Ensure lease renewals are worked aggressively .

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Marketing Plan – Promotional Marketing

Promotional Marketing

Types of Promotions

Slide 81

Display the section title slide and introduce the topic.



Slide 82

Display Promotional Marketing slide.

Define Promotional Marketing:

- A form of communication that is used to inform and persuade people about a product or service
- Used to improve public image



Slide 83

Display Types of Promotions slide.

List promotion types. Say that we will look at five areas of promotion.

Types of Promotions

- Advertising
- Public relations
- Sales promotion
- Internal marketing
- Relationship selling .



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Types of Promotion

Promotion Type	Description	Purpose and Goals
Advertising	A non-personal promotion of your product, service or company in mass media that is openly paid for and/or sponsored by you <ul style="list-style-type: none"> • Promotes your product, service or company through a widely distributed vehicle • Increases qualified traffic flow to keep apartments rented • Makes potential buyers aware of your product or service and moves the potential buyer to action 	<ul style="list-style-type: none"> • Establish and maintain an awareness and positive image of your company, products or services • Create a need for products or services • Develop sales leads by pre-qualifying the customer • Persuade customers that your products or services are the best for them • Promote events • Lead potential residents to rent in your community
Public Relations	The ongoing relationship between the apartment community and the public <ul style="list-style-type: none"> • Includes efforts to influence relationships with publicity 	<ul style="list-style-type: none"> • Create a positive image of your apartment community • Increase sales, reinforce a positive reputation, create goodwill, and reduce impact of problems
Sales Promotion	Sales activities designed to sell or increase the size of a sale by providing incentive to make a purchase decision <ul style="list-style-type: none"> • Includes salesmanship • Often occurs face-to-face • Selling by telephone, although less effective, is still an important method 	<ul style="list-style-type: none"> • Convince potential residents that the community and apartment unit are essential to their satisfaction
Internal Marketing	Onsite marketing practices that occur within the apartment community <ul style="list-style-type: none"> • Include staff & resident involvement • Includes marketing open job positions • Includes marketing the management company 	<ul style="list-style-type: none"> • Have high-quality associates • Provide high-quality customer service. • Market your personnel one to another • Supports your company theme for teamwork and quality personnel • Leave sense of value to a customer
Relationship Selling	Custom tailoring information to people using the services of a sales team <ul style="list-style-type: none"> • Flexible and individualized • Personnel well-trained in all areas • Requires allocation of personnel • Achieved by careful listening and excellent product knowledge 	<ul style="list-style-type: none"> • Close a sale once the prospective resident is attracted to the apartment community • Aligning prospect wants and needs with property features and benefits

Promotional Marketing – Objectives AIDA

Slide 84

Display Promotional Objectives: AIDA slide.

Explain that it is necessary for management to determine the purpose the promotion serves before planning a campaign or allocating funds.

Explain that the basic objectives of promotion are reflected in the acronym AIDA:

- Attention: awareness
- Interest: knowledge/information
- Desire: liking/preference
- Action: conviction/purchase



Provide the following example:

- An ad in an apartment guide captures the **attention** of prospective resident
- The ad provides enough information about the community that creates **interest**
- The interest connects to something the prospect **desires**
- This leads the prospect to take the **action** of calling the community

Summarize that all four objectives must be met in order for the promotion to be considered successful.

Advertising

Slide 85

Display Advertising slide.

Define Advertising:

A non-personal promotion of a product, service, or company in mass media that is openly paid for and/or sponsored by you.



Slide 86

Display Purpose of Advertising slide.

Click to Show each point and **Review** the purposes of advertising.

List possible actions:

- Inquiring for more information
- Calling for an appointment, or
- Coming to your property for a site visit

Purpose of Advertising

- Increase qualified traffic
- Keep apartments rented
- Promote product
- Make buyer aware of your product
- Move the buyer to action .

**Slide 87**

Display Consider Potential Residents slide.

Explain that understanding potential resident needs and wants will help a CAM in their strategy.

List demographic characteristics of residents will be beneficial to marketing efforts.

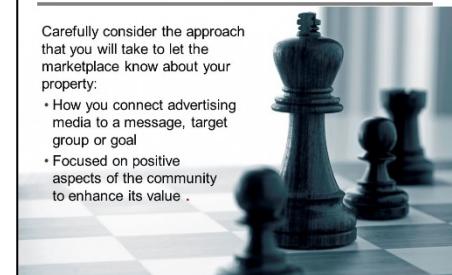
Consider Potential Residents

- Average age
- Income
- Education
- Employment
- Occupation
- Household size
- Attitudes
- Lifestyles .

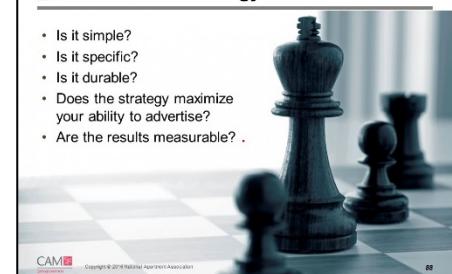
Advertising Strategies

Carefully consider the approach that you will take to let the marketplace know about your property:

- How you connect advertising media to a message, target group or goal
- Focused on positive aspects of the community to enhance its value .

**Review Your Strategy**

- Is it simple?
- Is it specific?
- Is it durable?
- Does the strategy maximize your ability to advertise?
- Are the results measurable? .



Advertising Strategies

Slide 88

Display Advertising Strategies slide.

Describe Advertising Strategies:

- Carefully consider approaches that you will take to let the marketplace know about your property.
- Remember that strategies explain the "how" to achieve the objectives.

Slide 89

Display Review Your Strategy slide.

Ask:

- Is it simple?
- Is it specific?
- Is it durable?
- Does the strategy maximize your ability to advertise?
- Are the results measurable?

Testing an Advertising Strategy

Strategy Aspect	Question to Ask
Simple	<ul style="list-style-type: none"> Is it easy to understand and is the message clear and meaningful to your target audience?
Specific	<ul style="list-style-type: none"> Is it complete and concise and easy to understand?
Durable	<ul style="list-style-type: none"> Can your strategy be used over an extended period of time?
Maximizes ability to advertise	<ul style="list-style-type: none"> Can great creative advertising come from your strategy? Does your strategy provide you the ability to generate powerful advertising?
Measurable	<ul style="list-style-type: none"> Are the results measurable?

Slide 90

Display Typical Goals of Advertising slide.

Click to Show each point and **Review** some typical goals of advertising.

Typical Goals of Advertising

- Establish and maintain awareness and positive image
- Create a real or perceived need for product
- Develop sales leads
- Persuade customers that your product is best for them
- Promote events
- Lead potential residents to rent from you .



Advertising Campaign

Slide 91

Display Advertising Campaign slide.

Define Advertising Campaign

- Program of coordinated ads and promotional activities intended to accomplish objectives

Advertising Campaign

Program of coordinated ads and promotional activities intended to accomplish objectives

1. Establish goals
2. Enhance use of media visibility
3. Compile media database
4. Send collateral material
5. Contact recipients .



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Message and Theme

Slide 92

Display Advertising Campaign: Message and Theme slide.

Explain that a campaign can send a cohesive message and should appear on every aspect of marketing.

List components of implementing an advertising campaign theme.

Ask participants for their examples of advertising campaigns they have used successfully.

Provide some examples of campaigns themes:

Serious about Service	Butler theme; prospects rate your service
Get the Royal Treatment	Royalty theme
There's No Place like Home	Wizard of Oz
Paradise awaits	Tropical theme

Advertising Tools and Media

Slide 93

Display Advertising Tools and Media slide.

Explain that after careful consideration of the advantages and disadvantages of each, a CAM will likely integrate several advertising tools and media in a marketing campaign.

Advertising Campaign: Message and Theme

- Identify a theme
- Include a color scheme
- Include message on every aspect of marketing collateral
- Train staff
- Offer incentive .



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Advertising Tools and Media

- | | |
|-----------------------------|------------------------|
| • Apartment publications | • Radio |
| • Rental magazines | • Television |
| • Online marketing | • E-Marketing |
| • Newspapers | • Outreach |
| • Direct mail | • Signage and banners |
| • Visual traffic generators | • Transit advertising |
| • Directive brochures | • Outdoor billboards . |



Types of Advertising Media

Apartment Publications and Rental Magazines
Online apartment listing services
Online social media, i.e. Facebook, Twitter
Online classified ads like Craigslist and Trulia
Reputation Management sites like Apartment Ratings and Renters Voice
Print and digital Newspapers
Direct mail
Visual traffic generators, i.e. curb appeal, signage, flags and banners, human directional
E-brochures and electronic marketing material
Radio and television
Movie theatre trailers
Prospect electronic traffic follow-up, i.e. e-marketing
Vendor relationship marketing—shared or discounted services, product or service flyer exchanges
Transit advertising
Billboard advertising
Print ads in community event brochures, i.e. little league, chamber events.
Support of area business needs in exchange for flyer distribution, i.e. schools, daycare providers.

Slide 94

Display Media Selection slide.

Explain that selecting the right media depends on the advertising objectives.

Remind participants that advertising objectives should define what they want the advertising to accomplish and when.

Click and Explain that certain media will have stronger appeal to some groups than others.

Click and Explain that the media a CAM chooses should carry the message effectively.

Click and Explain that the advertising budget will determine the scope and size of the overall marketing plan.

Media Selection

- Advertising objective
- Target audience
- The message and frequency
- Budget .



Slide 95

Display Reference: Types of Promotion, Advertising Strategy, Types of Media slide.

Refer participants to the Participant Workbook for **Types of Promotion, Testing an Advertising Strategy, and Types of Advertising Media.**

Say that we will review these areas in the upcoming slides.

 Reference: Types of Promotion, Advertising Strategy, Types of Media



See the Participant Workbook for:
Types of Promotion,
Testing an Advertising Strategy,
Types of Advertising Media .

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Public Relations

Slide 96

Display Public Relations slide.

Explain that this is the second of five types of promotion for your property.

Review the points on the slide.

Ask students what types of benefits they have seen from using public relations at their properties.

Refer the participants to Creekwood Marketing Plan Section III and IV to identify public relations opportunities such as the IU Health West Hospital; Humane Society; Senior Center

 **Public Relations**

- Ongoing relationships between the apartment community and the public
- Efforts made to enhance relationships by generating favorable publicity
- Activities designed to create a positive image of your apartment community

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Public relations can result in increasing sales, reinforcing a positive reputation, creating goodwill, and reducing impact of problems .

Sales Promotions

Slide 97

Display Sales Promotions slide. This is the third type of promotion.

Define Sales Promotions:

- Sales activities designed to complete a sale or increase the size of the sale of goods or services by providing the incentive to make a positive purchase decision

Provide examples of sales activities:

- Face-to-face encounter between the renter and the manager
- Selling by telephone
- Presentations
- Email response and Internet leads

Click and List what sales promotions are used for.

Click and List sales promotions techniques.

Internal Marketing

Slide 98

Display Internal Marketing slide. This is the fourth type of promotion.

Define Internal Marketing:

- Onsite marketing practices that occur within the apartment community.
- Strictly onsite.

Click to Show each bullet and **List** the things included in internal marketing.

Sales Promotions

Sales activities designed to complete a sale or increase the size of the sale of goods or services by providing the incentive to make a positive purchase decision

- Used to:

- Motivate leasing professionals to improve results
- Induce potential residents to rent
- Encourage current residents to renew
- Techniques include:

 - Price-reduced rent packages, coupons
 - Utility offers
 - Contests or incentives.



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Internal Marketing

Onsite marketing practices that occur within an apartment community

- Staff and resident involvement and referrals
- Residents events and activities
- Marketing the management company .

Relationship Selling

Slide 99

Display Relationship Selling slide. This is the fifth type of promotion.

Define Relationship Selling:

- Custom tailoring information to individual people

Click to Show each point and **Review** information about relationship selling.

Click to Read the key point and Explain that the key elements are:

- Developing a relationship with the prospect
Aligning prospect wants and needs with property features and benefits

Sales Activities

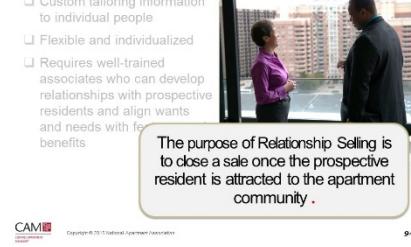
Slide 100

Display Successful Sales Personnel slide.

Click to Show each point and **List** the attributes of successful sales personnel.

Relationship Selling

- Custom tailoring information to individual people
- Flexible and individualized
- Requires well-trained associates who can develop relationships with prospective residents and align wants and needs with features and benefits



Successful Sales Personnel

- Knowledgeable of all aspects of product
- Knows a customer's wants and needs
- Good communication, observation, listening and questioning skills
- Employs strategies to overcome objections
- Uses proven selling techniques
- Knows how and when to close a sale .



Slide 101

Display Sales Activities slide.

Define Sales Activities

- Activities that stimulate consumer purchasing and increase effectiveness and supplement other parts of total marketing efforts

Click to Show each bullet and **List** sales activities inclusions. Remind participants that this is the sales process for leasing on site.

Sales Activities

Activities that stimulate consumer purchasing and increase effectiveness and supplement other parts of total marketing efforts

- Preparation
- Prospecting
- Relationship building
- Telephone skills
- Getting appointments
- Interviewing
- Responding to needs
- Obtaining commitment .



Slide 102

Display Selling versus Marketing slide.

Click to Show each point and Review the differences between selling and marketing.



Marketing Plan - Recommendations

Slide 103

Display the section title slide and **introduce** the topic.

Say "Let's look now at some typical marketing plan recommendations and see how they are specific and timed.



Examples

Slide 104

Display Examples of Recommendations slides.

Explain each of the recommendations.

■ Examples of Recommendations

- Develop and print "Employer" flyers that show distance from the site to the 8 key employment centers in the submarket – Cost \$800
- Sponsor a "health fair" utilizing the local medical community to further cement the relationship between the property and the local hospitals. Conduct blood-pressure screening, administer flu shots and focus on fitness activities that would highlight the fitness facility at the property – Cost \$1,500
- Contact the local Chamber of Commerce and schedule a "Business After Hours" event in the clubhouse – Cost \$500 .

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Slide 105

Display Examples of Recommendations slides.

Explain each of the recommendations.

■ Examples of Recommendations

- Preferred Employer Program
 - PEP participants will receive waived application fee and administration fee
 - Preferred Employers – IU Health, Cummins, Eli Lilly, Rolls Royce, Angie's List, Deloitte, Streetlinks, Ironyard, Sales Force and Tender Box.
 - Military professionals will be offered the PEP discount for the month of November in honor of Veteran's Day .

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Slide 106

Display Examples of Recommendations slides.

Explain each of the recommendations.

■ Examples of Recommendations

- November Incentives-
 - \$1,000 off the first full month's rent
 - All 2nd floor units will be offered a \$1,000 Decorator's Allowance
 - The allowance will include:
 - » One accent wall of the new resident's choice - property will provide 5 colors to choose from and 2 units will have accent walls painted for prospects to view.
 - » One Free 8x10 Flor Rug- A sample board will be created with 20 options for the new resident to choose from and 2 units will have Flor rugs installed for prospects to view .

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Marketing Plan - Budget

Marketing Plan Budget

Slide 107

Display the section title slide and introduce the topic.



Slide 108

Display Marketing Plan Budget slide.

Explain that the CAM may be required to develop a budget alone or with a supervisor.

Click and Read the first step to developing a budget for the marketing plan.

Click and Read step two and Provide examples of expense information:

- Office records of the operating history
- Previous budget
- Local and national apartment associations
- Vendors & contractors for anticipated costs

Click and Read step three. The next slide will discuss examples of marketing expenses.

Marketing Plan Budget

Shows amount allocated for expenditure on marketing activities in a specified period

1. Understand owner's investment goals for the property
2. Gather expense information
3. Estimate the cost of marketing activities .



102

Simple Categories

Slide 109

Provide examples of marketing expense categories:

- Advertising
- Promotional items
- Leasing payroll and bonuses
- Resident retention items
- Community outreach programs
- Theme collateral

Mention a popular method for budgeting a marketing plan is to allocate a small percentage of gross sales for the most recent year, or estimate cost per unit. In 2016, NAA reports that national marketing costs average \$160 per unit per year for market-rate properties.

Marketing Plan Budget – Sample Categories

Print Advertising	Lead Tracking
Brochures/Flyers	Marketing Consultant
Newsletters	Signs/Banners
Social Media Advertising	Resident Events
Multimedia Advertising	Resident Relations
Outreach Expenses	Property Relations
Novelty Items	Model Unit Expense
Resident Referrals	Shopping Reports
Merchant Referrals	Miscellaneous Costs .

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Marketing Plan – Measurement & Evaluation

Slide 110

Display the section title slide and **introduce** the topic.

Transition “Before implementing a Marketing Plan, you must plan to track results and measure success.”



Measuring Success

Slide 111

Display and Read Measuring Success slide.

Click and List examples of results to measure.

Explain that comparing the projected targets with actual results will help you measure the results and evaluate the success of your marketing plan.

Measuring Success

Your plan must clearly identify how you will measure your progress

- New leases signed
- Resident renewals
- Cost/lease
- Cost/traffic by source
- Improved budget performance
- Closing ratios
- Canceled notices to vacate
- Pre-leases
- Reduced turnover .



Analyzing the Impact



- Record responses you receive from various types of advertisement
- Advertising components should work together for a broad coverage of the target market
- Use a traffic evaluation form to determine how many prospects contacted your community as a result of marketing and advertising .

Analyzing the Impact

Slide 112

Display Analyzing the Impact slide.

Click to Show each point and **Review** ways a CAM can analyze marketing efforts.

Ask the participants how they monitor and record this information. Is it manual or automated? How can you be sure the information is accurate?

Slide 113

Display Top Traffic Sources slide.

Review the pie chart as an example of where traffic comes from. These are Creekwood sources.

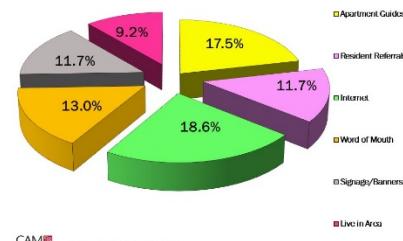
Ask what is wrong with the categories “Internet” and “Live in Area”.

Lead the discussion to the point that they are too generic.

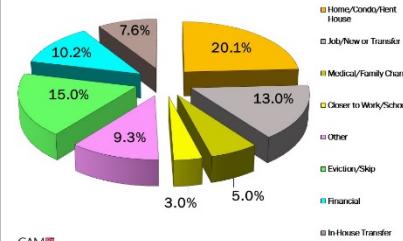
Slide 114

Display Top Reasons for Moving slide.

Review the pie chart. Note that ‘Other’ is also not an actionable result.

TOP TRAFFIC SOURCES .

107

TOP REASONS FOR MOVING .

108

Turnover Ratio**Slide 115**

Display Move-Outs = Turnover slide.

Explain we just finished looking at a graphic showing reasons for move-outs. We look at both the reasons for move-outs and the impact to the property operation.

Ask the class the first question and gather answers.

Ask the class the second question. Have participants estimate based on what they are experiencing now.

Ask the class to multiply that number by \$3000.

Explain that \$3000 is the average cost of a turned unit. This is why it is so important!

Say Let's look at how we measure that.

Move-Out = Turnover

- Why do residents move out from your property?
- How many residents will likely move out this year?
- What will it cost the property?

Slide 116**Display Turnover Ratio slide.****Define Turnover Ratio:**

- The total number of move-outs for a given period divided by the total apartment units

Walk through calculation used to determine turnover ratio.**Turnover Ratio**

The total number of move-outs for a given period divided by the total apartment units

- Used to assess occupancy & potential operating expenses
- Generally measured annually; historical data can be useful
- Determine reason(s) for high turnover
- Average turnover varies by region, building type, etc.

$$\frac{\text{Number of Move Outs}}{\text{Total Number of Units}} = \text{Turnover Ratio} .$$

CAM © 2016 National Apartment Association109**Slide 117****Display Turnover Ratio Example slide.****Walk through** the example.**Click and Ask** “What is the Current Month's Turnover Ratio?”**Click to Show answer.****Click and Ask** “What is the Annual Turnover Ratio?”**Click to Show answer.****Ask** “What would happen if we use the monthly rate and multiply by 12?”**Turnover Ratio Example****Example:**

- Units = 246
- Current month's move outs = 9
- Year's move outs = 138

What is the Current Month's Turnover Ratio?

$$\frac{9}{246} = 3.7\%$$

What is the Annual Turnover Ratio?

$$\frac{138}{246} = 56.1\% .$$

Occupancy Trend: Percent Leased

Slide 118

Display Occupancy Trend: Percent Leased slide.

Transition to another key marketing formula that describes future occupancy.

Define Occupancy Trend:

- Future percentage of leased units
- Sometimes referred to as “Exposure”

Explain that forecasting occupancy is a critical part of managing financial performance.

Emphasize that Occupancy Trend acts as a guide for management decisions concerning marketing strategies and potential expenses.

Click and Walk through calculation used to determine percent leased.

Note that it is also important to know what types of units are vacant. This calculation can be applied to unit types.

Occupancy Trend: Percent Leased

Future percentage of leased units indicates the occupancy trend

$$\begin{aligned} \text{Total Units} \\ - \text{Vacant Units} \\ - \text{Units on Notice} \\ + \text{Vacant Units Leased} \\ + \text{Units on Notice Preleased} \\ = \text{Total Units Leased} \end{aligned}$$

$$\frac{\text{Leased Units}}{\text{Total Number of Units}} = \text{Percent Leased .}$$

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Slide 119

Display Percent Leased Example slide.

Walk through the Creekwood example.

Click and Ask “What is the leased percentage?”

Click to Show answer.

Percent Leased Example

Example:

- Total Units = 122
- Units Vacant = 5
- Units on Notice = 4
- Vacants Preleased = 2
- Notices Preleased = 2

What is the leased percentage?

$$\begin{array}{r} 122 \\ -5 \\ -4 \\ +2 \\ \hline 117 \end{array} \quad \begin{array}{r} 117 \\ -122 \\ \hline 117 \end{array} = 95.9\% \text{ leased .}$$

Writing a Marketing Plan

Slide 120

Display the section title slide and **introduce** the topic.



Reports to Assemble

Slide 121

Display Reports to Assemble slide.

Explain that the CAM is responsible for the onsite reporting that will:

- Support the plan's targets
- Measure and evaluate results once the plan is in place

Click and List the types of reports to include.

Click and Explain that a CAM must have a full understanding of the reports, their source, and their value.

Reports to Assemble

You are responsible for the reporting that will support the plan's targets and help evaluate results

- Historical data on move ins & outs
- Traffic
- Gross sales
- Net sales
- Leasing professional closing ratios
- Prior year occupancy levels
- Current availability, vacancy levels and leasing performance

You must have a full understanding of the reports, their source, and their value .

SWOT Analysis

Slide 122

Display SWOT Analysis slide.

Define SWOT analysis:

- Common marketing research tool that identifies and defines problems and opportunities for enhancing marketing efforts

Explain that performing a SWOT analysis on the assessment of a market helps a CAM identify areas in which they can compete with strength as well as identify distinctive competitive advantages.

SWOT Analysis

Common marketing research tool that identifies and defines problems and opportunities to assist with writing a marketing plan

- Strengths
- Weaknesses
- Opportunities
- Threats .



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Slide 123

Display SWOT Benefits slide.

Click to Show each point and **Review** benefits of completing a SWOT analysis.

SWOT Benefits

- Define changes in economic trends and market factors
- Help identify ways to increase and exceed resident expectations
- Reveal opportunities to gain a competitive advantage

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Slide 124

Display SWOT Analysis Example slide.

Walk through the SWOT Analysis Results to prepare participants for the next activity.

SWOT Analysis Example

Strengths	Weaknesses
<ul style="list-style-type: none"> ■ What advantages do we have? ■ What do we do well? ■ What resources do we have access to? ■ What do our residents see as our strengths? 	<ul style="list-style-type: none"> ■ What could be better? ■ What do we badly? ■ What should we avoid? ■ Can any of our weaknesses be turned into opportunities?
Opportunities	Threats
<ul style="list-style-type: none"> ■ What are the opportunities facing us? ■ What are the interesting trends in our industry? ■ What are the interesting trends in our geographic area? ■ Can we identify specific opportunities that will open up if any of our weaknesses are eliminated? 	<ul style="list-style-type: none"> ■ What obstacles do we face? ■ What is our competition doing? ■ Are the required specifications for our products or services changing? ■ Is changing technology threatening our market position? ■ Could any of our weaknesses seriously threaten our business?

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Strengths

- What advantages do we have?
- What do we do well?
- What resources do we have access to?
- What do our residents see as our strengths?

Opportunities

- What are the opportunities facing us?
- What are the interesting trends in our industry?
- What are the interesting trends in our geographic area?
- Can we identify specific opportunities that will open up if any of our weaknesses are eliminated?

Weaknesses

- What could be better?
- What do we do badly?
- What should we avoid?
- Can any of our weaknesses be turned into opportunities?

Threats

- What obstacles do we face?
- What is our competition doing?
- Are the required specifications for our products or services changing?
- Is changing technology threatening our market position?
- Could any of our weaknesses seriously threaten our business?.

Slide 125**Display Activity:** Creekwood SWOT Analysis slide.**Objective:** Analyze a property's strengths, weaknesses, opportunities, and threats.**Duration: 25 minutes****Instructions:**

- Break the class into two groups and assign each group to either the Strengths or Weaknesses components.
- Direct participants to the Participant Workbook for a questionnaire.
- Instruct participants to use the Creekwood Case Study. Apply SWOT methodology to draw conclusions about their competitive advantages and strengths.

Debrief:

- Summarize the results by completing the last page of the exercise.

 **Activity:** Creekwood SWOT Analysis**Instructions:**

In groups, use your case study and SWOT methodology to draw conclusions about your competitive advantages and strengths .

The Impact of Marketing - Adding Value with Rental Income and Rates

Slide 126

Display the section title slide and Introduce the topic.

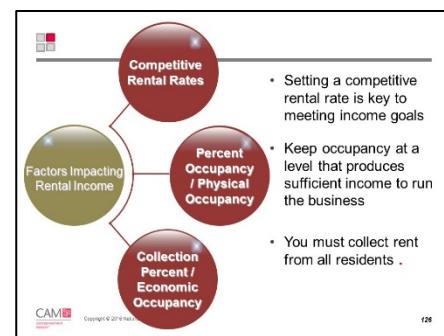


Factors That Affect Rental Income

Slide 127

Display Factors Impacting Rental Income slide.

Say “Since the primary source of property income is rent, it is important to understand the factors that impact rental income – rate, percent occupancy and collection percent.”



Click and Explain that rate refers to market rents. Knowing how to set a competitive rental rate is key to meeting income goals.

Click and Explain that percent occupancy refers to the physical occupancy.

Click and Explain that collection percent refers to the economic occupancy of the property.

Explain that these factors are interdependent and needed to have income:

- The correct **rental rate** will help attract and retain residents, which provides income and affects **physical occupancy**. However, if the rent **collection percentage** is low, income objectives will not be met.

Click and Emphasize that a CAM must consider all these factors before developing a recommendation in their Marketing Plan.

Economic Occupancy Percentage

Slide 128

Display Economic Occupancy Percentage slide.

Note that we are using the 2015 Creekwood numbers. **Note** that we are not considering GPI in the calculation (GPR–Loss to Lease).

Explain that to calculate the economic occupancy percentage, the CAM will divide the Total Rent Revenue (TRR) by the Gross Potential Rent (GPR).

Click and Read the definition of GPR.

Click to Show the calculation for Economic Occupancy.

Creekwood Economic Occupancy Example

Slide 129

Display Economic Occupancy Example slide.

Show GPR. **Explain** this is 2015 year-end numbers.

Click to Show VAC and **Explain** GPR–VAC = TRR. **Explain** that TRR is Total Rent Revenue.

Click to Show TRR.

Click and Ask “What is the Economic Occupancy?”

Click to Show answer.

Balancing Rental Rates and Vacancies

Slide 130

Display Balancing Rental Rates & Vacancies slide.

Click to Show each point and **Review** information about rental rates and vacancies.

Explain when adjusting rents, it is important to balance rent with occupancy.

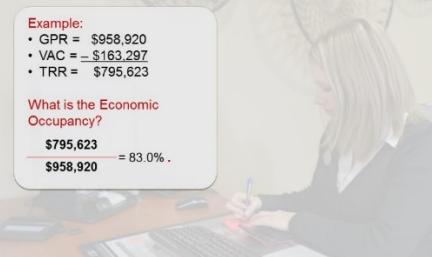
Economic Occupancy Percentage

REVENUE	
Gross Potential Rent (GPR)	\$958,920
Amount of rent collected if a property was 100% occupied and all residents were paying market rent	
VAC	(\$163,297)
TOTAL RENTAL REVENUE	\$795,623
OTHER INCOME	\$78,146
EFFECTIVE GROSS INCOME	\$873,769

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Creekwood Economic Occupancy Example



Balancing Rental Rates & Vacancies

- The goal is to maximize income not occupancy
- Pricing too high may cause higher vacancy
- Pricing too low means you are losing money while the unit is occupied .



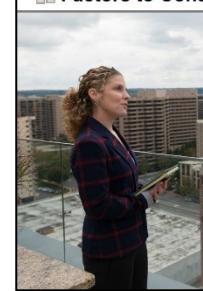
Slide 131

Display Factors to Consider slide.

Explain that there are many factors to analyze before lowering rent.

Click to Show each point and **Review** factors to consider when defining rental rates.

Note that rent reductions should be a last resort and only after a sound analysis.

Factors to Consider

- Price is not the only factor that dictates occupancy
 - Lowering rent will not always gain occupancy
 - Raising the rent will not necessarily lose occupancy
- You must analyze many factors before adjusting rent.
 - Current conditions in the market
 - Current conditions in the community
 - 5 Ps .

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Slide 132

Display Reference: Factors to Consider Before Adjusting the Rent slide.

Refer participants to the Participant Workbook for a list of **Factors to Consider Before Adjusting the Rent**.

Review content from Participant Workbook.

Reference: Factors to Consider Before Adjusting the Rent

See the Participant Workbook for a list of **Factors to Consider Before Adjusting the Rent** .

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Factors to Consider Before Adjusting the Rent

P	Questions to Ask	
Place/Product	<ul style="list-style-type: none"> • Does the property (product) have outstanding curb appeal? • Does it look and feel well maintained or is there deferred maintenance apparent? • Is preventive maintenance performed in a timely manner? • How do the amenities, the models, and the leasing office “show”? • Is the tour route clean and inviting? 	<ul style="list-style-type: none"> • When was the model last refreshed and preventive maintenance work done? • Is the model route walked every day before business opens? • What does the parking area look like? • Is signage fresh? • Are there abandoned or disabled vehicles? • Do current residents get the service they expect?
People	<ul style="list-style-type: none"> • Is the staff well trained with the right skills? • Are the right people in every position? • Are we cutting rents to compensate for poor performers? • Is staff appearance professional? • Are the best people working high traffic times (the weekend) and are they asking for the sale? • Do they exude energy and enthusiasm? 	<ul style="list-style-type: none"> • Is excellence demanded from my employees or are they allowed to just get by? • Is the property being managed effectively and efficiently? • Do my residents receive prompt service? • Is the asset being managed with the owner’s investment goals in mind? • Are vendors providing what is required in their service contracts?
Price	<ul style="list-style-type: none"> • Are your rents competitive in the marketplace? • What is your availability in total and among various floor plans? • Do we have correct pricing based on total availability and the types of floor plans available? • Is there sound lease renewal pricing? 	<ul style="list-style-type: none"> • Is pricing based on incomplete or inadequate market knowledge? • Are we quick to lower rents and slow to take advantage of improvements in the marketplace? • Do rents simply stimulate traffic instead of getting in front of the right potential residents?
Promotion	<ul style="list-style-type: none"> • Is the property using the best, most cost effective marketing sources with advertising that is creative and eye-catching? • Are the right prospective clients being reached? • What are the main traffic sources; are they providing quantity and quality potential residents? 	<ul style="list-style-type: none"> • Are you measuring the cost per traffic and the cost per lease of your advertising sources? • Are you responsive in a timely manner to Internet inquiries? • Is “outreach” being done a regular basis?

Concession and Incentive Programs

Slide 133

Display Impact of Concessions on Effective Rent slide.

Emphasize that this is a most important concept to understand when evaluating rental pricing strategies.

Click to Show each point and Review information about concession programs.

Impact of Concessions on Effective Market Rent

- A property collects less rent when concessions are offered
- Before offering concessions, understand and evaluate their financial impacts
- Concessions mean Effective Rent is less than Market Rent
Effective Rent or the Net Rent is what matters .



Slide 134

Display Impact of Concessions on Effective Market Rent Example slide.

Transition “Let’s look at the impact of concessions on effective rent in an example.” Remind students we looked at this earlier in the chapter.

Review the figures in the example.

Click and Ask “What is the Effective Rent?”

Click to Show each step of the calculation.

Impact of Concessions on Effective Market Rent Example

- Example:
- Market Rent = \$700
 - Concession = 1 Month Free \$700
- What is the Effective Market Rent?
1. $\$700 \times 12 = \$8,400$
 2. $\$8,400 - \$700 = \$7,700$
 - $\$7,700 \div 12 = \642 .



Increasing Rental Rate

Slide 135

Display Increasing Rental Rate slide.

Explain that when deciding how much to change rents, there are some calculations a CAM can use to provide insight into the big picture and the effects on the bottom line or potential net income.

Walk through the example.

Click and Ask “If the unit remains vacant for 15 days because it is overpriced, how much has the vacancy cost you?”

Click to Show answer.

Click and Ask “How many months would it take at the higher rate to make up the loss from the 15-day vacancy?”

Click to Show answer.

Lowering Rental Rate

Slide 136

Display Lowering Rental Rate slide.

Explain that when considering lower rental rates, a CAM needs to know:

- How the new rent schedule will impact potential income and prepare for its effects
- That a vacant apartment produces no income and costs money (e.g. Utilities)

Walk through the example.

Click and Ask “What would you lose if you did not lower the price and the apartment sat vacant for a month?”

Click to Show Answer and **Explain** that this is a gain of \$960 annually (over lowering the rent).

Increasing Rental Rate Example

Example:

- Market rent = \$800
- You raise the rent 10% = \$880
- Increase per month = \$80
- Unit is vacant = 15 days

What is the cost of the vacancy? **\$400**

At the new rate, how long before you recover the vacancy loss? **5 months** ($\$400 + \$80 = 5$).

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Lowering Rental Rate Example

Example:

- Market value = \$800
- You lower the rent 10% = \$720
- Loss per month = \$80
- Loss per year = \$960

What would you lose if the apartment sat vacant for a month?

\$800 .

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Slide 137

Display Determining Pricing slide.

Explain that a CAM should raise the rates as high as the market will bear without jeopardizing occupancy.

Click and Explain that a one-page Market Comparison Form is a good tool for comparing properties.

Click and Explain that the systems use data and market forecasting tools to derive the best price for individual apartment units based on current and forecasted market conditions.

Average Renewal Increase

Slide 138

Display Average Renewal Increase slide.

Explain that a CAM can use a calculation to find the walk through the steps for Average Renewal Increase.

Determining Pricing

- Consider the inflation rate
- Conduct a market survey of competing properties
- Use an automated revenue management system .

Average Renewal Increase

$$\text{Avg. Effective Rent for Renewals} - \text{Avg. Effective Rent on Previous Lease} = \text{Amount of Increase}$$

$$\frac{\text{Amount of Increase}}{\text{Previous Lease Rent}} = \frac{\text{Percentage Increase}}{}$$

Slide 139

Display When to Consider a Rent Increase slide.

Explain that rent should be increased as the market allows; regular intervals are not always possible.

Click to Show each bullet and **List** when a CAM would consider a rent increase.

Note that it is better to increase rents so any resulting move-outs occur at the beginning of the peak-leasing season to fill vacancies.

Mention that some communities have a dual increase policy. The renewal increases are one rate and market increase rates are some percentage higher than the renewal rate.

When to Consider a Rent Increase

- A floor plan remains occupied at 95% or more
- Rents fall below levels indicated by a comparative rent analysis
- The community is full
- Owner request .

QuickTime™ and a
Mpeg-4 decompressor
are needed to see this picture.

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Slide140

Display Rental Increases: Current Residents slide.

Explain that companies have widely varying policies on passing on market rate increases to current residents.

Click and Provide examples of nondiscriminatory standards:

- Years of residence
- Number of previous renewals

Click and Explain that psychologically, any perceived discount is an advantage for existing residents and may make the increase easier to accept.

Click and Explain that 30-60 days will give residents time to look around and decide to stay, or give the property more time to prepare for a move-out.

Click and Explain if vacancies are substantial in a difficult-to-lease unit type, a CAM may want to make an exception and consider a very small increase or no increase.

Rental Increases: Current Residents

- ❑ Increase as leases expire or on select expired leases using non-discriminatory standards
- ❑ Some companies set renewal rates slightly lower than market rate
- ❑ Provide at least 30 to 60 days notice prior to the effective date
- ❑ Review market rents on each unit type



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Lease Expirations

Slide 141

Display Lease Expirations slide.

Click to Show each point and **Review** information about lease expiration methods.

Stagger Monthly Expiration Dates

- Align expirations with traffic counts
- Allow more leases to expire in months with typically higher traffic so units can be reoccupied more quickly

Lease Expirations

Control lease expiration dates so all or most leases do not expire at the same time

- Develop a Lease Management Plan
- Stagger monthly expiration dates
- Stagger expiration days
- Variable pricing based on lease term
- Revenue management software automatically manages lease expirations .

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Lease Expiration Goals

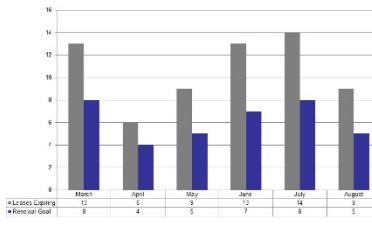
Slide 142

Display the Creekwood Lease Management Plan slide.

Refer participants to the Creekwood case study marketing plan, second quarter goals.

Ask the group how they set their monthly targets for lease renewals.

Creekwood Lease Management Plan .



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Managing Occupancy

Slide 143

Display the section title slide and **Introduce** the topic.

Transition: “There are a number of tools available to the CAM for managing occupancy and maximizing collections. Let’s discuss some of the ways you can monitor the success of your property.”



Slide 144

Display Managing Occupancy: Reports slide.

List the types of reports that will help a CAM manage occupancy.

Click and Read key point on slide.

Ask how many participants use a software dashboard. How many of their owners have real-time access? What does this mean for your daily reporting?

Note the importance of immediate and accurate reporting.

Managing Occupancy: Reports

- Occupancy reports
- Rent Roll
- Collection Summary Analysis
- Delinquency Report

Many property management software programs create these reports automatically based on the input of data by the staff and can be pulled in real time. .

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Occupancy Reports

Slide 145

Display Occupancy Reports slide.

Explain that many companies require various occupancy reports at regular intervals and are used to monitor and anticipate occupancy.

List occupancy report inclusions.

Click and List traffic and sales report inclusions.

Occupancy Reports

- A typical occupancy report includes:
 - Current leases
 - Number of new leases
 - Move-ins and move-outs
 - Vacancies
- Accompanied by traffic and sales reports for:
 - Sources of traffic
 - Closing ratios for individuals
 - Closing ratios for the property
 - Gross sales
 - Net sales .

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Rent Roll

Slide 146

Display Rent Roll slide.

Describe a Rent Roll:

- A comprehensive record of occupancy, lease terms, rent and other charges, outstanding balances

Click to Show each point and **Review** information about rent rolls.

Rent Roll

A comprehensive record of occupancy, lease terms, rents and other charges, balances due

- Is a source document for other reports
- Used to compare rent potential with money lost from VAC
- Software programs allow access to real time rent rolls .

Collection Summary Analysis

Slide 147

Display Collection Summary Analysis slide.

List what collection summary reports can track

Click and List what the reports help CAMs identify.

Note that bookkeeping operation requirements vary by company.

Collection Summary Analysis

As rent is collected, delinquencies reviewed, and bank deposits are made, you can track:
This month's collections compared to last month's
This month's collections compared to amount billed
This month's collections compared to budget

- Helps you identify:
- If collections are increasing or decreasing
 - How you're doing on collecting rent
 - If you will achieve the income budgeted
 - Favorable or unfavorable variances .

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Delinquency Report

Slide 148

Display Delinquency Report slide.

Describe a Delinquency Report:

- Lists residents who are in arrears and the amount each resident owes

Click to Show each point and **Review** information about delinquency reports.

Mention that delinquency status updates are generally given to the property supervisor for monitoring.

Delinquency Report

Lists residents who are in arrears and the amount each resident owes

- Documents who owes rent and fees, when/how they have been contacted, and the results of contact
- Documents the time frame over which amounts are delinquent
- Typically generated on late payment dates and eviction filing dates .

Slide 149

Display Reference: Reports Used to Manage Occupancy slide.

Refer participants to the Participant Workbook for a description of **Reports Used to Manage Occupancy**.

Review content from Participant Workbook.

 **Reference:** Reports Used to Manage Occupancy



See the Participant Workbook for a description of **Reports Used to Manage Occupancy** .

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Slide 150

Display Reference: Methods Used to Manage Occupancy slide.

Refer participants to the Participant Workbook for a list of **Methods Used to Manage Occupancy**.

Review content from Participant Workbook.

 **Reference:** Methods Used to Manage Occupancy



See the Participant Workbook for a list of **Methods Used to Manage Occupancy** .

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Reports Used to Manage Occupancy

Report	Description
Occupancy reports	<p>A typical occupancy report includes:</p> <ul style="list-style-type: none"> • Current leases • Number of new leases • Move-ins and move-outs • Vacancies <p>Accompanied by traffic and sales reports for:</p> <ul style="list-style-type: none"> • Sources of Traffic • Closing ratios for individuals • Closing ratios for the property • Gross sales • Net sales
Rent Roll	<p>A comprehensive record of occupancy, lease terms, rent and other charges, balances due</p> <ul style="list-style-type: none"> • Is a source document for other reports • Used to compare rent potential with money lost from VAC • Software programs allow access to real time rent rolls
Collection Summary Analysis	<p>As rent is collected, delinquencies reviewed, and bank deposits are made, you can track:</p> <ul style="list-style-type: none"> • This month's collections compared to last month's • This month's collections compared to what was billed • This month's collections compared to this month's budget <p>Helps you identify:</p> <ul style="list-style-type: none"> • If collections are increasing or decreasing • How you are doing on collecting rent • If you will achieve the income budgeted • Favorable or unfavorable variances
Delinquency Report	<p>Lists residents who are in arrears and the amount each resident owes</p> <ul style="list-style-type: none"> • Documents who owes rent and fees, when/how they have been contacted, and the results of contact • Documents the time frame over which amounts are delinquent • Typically generated on late payment dates and eviction filing dates

Methods Used to Manage Occupancy

Method	Description	
Occupancy Trend	Future percentage of leased units indicates the occupancy trend. Forecasting occupancy is a critical part of managing financial performance. Occupancy Trend acts as a guide for management decisions concerning marketing strategies and potential expenses.	
Lease Expiration Variations	Method	Description
	Stagger Monthly Expiration Dates	<ul style="list-style-type: none"> ● Align expirations with traffic counts ● Allow more leases to expire in months with typically higher traffic <ul style="list-style-type: none"> ○ Potentially vacating units can be reoccupied more quickly ● Allows more flexibility in lease terms
	Stagger Expiration Days	<ul style="list-style-type: none"> ● Allow the lease to expire on various days throughout the month ● Turnover activity isn't restricted to the first and last days of the month ● Lease termination dates early in the week allow the maintenance staff to manage make-ready duties ● Have leases begin on Mondays <ul style="list-style-type: none"> ○ Prevents administrative demands on weekends ○ Allows greater leasing focus on the peak weekend traffic days
Turnover Ratio	Variable Pricing	<ul style="list-style-type: none"> ● Adjust rents based on the lease term <ul style="list-style-type: none"> ○ E.g. Offer an eight-month renewal at one rental rate and a six-month renewal at a higher rate
	The total number of move-outs for a given period divided by the total apartment units. It is used to assess occupancy and potential operating expenses. It is generally measured as an annual percentage. Using one month to annualize your turnover may skew the number; however, historical data can be useful.	

Wrap Up

Slide 151

Display the section title slide and transition into the wrap up.

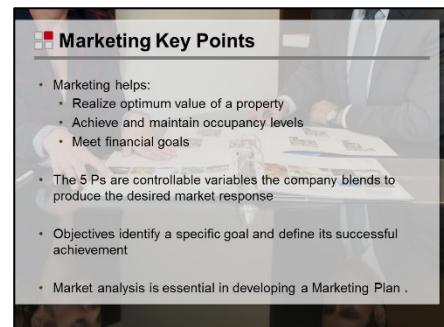


Wrap Up .

Key Points

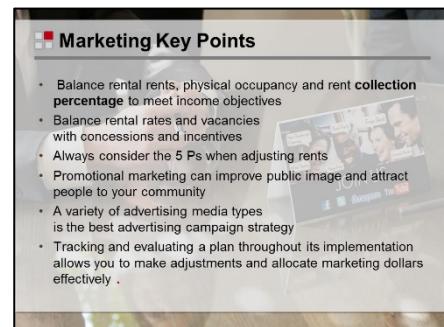
Slide 152

Click to Show each bullet and Review Key Points.



Slide 153

Click to Show each bullet and Review Key Points.



Slide 154

Thank participants.



Knowledge Check Answers

Knowledge Check: Introduction to Marketing

1. Define marketing.
Integrated and coordinated activities that encourage people to initially rent or continue renting an apartment

2. Define marketing mix.
Controllable variables blended to produce the desired market response

3. What are the five Ps?
✓People
✓Product
✓Promotion
✓Price
✓Place

Knowledge Check – Marketing Plan

4. What is a Marketing Plan?
A detailed, written account and timetable of the objectives and methods to be used to achieve the property's marketing goals

5. What are the purposes of a Marketing Plan?
✓Helps develop, guide, and coordinate marketing efforts
✓Serves as a roadmap to realize goals
✓Keeps you on course .

Knowledge Check – Marketing Plan: Market Analysis

6. What is a Market analysis?
A formal approach using data to make rational marketing decisions

7. What is a Property and Location analysis?
An analysis of information about a property's amenities and location, positive and negative aspects of each, and how they affect rentals .

Knowledge Check: Marketing Plan: Pricing

8. What is Effective Rent?
The rent per month reduced by the monthly value of any leasing concessions

9. List some factors that impact local economic conditions for apartments.
✓ Population growth
✓ Household formation
✓ Job creation

10. What are three housing trends that affect apartment communities?
✓ Construction of apartments w/ better amenities
✓ Construction of single-family homes
✓ Conversion of rental homes to condominiums .

Knowledge Check – Marketing Plan: Target Market

11. What is a Market?
Current and potential residents who want to, and are qualified to, live in the apartment community

12. What is a Target Market?
A specified group within a market, classified according to characteristics

Knowledge Check: Marketing Plan: Target Market

13. What factors impact the target market?
✓ Location
✓ Physical
✓ Unit Size and Layout
✓ Governmental
✓ Demographic Characteristics
✓ Economics
✓ Price
✓ Social .

  Knowledge Check: Marketing Plan: Marketing Objectives

14. What identifies a specific goal and defines its successful achievement?
Marketing Objectives

15. What are the requirements of marketing objectives?

- ✓ Identify desired results
- ✓ Be measurable
- ✓ Assign a time frame
- ✓ Be clear
- ✓ Be consistent with one another

  Knowledge Check: Marketing Plan: Strategy

16. What outlines steps needed to achieve marketing objectives?
A Marketing Strategy .

17. What is Promotional Marketing?
A form of communication that is used to inform and persuade people about a product or service

18. What are the basic objectives of promotion?

- ✓ Attention: awareness
- ✓ Interest: knowledge/information
- ✓ Desire: liking/preference
- ✓ Action: conviction/purchase

  Knowledge Check: Marketing Plan:


17. What is Promotional Marketing?
A form of communication that is used to inform and persuade people about a product or service

18. What are the basic objectives of promotion?

- Attention: awareness
- Interest: knowledge/information
- Desire: liking/preference
- Action: conviction/purchase

Knowledge Check: Marketing Plan:
■■ Promotional Mix



19. List the types of promotion.

- Advertising
- Public relations
- Internal marketing
- Sales promotion
- Relationship selling

20. What is advertising?

Non-personal promotion of a product, service, or company in mass media that is openly paid for and/or sponsored by you

21. What is relationship selling?

Custom tailoring information to individual people.

Knowledge Check: Marketing Plan:
■■ Recommendations



22. What is an advertising campaign?

A program of coordinated ads and promotional activities intended to accomplish objectives

Knowledge Check: Marketing Plan:
■■ Budget



23. What is a Marketing Plan budget?

Shows amount allocated for expenditure on marketing activities in a specified period

24. Why should you evaluate a Marketing Plan throughout its implementation?

It implementation allows you to make adjustments and allocate marketing dollars effectively.

Knowledge Check: Marketing Plan:
■■■ Measurement & Evaluation

25. What is a turnover ratio?
The total number of move-outs for a given period divided by the total apartment units

Knowledge Check: Impact of Marketing

26. What factors must you consider and balance that impact rental income?

- Competitive rental rents
- Percent occupancy / physical occupancy
- Collection percent / economic occupancy

27. What factors affect rental rates?

- Law of supply and demand
- Economic conditions
- Housing trends
- Competitors' offerings
- Property features
- HUD and government-assisted programs .

Knowledge Check: Impact of Marketing

28. What is the difference between economic occupancy and physical occupancy?

- Economic occupancy is a percentage based on the amount of rent collected divided by the GPR
- Physical occupancy is calculated based on the number of occupied units as a percentage of total units

29. What is the goal of balancing rental rates and vacancies?
To maximize income not occupancy

Knowledge Check: Impact of
■ Marketing

30. What happens to a property's income when concessions are offered?
It collects less rent

31. List two methods of increasing rent for current residents.

- Increase as leases expire or on select expired leases using non-discriminatory standards
- Consider setting renewal rate slightly lower than market rate .

Knowledge Check: Managing
■ Occupancy

32. What reports can you use to manage occupancy?

- Occupancy Reports
- Rent Roll
- Collection Summary Analysis
- Delinquency Report

33. What is a Rent Roll?
A comprehensive record of occupancy, rents, other charges, and lease expirations

34. What are three methods you can use to manage occupancy?

- Occupancy Trend
- Lease Expirations
- Turnover Ratio.