



Participant Workbook

Marketing



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For over 40 years, the National Apartment Association and NAA Education Institute have offered the Certified Apartment Manager (CAM) credential to enhance the knowledge and skills of apartment management professionals. NAAEI recently rewrote the CAM program after conducting a job task analysis and validating the knowledge and skills required for community management competency. Alexandra Jackiw, CAPS, CPM, past NAA Chairman and past NAAEI President, served as the lead CAM subject matter expert. She also pilot tested CAM at the Triangle Apartment Association in Raleigh, NC and the Apartment Association of Greater Orlando. Alex worked tirelessly to take CAM to the next level. Of particular note is the case study she developed that is woven throughout the CAM program. The NAAEI Board of Directors and NAAEI staff recognize and thank Alex for the hundreds of volunteer hours she spent developing the 2016 edition of CAM.

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Marketing

Participant Workbook

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Introduction

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Slide 2

Materials

<p>Participant Workbook</p> <p>High-level information</p> <ul style="list-style-type: none"> • Follow along in class • Take notes • Complete activities • Study for exam 	<p>Reference Guide</p> <p>Detailed information</p> <ul style="list-style-type: none"> • On-the-job reference • Study aid for exam
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

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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

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Introduction to Marketing

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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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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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A CAM'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 >

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.

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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



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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



A product or service you offer to your customers:

- The apartments
- Property amenities
- Services
- Brand identity


Products are evaluated and marketed by:

- Reliability
- Quality
- Features
- Availability .

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Place



□ Define and market:

- Physical location
- Relative location
- Comparative location .

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Price

Marketing Mix

- Product
- Place
- Price**
- Promotion
- People

- Monthly rent
- Fees
- Deposits
- Utility expenses
- Premium charges
- Price is influenced by:
 - Location
 - Interior upgrades
 - Competition .

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Promotion

Marketing Mix

- Product
- Place
- Price
- Promotion**
- People

- Advertising
- Public relations
- Sales process
- Relationship selling
- Outreach
- Social Media
- Referral agencies .

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People

Marketing Mix


- Product
- Price
- Promotion
- Place
- People**

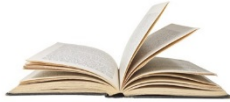
- Onsite personnel
- Management team
- Contract workers
- Marketing partners
- Vendors
- Prospects
- Current residents
- Former residents .

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 **Reference:** Five Ps Evaluation Checklist



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

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 **Marketing Success Factors**

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



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 **Reference** Characteristics of Successful Marketing

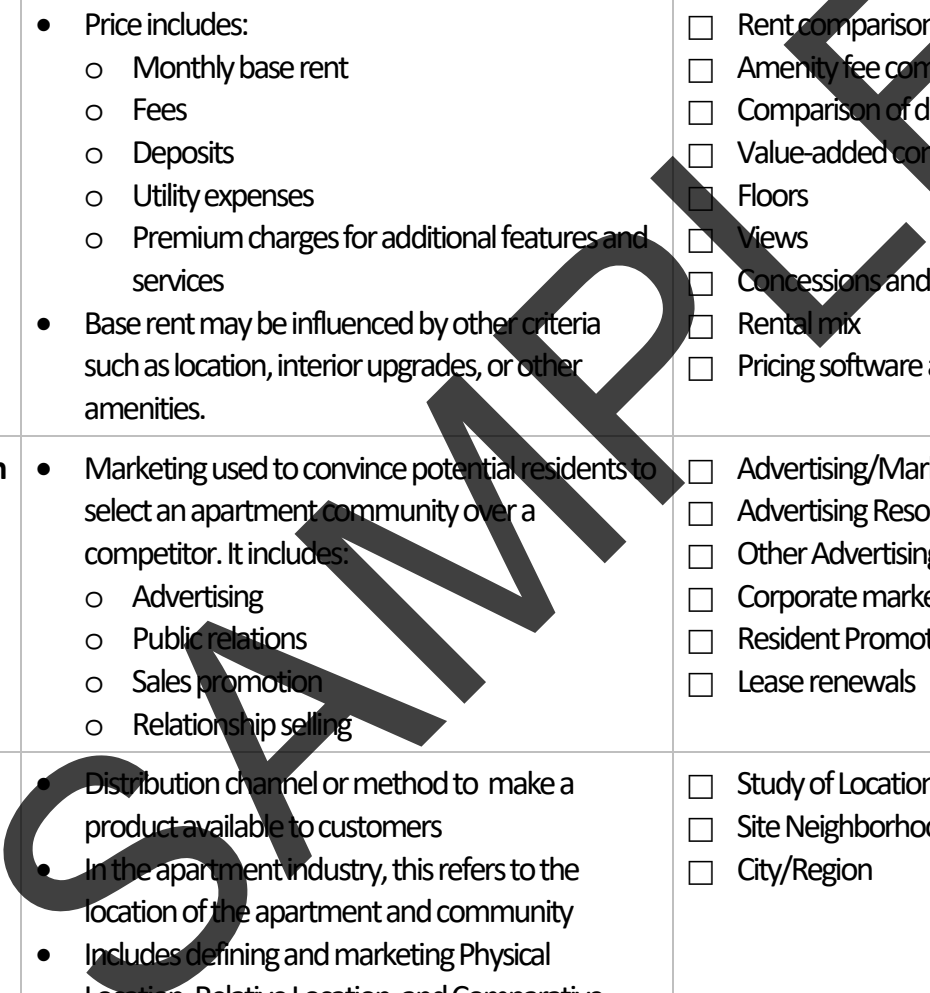


See the Participant Workbook for a summary of the **Characteristics of Successful Marketing** .

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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 	<ul style="list-style-type: none"> <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. 	<ul style="list-style-type: none"> <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 	<ul style="list-style-type: none"> <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 	<ul style="list-style-type: none"> <input type="checkbox"/> Study of Location <input type="checkbox"/> Site Neighborhood <input type="checkbox"/> City/Region



P	Description	Evaluation Checklist
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 	<ul style="list-style-type: none"> <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

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

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 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 .



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 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


- 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

- 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

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

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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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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.
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.

Component	Description
<p>Measurement and Evaluation</p>	<p>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.</p>

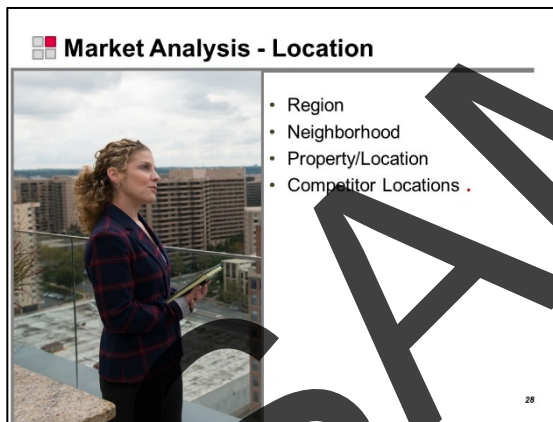
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Marketing Plan – MARKET ANALYSIS

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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

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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.stateandlocalgov.net)
- Local Chambers of Commerce
- Local real estate brokers

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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

It's important to correctly determine a property's neighborhood for the most relevant analysis .




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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



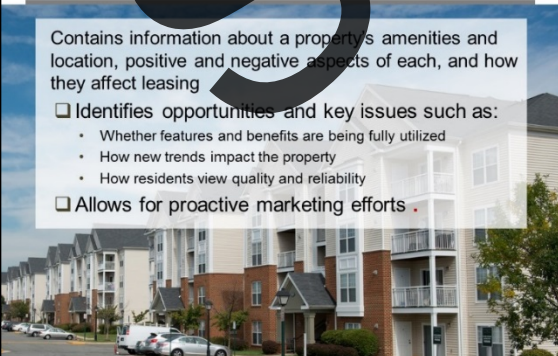
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MARKET ANALYSIS - Property Location

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 .



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 **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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 **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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Types of Analyses

Type of Analysis	Description	Details
Regional Analysis	Economic and demographic characteristics outlined for the property's region; typically the metropolitan area	Includes: <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	Includes many of same elements as a regional analysis but on a smaller, more specific scale : <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
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	Helps you: <ul style="list-style-type: none"> • Identify your competitive advantage • Identify areas of missed opportunity • Make innovative improvements




Type of Analysis	Description	Details
		<ul style="list-style-type: none"> Identify needs not being met Learn more about your market

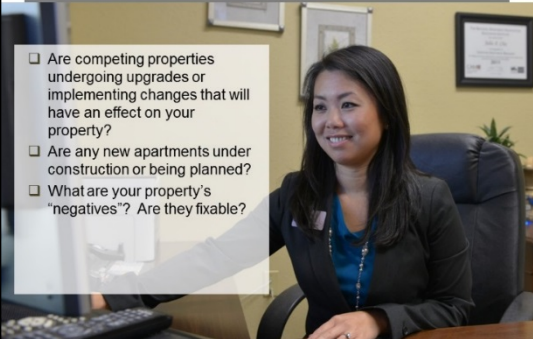
Elements in a Market Analysis

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

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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?



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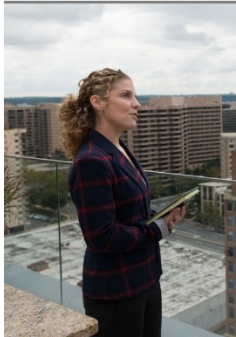
Marketing Plan - PRICING

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■ 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

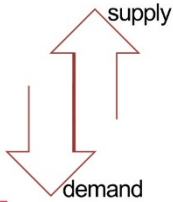
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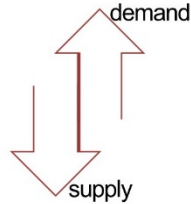
PRICING - Law of Supply and Demand

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



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



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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

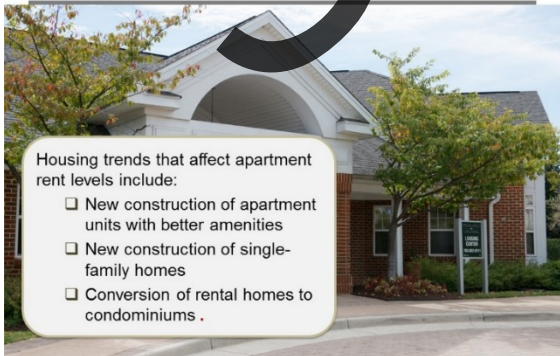
Areas in an economic downturn may require reduced rental rates .

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PRICING - Housing Trends



Housing trends that affect apartment rent levels include:

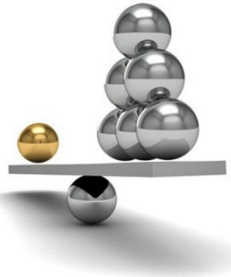
- New construction of apartment units with better amenities
- New construction of single-family homes
- Conversion of rental homes to condominiums .

SAMPLE

Slide 47

Pricing- Competitors' Offerings

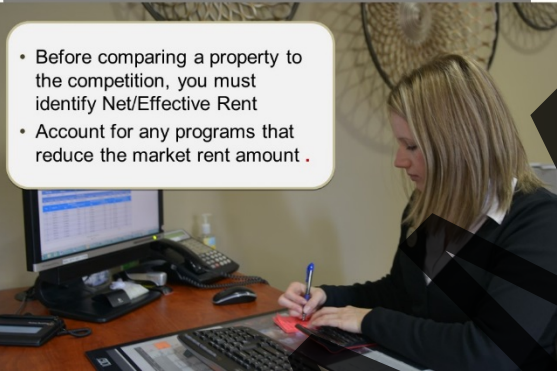
- Assess the types or styles of apartments, rates, and amenities of your competition
- Estimate the monetary value of various amenities and apartment features
- Determine the value of utilities that may be included in rent
- Compare fees and deposits
- Do a "cash outlay to move-in" analysis .



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Slide 48

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 .

Slide 49

Net/Effective Market Rent

$$\text{GPR} - \text{VAC} = \text{TRR}$$

$$\frac{\text{Total Rental Revenue}}{\text{Units Occupied}} = \text{Average Effective Rent}$$

$$\frac{\text{Market rent} \times \# \text{ of months in lease} - \text{Less total concessions}}{\text{Equals total lease rent} \div \text{Divided by} \# \text{ of months in lease}} = \text{Effective Market Rent .}$$

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Slide 50

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?

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

Slide 51

Creekwood Effective Market Rent Example

Example:

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

What is the Effective Market Rent?

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

Slide 52

Pricing- Property Features



Identify features for which you can charge premiums

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

SAMPLE

Slide 53

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 .



SAMPLE

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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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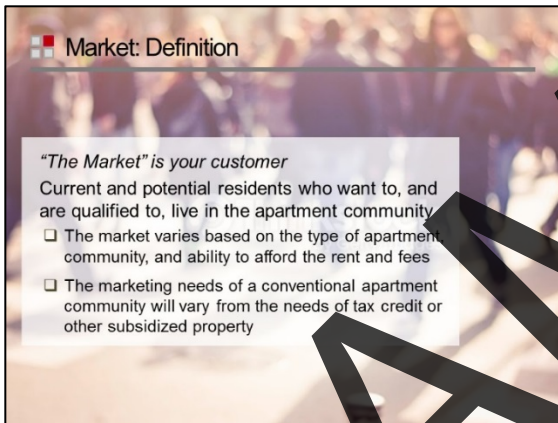
SAMPLE

Marketing Plan – TARGET MARKET

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Slide 60



SAMPLE

Slide 61

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 .

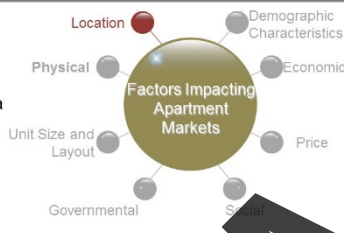


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Factors Impacting Target Market: Location

- 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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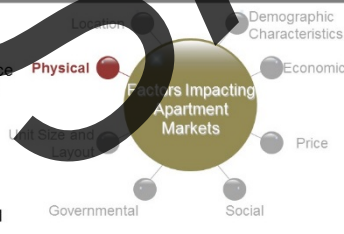
Slide 63

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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Factors Impacting Target Market: Unit Size and Layout

Factors influencing consumer decisions:

- Home size
- Layout
- Room arrangement
- Apartment features .

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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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Factors Impacting Target Market: Social

Includes:

- Population increases, decreases, or stability
- Population movement and dispersal patterns
- Household growth
- Family size changes
- Community value structures
- Psychographics .

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Slide 70

Reference: Factors Impacting Markets



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

SAMPLE

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
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:

- Proximity, accessibility, and availability of transportation systems
- Educational institutions
- Shopping
- Employment
- Cultural and entertainment centers
- Social services, and
- Public safety providers

SAMPLE

Marketing Plan - OBJECTIVES

Slide 71



Slide 72

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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Marketing Objectives: Example

Increase traffic by 25% for the quarter.

Desired Results Measurable
And Specific Time
Frame

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Marketing Objectives: Example

Desired Results

Improve the property's closing ratio from 27% to 31% by the end of third quarter.

Time Frame

Measurable and Specific

MAKE IT HAPPEN!

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Marketing Objectives: Example

Achieve 37 net move ins in the next 60 days.

Desired Results
Measurable

Time Frame

MAKE IT HAPPEN!

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Marketing Strategy

2. Improve property's closing ratio from 27% to 31% by the end of the third quarter:

- Conduct a sales seminar for all leasing personnel
- Have all leasing personnel mystery shopped
- Fine-tune resident selection criteria
- Increase leasing commissions if leases are closed on first visit



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Slide 80

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

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Promotional Marketing



Slide 83

Types of Promotions

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



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 Promotional Marketing – Objectives: AIDA .



Slide 85



Slide 86

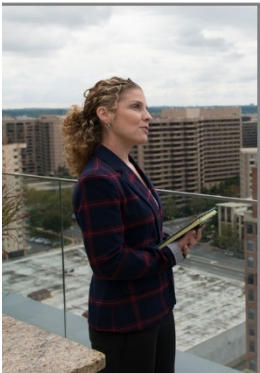
 Purpose of Advertising

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



Slide 87

Consider Potential Residents



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

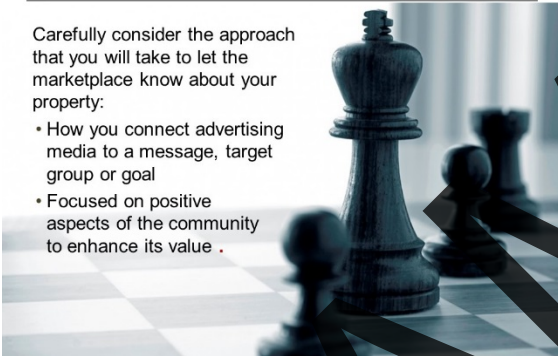
87

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Advertising Strategies

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

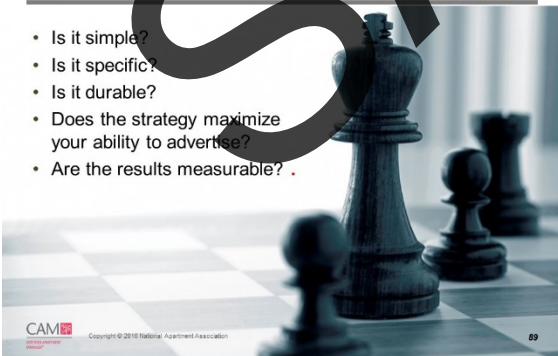
- How you connect advertising media to a message, target group or goal
- Focused on positive aspects of the community to enhance its value



Slide 89

Review Your Strategy

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



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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 .



Slide 91

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



Slide 94

Media Selection

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



Slide 95

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 .

Slide 96

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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Slide 97

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.

Slide 102

Selling versus Marketing

Selling	Marketing
<ul style="list-style-type: none">• Communicates to a particular prospect how your community can fill their needs• Impact: personal and relational• Addresses a specific opportunity	<ul style="list-style-type: none">• Brings the community in contact with a prospect who has specific wants or needs• Impact: broad and applies to many• Continuous• Involves goals, research, analysis, evaluation and measured results .

SAMPLE

Types of Promotion

Promotion Type	Description	Purpose and Goals
Advertising	<p>A non-personal promotion of your product, service or company in mass media that is openly paid for and/or sponsored by you</p> <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	<p>The ongoing relationship between the apartment community and the public</p> <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	<p>Sales activities designed to sell or increase the size of a sale by providing incentive to make a purchase decision</p> <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	<p>Onsite marketing practices that occur within the apartment community</p> <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	<p>Custom tailoring information to people using the services of a sales team</p> <ul style="list-style-type: none"> • Flexible and individualized • Personnel well-trained in all areas • Requires allocation of personnel 	<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

Promotion Type	Description	Purpose and Goals
	<ul style="list-style-type: none"> Achieved by careful listening and excellent product knowledge 	

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?

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.

Marketing Plan - RECOMMENDATIONS

Slide 103



Marketing Plan – RECOMMENDATIONS .

Slide 104

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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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, Streetklings, 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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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

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Slide 108

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 .



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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

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Marketing Plan – MEASUREMENT & EVALUATION .

Slide 111

Measuring Success

Your plan must clearly identify how you will measure your progress

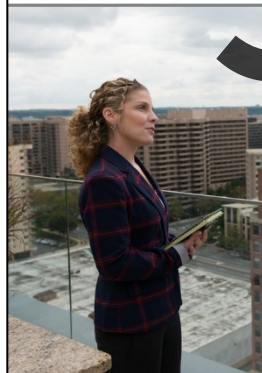
- New leases signed
- Resident renewals
- Cost/lease
- Cost/traffic by source
- Improved budget performance
- Closing ratios
- Canceled notices to vacate
- Pre-leases
- Reduced turnover .



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Analyzing the Impact



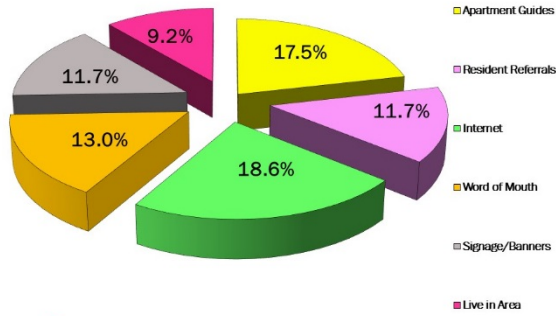
- Record responses you receive from various types of advertisement
- Advertising components should work together for a broad coverage of the target market
- Use a traffic evaluation form to determine how many prospects contacted your community as a result of marketing and advertising .

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SAMPLE

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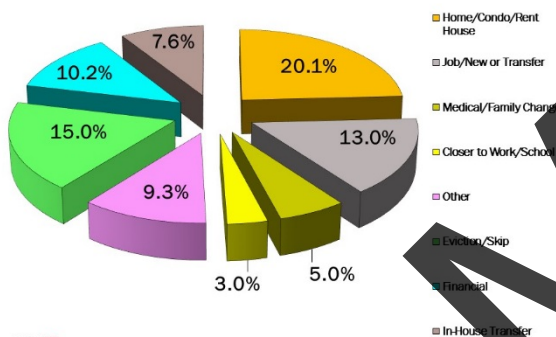
TOP TRAFFIC SOURCES



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Slide 114

TOP REASONS FOR MOVING



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Slide 115

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?

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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.

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

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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?

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

Slide 118

Occupancy Trend: Percent Leased

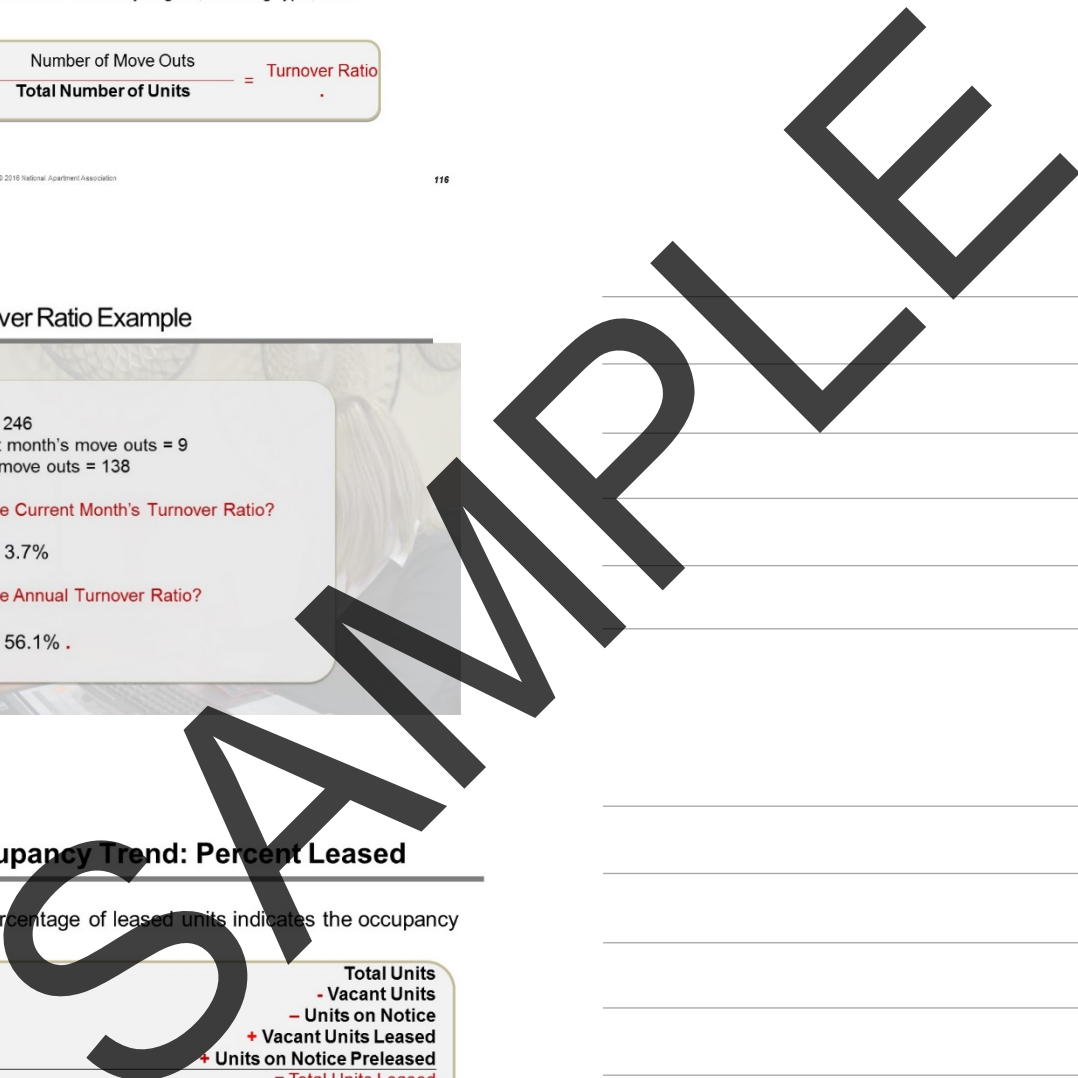
Future percentage of leased units indicates the occupancy trend

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

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


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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?

122	
-5	
-4	117
+2	122
+2	
117	

= 95.9% leased .

SAMPLE

Writing a Marketing Plan

Slide 120



Slide 121

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

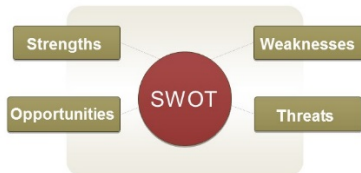
You must have a full understanding of the reports, their source, and their value.

Slide 122

SWOT Analysis

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

- Strengths
- Weaknesses
- Opportunities
- Threats



Slide 123

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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SWOT Analysis Example

<p>Strengths</p> <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? 	<p>Weaknesses</p> <ul style="list-style-type: none"> ■ What could be better? ■ What do we do badly? ■ What should we avoid? ■ Can any of our weaknesses be turned into opportunities?
<p>Opportunities</p> <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? 	<p>Threats</p> <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

Activity: Creekwood SWOT Analysis

Instructions:

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

SAMPLE

Activity: SWOT Analysis

Instructions:



1. In groups, use your case study and SWOT methodology to draw conclusions about your competitive advantages and strengths.
2. For each question, consider your perspective, a resident's perspective, & a potential resident's perspective as related to the 5 Ps.

Strengths

1. What advantages do we have?

Product:

Price:

Promotion:

Place:

People:

2. What do we do well?

Product:

Price:

Promotion:

Place:

People:

SAMPLE

3. What resources do we have access to?

Product:

Price:

Promotion:

Place:

People:

4. What do our residents see as our strengths?

Product:

Price:

Promotion:

Place:

People:

Weaknesses

1. What could be better?

Product:

Price:

Promotion:

Place:

People:

2. What do we do badly?

Product:

Price:

Promotion:

Place:

People:

SAMPLE

3. What should we avoid?

Product:

Price:

Promotion:

Place:

People:

4. Can any of our weaknesses be turned into opportunities?

Product:

Price:

Promotion:

Place:

People:

People:

Use the answers from your SWOT analysis to define your competitive advantages and strengths. This will be the cornerstone of your marketing plan.

Create a specific description of your ideal target resident. Define what is important to them. By creating this “picture” of your target audience your “message” or promotion can be much more specific and meaningful.

SAMPLE

The Impact of Marketing - Adding Value with Rental Adjustments

Slide 126



Slide 127



SAMPLE

Slide 128

Economic Occupancy Percentage

Gross Potential Rent (GPR)
Amount of rent collected if a property was 100% occupied and all residents were paying market rent

$$\text{GPR} - \text{VAC} = \text{TRR}$$

$$\frac{\text{TRR}}{\text{GPR}} = \text{Economic Occupancy}$$

REVENUE	
Gross Potential Rent	\$958,920
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

Example:

- GPR = \$958,920
- VAC = -\$163,297
- TRR = \$795,623

What is the Economic Occupancy?

$$\frac{\$795,623}{\$958,920} = 83.0\%$$

SAMPLE

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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



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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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Reference: Factors to Consider Before Adjusting the Rent



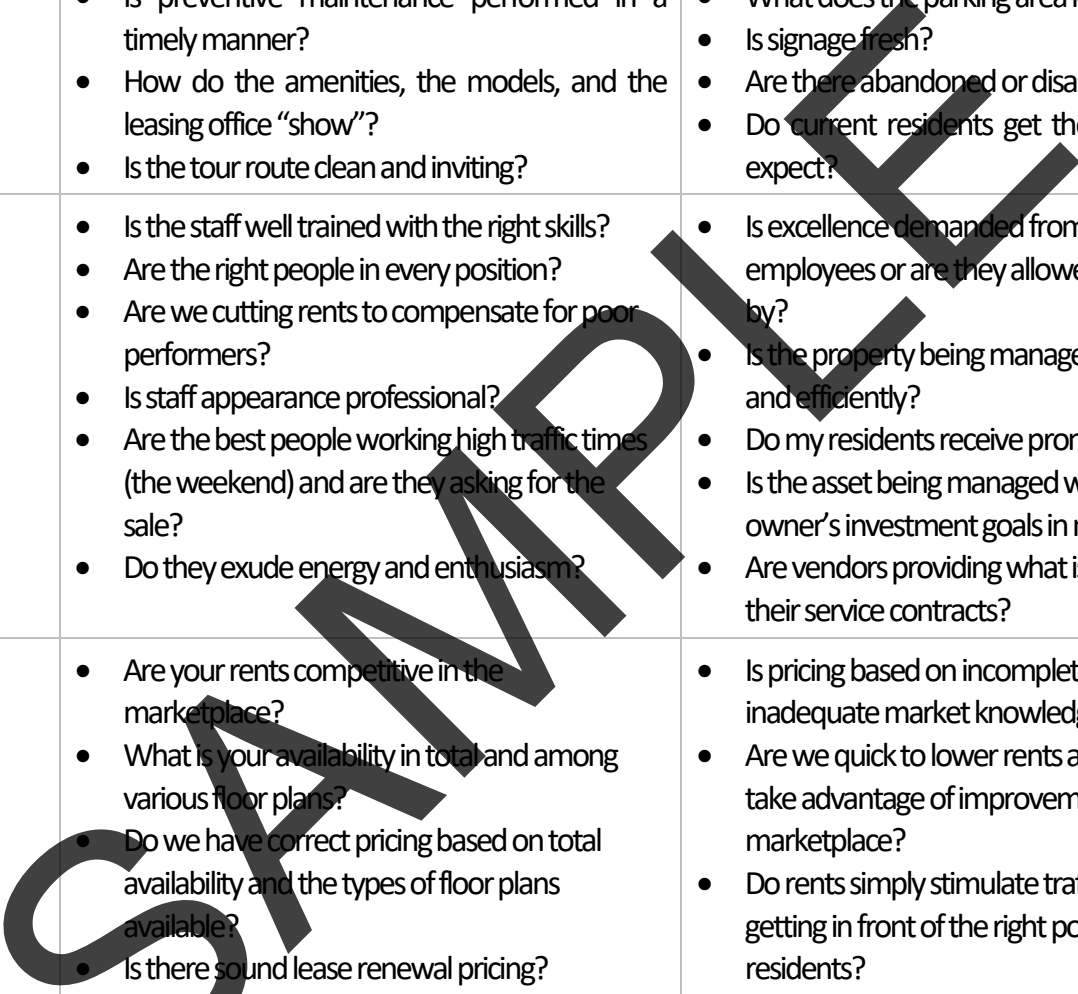
See the Participant Workbook for a list of **Factors to Consider Before Adjusting the Rent.**

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Factors to Consider Before Adjusting the Rent

P	Questions to Ask	
<p>Place/Product</p>	<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?
<p>People</p>	<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?
<p>Price</p>	<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?
<p>Promotion</p>	<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?



Slide 133

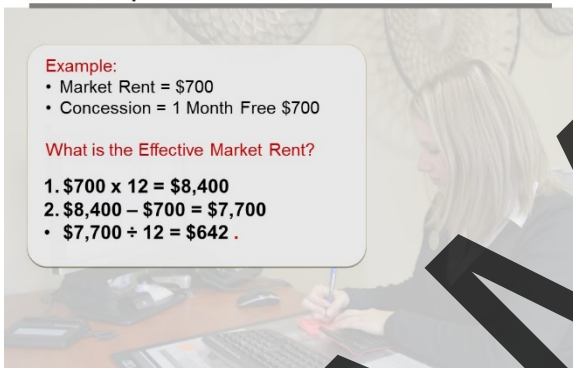
Impact of Concessions on Effective Market Rent



- 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 .

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Impact of Concessions on Effective Market Rent Example



Example:

- Market Rent = \$700
- Concession = 1 Month Free \$700

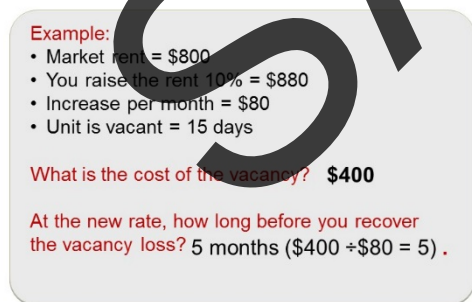
What is the Effective Market Rent?

1. $\$700 \times 12 = \$8,400$
2. $\$8,400 - \$700 = \$7,700$

- $\$7,700 \div 12 = \642 .

Slide 135

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 ($\$400 \div \$80 = 5$) .

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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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Determining Pricing

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

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Average Renewal Increase

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

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

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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 .

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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

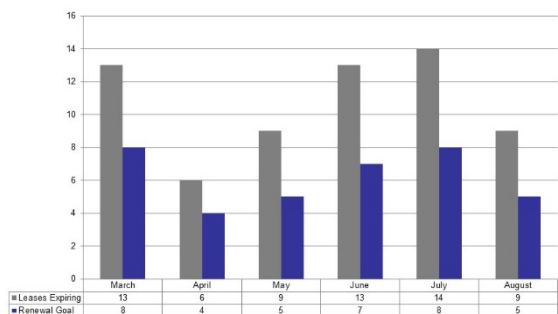
- Control lease expiration dates so all or most leases do not expire at the same time
- Develop a Lease Management Plan
 - Stagger monthly expiration dates
 - Stagger expiration days
 - Variable pricing



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Creekwood Lease Management Plan .



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Managing Occupancy

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Slide 144

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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Slide 145

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

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

Unit	Lease	Unit	State	Status	Security	Charge Code	Monthly	Payment	Charge	Payment	Ending
Id	Id				Balance		Sum	Balance	Amount	Amount	Balance
Building: 001 - 2000 George Mason Drive											
1801	1	Power, Bob		Car			1,050.00	1,050.00	1,050.00	1,050.00	0.00
Charge: 12/09 Term: 12 Last Pymt: 04/09 Expires: 12/09 Expires: 0/09 Renewal Total: 0.00 1,050.00 3.00 1,050.00 1,050.00 0.00											
1802	1	Town, Dennis		On			1,050.00	1,050.00	1,050.00	1,050.00	0.00
Charge: 12/09 Term: 12 Expires: 2/09 Renewal Total: 0.00 1,050.00 3.00 1,050.00 1,050.00 0.00											
1803	1	Paulson, Sandy		Car			1,050.00	1,050.00	1,050.00	1,050.00	0.00
Charge: 2/09 Term: 24 Last Pymt: 04/09											

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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

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

Date	Charge Code	Source	Amount	Current	1 Month	2 Months	3 Months	4 Months
Times Late:								
	RNT	RENTAL INCOME	-1,335.00	0.00	0.00	0.00	0.00	-1,335.00
W/W Worksheet Total:			-1,335.00	0.00	0.00	0.00	0.00	-1,335.00
29144-005-105-1 All Settled			0.00	0.00	0.00	0.00	0.00	0.00
Last Payment: 6/1/2009 Times Late: 1,195								
Times Late:								
	PPR	Prepaid Rent	-0.00	-0.00	0.00	0.00	0.00	0.00
All Settled Total:			-0.00	-0.00	0.00	0.00	0.00	0.00

Slide 149

Reference: Reports Used to Manage Occupancy



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

Slide 150

Reference: Methods Used to Manage Occupancy

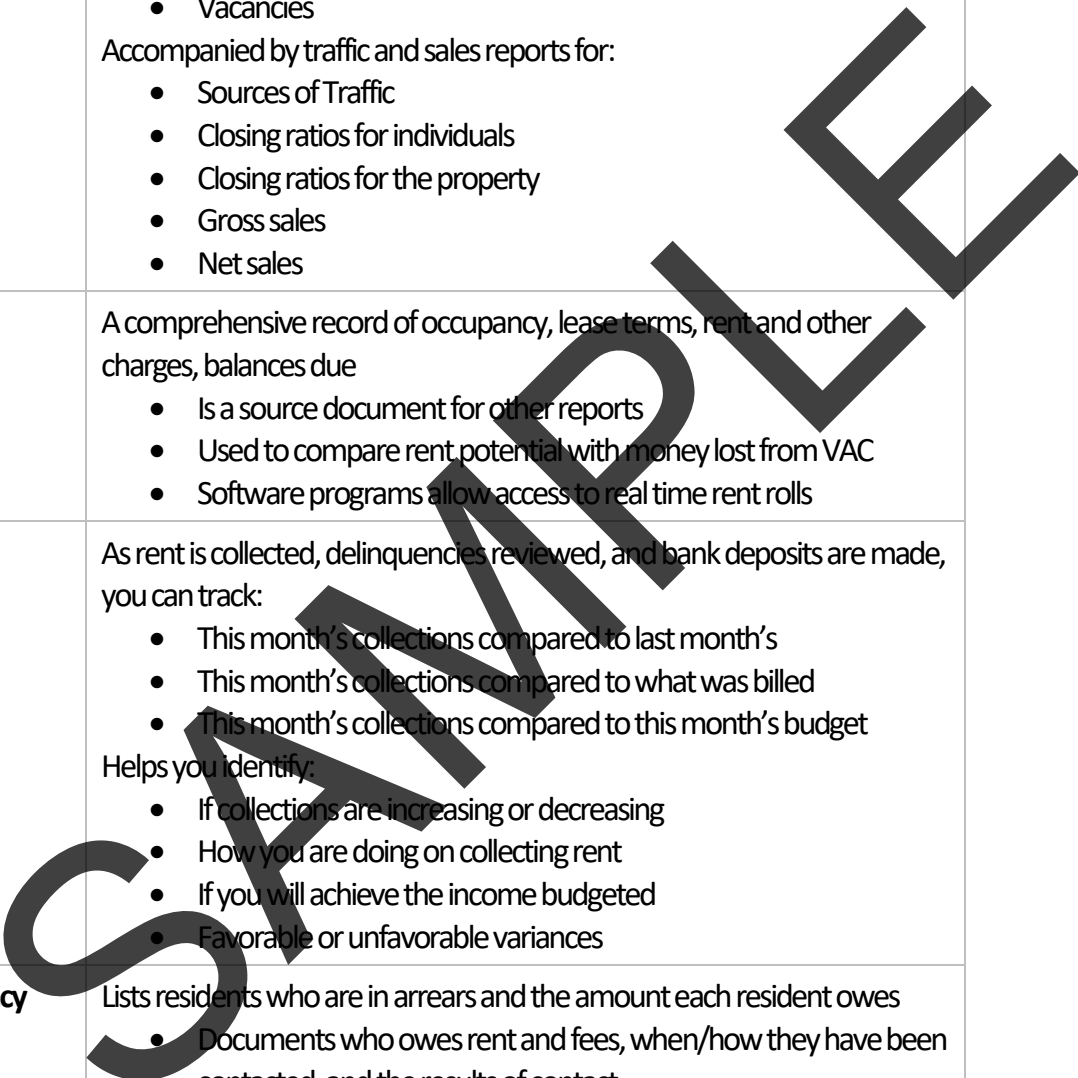


See the Participant Workbook for a list of **Methods Used to Manage Occupancy**.

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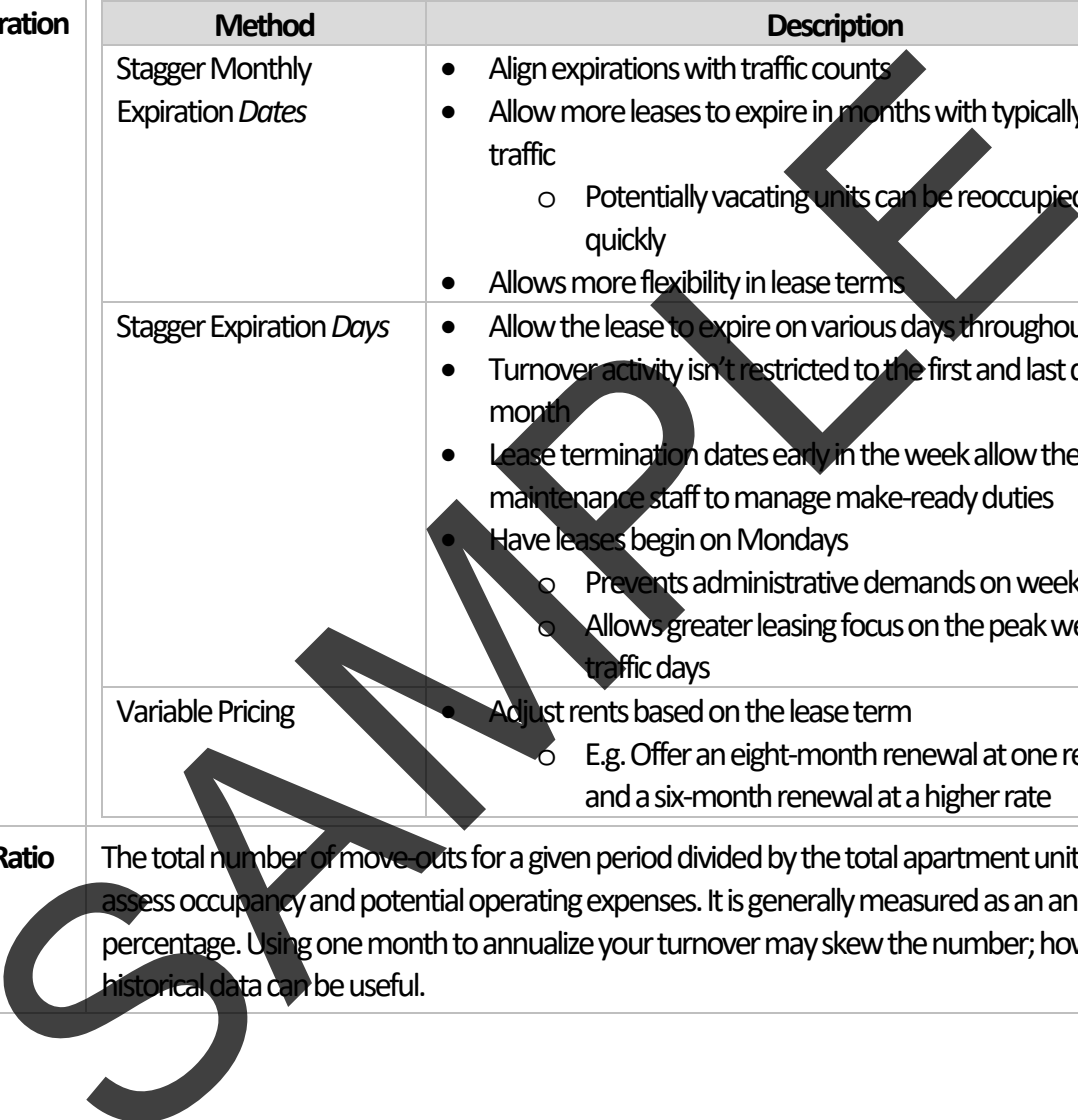
Reports Used to Manage Occupancy

Report	Description
<p>Occupancy reports</p>	<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
<p>Rent Roll</p>	<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
<p>Collection Summary Analysis</p>	<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
<p>Delinquency Report</p>	<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



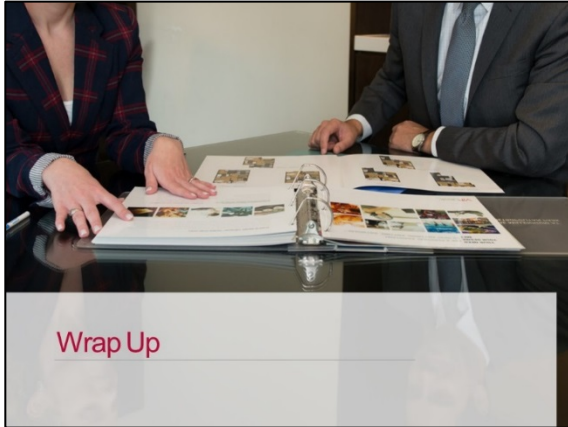
Methods Used to Manage Occupancy

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	<table border="1"> <thead> <tr> <th data-bbox="378 453 699 499">Method</th> <th data-bbox="699 453 1516 499">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="378 499 699 751">Stagger Monthly Expiration Dates</td> <td data-bbox="699 499 1516 751"> <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 </td> </tr> <tr> <td data-bbox="378 751 699 1129">Stagger Expiration Days</td> <td data-bbox="699 751 1516 1129"> <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 </td> </tr> <tr> <td data-bbox="378 1129 699 1268">Variable Pricing</td> <td data-bbox="699 1129 1516 1268"> <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 </td> </tr> </tbody> </table>	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 	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 	
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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 									
Turnover Ratio	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

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Marketing Key Points

- Marketing helps:
 - Realize optimum value of a property
 - Achieve and maintain occupancy levels
 - Meet financial goals
- The 5 P's are controllable variables the company blends to produce the desired market response
- Objectives identify a specific goal and define its successful achievement
- Market analysis is essential in developing a Marketing Plan

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Marketing Key Points

- Balance rental rents, physical occupancy and rent **collection percentage** to meet income objectives
- Balance rental rates and vacancies with concessions and incentives
- Always consider the 5 P's when adjusting rents
- Promotional marketing can improve public image and attract people to your community
- A variety of advertising media types is the best advertising campaign strategy
- Tracking and evaluating a plan throughout its implementation allows you to make adjustments and allocate marketing dollars effectively .

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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 5 P's?
 - People
 - Product
 - Promotion
 - Price
 - Place

Knowledge Check – Marketing Plan

4. What is a Marketing Plan?
A detailed, written account and time table 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 .

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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.

SAMPLE

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 .

Knowledge Check: Marketing Plan: Promotional Mix

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

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

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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

SAMPLE

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.

SAMPLE

Marketing Figures Glossary

Figure	Description	Formula
Gross Potential Rent (GPR)	The amount of rent that would be collected if a property was 100% occupied & all residents were paying market rent. All other income and expenses are measured & evaluated as a percentage of GPR.	Total Units x Average Market Rent = GPR
Vacancy, Concession, & Collection Loss (VAC)	Total value of rent loss from vacant units, concessions, collection losses, and non-revenue units. 2% of GPR is a generally acceptable.	
Effective Gross Income (EGI) or Net Rental Income	The amount of GPR less vacancy, concession, collection loss (VAC). Also called Net Rental Income or Total Rental (TR) income.	$GPR - VAC = TRR + OI = EGI$
Economic Occupancy Percentage	Collection percentage; Rent must be collected from all residents. The actual level of paying occupancy.	$EGI \div GPR$
Average Effective Rent		$(\text{rental income} - \text{concession rent}) \div \text{Units occupied}$
Effective Rent	If all leases are signed at scheduled market rent and all concessions awarded via a lease addendum.	$\text{market rent} \times \# \text{ of months in lease} - \text{total concession awarded} \div \# \text{ of months in lease}$
Average Renewal Increase		$\text{avg. effective rent for renewals} - \text{avg. effective rent on previous lease} = \text{amount of increase} \div \text{previous lease rent}$
Potential Occupancy Rate	The future percentage of leased units indicates the occupancy trend and acts as a guide for management decisions concerning marketing strategies and potential expenses.	

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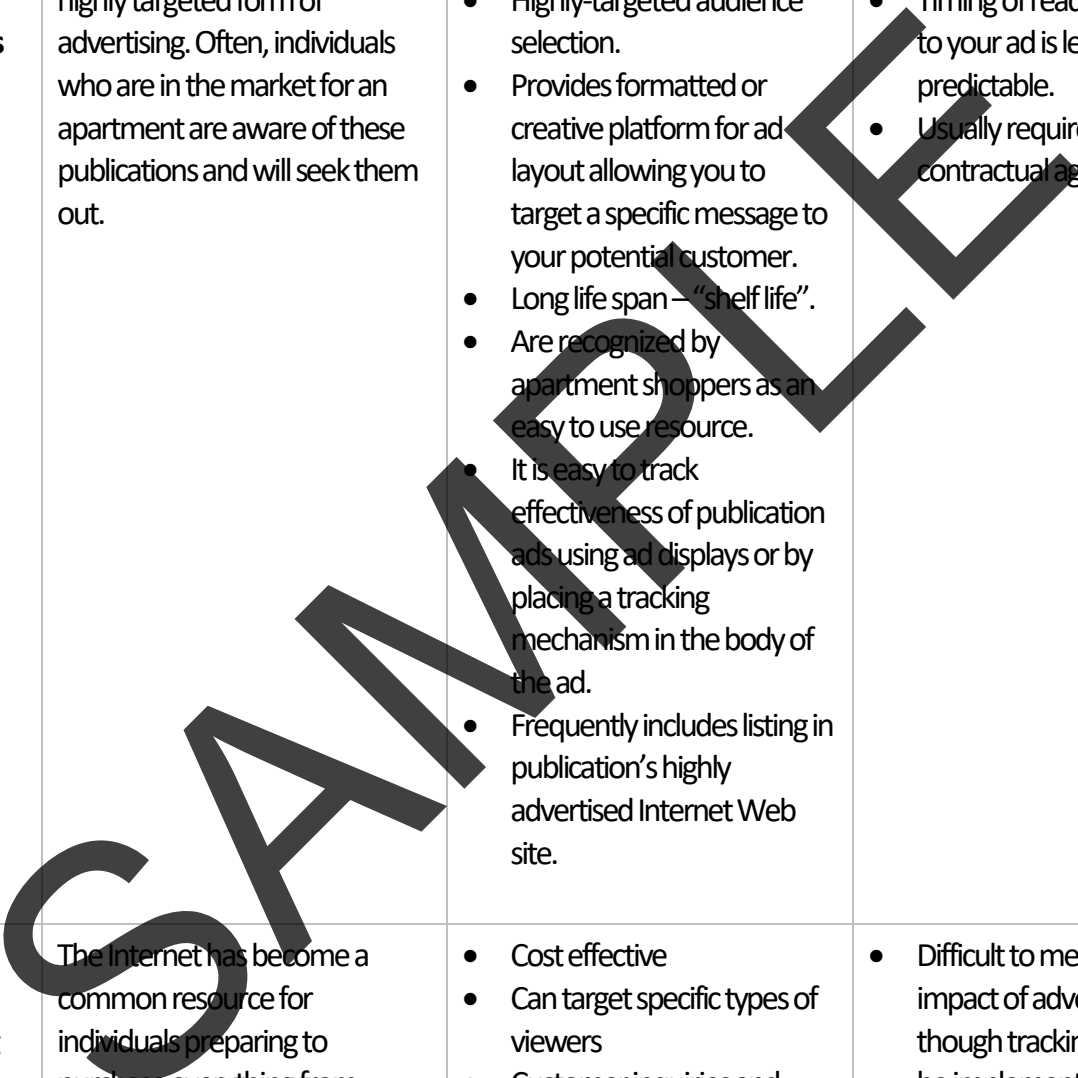
Marketing Terms Glossary

Term	Definition
Marketing	Integrated and coordinated activities that encourage people to rent or continue renting an apartment
Marketing Mix	Controllable variables the company blends to produce the desired market response
Marketing Objectives	Identifies a specific goal and defines its successful achievement. Marketing objectives should identify desired results, be measurable, assign a time frame, be clear, and be consistent with one another.
Marketing Strategy	Outlines steps needed to achieve marketing objectives
Marketing Plan	Detailed, written account and time table of the objectives and methods to be used to achieve the property's marketing goals
Market	Current and potential residents who want to, and are qualified to, live in the apartment community
Market Segmentation	A process where the market is reduced to smaller, more defined sub-markets
Market Analysis	A formal approach using data to make rational marketing decisions

SAMPLE

Types of Advertising Media

Media Type	Description	Advantages	Disadvantages
Apartment publications & rental magazines	The apartment publication or rental magazine represents a highly targeted form of advertising. Often, individuals who are in the market for an apartment are aware of these publications and will seek them out.	<ul style="list-style-type: none"> • Quality color and photo reproduction. • Highly-targeted audience selection. • Provides formatted or creative platform for ad layout allowing you to target a specific message to your potential customer. • Long life span – “shelf life”. • Are recognized by apartment shoppers as an easy to use resource. • It is easy to track effectiveness of publication ads using ad displays or by placing a tracking mechanism in the body of the ad. • Frequently includes listing in publication’s highly advertised Internet Web site. 	<ul style="list-style-type: none"> • Costs may be higher for the advertiser. • Timing of reader exposure to your ad is less predictable. • Usually requires a contractual agreement.
Online or Internet marketing	The Internet has become a common resource for individuals preparing to purchase everything from books to automobiles. According to Nielsen/Net Ratings more than three (3) million renters per month use third-party, web-based property listings for everything from apartments to vacation rentals.	<ul style="list-style-type: none"> • Cost effective • Can target specific types of viewers • Customer inquiries and changes to your ad can be timely. • Ads can be interactive and present a particular image based upon the use of technology, colors, and design features. 	<ul style="list-style-type: none"> • Difficult to measure the impact of advertising though tracking devices can be implemented. • The cost to advertise can vary greatly and Internet access is required. • The Internet may not produce the number of leases that traditional print apartment advertising does



Media Type	Description	Advantages	Disadvantages
	<p>Because it has local and worldwide reach, has the ability to be modified immediately, and is relatively inexpensive, Internet advertising has become one of the most effective marketing tools. Online social media including Facebook, YouTube, Twitter, and LinkedIn are additional sources of contact allowing people to make connections and share information and content online. Residents talk and use of social media allows management to join the conversation and make the most of it. Such sites might showcase videos and photos, list amenities, and provide an online community for residents to share information. The online classifieds site Craigslist adds to outreach.</p> <p>Three (3) ways to advertise on the Internet include:</p> <ul style="list-style-type: none"> • Registering your community or management company Web site with major search engines so Internet visitors can find you using specific keywords to direct the apartment shopper to your Web sites. • Placing an “ad banner” for your site on another Web 	<ul style="list-style-type: none"> • Apartment search sites provide a wealth of relocation services and information • Prospects have no preconceived ideas of your community or location • Many sites allow the renter to apply on line and reserve apartment homes 24/7 regardless of the office hours for the property. 	<p>in all markets, although the gap continues to close.</p> <ul style="list-style-type: none"> • The use of both sources has proven effective.

SAMPLE

Media Type	Description	Advantages	Disadvantages
	<p>site that has a lot of traffic. Ad banners permit viewers to link to your site when they click on the banner.</p> <ul style="list-style-type: none"> Partner with an existing apartment search Web site. 		
<p>Newspapers</p>	<p>The newspaper can be a good form of marketing and an effective traffic generator. In some markets, it is the number one media for local advertisers in terms of where advertising dollars are spent. Newspaper advertising tends to be most effective when there are not other dominant “apartment only” publications in the market.</p> <p>Note: Consider the use of a tracking mechanism to determine source effectiveness. Examples of tracking mechanisms include the use of a “fake” name within the ad such as “Call Suzy for more information” or “Present this ad for additional savings.”</p>	<ul style="list-style-type: none"> Newspapers reach a diverse and broad audience. The target audience is locally and regionally based. Newspapers deliver timely messages because they have an established, regular publishing schedule such as daily, weekly or monthly. There is unlimited copy space in the newspaper. Readers can be actively involved in reading the paper. 	<ul style="list-style-type: none"> Heavy competition due to the fact that newspapers are considered a primary medium by a variety of advertisers. Newspaper may not be popular with all demographic groups. It can be cost prohibitive in some markets for the type of ads that are needed to get attention among the other ads such as display ads. Limits specific audience targeting. You pay to reach the entire newspaper audience, who may or may not be looking for an apartment. Internet advertising has also diminished the role and effectiveness of newspaper advertising.
<p>Direct mail</p>	<p>Direct mail is one of the most targeted, measurable and cost effective ways to market your property. Your marketing message is delivered directly into the hands of prospective residents. Responses are</p>	<ul style="list-style-type: none"> Allows you to target your message to a specific and primarily pre-qualified audience. Delivers a timely message. 	<ul style="list-style-type: none"> It may be viewed as junk mail. Response rate may be quite low (1-3%). Requires thorough maintenance of all mail lists.

Media Type	Description	Advantages	Disadvantages
	<p>tracked and an information base of prospective residents in need of housing is generated.</p> <p>Direct mail entails marketing your property through letters, postcards and other types of mailers, such as special sales announcements. The four printed items to consider are the letter, the brochure or data sheet, the reply vehicle and the envelope. Direct mail is most effective at promoting the marketing message when the audience receives it at least three times.</p> <p>In a direct mail campaign, you sell the benefits and features of living in your apartment community and generate a specific response.</p> <p>To receive optimal response from a direct mail campaign, consider first the appeal of your message, based upon the needs of prospective residents, and the urgency of the call to action or response mechanism. The mailer should be distinctive and directed to a qualified, selected audience. Often, direct mail campaigns are specifically targeted to competitive apartment communities. While the appeal of reaching a</p>	<ul style="list-style-type: none"> • Messages can be personalized to add reader appeal. • Readers are actively involved. • Database of leads can be maintained by tracking “return to sender” mail. 	<ul style="list-style-type: none"> • It can be a relatively expensive medium. • May result in retaliatory effort from competitor. • Typically delivers less than a 5% return on investment.

SAMPLE

Media Type	Description	Advantages	Disadvantages
	<p>primarily pre-qualified target market is strong, it must be carefully weighed against the likelihood of a retaliatory mailing to your community from the competitor.</p>		
<p>Visual traffic generators</p>	<p>Every time someone drives by your property an impression is formed. This impression is critical. Curb appeal can be used to attract potential residents by building a desire to live a certain lifestyle that the exterior of your property and apartment home emulates.</p> <p>Simple things that can be done to improve curb appeal:</p> <ul style="list-style-type: none"> • Remove dead leaves and flowers. • Maintain the appearance of flowerbeds using mulch or by turning the soil. • Sweep entrances. • Edge walks and curbs. • Remove all trash. • Trim trees and shrubs. • Keep ID signs clean and freshly painted • Paint the exterior trim of the apartment home. • Install adequate exterior lighting. • Note: Other types of visual generators include landscaping, flags, banners, human directionals, and signage. 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •

SAMPLE

Media Type	Description	Advantages	Disadvantages
<p>Directive brochures</p>	<p>Your property brochures should illustrate the features and benefits of living in your apartment community. Your brochure is important because prospective residents who are serious about living in your apartment community may want more information and will read it. Your brochure also provides credibility.</p> <p>Electronic brochures are an excellent way to capture your electronic traffic. When communicating via e-mail, it is a significant advantage for you to be able to forward immediately an e-brochure and begin connecting your verbal and written images with actual pictures.</p>	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<p>Radio and television</p>	<p>Radio and television provides flexibility and the ability to do either broad based or targeted marketing. This advertising source is usually the most expensive in absolute dollars, cost per traffic, and cost per lease. The most important and most difficult aspect of radio or television advertising is weighing the cost benefit of reach (number of listeners/viewers against frequency (how often the viewer/listener will hear the message).</p>	<ul style="list-style-type: none"> • Advertising is delivered to multiple household members simultaneously. • Messages can be sent at any time during a 24-hour period. • Full selections of program types are provided to reach viewers. • Advertising can be purchased locally, regionally and nationally. 	<ul style="list-style-type: none"> • Audience size of given programs can change based on changes in programming. • Generally requires high out-of-pocket cost to purchase multiple stations in order to reach the widest audience. • • •

Media Type	Description	Advantages	Disadvantages
<p>Radio</p>	<p>Radio is a dynamic advertising tool that reaches huge audiences of potential customers. Local stations generally develop commercials for their clients, including copy and recording. Radio continues to play an important role in advertising and consumers' lives and habits.</p>	<ul style="list-style-type: none"> • Radio messages are mobile. • Allows for target selection based on geography and time of day. • Your message can run with as frequently as you choose. • Radio ad production is fairly simple for advertisers. 	<ul style="list-style-type: none"> • Radio has no visual. • There is no hard copy for easy reference by the consumer. • Air clutter is a problem. • It is a "hit or miss" with your audience. • Radio advertising on a major market station is often cost prohibitive. • It is very difficult to track its effectiveness as a traffic generator
<p>Television</p>	<p>Though often cost prohibitive, television has the highest residual value of any advertising media, because it reach the consumer with a visual and audio message. Net television advertising is extremely expensive although it provides the highest reach.</p> <p>Cable television may provide a viable alternative for television advertising. A typical "flight" of commercials will run with greater frequency on multiple channels. However, cable television has segmented the market to such an extent that each channel has fewer viewers.</p> <p>Shop and compare the rates of various network and cable options according to cost, time slot and programming and compare their</p>	<ul style="list-style-type: none"> • Provides full-color advertising. • Delivers advertising that can simultaneously be seen and heard. • Allows delivery to multiple households. • Provides for relatively immediate delivery. 	<ul style="list-style-type: none"> • Doesn't always allow viewer to take immediate physical action as a result of the advertising message. • It is often considered a background medium to which audiences are not always and continuously paying full attention. • Can be quite costly depending on when it is broadcast and what the market size is where it is being broadcast.

Media Type	Description	Advantages	Disadvantages
<p>E-marketing</p>	<p>demographics with your customer profile.</p> <p>E-marketing is marketing by using tools on the Internet such as bulletin boards, and e-mail. E-marketing is becoming an effective way of advertising, communicating with existing residents and communicating with future customers</p> <p>E-mail is another way to stay in touch with residents and with prospects. It is also a way to put your best foot forward and make a positive, professional impression:</p>	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<p>Marketing through other merchants and vendors</p>	<p>Marketing through local merchants and vendors, often called “outreach marketing,” can provide broad based or targeted marketing and can often be accomplished at little to no cost except collateral material. Frequently this form of advertising is handled as a “swap” – you accept flyers and coupons for the merchant’s service or product (i.e. dry cleaning, ethnic food, pizza to give to your residents and prospects, while the merchant distributes your flyer to customers.</p>	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<p>Transit advertising</p>	<p>Transit advertising includes ads seen on buses at bus stops, subway cars and stations, on</p>	<ul style="list-style-type: none"> • Long exposure to one ad • Large diverse audiences can see ads. 	<ul style="list-style-type: none"> • Design is usually limited to the size of frames or holders.

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Media Type	Description	Advantages	Disadvantages
	<p>trains and in or on taxis. In high density metropolitan areas, this can be an effective method to develop awareness of your community. This advertising media is generally most effective when the physical location of the community is in close proximity to the transit systems and its vehicles.</p>	<ul style="list-style-type: none"> • Ads can be geographically targeted. 	<ul style="list-style-type: none"> • Transit ads are hard to target. • You may not have mass transit in your advertising area.
<p>Outdoor billboard advertising</p>	<p>Billboard advertising is typically used for one of two purposes: directive or awareness. Directive billboards can be very useful for a community with close proximity to the billboard. Billboards can be a great method to provide simple directions such as “Turn at next left” or “3 miles south on the right.” Awareness billboards usually present a concept, a lifestyle, or a photo and are very difficult to track results. Rarely will a prospective resident call or come in and say “I just saw your billboard.” However, close monitoring of traffic sources should allow some measurement of return on cost.</p>	<ul style="list-style-type: none"> • They attract attention. • The ad has impact. • The ad reaches lots of people. • Advertising is seen every day. • Ads can be tailored to reach specific audiences. • Tends to more effective as a directional or for brand awareness than as a traffic generating source. 	<ul style="list-style-type: none"> • Difficult to measure its effectiveness. • Can be costly based on location of the billboard.

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