

“Applications” Skill Checks

Use these questions to understand how to extract key issues and apply potential solutions. Each “answer” reflects some possible issues/solutions the student should be able to extract from the sample.

Present Condition Sample 1:

A new property in the neighborhood is in lease-up. This is the first new product to the area in years. Your property has always competed well with other apartment communities, but now the pressure is on. The market so far has been strong with increasing occupancies and rents. Your owner likes to take advantage of other properties raising rents first and then your property quickly follows.

1. What are the overall issues?
2. List the market issues
3. What areas of the physical property need to be addressed?.
4. Assess first impressions
5. Assess staff performance
6. Assess reputation and customer satisfaction

Present Condition Sample 2:

The third quarter is complete and year-to-date financials reflect significant negative variances in operating expenses. Income levels are within acceptable variance range. Your team has not earned the NOI incentive bonus all year and now the asset manager is looking for answers. As the year ends, it will be critical that the property get back on track and close the year with as little negative expense variance as possible.

1. What are the overall issues?
2. Identify operating expense overages
3. Review performance to income budget
4. Ensure staff is informed and engaged
5. Engage asset manager

Present Condition Sample 3:

The property owner is concerned with the 90-day trend and the low property closing ratio. A large percentage of prospects have leased at neighboring communities who have upgraded interiors yet comparable rent. The leasing team claims they are having a hard time overcoming objections to old countertops and appliances. What areas would you evaluate?

Present Condition Sample 4:

The community amenity package includes 24-hour concierge service, 24-hour self-serve coffee bar, 25,000 sq. ft. state-of-the-art exercise center and lap pool, movie theater, community sundeck and barbecue area and community garden. The owner wants to begin to charge an amenity fee for residents. What are the issues here?

Present Condition Sample 5:

A few market comparables have invested heavily in exterior renovations. How would you analyze if your property should do the same?

Present Condition Sample 6:

Which applicant screening policies should be considered for change in order to increase the quality of the resident profile?

Present Condition Sample 7:

Happy Hills closed out the year at 8.1% delinquency, 14.5% vacancy, 50% team member turnover, and a 70% resident turnover. The property did not achieve its budgeted annual total income and exceeded budgeted total operating expenses by 10%. What questions would you ask?

Present Condition Sample 8:

Your property offers the same amenities, comparable rents, and larger overall units than one of your competitors. But your vacancy rate is 10% and your competitor's is 5%. What steps might you take to find out how to solve?

Present Condition Sample 9:

Of the 10 upcoming notices to vacate, 8 have expressed dissatisfaction with the property as the primary reason for vacating. How might you respond?

Present Condition Sample 10:

A community is located in a hidden spot off of any main roads. What would you consider for directing prospective residents to your location?

Present Condition Sample 11:

At XYZ Apartments, all utilities are included in the rent. The property manager has recommended to the owner that every toilet and shower head be retro-fitted. What factors are involved in this decision?

Practice Identifying Issues

List possible problems or issues that could be causing these conditions.

- 1. Operating expenses exceed budget**
- 2. Older property is losing traffic and leases to new highly amenitized competitors**
- 3. A casualty loss has occurred on the property.**
- 4. Staff turnover is excessive with some positions turning over twice in one year.**
- 5. Staff performance levels are low and goals not met**
- 6. The property buildings and equipment are deteriorating.**

Tip for responding to a scenario-based question

- Dig out the root of the question
 - WHAT are you being asked to solve?
 - WHO is involved or affected or should be?
 - WHAT policies or laws are applicable? (think about.....)
 - Fair housing
 - Personnel
 - Payroll
 - Marketing Techniques
 - Maintenance of Property
 - Safety
 - WHEN did the incident/expense/problem occur?
 - WHAT time periods are given in the problem? Are they the same in the potential answers?
 - WHAT numbers must be used to calculate rates/ratios/results?