

# **Needs Assessment Report**

**Presented to: University Club Apartments**



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## 0.0 Executive Summary

University Club is a 290 unit apartment complex in Orlando, Florida located near the University of Central Florida campus. In order to remain financially viable, the complex employees are responsible for keeping the occupancy rate at an acceptable percentage. Occupancy rates vary in the area according to seasons, the school year, the number of leases renewed, and other factors.

In 2016 the occupancy rate dipped down to 80%, when the normal rate over the last few years has been closer to 95%. The General Manager commissioned a Needs Assessment report in order to assist in determining the most effective actions which could be taken to return the occupancy rate to acceptable levels. The financial viability of the complex requires that the occupancy rate be higher than current levels. Commissions and bonuses for employees are also being impacted, so there is a sense of urgency for all employee levels to help resolve the issue.

### Scope of Analysis

This Needs Assessment report describes the analysis completed using data collected from a variety of sources. The General Manager and Leasing Consultants were interviewed regarding their thoughts and feelings about the current occupancy problem. Current residents and vacating residents were surveyed about their reason for possibly renewing their lease or terminating it. Telephone interviews were conducted with prospective tenants who had not rented an apartment. Additionally, extant data was gathered for analysis including occupancy reports, move-in and vacancy reports, and other relevant documentation. Research was conducted about competing apartment complexes in the area. Copies of rental agreements and marketing materials were also gathered for analysis.

### Results Summary

After analysis, the following were performance gaps which needed to be addressed:

- **Lack of Leasing Consultant incentives & proper sales techniques:** Some Leasing Consultants were found to be lacking appropriate sales techniques for showing apartments to prospective tenants. Others had the correct techniques but were found to be apathetic as there were no incentives in place to reward their success.
- **Lack of multi-year lease options:** The lack of multi-year lease options was putting the complex at a competitive disadvantage. Other apartments in the area had begun to offer multi-year leases to allow residents to lock in prices, as there is generally a rent increase upon each subsequent year's lease signing.
- **Minimal advertising:** Over the years the amount of advertising has dwindled. The circulation of flyers to local businesses and students has not been a focus for the Leasing Consultants. No advertising about the complex or about lease specials were found on popular social media sites such as Facebook.

- **Lack of community events:** The complex residents identified a lack of community feeling compared to other places they had lived. Residents indicated they felt safer when they were friendly with and know their neighbors.

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# **1.0 Introduction**

With the continued expansion of the University of Central Florida's campus over the last decade, newer construction apartment housing has rapidly been expanding. Due to the growing development of the area, the University Club Apartments has found the need to stay competitive amongst the changing landscape of East Orlando. As an older property, University Club Apartments has suffered a loss in its rate of occupancy over the last five years.

## **1.1 Context**

University Club Apartments, located in Orlando, Florida, has been offering affordable rental housing to students at the University of Central Florida since 2001. With its convenient location to campus, shopping, and entertainment, University Club Apartments has been able to maintain a 95% percent occupancy rate among its 290 units for the last five years.

## **1.2 Problem Statement and Purpose**

In 2016, the University Club Apartments occupancy rate dipped below 80%, which is 15% below the average occupancy rate for the last five years. The purpose of this needs assessment was to determine the cause for the dip in occupancy rate, and recommend solutions which will increase the occupancy rate.

## **1.3 Rationale**

In 2016 the occupancy rate dipped down to 80%, when the normal rate over the last few years has been closer to 95%. The financial viability of the complex requires that the future occupancy rate be higher than current levels. Commissions and bonuses for employees are also being impacted, so there is a sense of urgency for all employee levels to help resolve the issue.

## **2.0 Methods**

### **2.1 Sources and Types of Information**

This section lists the sources which were used to gather data to help determine why University Club Apartments' occupancy rate has decreased significantly in the past six months. The data helped to determine optimal and actual occupancy levels, probable causes for the decreased occupancy, and possible solutions for increasing occupancy for the long term.

#### **General Manager (GM)**

To identify potential causes for decreased occupancy levels, the GM was interviewed. During the interview, the GM was asked about methods which have been used to keep current residents from vacating and going to competitors, and methods used to attract new residents. We also ask about changes in marketing, advertisements, promotions, staffing, or environment since the occupancy started declining.

#### **Leasing Consultants**

Leasing Consultants were interviewed to find the possible causes of a decrease in occupancy. They were also asked about possible solutions on how to increase occupancy, and about any training in which they may or may have not received when they started employment with the apartment complex. In addition, consultants were observed during cold calls and apartment showings to identify any performance gaps.

#### **Current Residents**

Current residents received questionnaires about their likes and dislikes about the apartment complex including what improvements they think could be made. Retaining residents is crucial to increasing occupancy, so ascertaining their likes and dislikes about their apartment and the complex is beneficial to keeping residents for a longer period of time, thus helping the complex to achieve the goal of 95-100% occupancy. Additionally, the questionnaire asks current residents (older and new) what made them decide to lease their apartment over the competitors in the area when they first moved in.

#### **Vacating Residents**

Vacating residents were given a survey to complete as part of their paperwork to end their lease agreement. The survey included explanations for vacating, and an evaluation of the property. This survey was submitted with the other required forms.

#### **Customers who went elsewhere**

Short telephone calls were made to customers who looked at (and were interested in renting) an apartment, but did not return to the property or leased from a competitor instead. Customers were asked to provide the main reason why they did not lease with the University Club Apartments.

## **Occupancy Reports**

Occupancy reports were gathered over the prior 12 months to find specifically where the occupancy drop started happening. This information was gathered in order to identify any patterns, and will allow the apartment complex management and personnel to be proactive for the upcoming year.

## **Occupancy Trends**

Information was gathered about trends in rental occupancy in the surrounding competitive area (rates, specials, etc.). If actual occupancy numbers or other proprietary information was available regarding nearby apartment complexes, that was added to the analysis.

## **Rental Agreement**

A sample of the most recent Lease Agreement was reviewed to identify potential issues stemming from residents signing the agreement during the move-in and renewal process. Potential issues identified resulted in a recommendation to update rental terms and renewal terms..

## **Move-in Specials**

Move in specials from the prior six-month period were compared with previous six month move-in specials, along with other incentives given at time of move-in to determine possible causes for decreased occupancy.

## **Marketing**

Advertisements or other marketing techniques which were used during the past year were evaluated. This included items such as commercials, flyers, booths at housing fairs, web-ads, etc.

## **2.2 Tools & Techniques**

The following tools and techniques were used to collect the data required for the University Club Apartments needs assessment.

### **Interviews**

The General Managers and Leasing consultants were interviewed in person or via telephone depending on their availability. The goal of the interviews was to gather information regarding:

- Past, present, and future rental statistics for the property.
- Current strategic plans to retain customers.
- Marketing strategies in place to attract new customers.
- Customer service strategies in place to satisfy current customers.

### **Telephone calls**

Initiated telephone calls were initiated to potential customers that visited the rental property but did not sign a lease. Probing questions were used to collect information regarding the following:

- Whether they were still interested in renting at the property.

- Their likes and dislikes about the property during the tour.
- The name of their current rental estate/location.
- Telephone calls were made to lost customers from data that was gathered when they visited the property and toured the model (IDs must be shown and phone numbers given to tour model).

## **Questionnaires**

Questionnaires were left on each resident's door. Incentives were given for residents to answer the questionnaire and bring it back to the leasing office by a certain time and date. These questionnaires were intended to help bring to light problems which could be solved ahead of time for other/new residents.

Questions for current residents included, but were not limited to:

- How did you find our property?
- Do you plan on renewing your lease?
- What do you like about living here?
- What amenities do you often utilize?
- What amenities do you wish were available?
- Would you refer a friend to live here? Why or why not?
- Do you feel safe living here?
- What could we have done better

Questions for vacating residents included, but were not be limited to:

- What is your reason for vacating?
- Where are you moving to?
- What did you like best about our property?
- What amenities did you use the most/least? Why?
- If you were dissatisfied with your experience at our property, what could we have done better?
- What could we have done better?

## **Data Analysis**

In-depth analysis was be performed on various documentation including, but not limited to:

- Questionnaires
- Occupancy rate for different size apartments
- Telephone call results and phone call stats that lead to walk-ins
- Results from past and present move-in specials
- Comparison of past and present occupancy reports

## **Environmental Analysis**

The apartment complex was toured for an overall aesthetic appeal analysis to assess the following:

- Groundskeeping and landscaping
- Areas in need of paint and/or repair



- Units in need of refurbishment or updating
- Appliances in need of an upgrade or replacement (model apartment)
- Review of the use, upkeep, and functionality of common areas

Table 1 below indicates the information sources and types, and the tools, and techniques that were used for each needs assessment task.

Table 1. Information Sources, Types, Tools and Techniques

| Sources                        | Information Types |         |        |           | Tools & Techniques                 |
|--------------------------------|-------------------|---------|--------|-----------|------------------------------------|
|                                | Optimals          | Actuals | Causes | Solutions |                                    |
| GM                             | X                 | X       | X      | X         | Interview                          |
| Leasing Consultants            |                   | X       | X      | X         | Interview                          |
| Current Residents              |                   | X       | X      | X         | Observing,<br>Survey/Questionnaire |
| Vacating Residents             | X                 |         | X      | X         | Survey/Questionnaire               |
| Customers Who Signed Elsewhere | X                 |         | X      | X         | Telephone Interview                |
| Occupancy Reports              |                   | X       |        |           | Extant Data Analysis               |
| Occupancy Trends               |                   | X       |        |           | Extant Data Analysis               |
| Rental Agreement               |                   | X       |        |           | Extant Data Analysis               |
| Move-in Specials               |                   | X       | X      |           | Extant Data Analysis               |
| Marketing                      |                   | X       | X      |           | Extant Data Analysis               |

## 2.3 Procedure

Table 2 below indicates the required needs assessment tasks, the team members responsible for each task, and the task's targeted completion date. Tasks are grouped by relation to each other and not ordered by completion date.

Table 2. Needs Assessment Procedure

| Category                      | Task                                                                                                                                          | Team Members          | Completion Date |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------|
| GM Interviews                 | Contacted GM to request corporate permission for interviews and data sharing.                                                                 | Paula                 | 09/17/16        |
|                               | Created interview questions for GM.                                                                                                           | Needs Assessment Team | 10/02/16        |
|                               | Contacted GM to schedule interview.                                                                                                           | Paula                 | 10/04/16        |
|                               | Interviewed GM                                                                                                                                | Paula, Jackie         | 10/13/16        |
| Leasing Consultant Interviews | Created interview questions for Leasing Consultants.                                                                                          | Needs Assessment Team | 10/02/16        |
|                               | Contacted GM to schedule interview with leasing consultants.                                                                                  | Paula                 | 10/04/16        |
|                               | Interviewed Leasing Consultants                                                                                                               | Kristen, Ali          | 10/13/16        |
| Questionnaires                | Created questionnaires to distribute to current residents, either to leave on their front door or hand to them personally when they pay rent. | Needs Assessment Team | 10/27/16        |
|                               | Printed questionnaires.                                                                                                                       | Paula                 | 11/10/16        |
|                               | Distributed questionnaires.                                                                                                                   | Paula, Maureen        | 11/13/16        |
|                               | Collected questionnaires.                                                                                                                     | Paula, Maureen        | 12/11/16        |

|                  |                                                                                                                                                    |                       |          |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------|
| Cold Calls       | Created script for cold calls to previous customers.                                                                                               | Needs Assessment Team | 10/27/16 |
|                  | Made cold calls to previous customers who viewed the model or vacant apartment and asked each customer why they decided not the rent an apartment. | Ali                   | 06/01/17 |
|                  | Collected scripts for cold calls to previous customers.                                                                                            | Ali                   | 06/03/17 |
| Surveys          | Created short survey for vacating residents on why they are leaving.                                                                               | Needs Assessment Team | 10/27/16 |
|                  | Distributed surveys monthly to vacating residents.                                                                                                 | Maureen               | 06/01/17 |
|                  | Printed surveys.                                                                                                                                   | Maureen               | 11/10/16 |
|                  | Collected surveys.                                                                                                                                 | Maureen               | 6/03/17  |
| Data Compilation | Compiled data from questionnaires.                                                                                                                 | Jackie                | 12/18/16 |
|                  | Compiled data from surveys.                                                                                                                        | Kristen               | 06/11/17 |
|                  | Compiled data from telephone calls.                                                                                                                | Ali                   | 06/11/17 |
|                  | Collected extant data information (occupancy reports, employee reviews, past and present move-in specials, marketing efforts, etc.)                | Jackie, Kristen, Ali  | 12/11/16 |
|                  | Compiled extant data information (occupancy reports, employee reviews, past and present move-in specials, and marketing efforts, etc.)             | Jackie, Kristen, Ali  | 12/18/16 |

|                    |                                                                                                                                                                      |                       |          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------|
| Apartment Research | Created spreadsheet to guide research of similar complexes.                                                                                                          | Needs Assessment Team | 10/27/16 |
|                    | Research (including site visits) similar complexes in the same area which serve the same tenant market.                                                              | Jackie, Ali, Kristen  | 01/06/17 |
|                    | Completed Research Guide spreadsheet.                                                                                                                                | Jackie, Kristen, Ali  | 01/22/17 |
|                    | Toured apartment complex for overall curb appeal and created an exterior observation report detailing areas that need maintenance, painting, pressure cleaning, etc. | Paula, Maureen        | 02/05/17 |
|                    | Created an observation report detailing needs for refurbishment, updates, or replacement of appliances, paint, and flooring.                                         | Needs Assessment Team | 02/19/17 |
|                    | Toured model unit for overall cleanliness and condition.                                                                                                             | Paula, Maureen        | 02/05/17 |
|                    | Toured complex common areas                                                                                                                                          | Paula, Maureen, Ali   | 02/05/17 |
|                    | Completed the observation report.                                                                                                                                    | Ali, Kristen          | 02/19/17 |
| Data Analysis      | Data Analysis - Interviews                                                                                                                                           | Ali, Kristen          | 11/03/16 |
|                    | Data Analysis - Extant Data                                                                                                                                          | Needs Assessment Team | 01/18/17 |
|                    | Data Analysis - Questionnaires                                                                                                                                       | Paula, Maureen        | 06/25/17 |
|                    | Data Analysis - Cold Calls                                                                                                                                           | Ali, Kristen          | 07/02/17 |

|              |                                         |                       |          |
|--------------|-----------------------------------------|-----------------------|----------|
|              | Data Analysis - Surveys                 | Jaclyn                | 07/09/17 |
|              | Data Analysis - Tours & Site Visits     | Needs Assessment Team | 02/20/17 |
| Final Report | Started preparation of the Final Report | Needs Assessment Team | 07/16/17 |
|              | Final Report Completion.                | Needs Assessment Team | 09/14/17 |
|              | Delivered Final Report                  | Needs Assessment Team | 09/17/17 |

## 2.4 Constraints

Through our needs assessment process, we faced a few limitations in acquiring some of the necessary information that would help us determine the root cause of the problem. The constraints are listed below:

1. Due to Leasing Consultant's busy working hours, we faced some difficulties in securing interviews. The phone calls placed to some of the Leasing Consultants would go to their voicemail and we would not receive a call back.
2. Due to the General Manager's conflicting schedule, we were unable to interview him for the allotted time.
3. Some vacating residents were not interested in filling out surveys as they did not see it benefitting them in any way. We were able to collect a few surveys but not as many as we would have liked.
4. The General Manager withheld some detailed financial information due to privacy concerns.
5. The leasing consultants were apprehensive about adopting new technologies to improve customer service and/or office efficiency
6. Some incomplete questionnaires from current residents prevented us from concluding the overall results.
7. We had some difficulties in obtaining actual occupancy numbers and other proprietary information regarding nearby apartment complexes to carry out an extant data analysis.



## 3.0 Results

University Club Apartments is committed to providing living excellence to its residents. They are also committed to the growth and success of its employees by creating an exciting and meaningful work environment. University Club Apartments' upper management is committed to maintaining this work and living environment, and have worked with us extensively to see what can be done to bring standards back to optimal performance. Information was collected from several sources: extant data, the General Manager, current leasing consultants, observation, and competitive property tours. The quantitative and qualitative results are described below.

### 3.1 Optimal Performance

Because of University Club's commitment to excellence, the property has enjoyed a steady 95% occupancy rate for the last five years, relying heavily on word-of-mouth promotion. Occupancy reports, sales reports, and a lack of advertising budget support this percentage and strategy. According to our interview with the General Manager, a 100% occupancy rate is ideal for any apartment complex, but it is often unattainable because 1) lease agreements end on the last day of the month, which is also when month-end occupancy reports are generated and 2) apartments can often be offline (vacant) for repairs or painting/cleaning for the next resident. Some leasing consultants have stated that three leasing consultants working each shift, instead of two, would be ideal so they can spend more time with prospective residents rather than rushing through their apartment showings and lease signings. They believe spending more, quality time with prospective residents will increase their likelihood in renting an apartment.

### 3.2 Actual Performance

In 2016, the University Club Apartments occupancy rate dipped below 80%, which is 15% below the average occupancy rate for the last five years. Occupancy reports have shown a steady decline in occupancy beginning in March 2016, particularly between the months of May and June. New move-ins have steadily decreased while move outs have increased significantly and then tapered. Both the General Manager and leasing consultants have stated that they believe the extreme occupancy drop in May and June is due partly to rent increases and partly to students vacating at the end of the spring semester. Vacating resident surveys also indicate that the students who have vacated have left for the following reasons:

1. Rent was increased and exceeded the student's budget.
2. To live at another apartment with move-in specials.
3. Students' lost a roommate and/or were not able to find a new roommate.

Table 1 below depicts quantitative data of actual performance of University Club's 290 rental units for the past five years.

| Month/Year     | Occupancy Rate | New Move-Ins | Move-Outs |
|----------------|----------------|--------------|-----------|
| October 2016   | 78%            | 7            | 5         |
| September 2016 | 79%            | 7            | 6         |
| August 2016    | 78%            | 7            | 5         |
| July 2016      | 79%            | 9            | 6         |
| June 2016      | 78%            | 12           | 22        |
| May 2016       | 88%            | 12           | 17        |
| April 2016     | 92%            | 10           | 14        |
| March 2016     | 92%            | 9            | 13        |
| February 2016  | 94%            | 11           | 13        |
| January 2016   | 95%            | 12           | 12        |
| 2015 (average) | 95%            | 14           | 9         |
| 2014 (average) | 95%            | 16           | 11        |
| 2013 (average) | 96%            | 16           | 9         |
| 2012 (average) | 95%            | 12           | 10        |
| 2011 (average) | 97%            | 14           | 8         |

### 3.3 Causes for Identified Discrepancies

After analyzing all the data, several factors were identified as potential causes for the sudden drop in occupancy. We have listed all causes to make this report comprehensive; however, they



do not all carry the same weight. The following causes for the performance gap are listed in order of criticality:

1. **Lack of proper selling techniques/apathy toward job**

During our secret shopper observations with the leasing consultants, it was noted that not all of the apartment's features and property's amenities were being "sold" to prospective tenants. For some leasing consultants, this is because of improper selling techniques while others is because of apathy toward their job. Some leasing consultants who had higher lease percentages during the last several quarters cited job dissatisfaction because they made the same amount of money as their peers who did not lease as many apartments. Other newer consultants mentioned that they were not trained to show particular features and amenities of the apartment complex.

In addition, while monitoring the University Club leasing consultant's communication habits, it was discovered that because of busy walk-in business and possible apathy towards the job, voicemails and emails were often not responded to in a timely manner. During our observation, we witnessed several phone calls that could have been answered but went to voicemail.

2. **Lack of multi-year lease options**

It was determined during interviews with both the General Manager and Leasing Consultants that competitor apartment complexes offered a two-year lease term option. Employees gained this knowledge about their local market, but had not shared the information with those who could help to facilitate change. This information was confirmed with our competitor "secret shopper" property tours. While the local apartment complexes could not share quantitative data regarding the effectiveness of multi-year lease options, several leasing consultants from those complexes expressed that they were popular options with residents, particularly students, who often moved on a yearly basis because of rent increases. The two-year lease term allows students to lock in their rental rate for at least half of their college career.

3. **Minimal advertisement**

It was determined during interviews with the General Manager and our extant data review (apartment budget and petty cash spending reports), that minimal advertising funds were used, in particular in advertising move-in specials. The complex has relied on gaining new residents by sharing current move-in specials with potential residents after they have already shown interest by walking in the door or called on the phone to inquire about rates. The General Manager and Leasing Consultants mentioned seeing "monthly move-in special" flyers for competitors at a few local businesses. Two Leasing Consultants mentioned seeing an advertisement on Facebook for a competitor as well.

4. **No community events**

After surveying existing and vacating residents, it was discovered that they did not feel a sense of community among other residents in the complex and many of them had not met their next door neighbors. While residents did not cite this as a main deciding factor to vacate, several responding residents did say that they would feel safer if they were

friendlier with their neighbors. Some residents also mentioned that “life would be easier” if they knew their neighbors because they could ask for small favors like “caring for their pet if they went away for the weekend.”

### **3.4 Proposed Solutions**

Several discrepancies were identified as reasons for the recent drop in occupancy. After analyzing all the data, the following non-training solutions were proposed:

#### **1. Mentoring and coaching Leasing Consultants**

Lack of proper selling techniques among leasing consultants has shown the need for mentoring and coaching of current employees. After interviewing the General Manager about proper techniques, touring competitor properties, and touring University Club Apartments, it was determined that there is a performance gap in the way leasing consultants show apartments. Leasing Consultants should participate in a mentoring program by shadowing a trainer (either the General Manager or a designated consultant that performs optimally on a regular basis). This will give leasing consultants “refresher training” on how to properly describe the apartment’s features and amenities. Once mentored, the Leasing Consultant should conduct several mock walk-throughs of the different apartment types (one, two, and three bedroom) to demonstrate his or her strategies. Prior to the mock showing, the leasing consultant should create a script detailing his or her walk through to be approved by the manager. In addition, a checklist of apartment features to be highlighted during the mock showing should be provided by the trainer. After the mock showing, the trainer should provide feedback to constructively identify the strengths and weaknesses in the apartment showing to improve employee performance.

#### **2. Adding an employee rewards system**

Employee apathy has shown the need for an employee reward system. During our leasing consultant interviews, several leasing consultants stated that they do not feel valued as employees and therefore do not have the motivation to perform well like they did when they first started employment. When asked what they felt would be a good solution to this problem, they cited money and discounts as the main motivator. Leasing consultants proposed the following solutions:

- a. More commission for higher performers (a tiered commission system)
- b. Gift cards for performing well
- c. Money off monthly rent (if the consultant lives on property)

#### **3. Adding two year lease option with fixed rental rate**

Adding a two year lease option is a long term solution that will increase occupancy over time and give the General Manager a better assessment of future occupancy rates. This assessment will in turn give the General Manager better insight of when the best time to run specials will be. During our interviews, the General Manager stated that keeping residents is far cheaper than moving in new residents. Additionally, the General Manager and all the Leasing Consultants interviewed overwhelmingly agreed that two year lease

options would be a good idea to try out. They cited the following reasons this solution is a good option:

- a. University Club's competitors are already offering the lease term and it appears successful.
- b. It is a low risk solution that will not affect the budget (money lost on potential rent increase versus cost to turn apartment for the next renter)
- c. It has potential to decrease the workload of the maintenance and cleaning crews, freeing them up for other tasks.
- d. It has potential to increase student population that relies on a minimal budget.
- e. It would be a good marketing tactic (flyers) at the local university.

**4. Putting on community gatherings/events**

Implementing community gatherings and events is one in which we hope that residents will get to know one another so a greater sense of community and safety within the community can be created. The General Manager liked the idea of community events. He expressed hope that they will motivate residents to renew their leases and increase overall occupancy by keeping current residents instead of looking for new ones. We believe this solution can work in tandem with the multi-year lease and job aids recommendations (Section 4.0, below) to create more long-term residents.

Community events should be held after leasing office hours in order to accommodate the schedule of more residents and increase participation. Some of the interviewed leasing consultants expressed concern about having to work evenings to accommodate the events. Others felt it would be a fun addition to their regular job duties.

## 4.0 Recommendations

We have determined through our needs assessment that there are four major issues which have contributed to the drop in occupancy rates:

1. Lack of proper Leasing Consultant selling techniques
2. Lack of lease options
3. Lack of move-in special advertisement
4. Lack of a feeling of community among residents

After our analysis of data - provided by interviews, questionnaires, cold calls, surveys, observation, property tours, and extant data - we recommend the following solutions.

### 4.1 Implement an employee incentive program

*Human Resources Development: Motivation (Rewards)*

**Finding:** During our secret shopper property tours, we found that not all Leasing Consultants were selling all features and amenities to the potential residents. In addition, several Leasing Consultants expressed apathy toward their job because they felt underappreciated even when they had leased the most apartments, and other Leasing Consultants didn't feel the need to work any harder to lease apartments when there was no real benefit to being better than any other Leasing Consultant.

**Recommendation:** Add an employee incentive program to avoid apathy, foster motivation, and give employees incentive to perform optimally. Incentives include a tiered monthly commission for leases and a gift card reward system for good performance. For example, employees who are able to lease 1-5 apartments can receive a modest percentage commission for each apartment that they lease. Then employees who are able to lease 6 or more apartments will receive a higher percentage commission. As well, there can be gift cards or other small rewards given for other good performances that are not necessarily related to leasing.

### 4.2 Implement an employee mentoring program

*Personal Development: Mentoring and Coaching*

**Finding:** Occupancy is down and the secret shopper property tours indicated that this is related to how apartments are shown to potential residents. Statistics show that if a potential resident does not lease an apartment during their first visit, they are unlikely to return. After interviewing the General Manager about proper apartment showing techniques and touring several apartment showings as "secret shoppers," we found that Leasing Consultants do not always mention the apartment's features and the apartment complex's amenities to prospective tenants. This leads us to believe that Leasing Consultants may not have been properly trained in how to "sell" apartments.

**Recommendation:** We recommend that Leasing Consultants participate in a mentoring program by shadowing a manager or employee that has the highest percentage of signed leases. This will give Leasing Consultants "refresher training" on what and how to describe features and

amenities when showing an apartment. Additionally, we recommend employee mentoring be implemented for all newly hired Leasing Consultants.

#### **4.3 Provide multi-year lease option to new and current residents**

*Organizational Design and Development: Strategic Planning and Management*

**Finding:** During our interviews with the General Manager and Leasing Consultants and our tours at competitor properties, it was identified that several other local apartment complexes offer two year lease terms with a fixed rental rate for the second year.

**Recommendation:** We recommend that University Club offer a two year lease option with a fixed rental rate to keep pace with the market. A two year lease agreement will decrease yearly apartment turnover and guarantee the rental rate for the resident for two years. This will not only incentivize new residents to lease (and current residents to renew) but will increase occupancy over time and allow University Club to project its occupancy rate further out.

#### **4.4 Create advertising flyers**

*Organizational Communication: Networking and Collaboration*

**Finding:** During extent data research and interviews with the General Manager, it was found that much of the advertising budget was not being used or not being used properly. There is minimal advertising taking place for new and renewing residents and much of the new resident leasing was being left to word-of-mouth advertising, which had been previously successful.

**Recommendation:** We recommend that several flyers be created to advertise the apartment complex. Flyers that advertise current move-in specials will be posted in areas with high demand for housing (colleges, realty offices, etc.) to give the apartment complex more exposure. These flyers will entice new residents to come to the property to tour an apartment. Flyers will also be created for current residents that detail the cost of moving versus the cost of staying. These flyers can be used as a coupon for renewing residents to receive a discount on their next lease renewal if they renew 90 days prior to the end of their lease. Another flyers will advertise referral bonuses for current residents who recommends a friend who signs a new lease. The information in the move-in special flyer can be used in Facebook advertising as well.

#### **4.5 Organize and host community events**

*Organizational Communication: Networking and Collaboration*

**Finding:** Through our current and vacating resident surveys, we found that many residents did not feel a sense of community or belonging with their neighbors. This sense of community also gave residents a greater sense of security within the apartment complex. Some residents of the vacating resident survey cited that the lack of personal connections with other residents made it easier for them to move elsewhere. Current resident surveys indicated that residents may be more likely to renew their lease if they had friendly connections and a greater sense of safety. Several residents from both surveys indicated that community events was something that they missed about their previous apartment complex.

**Recommendation:** We recommend that University Club organize and host a variety of events to promote community within the apartment complex. These events can include BBQs, Lease Renewal Parties, and pool parties and include free food, drinks, and group activities. These events will create a stronger sense of trust, security, and respect within the community and allow residents to feel appreciated.

#### **4.6 Other recommendations**

Implement communication deadlines  
*Organizational Communications*

**Finding:** During several cold calls with prospective residents, it was clear that at the University Club office was often difficult to reach by phone and email. Calls often went directly to voicemail, which prospective residents were reluctant to leave. Emails were often not answered until 72 hours later which gave prospective residents ample time to find somewhere else to live.

**Recommendation:** We recommend that call-back and email response deadlines be implemented in the leasing office. This includes an outgoing voice message that ensures potential and current residents that they will receive a call back within two hours during normal business hours if they leave a message, and an auto-reply email guaranteeing a response within four hours during normal business hours. This will give prospective residents a definite response time frame and a feeling that their communication with the property is our priority.

## 5.0 Appendix

### 5.1 Interview Questions for General Manager

The following were the initial set of questions for the General Manager interview. Each question branched to additional impromptu questions not necessarily included in the list.

1. What is happening now?
2. What should be happening?
3. Does the staff have the basic skills to perform their job? If not, why?
4. Do the employees lack the strength or stamina to perform their job?
5. Are job responsibilities clearly communicated to the staff?
6. Does the staff have the required knowledge to perform their job? If not, why?
7. Does the staff have the required resources to perform their job? If not, why?
8. Is positive and constructive feedback provided to the staff?
9. How is the staff rewarded for good job performance?
10. How is the staff disciplined for poor job performance?
11. Do you think the staff sees meaning in their job and feel that they are able to perform it well?
12. Have there been any significant changes (equipment, processes, management, staffing) in the last two quarters?
13. How frequently do move-in specials, offline apartments, or other details about the apartment change? Is this communicated with the employees?
14. How are employee task completions monitored and supervised?
15. What strategic plans do you have in place to retain residents?
16. What marketing strategies are you implementing to attract new customers?
17. What are some types of customer service initiatives your team has taken to satisfy current residents?
18. What are some common complaints you get from current employees?
19. What are some common complaints you get from current residents?

## 5.2 Interview for Leasing Consultants

The following was our initial set of questions for the Leasing Consultant interviews. Each interview question branched to additional impromptu questions not necessarily included in the list.

1. What is happening now?
2. What should be happening?
3. Do you feel that you have the basic skills to perform your job? If not, why?
4. Do you feel you have the strength and stamina to perform your job?
5. Do you feel that your job responsibilities are clearly communicated to you?
6. Do you feel that you have the required knowledge to perform your job? If not, why?
7. Do you feel that you have the required resources to perform your job? If not, what's missing?
8. Is positive and constructive feedback provided to you?
9. How are you rewarded for good job performance?
10. Are there consequences if you don't perform your job well?
11. Do you see the meaning in your job and feel that you can perform it well?
12. Have there been any significant changes (equipment, processes, management, staffing) in the last two quarters?
13. What do you think is the most challenging aspect about renting apartments?
14. Why do you think some of the current residents are choosing not to renew their lease?
15. How does management help support you in performing your job?



## 5.3 Survey for Vacating Residents

### Vacating Resident Survey

University Club Apartments is committed to providing living excellence to our residents and we thank you for making us your home for the past XX year(s). Please take a few minutes to complete this Vacating Resident Survey and let us know how we did.

When you are finished, drop off your survey in the drop-off box at the front Leasing Office. Or, if you prefer, take the survey electronically at <https://www.surveymonkey.com/r/ZNR6Q6G>.

1. How likely are you to recommend University Club to a friend or colleague?
  - ☐ Extremely Likely
  - ☐ Somewhat Likely
  - ☐ Neither Likely nor Unlikely
  - ☐ Somewhat Unlikely
  - ☐ Extremely Unlikely
2. Overall how satisfied or dissatisfied were you with University Club Apartments?
  - ☐ Very Satisfied
  - ☐ Somewhat Satisfied
  - ☐ Neither Satisfied nor Dissatisfied
  - ☐ Somewhat Dissatisfied
  - ☐ Very Dissatisfied
3. How would you rate the value for the money at University Club Apartments?
  - ☐ Excellent
  - ☐ Above Average
  - ☐ Average
  - ☐ Below Average
  - ☐ Poor
4. How would you rate the quality of customer service at University Club Apartments?
  - ☐ Very High Quality
  - ☐ High Quality
  - ☐ Average Quality
  - ☐ Low Quality
  - ☐ Very Low Quality

5. What is your reason for moving?

- ☐ The rent is too high.
- ☐ The location does not work me anymore.
- ☐ Too many problems with my apartment.
- ☐ I am graduating from college and no longer need student housing.
- ☐ Other: \_\_\_\_\_

6. Where are you moving to?

- ☐ Boardwalk
- ☐ The Lofts
- ☐ Riverwind
- ☐ The Edge
- ☐ Other: \_\_\_\_\_

7. What did you like best about our property?

- ☐ The amenities
- ☐ The customer service
- ☐ The rent
- ☐ The location
- ☐ Other: \_\_\_\_\_

8. What amenities did you use the most?

- ☐ Fitness center
- ☐ Children's playground
- ☐ Tennis court
- ☐ Pool/Cabana
- ☐ Other: \_\_\_\_\_

9. What could we have done better? (Write your response in the box.)

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## 5.4 Survey for Current Residents

### Resident Satisfaction Survey

University Club Apartments is committed to providing living excellence to you, our residents. Your happiness in your home is important to us and we are always striving to improve your living experience. Please take a few minutes to complete this Resident Satisfaction Survey. Your comments and suggestions are appreciated and we will respond to your survey if you provide contact information.

When you are finished, drop off your survey in the drop-off box at the front Leasing Office. Or, if you prefer, take the survey electronically at <https://www.surveymonkey.com/r/Z33DHMX>.

1. How likely are you to recommend University Club to a friend or colleague?  
☐ Extremely Likely  
☐ Somewhat Likely  
☐ Neither Likely nor Unlikely  
☐ Somewhat Unlikely  
☐ Extremely Unlikely
2. Overall how satisfied or dissatisfied are you with University Club Apartments?  
☐ Very Satisfied  
☐ Somewhat Satisfied  
☐ Neither Satisfied nor Dissatisfied  
☐ Somewhat dissatisfied  
☐ Very Dissatisfied
3. How would you rate the value for the money at University Club Apartments?  
☐ Excellent  
☐ Above Average  
☐ Average  
☐ Below Average  
☐ Poor
4. How would you rate the quality of customer service at University Club Apartments?  
☐ Very High Quality  
☐ High Quality  
☐ Average Quality  
☐ Low Quality

☐ Very Low Quality

5. How long have you been a resident at University Club Apartments?

☐ 1 year

☐ 2 years

☐ 3 years

☐ Greater than 3 years

6. How did you first hear about our property? (Choose an option.)

☐ Current or former resident

☐ Flyer

☐ Social network

☐ Google

☐ Family or friend

☐ Other: \_\_\_\_\_

7. What do you like about living at University Club? (Choose an option.)

☐ The location

☐ The rent

☐ The customer service

☐ The amenities

☐ Other: \_\_\_\_\_

8. What amenities do you use the most? (Choose an option.)

☐ Pool/Cabana

☐ Fitness center

☐ Children's playground

☐ Tennis Court

☐ Other: \_\_\_\_\_

9. What amenities/features do you wish were available? (Write your response in the box.)

☐ Storage space

☐ Washer/Dryer

☐ Hard wood floors

☐ Personal parking spot

☐ Other: \_\_\_\_\_

10. What can we do to make your living experience better? (Write your response in the box.)

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## 5.5 Apartment Research Spreadsheet

### Apartment Comparison Chart

|                                                       | University Club | Boardwalk | The Lofts | Riverwind | The Edge |
|-------------------------------------------------------|-----------------|-----------|-----------|-----------|----------|
| Current rental rates/ apt. types                      |                 |           |           |           |          |
| Comments:                                             |                 |           |           |           |          |
| Move-in specials                                      |                 |           |           |           |          |
| Comments:                                             |                 |           |           |           |          |
| Inside apartment features                             |                 |           |           |           |          |
| Comments:                                             |                 |           |           |           |          |
| Complex amenities                                     |                 |           |           |           |          |
| Comments:                                             |                 |           |           |           |          |
| Curb appeal (Groundskeeping / landscaping)            |                 |           |           |           |          |
| Comments:                                             |                 |           |           |           |          |
| Did we receive a follow-up call after apartment tour? |                 |           |           |           |          |
| Comments:                                             |                 |           |           |           |          |

|                          |  |  |  |  |  |
|--------------------------|--|--|--|--|--|
| Lease lengths available? |  |  |  |  |  |
| Comments:                |  |  |  |  |  |

## 5.6 Telephone Call Script

Hello, this is [First Name] from University Club Apartments. I am calling to inquire about your recent apartment tour. If you have a moment, I just have a few questions for you.

Did you find a new home yet or are you still looking?

1. If the customer is still interested in renting an apartment:
  - a. Ask when they think they'll be making a decision on a new home.
  - b. Remind them of the current move-in special.
  - c. Thank them for their time.
  - d. Tell them you hope to see them again soon.
2. If the customer found another option:
  - a. Where did you end up renting?
  - b. Why did you choose [apartment name]?
  - c. Thank them for their time.