Big League Marketing On a
Little League Budget

Creative Marketing & Leasing Strategies
for Affordable Housing…
(or ANY Multi-Family Property!)

Presented to:
CAHEC Partners Conference
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Presented By:
Rick Ellis, CPM

ELLIS
CONSULTING GROUP

6230 N. Beltline Road, Suite 318
Irving, Texas 75063
(972) 256-7500
rick.ellis@ellisconsulting.com
www.ellisconsulting.com
About the Speaker: **Rick Ellis, CPM**

**ELLIS Consulting Group, Inc.**

**Rick Ellis** is a noted consultant and speaker who has served the apartment industry for more than 35 years. His property management career began as an on-site assistant manager/leasing consultant with additional responsibilities as groundskeeper on the weekends! By the age of 28, Rick directed a portfolio of over 5,000 apartment units located primarily in the southwest United States. As Vice President of property management, he took the fast-growing management division of a major 1980s syndication group from its infancy to a mature, effective management company.

**Seeing a need** for "executive-level" property management operations and marketing consulting, Rick formed **ELLIS Consulting Group** (formerly EPMS) in 1982. For more than 32 years, ELLIS has provided an array of services to the apartment industry including special problem consulting, market comparable studies, feasibility studies, and his company's unique "Marketing Observations and Recommendations" reports. The company also specializes in "off-site property management," under the name ELLIS HomeSource with a portfolio of more than 320 single-family homes, duplexes, condos, and small clusters of residential units. ELLIS HomeSource is one of the first off-site management companies to earn the prestigious AMO (Accredited Management Organization) designation from the Institute of Real Estate Management.

**Speaking and training come natural to Rick.** Not only does he always have plenty to say, his "first" career as a minister for the Church of Christ allowed him the opportunity to develop his unique, personable, and warm speaking style. Rick's seminar topics include everything from his popular "LEASEMAKERS" Comprehensive Leasing Program, to "Big League Marketing on a Little League Budget," and his "Economics of Apartment Management" series that focuses on increasing NOI (Net Operating Income). His fundamental approach to property management training is simple and straightforward . . . "People are Important! Once the people are ready and properly prepared, everything else falls into place. You will see Rick's articles in a number of industry publications throughout the country. A monthly newsletter, *ON-SITE Insights*, he wrote and published for the apartment on-site folks of a major Dallas-based family of REIT’s, was twice awarded first place in IREM's national employee newsletter contest.

**Rick holds the CPM**, Certified Property Manager, designation and his company management company, holds the AMO, *Accredited Management Organization*, designation from the Institute of Real Estate Management (operating under ELLIS HomeSource.) Rick earned a B.S. in 1977 and a MA in 1979 from Abilene Christian University. He holds a Texas Real Estate Broker License and is an Eagle Scout.

**Rick lives in Coppell, TX**, with wife Diane and Marley, their Cavalier Spaniel. They live just minutes from the ELLIS Companies world headquarters in Irving. Rick has two sons living in Austin, JR (25) who sells apartments for Marcus & Millichap and Phillip (22) who attends St. Edwards University playing soccer for that college. Rick and Diane are active through church, country dancing, movies, travel, and discussions about religion and politics! The Ellis family enjoys working out, racquetball, sporting events, music, and hanging out at Starbucks. Life is good. They feel blessed!
APARTMENT MARKETING
Conventional or Subsidized...
the FUNDAMENTALS are ALL the Same!

Examine the Basics of Your Operations!

Great Operations + Great Marketing = Great Success
Great Operations + Weak Marketing = Success
Weak Operations + Great Marketing = Total Disaster!

Apartment Marketing Basics . . .

THE FOUR Ps

1. People
2. Price
3. Product
4. Promotion

Which “P” Do You Think is Most Important?
What is Marketing vs Sales/Leasing?

**MARKETING:**
"Everything you do to promote your apartment community, from the moment you conceive of it to the point at which prospects lease your apartments and begin to refer others and renew their leases on a regular basis."

**SALES/LEASING**
“The exchange of property, ownership (residence) for money or tender.”

Marketing encompasses sales (leasing), advertising, referrals, etc. Marketing is a science...a process. Sales or Leasing is an art form. The two fit together like a hand and glove. Yet, “marketing” is the big circle around the smaller circles listed below.

### Marketing Includes:

- Market Identification
- Property Name
- Marketing Plan
- Comparable Survey
- Advertising
- Property Theme
- Brochures and Flyers
- Names and Symbols
- Signage
- Airport Displays
- Human Directionals
- The Leasing Presentation
- Recruiting Salespeople
- Discounts and Incentives
- Positioning
- People Skills -- FEP
- Models
- Landscaping
- Special Promotions
- Website & SEO Strategy
- Internet Advertising
- Direct Mail
- Corporate Units
- Apartment Rental Guide
- Newsletters
- Billboards
- Leasing Training
- Resident Relations
- Resident Referrals
- Corporate Calls
- Sports Team Sponsorship
- Public Relations
- Charity Benefits
- Resident Surveys
- Classified Advertising
- Building Colors
- Leasing Center
- Employee Retention
- Social Media
- Reputation Management

...and this is just the beginning!
Rick’s Top 10 Ways to Keep Your Apartment Community FULL!!

#10. Understand the “Real” objective of Marketing Your Apartment Community

#9. Don’t Target Your Market! (Let your Market target you!)

#8. Stop Focusing on Vacancies! It’s only the “Occupied” Units that can talk!

#7. Create a Marketing Map

#6. Remember, it is all about THE PEOPLE!

#5. Find the RIGHT PRICE! Get REAL Comparable Information!

#4. Look down and check Your Product! Presentation is critical!

#3. Don’t rely merely on Drive-By or Walk-In traffic. These can be the worse sources of renters. Focus on the phone and Internet!

#2. Treat Lease Renewals as a NEW Sales Presentation. Not as merely a paperwork transaction.

And the #1 way to KEEP YOUR APARTMENT COMMUNITY FULL IS....

#1. Give your RESIDENTS what they REALLY Want!
THE FOUR Ps OF MARKETING
Key Component of Your Marketing Plan

1. PEOPLE
   • FEP - Friendly, Enthusiastic, and Professional staff
   • Training, Trained, and TRAINED!
   • On-site professionals who know how to treat people right
   • Residents are people! Retention!

2. PRICE
   • Market Comparable Study - research and analysis
   • Property positioning
   • Using incentives and specials

3. PRODUCT
   ▪ Curb appeal — “24/7"
   ▪ Clean, green, sparkling - landscaping and flowers
   ▪ Theme - names, symbols, and logos
   ▪ Signage, flags, banners and bootlegs
   ▪ Leasing or welcome center - sharp and attractive
   ▪ The community amenities
   ▪ Truly market ready units and models - Smell Good!

4. PROMOTION
   ▪ Target marketing
   ▪ Developing a consistent theme
   ▪ Brochures and collateral
   ▪ Advertising — All media including Internet – Always Mobile/ Responsive Design
   ▪ Sales and leasing

Effective Marketing Requires these Assumptions:
✓ The property must be perceived as desirable and meet a perceived need.
✓ The potential market for the property must warrant the process of marketing.
✓ The management company should have the ability and resources to handle an increased volume of leasing activity.
✓ The property should be in step with the market demand.
✓ The property should have a unique, beneficial differentiation for the prospect.
✓ The price must be justified by the perceived value of the property.
✓ A uniform standard of quality must be maintainable.
ANALYZING YOUR MARKETING EFFORTS
Start With Your Current Residents!

Good Marketing Produces More New Residents…
Not Simply More Traffic!

1. Our Primary Markets Objectives:
   ✓ More new Residents
   ✓ Current Residents who stay longer

2. Meticulously Record and identify ALL Traffic . . .
   Internet, Telephone and Physical
   ✓ Make certain you know the exact way your Residents made their initial contact with your community

3. Concentrate on Your Occupied Units
   ✓ Focusing on vacancies produces limited results and causes us to use “desperate” promotional and incentive schemes.
   ✓ Determine why the current Residents have chosen your community and repeat the pattern that resulted in success.
   ✓ What attracted your current Residents to begin with (amenities, location, floor plan, price, concession)?

4. Identify “Success Patterns” By Creating a Marketing Map
   ✓ Create a visual matrix or marketing map to identify patterns in the relationship between your community and the Residents’ places of employment.
   ✓ Use the marketing map to decide: - Market Boundaries - Potential Competition
     - Drive Patterns - Public Transportation
     - Places of employment - Visual Distractions

5. Go Back to the Well with the “Good Water”
   (Get the Prospects Who Lease and follow their traffic source!)
   ✓ Eliminate traffic sources that do not produce new Residents
   ✓ Enhance those marketing sources that produce the traffic that leases & moves in!
   ✓ Drop your marketing bucket in the wells with the good water!
Use a visual matrix or *marketing map* to identify patterns in the relationship between your Residents’ home (your community) and their places of employment. Use the *marketing map* to decide:

- Market Boundaries
- Drive Patterns
- Places of Employment
- Potential Competition
- Public Transportation
- Visual Distractions

**MARKETING MAP**

![Marketing Map Diagram]

*Practical Apartment Management*, Ed Kelley, CPM
People

“When you have the right people, everything else falls into place.”

1. **RECRUITING GOOD PEOPLE -- WHERE DO YOU FIND THEM?**

   ✓ Prospect for Good People - Good Sources!
   ✓ Personality Traits to Look for
   ✓ Keeping Good People . . . Is Money the Bottom Line?

2. **YOU GOTTA HAVE FEP!**

   ✓ Friendly - Don’t train people to be friendly - hire friendly people!
   ✓ Enthusiastic - Implies having the capacity for relationship
   ✓ Professional - More than just appearance

3. **TRAINED, TRAINED, AND TRAINED!**

   ✓ Training is one of the best motivators for employees
   ✓ Training investments produce big returns!
   ✓ Train people to train others

4. **PEOPLE WHO KNOW HOW TO “TREAT PEOPLE RIGHT”**

   ✓ People who have the capacity to have “relationship”
   ✓ Seek this type of person when training
   ✓ Strive to be someone who “treats people right”
   ✓ People don’t care how much you know until they know how much you care.
Price

$  $  $  $  $

1. Market Comparable Study - Research and Analysis

☐ Do you really know your property . . . really?
☐ Have you chosen the correct comparables . . . really?
☐ Is the information you are gathering correct . . . really?
☐ The “Basic Market Comparable Study Outline”
☐ Market comparable resources

2. Property Positioning

☐ Are your prices positioned properly, compared with your true comparables?
☐ Are your prices positioned properly, according to variances in floor plan desirability, location, condition, absorption, and demand?
☐ If you seek to “reposition” your property, is the potential increase in property income/value relative to the effort and cost of repositioning?

3. Using Incentives and Specials

☐ Carefully set incentives according to your market comparables and the market demand.
☐ Incentives are not merely a function of your property’s occupancy and rental rates.
☐ The advantages of an up-front concession over a prorated special.
☐ You cannot keep your specials or concessions a secret from your existing Residents.
☐ The incentive should usually be used as a closing tool - not as a way of getting more prospects to the property.
☐ Incentives and specials must be presented as a “personal accommodation” to the prospect to be most effective.
COMPARABLE PROPERTY INFORMATION

Name: MOSS ROSE APARTMENTS  Telephone: (214) 256-7500
Address: 4545 Moss Rose Circle  Mgmt Co./Owner  SunRick Property Mgmt.
Dallas, TX  75234  # of Units: 240

Proximity to Subject: ½ Mile West  Person Contacted: Joanna Brancato, Manager

1. Location: 1 2 3 5 6 7  2. Property Age: 1995, 21 yrs old
3. Condition/Appeal: 1 2 3 5 6 7  4. Occupancy: 94.2%
5. Neighborhood: 1 2 3  6. Lease Terms: 6 to 12 months
7. Occupants: 2 Eff 2 1BR 4 1BR/Den 4 2 BR 6 3BR  Restrictions: None
8. Pets?  No  Yes Restrictions  Under 40 lbs  Deposit  $300 (+ 3)  Fees  $100 NRF
11. Utilities:  Individual  Submeter  ABP  RUBS  Texas Utilities - Resident pays electric only
12. HVAC  Individual  Resident pays electric heat and A/C
13. Deposits: $200 Eff $200 1BR $250 1BR/D  $300 2BR  $500 3BR  Application Fee: $45
14. Amenities:  Pool - 1  Tennis Court - 1  Garbage - 36  Refrigerator  Intru Alarm
      Cable Available  Cable Provided  Exercise Room  Icemaker  Miniblinds
      W/D Con - except Es  W/D Included  Racquetball  Self Cleaning Oven  Vertical Blinds
      Limited Access Gate  Manned Security Gate  Business Center  Trash Compactor  Carpet
      Covered Pkg - 240  Wifi  Door Trash Pick-Up  Microwave  Outside Storage
      @N/C
15. Advertising: Apartment Guide, For Rent, Dallas Morning News (Sunday only), apartments.com
16. Current Specials: $399 move-in on a 7 month lease ($200 to deposit/$199 to rent)
17. Locator Commission: 50% - Use all locators and realtors

UNIT MIX & RENT SCHEDULE

<table>
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<tr>
<th>UNIT TYPE</th>
<th>NUMBER OF UNITS</th>
<th>SQUARE FOOTAGE</th>
<th>RENT/MONTH</th>
<th>RENT PER SQUARE FOOT</th>
<th>CONCESSION RENT</th>
<th>NET SQ. FT.</th>
<th>NUMBER VACANT</th>
<th>VACANT LEASED</th>
<th>COMMENTS</th>
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D - Den

No W/D Conn  Att Garage  96% leased
Product

The Very Finest Leasing Presentation
Cannot Overcome an Inappropriate Product!

Your goal is NOT to provide the best service or product. Rather, your objective is to offer the “appropriate” product that will maximize income and minimize turnover.

1. **Curb Appeal — “24/7”**
   - Clean, green, sparkling
   - Luscious landscaping
   - Immaculate environment

2. **Community Theme**
   - Names, symbols, and logos
   - Make sure your target market “gets it”
   - You gotta LIVE with it for years!

3. **Signage**
   - Yes, it does make a difference!
   - Bootleg signs, banners, and flags

4. **Leasing or Welcome Center (that’s the office)**
   - What it “says” depends largely on your on-site team
   - Let’s make a statement
   - Entry - Green, Arches, Memorable

5. **Community Amenities**
   - You don’t have to have ‘em all!
   - But what you have better be nice
   - The poor, neglected laundry room

6. **Ready Apartments — PERFECT!**
   - Model and mini-models — ¡Perfecto!
   - What do you smell?
The Power of the Telephone Prospect!
(Also Known as the Internet Prospect...)

When a phone or Internet prospect calls first, and then actually shows up at your community, you know four things about this person.

You KNOW they like....

1. **YOU** – The prospect likes You...the onsite community representative or leasing professional.

2. **Rental Rate** – The prospect likes the rental rate and lease terms.

3. **Area-Neighborhood** – The prospect likes the neighborhood and sees it as an acceptable place to live.

4. **Apartment Community** – The prospect likes the property and building!

*When this sort of potential renter walks in the door, it is a lease every time!*
Lease Renewals

It is a SALES Presentation...NOT Simply a Paperwork Transaction!

We Are Re-Marketing and Re-Leasing the Apartments to our current customers!

1. Use the “Lease Renewal” Sales Presentation

<table>
<thead>
<tr>
<th>Leasing</th>
<th>vs.</th>
<th>Lease Renewal</th>
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<tbody>
<tr>
<td>1. Greet</td>
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<td>1. Demonstrate</td>
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<tr>
<td>2. Qualify</td>
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<td>2. Greet</td>
</tr>
<tr>
<td>3. Demonstrate</td>
<td></td>
<td>3. Qualify</td>
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</tbody>
</table>

2. The Renewal Closes – Three Examples

“Would you prefer a 6 month or 12 month renewal term?”

“I can bring this lease renewal to you for your signature. Would you like me to drop by now or would later today be better?”

“Let’s set an appointment to complete the paperwork. Would tomorrow after work be ok…or would RIGHT NOW be better?”
What Our Residents REALLY Want!

1. Immaculate Environment

2. Prompt, Friendly, and Efficient Service

3. Good Neighbors

4. Fair and Equal Treatment

What Else Would Any of your Residents Really Want?
Cool Marketing Ideas for Affordable and Tax Credit Communities

1. Avoid the “Low Income Housing” Stigma

2. Advertise Where Your Target Market Reads:
   - Thrifty Nickel
   - Penny Saver
   - Greensheet
   - ADVO or VALPAK

3. Target Employment Centers with Workers Who Fit Your Resident Profile

4. TV Advertising - Advertise on Daytime Television Shows Watched by your Target Market
   - Live with Kelly and Michael
   - Judge Judy
   - Ellen
   - The Price is Right

5. Referral Fees for Anybody and Everybody!
   Even the local chamber of commerce secretary

6. Post Cards – Distribute 3’ x 5” Postcards or Coupons Every Week to Laundry Mats, Discount Stores, Restaurants, and Other Local Businesses.

7. Direct Mail Other Affordable Tax Credit and Conventional Properties – A nice community photo on the front, and this message on the back:

   IF you qualified to live where you do now, you may qualify to live at the newer, nicer
   Pine Crest Apartments
   …and pay less!
   (214) 550-2100
   Call Now!
8. Let Current Residents Infiltrate Their Workplace for You!

**A Special Offer to Dee Howard Employees**

$100 Off First Month’s Rent!

Our company is a "preferred employer" with Cambridge Manor Apartment Homes. They have a number of GREAT Residents from Dee Howard, and they want more! That’s why they’re offering this special incentive to come live at their community. Cambridge Manor features:

- Two, three, and four-bedroom apartment homes
- Two sparkling swimming pools
- Fitness center and covered parking
- Gas cooking

Referred By: ______________________________

Call today for an appointment. Open 7 Days a Week!

Cambridge Manor Apartment Homes

10362 Dalewood Drive • San Antonio, Texas • 78216 • (210) 349-4900

Thoughtfully Managed by SunRick Group

9. Compete AGGRESSIVELY with the Single Family and Duplex

- Provide backyards and garages
- Build car-care areas for washing, changing oil, and minor car repairs
- Encourage outdoor barbequing

10. To Declare (Tax Credit Status) or to NOT Declare… That is the Question!

- Declare Tax Credit Income Caps – And prospects are better screened!
- Don’t Declare – And you get More Leads through the door!

Some overqualified prospects get really ticked when they find out they can’t move into this great, new, and inexpensive community. They may even have a hissy fit. Worse case, apologize, explain the income guidelines and give them two movie theater tickets for their trouble. Then explain your “anybody/everybody referral fee.” NOW you have a walking, talking, advertising wherever this prospect goes.

“You should see this great property that I can’t live in. It’s a super deal if you qualify! Hey, maybe you would qualify. Tell them that I sent you!”

11. Get Mobile – Responsive design is the norm!
SPECIAL PUBLIC NOTICE!

You may qualify for a brand new 3-bedroom townhome for only $890/month!

The U.S. government is making a limited number of luxury apartment homes available for those who meet the following income guidelines:

<table>
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<th>Family Size</th>
<th>Maximum Total Income</th>
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<tr>
<td>6 People</td>
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<td>5 People</td>
<td>$31,020</td>
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<tr>
<td>4 People</td>
<td>$28,160</td>
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Those who wish to reply to this limited offer should contact the Manager at Pinewood Apartments in Mayberry.

469-442-1974
www.pinewoodmayberry.com