



## OCCUPANCY

➤ % Occupied = # occupied / total # units

➤ % Vacant = # vacant / total # units

75 occupied units of 100 total is 75% occupied; 25 units in same community would be 25% vacancy.



Examples The # occupied plus # vacant must equal total number of units. The percentage will always equal 100%

243 of 276 units equals 88% occupied: 33 vacant 12% vacancy, 636 of 648 units is 98% occupied: 12 vacant .0185% or 2% vacancy

Average Apartment community with 300 units takes 3 apartments to move occupancy one point

95% occupancy = 285 units 98% occupied = 294 to reach the goal must occupy 9 apartments

## OCCUPANCY

➤ **Potential Occupancy** = # current occupied  
+ #vacant leased - # occupied notices /  
total # units

$$75 \text{ occupied} + 10 \text{ VL} - 4 \text{ Notice} = 81$$

➤ **Total availability** = vacant unleased +  
notices unleased

$$15 \text{ Vacant Available} + 4 \text{ Notices} = 19$$

Examples: 75 occupied units of 100 total is 75% occupied; 25 units in same community would be 25% vacancy. The # occupied plus # vacant must equal total number of units. The percentage will always equal 100%

75 occupied so 25 units are vacant  
If 10 are leased then 15 are not leased or available

In this example the four notices are all unleased. What if 2 were leased of the total 4. What would the impact be to the Potential occ – only 2 notices going out so Occupancy would be 83.

## LEASING

➤ **Closing Ratio** = # leases / total # traffic

➤ **Call-Walk Conversion** = # walks / total # calls



## RENT & CONCESSIONS

➤ **Proration** typically computer generated

- Rent / 30 days \* # days occupied
- Rent/exact days\*exact days

➤ **Free Rent Prorated** # month to pay \*  
rental rate / total months of lease

Proration is done by software – watch to make sure accounting software agrees with WinTAA (lease)

Need to be able to explain to the new resident how it was calculated

Rent \$685 move in on January 23<sup>rd</sup>

$$685/30*8 = 182.67$$

$$685/31*9=198.87$$

First month rent payment policies differ with properties and companies. Some may require full rent up front and proration on the second.

Lower Move-in money collected is deposit or reduced rent. If offering a \$99 move-in, this amount collected can be applied to deposit rent or any fees – management discretion. If applied to any rent, the difference of the amount applied vs the amount billed equals the concession. Important to understand the amount free given because it can be recouped if the resident does NOT fulfill the contract. Additionally, if concession done improperly in the computer the vacancy loss amount will be skewed in financial reports.

## **RENEWAL MANAGEMENT**

**Flat – An even number of expiration each month**

**Seasonal – scheduling expirations to reach specific target in higher leasing months**



286 units / 12 months = 23.8 leases expiring each month or 8% of the community each month

Can scatter for higher percentages in summer than winter instead of flat. This also may be done by floor plan sizing.

Rent is 685 but market is 700 to bring to market it's a \$15 monthly or \$180 on a years lease. Concession of \$200 and you have just renewed contract for less than previous amount. However the higher contracted rental rate will yield a better value.

## ADVERTISING COSTS

Cost of ad / # of leases

Apartments.com

\$750 monthly / 5 Lease = \$150 per lease

Find It Locator

\$1000 (one month rent) / 1 lease = \$1000 per lease



## RAISE RENTS WHEN

100% occupancy level may indicate that the rental rates are too low.



Explain Gross Market Rent – every apt occupied at the market rent.

If a community has 100 units of the same floorplan, use the two scenarios to reflect how much more the community could make if the rent and vacancy was higher.

100 units occupied @ \$495= \$49,500

95 units occupied @ \$525 = \$49,875 – 375 more with potential to lease 5 more at higher rate bringing in additional \$2625 monthly.



## VACANCY

100 units total; 92 occupied \_\_\_\_\_%

300 units total; 278 occupied \_\_\_\_\_%

243 occupied of 276 total units \_\_\_\_\_%

636 occupied of 648 total units \_\_\_\_\_%



100 units total with 92 of them occupied 92%  $92 / 100 = 92\%$

300 units total; 278 occupied \_\_\_\_\_%  $278 / 300 = 92.67\%$

243 occupied of 276 total units 88%  $243 / 276 = 88.04\%$

636 occupied of 648 total units 98%  $636 / 648 = 98.15\%$

## OCCUPANCY

Camden Station has 432 apartments in the community. Today they are 85% occupied. How many apartments are occupied? How many are vacant?



$432 * .85 = 367.2$  therefore 367 apts can be occupied.

$432 - 367 = 65$  units are vacant

$432 * .90 = 388.8$  there fore  $388 - 367 = 21$  units.  $367+21=388/432=89.81$  or 90%

## OCCUPANCY

Camden Station has 432 apartments in the community. Today they are 85% occupied. Their goal is to be 90%. How many more apartments must be occupied to achieve the goal?



$432 * .85 = 367.2$  therefore 367 apts can be occupied.

$432 - 367 = 65$  units are vacant

$432 * .90 = 388.8$  there fore  $388 - 367 = 21$  units.  $367+21=388/432=89.81$  or 90%

## POTENTIAL OCCUPANCY

The Commons has 92 apartments; 85 apartments occupied with 10 on notice to move out and 5 apartments leased.

What is the potential occupancy?

How many more leases will be needed for 95% occupancy?



$$85 - 10 + 5 = 80 / 92 = 86.95 \text{ or } 87\%$$

Potential is 80 units; at 95% need 87.4 units. So if I lease and occupy 7 additional apts OR any combination of notice reduction + Leases I will reach 94.56% or 95%

## LEASING

Grand Villas averages 70 phone calls per month resulting in 45 appointments that tour. Additionally, 15 tours every month simply walk in. The team typically leases 35 each month. What is the call – walk ratio? What is the team closing ration?

➤ **Call-Walk Conversion** = # walks / total # calls  $45 / 70 = 64.29\%$

**Closing Ratio** = # leases / total # traffic  $35 \text{ leases} / 45 + 15 = 58.33\%$

## LEASING

Grand Villas' Leasing Consultant is Janice. She toured 30 of the month's tours and leased 20. Assistant Manager Donna toured 25 and leased 10. Manager Mark toured 5 and lease 5. What are the individual closing rations? Who is the best leaser?

➤ **Call-Walk Conversion** = # walks / total # calls  $45 / 70 = 64.29\%$

**Closing Ratio** = # leases / total # traffic  $35 \text{ leases} / 45 + 15 = 58.33\%$

Janice  $20 / 30 = 66.67\%$

Donna  $12 / 25 = 48\%$

Mark  $3 / 5 = 60\%$

## ADVERTISING COSTS

Source	# Leases	Monthly Cost
Signage	9	\$25
Apts.com	11	\$1165
Residents	6	\$600
Locator	5	\$5064
Prev Resident	1	\$0
Referral	2	\$0
Flyer	1	\$165

### Total 35 Lease per month

Signage Purchased 12 bandit signs at cost of \$25 each so monthly cost is \$25.  $25 / 9 = \$2.78$  per lease

Website is expensive advertising.  $1165 / 11 = \$105.91$  per lease

Resident Referral – offer \$100 gift card to resident for assisting in getting a new neighbor. Only paid if lease! Guaranteed lease expense.  $600 / 6 = \$100$  per lease

Locator – another guaranteed lease because we don't pay if tenant doesn't lease!  $\$5064 / 5$  leases = 1012.80 per lease. Price was average one month rent on five units.

Prev Resident – best value. It costs nothing in advertising dollars for a previous resident to lease again! Or to refer someone to lease!!!

Referral from neighbor or sister property also costs nothing! You may offer an incentive like \$5 gift card for Starbucks as thank you for every referral.

Flyer – professionally done flyer, 500 count, on quality stock will cost approximately \$165. The expense may yield nothing – no guarantee of lease unlike resident referral or locator. However very little investment.

SS3905  
 Durham  
 Select: 12/31/16  
 16 Apts, 27,300 Sq. Ft.

**Weekly Boxscore ( 12/26/16 - 01/01/17 )**  
 Oak Leaf Management  
 14545 Durham LLC  
 December 31, 2016

Page: 1 of 2  
 12/2016  
 02/02/17  
 0:25

**Occupancy**

Type	Apts	-----This Week-----			Occup.	% Occup.	-----This Week-----		Total Vacant	Notice Ready	Notice Leased	Notice Not Lead	Model Down	Const	Other Use
		Move Ins	Move Outs	Net Change			Vacant Leased	Vacant Not Lead							
A	2	0	0	0	1	50.0	1	0	1	0	0	0	0	0	0
B	6	0	0	0	5	83.3	0	1	1	0	0	0	0	0	0
C	8	0	0	0	8	100.0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>87.5</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Leasing (Excluding Waiting Lists)**

Type	Apts	-----This Week-----				Net Apps	-----This Week-----				Total Apps	Total Leased	Leased %
		Apps	Cancel	Denial	Lease		Cancel	Denial	Lease	Lease			
A	2	1	0	0	1	1	0	0	1	0	2	100.0	
B	6	0	0	0	0	0	0	0	0	0	5	83.3	
C	8	0	0	0	0	0	0	0	0	0	8	100.0	
<b>Total</b>	<b>16</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>15</b>	<b>93.8</b>	

**Leasing (Waiting Lists)**

Type	Apts	-----This Week-----				Net Apps	-----This Week-----				Total Apps	Total Leased
		Apps	Cancel	Denial	Lease		Cancel	Denial	Lease	Lease		
<b>Total</b>												

**Notices**

Type	Apts	-----This Week-----			Net Notices
		Notices Given	Notices Cancel	Notices	
A	2	0	0	0	
B	6	0	0	0	
C	8	0	0	0	
<b>Total</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Applied This Week**

Apt	Type	Name	Actual Rent	Market Rent	Expected Move In Date	Security On Hand	Other On Hand	Marketing Source / Leasing Agent
01-01-14567	A	Tiffany M. Jackson	1,275.00	1,400.00	01/18/17	0.00	0.00	18 INTERNET JE July Espinosa

**Leased this week**

Apt	Type	Name	Actual Rent	Market Rent	Expected Move In Date	Security On Hand	Other On Hand	Marketing Source / Leasing Agent
01-01-14567	A	Tiffany M. Jackson	1,275.00	1,400.00	01/18/17	0.00	0.00	18 INTERNET JE July Espinosa