



**DANTER
COMPANY**

Apartment Resources

A Real Estate Research Periodical

Apartment Resources is a monthly publication designed for apartment developers, lenders and builders involved in all forms of multifamily housing.

Volume 6 Number 2 May 1992

Special Edition: "Presenting Your Community"

"Presenting Your Community," which appeared in Apartment Resources from December 1990 to April 1991, was one of our most popular series ever. Based on the continuing response, and as a service to our readers, we are reprinting this series in its entirety in a special 11-page issue. Next month, Apartment Resources will return to its regular format.

PAGE

2 **Part I:**
Using the Telephone

3 **Part II:**
The First 30 Seconds: Signage and Grounds Appearance

5 **Part III:**
The Rental Office: The Hub of Your Operation

6 **Part IV:**
The Sales Presentation

9 **Part V:**
The Tour

Part I: Using the Telephone

Renting an apartment is a tricky business full of pitfalls. An apartment shopper ends up making a final decision based on a substantial number of variables - including price, location, the desire to belong to a community, image, quality of amenities and construction, and the design and aesthetics of a property. Once the project is built, many of these variables cannot be controlled.

One variable that can be controlled, however, even after the community is established, is the way the community presents itself to potential tenants. In order to discover how well communities were doing at presenting themselves, The Danter Company aggregated the results of our most recent shopping reports at communities throughout the eastern United States. The results surprised us.

Out of these shopping reports, we expected to uncover some of the smaller problems that often go undetected - little things that a project could do to strengthen its sales and presentation. Instead, we found that a substantial percentage of projects we visited had serious and numerous problems with their sales and presentation programs.

From these findings, beginning with this issue of *Apartment Resources*, we will be presenting a series of reports that examine the problems that can occur in the apartment sales and presentation process. We have divided the shopping process into five areas: telephone technique, signage/community grounds appearance, the rental office, sales presentation/rental agent, and the tour and model/vacant apartment.

Contact begins over the telephone

Often, your shopper contact does not begin with the moment the shopper strolls into the rental office. Rather, it begins with a telephone call. Apartment shoppers, particularly those from out of town, often have a limited time to shop, and they want to use that time wisely.

Rather than going "browsing" from community to community, many "let their fingers do the walking." They want to know which communities they should put on their list of communities to visit -

and which communities they should leave out. Shoppers will form an impression of your community without even visiting, based solely on the way they are treated over the telephone. A professional and courteous telephone presentation establishes a favorable first impression, while an unprofessional or terse presentation will most likely insure that your community is not visited.

Failure to introduce

Introducing yourself and getting the name of the other party seems like it should be standard telephone procedure. Our research shows otherwise. One fourth (25.0%) of all agents phoned failed to give their name, while only 41.7% asked the name of the caller.

Until you can establish otherwise, everyone who calls your apartment community is a potential tenant. Callers want to know that they are valued by the person at the other end of the line. A prompt introduction and establishes a favorable impression right away, and sets a courteous tone for the conversation.

Identifying the caller's needs

Anyone with knowledge about a community can provide answers to a caller's questions, but the caller shouldn't be asking all the questions - you should seek to learn about the prospective tenant. Each caller is likely to need a different amount of information in order to make the decision whether to visit your community. The more you can find out about a caller, the more you can direct your information to that caller's needs. Some callers might only need to know what you are charging for rent, while others will need a complete listing of unit and project amenities.

Asking simple questions to find out the caller's needs will allow you to give the caller the information he or she really needs - without making the caller ask for everything. Only just over half (52.8%) of the agents in this survey tried to qualify the caller.

Possible points of information that can be gained from qualifying a caller are the unit type desired,

number of people to be living in the unit, when the unit will be needed, rent range desired by the tenant, and where the caller heard about the project.

Highlighting the Project Benefits

What does your project have to offer? Only 58.3% of agents telephoned tried selling the project by pointing out its highlights and benefits. Benefits that have to be seen in order to be appreciated cannot be appreciated if they are not seen. Unless your telephone presentation makes your project stand out as a project worth seeing, many shoppers will not take the time to see it.

Selling the Appointment

No sale can be made if the shopper does not visit your community. Your telephone contact can

provide the incentive necessary for the shopper to follow through and make that visit. Only 41.7% of the agents telephoned tried to sell the shopper on making an appointment to visit the community.

In addition to selling the appointment, asking if the caller needs directions is a good way of not only finding out how familiar the caller is with the area surrounding the community, but establishing a professional relationship as well. A caller who finds your community after receiving clear, easy-to-follow directions already knows that you are worthy of trust. Giving clear directions, not only to the community but to the rental office as well, can also go a long way towards minimizing visibility and signage problems.

Reprinted from December 1990

Part II: The First 30 Seconds: Signage and Grounds Appearance

Our research indicates that most of your visitors have formed definite conclusions in the first 30 seconds of their visit about whether they are likely to rent an apartment from you. If something in that first 30 seconds gives off a negative first impression, then your community is likely setting up your leasing agents to experience failure before they even begin. Even the best rental agent, the most well-designed and spacious units, and the highest-quality amenities are not likely to overcome a bad first impression.

Part Two of our series "Presenting Your Community" examines what your shoppers are likely to see in that first 30 seconds - signage and grounds appearance - and why they make a difference, based on an aggregated data base of shopping reports conducted by our analysts at communities across the United States.

Signage - Getting There Shouldn't Be Half the Fun

If you have ever been driving in an unfamiliar place and missed your destination because you could not find the right sign, then you know how some of your prospective tenants might feel when they try to locate your community.

Like most of today's busy people, apartment shoppers do not have a lot of time to waste. If they cannot find your community, or cannot find the rental office once they are there, they are likely to give up and try somewhere else - or they are likely to carry that frustration into your rental office, complicating the job of your leasing agent.

Out of the many reasons that a prospective tenant might fail to find an apartment project (such as traffic troubles, misinterpreted directions, wrong turns), the one most under the project's control is signage. Our analysts indicated difficulty locating one out of every six communities we visited (16.7%) due to inadequate or ineffective signage to the community.

Ineffective Signage Within the Community

The problem does not end when they get to your community. Apartment shoppers also become frustrated when they find the community and then have difficulty locating the rental office because of ineffective signage. Your rental office is the key to your operation - your sale depends on getting shoppers to your rental office and in contact with your rental agent. The only way to get them there is through signage.

Overall, our analysts reported that signage within the community was inadequate or ineffective at one out of every four communities visited (27.8%). In addition, our analysts indicated difficulty in locating the rental office at nearly one out of every five communities (19.4%).

Effective Signage

Effective signage gets the prospective tenants to where you need them to go - to the rental agent. Analysts from The Danter Company look for four elements that indicate an effective signage plan - placement, frequency, size, and aesthetics.

Signs should be placed so that a prospective tenant driving into the community for the first time sees them immediately. In addition, signs should be placed where they will not be obstructed by trees, parked cars, or other obstacles.

Every time a prospective tenant will have to change direction to get to your rental office, that turn should be indicated by a sign. Some developments we visited had signs at the entrance, but none farther back. If your rental office is not near the entrance to your community, then signage within the community becomes that much more important to get prospective tenants where they need to be.

Signs should be large enough that they gain the immediate attention of the prospective tenant. A sign may be effectively placed, but may be overlooked because it is not large enough to be immediately visible.

Signage can be an effective way to establish an aesthetic identity and an image for your project. Signage that is graphically consistent with elements of the project's entrance, architecture, logo/symbol, and image can be effective in creating a favorable impression on the prospective tenant.

Community Grounds Appearance - When Looks are Not Deceiving

While shoppers are looking for the rental office, they are examining your community's grounds and making critical appraisals on how well the community is maintained. Failures in key maintenance areas can critically affect how a potential tenant responds to your community.

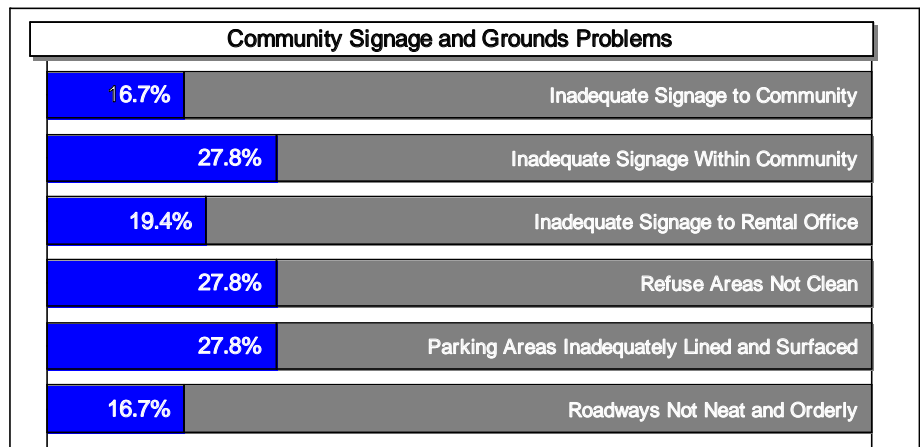
Field analysts from The Danter Company were asked to rate each project visited on the following question: "Were grounds and buildings well maintained and clean? (including pool, clubhouse, etc.)" The analysts then rated each project on a scale of 0 (very poorly maintained) to 4 (well maintained).

Half (50.0%) of the projects rated merited a 4. Over a third (38.9%) merited a 3. The remainder (11.1%) merited a 2 or below.

These results are good news and bad news for apartment managers. The good news is that most of the apartment projects we surveyed did a better than average job of maintaining their grounds. The bad news is that half of the projects surveyed have room for improvement.

Refuse Areas

Shoppers learn a lot about a community by examining the dumpster areas. If these areas are clean and orderly, then it indicates that the management and tenants take pride in the community's appearance. If litter and refuse are lying on the ground, then the shoppers will likely come to another less positive conclusion. Over



one-fourth (27.8%) of the projects we shopped had refuse areas that were not clean and orderly.

Roadways and Parking Areas

Like the refuse areas, the parking areas also reflect the amount of pride and care taken in

maintaining the community's appearance. If the parking lot is lined and sealed, and free of litter, then shoppers will gain a positive impression. Our analysts reported that 16.6% of the communities we visited failed to keep roadways and parking areas neat and orderly, and that 27.8% had parking areas that were not adequately surfaced and lined.

Reprinted from January 1991

Part III: The Rental Office - The Hub of Your Operation

The rental office is the hub of any apartment community. The financial status of the community is determined by what happens in the rental office - and what doesn't happen there.

Getting There

It is worth mentioning again that it is important to have clear signage to the rental office. The rental office should be well-marked and easy to locate. Almost one-fifth (19.4%) of the communities we visited had rental offices that were not easy to locate.

In addition, parking should be a concern. To an apartment shopper, a correlation exists between the ease of parking at the rental office and the ease of parking every day at an apartment unit. Parking was not convenient at 8.3% of the apartment complexes we visited

Neatness Counts

The appearance of the rental office is one of the first indicators of the level of professionalism of an apartment community's management. From the shopper's perspective, people who cannot keep their own office in order may not be competent in dealing with the problems that will come up in an apartment rented by the shopper. Almost one-fifth (19.0%) of the rental offices visited by Danter Company analysts were judged to be less than orderly. One big problem was clutter - 11.4% of the rental offices visited were judged to be too cluttered.

Another issue to consider is the relationship of a rental office to the community building. Is the rental office in the community building - or is the community building part of the rental office? A rental office that spills over into community space gives an appearance of clutter and disorganization

that relates directly to how a shopper perceives the quality of management. In addition, such an office can also discourage tenant use of community space.

Guest Cards

One of the most important marketing tools a community has is its guest cards, yet many offices do not provide a convenient place, such as a table or desk, for tenants to fill these cards out. One out of every six communities (16.7%) failed to provide such a space.

A slightly smaller amount of communities (13.5%) failed to have prospective tenants complete a guest card. This is surprising considering the wealth of marketing information that can be gained from using guest cards (see *Apartment Resources*, October and November 1990).

Promotional Literature - Don't Hide It

Your promotional literature is one of your most effective sales tools available. Your project may have the best promotional literature in the neighborhood, complete with detailed floor plans and beautiful color pictures and four-color printing, but it cannot sell your project if it sits behind the counter. Promotional literature was not readily available at nearly one-third (31.4%) of the projects shopped by our field analysts.

Literature, including floor plans and price ranges, ought to be available to guests immediately upon entrance to your rental office - on a table, by the door, or anywhere else out in the open where prospective tenants can find it and peruse it on their own. This is particularly important for those busy times when there are several shoppers and some of them are waiting to see a rental agent. If your literature is out and available, then it can sell your project even before your rental agent can.

Bonus Points for Hospitality

Our shopping reports include a bonus question - "Were you offered a cup of coffee or a soft drink?"

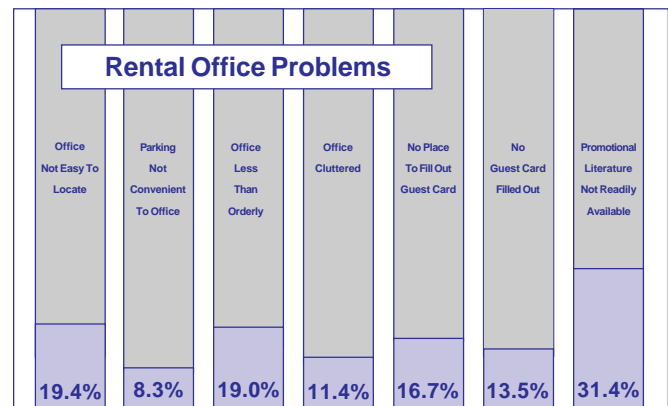
Surprisingly, our analysts were offered such hospitality at only 2.7% of the apartment projects we visited.

Considering that your rental agents probably already drink coffee and make it for themselves, the cost of offering coffee to your guests is minimal - when compared with the potential benefits. Offering a drink is something that people do when friends come into their home, and offering a drink when potential friends (tenants) come into your home (rental office) establishes an atmosphere in which a prospective tenant can view your community as a potential home. Often, such small acts of hospitality can make a big difference in how a shopper perceives a community.

In addition, a guest with a drink is unlikely to

leave until the drink is finished, especially if the drink is not served in a throwaway paper or styrofoam cup. This can hold the guest in your office until the presentation is complete.

Reprinted from February 1991



Part IV: The Sales Presentation

How effective is your leasing agent?

The answer may surprise you.

Establishing Rapport

First impressions are particularly important for those involved with sales. Establishing rapport with a potential buyer is critical in order to establish credibility and trustworthiness, and to put the potential buyer at ease. As a sales professional, your leasing agents should likewise strive to make a positive first impression; however, our reports present a different picture.

We asked our analysts if their greeting was "prompt, cheerful, and enthusiastic." The results surprised us. Our analysts failed to receive such a greeting at one out of every five apartment projects (19.9%) we visited.

Another common sense method of establishing a

rapport with a potential buyer is to introduce yourself and find out the name of your client. Introduction seems like such a simple and important act that we were stunned by how often it wasn't done. Almost half (48.6%) of the leasing agents visited by our field analysts failed to introduce themselves, and 27.0% failed to make an attempt in conversation to obtain the name of our field analyst.

Another introductory technique overlooked by a surprising number of communities was the guest card. The management has no record of our visit at 13.5% of the communities we visited because our analyst was not asked to fill out a guest card.

The leasing agents did much better, however, in presenting a professional appearance. When asked if the leasing agent was dressed in a "business-like manner," our analysts responded that 97.3% were properly attired.

Do You Qualify?

One of the most important details in the selling process is finding out what the buyer really wants or needs. In leasing an apartment, this process is called “qualifying.” Prospective tenants are qualified by asking them about the kind of unit they need, when they will need the unit, where they work, whether they have pets, how many people will be living in the unit, what kind of amenities they are looking for, and so on. Leasing agents must know these details to tailor the sales presentation to an individual shopper’s needs.

We found that leasing agents overall were doing a poor job at qualifying our field analysts. Just over half (56.8%) of the leasing agents visited fully qualified our field analysts. An additional 21.6% of the leasing agents only partially qualified our field analysts, while an equal number of leasing agents (21.6%) failed to qualify our field analysts at all.

Selling A Tenant on the Community

Our field analysts all agreed on one thing - every leasing agent we evaluated was knowledgeable about the apartment community. Getting an agent to part with the information, however, was not always that easy.

The only information that shoppers will know about your community and its policies and benefits is what they hear from the rental agent and read in your literature. Shoppers want to know the answers to questions like the following:

- *What are the project amenities?*
- *What kind of tenant mix does the community have (young, single, married, elderly)?*
- *Are pets allowed?*
- *Are there any planned community activities (mixers, outings, etc.)?*

Our analysts reported that 40.5% of the leasing agents evaluated did *not volunteer any* community information.

Selling a shopper on your community also means selling a shopper on your neighborhood. One of the great myths that still exists about

apartment development is that if an apartment community has the “right” location and the “right” amenities then prospective tenants will come flocking to its doors. You may have the “right” location, but if shoppers do not know this, then it is not an effective selling point. Shoppers, particularly those from out-of-town (usually about 20% of all tenants) must be sold on your location: How close is the nearest school? grocery store? shopping center? day care center? interstate access? hospital? park? church of any major denomination? Almost two-thirds (62.1%) of the leasing agents shopped by our analysts failed to sell the neighborhood by giving such information.

Knowing about the neighborhood can have great impact not only on shoppers, but on your tenants as well. One of our analysts was visiting a rental office when a tenant came in to ask about one of the local churches. The rental agent was able to pull information on the church from the community's files, including the church phone number and the name of the pastor, and photocopied that information for the tenant. It also happened that the rental agent attended that church and was able to talk about the church with the tenant and answer questions. Because the rental agent was knowledgeable about the neighborhood, and had the information, it made a difference for that tenant.

Your rental office is the closest thing that your residents have to a welcome wagon, so it is vital to have the information about the neighborhood that tenants need. Making tenants feel good about being a part of the neighborhood, as well as part of your community, can ultimately pay great dividends in tenant loyalty and lower turnover.

More Than the Rent

Apartment shoppers are very aware that the rent is usually not the only thing that a tenant needs to pay every month. Utility costs are very important to tenants, yet a substantial number of rental agents failed to discuss them. Only 54.1% of the leasing agents evaluated gave our analysts information

regarding utility costs. We continually find agents who cannot give the information when asked.

Getting the Most from Your Project's Incentives

In many markets, using specials and giveaways as incentives for potential tenants has become standard procedure, particularly for large apartment communities that experience high turnover rates. These specials and giveaways lose their ability to act as incentives if prospective tenants are not made aware of them. Even the lack of a special should be important enough to mention. Only 54.1% of the leasing agents we evaluated explained about specials and giveaways.

Project amenities are an important part of any apartment community. They add to the quality of life at the community, and can provide a great incentive for a potential tenant to choose a particular community, particularly if the community has an amenity that is unique to the area. The ability of your project amenities to act as incentives is diminished greatly, however, if a shopper does not see them. Two-fifths (40.5%) of the agents we

evaluated failed to show the clubhouse and other public areas.

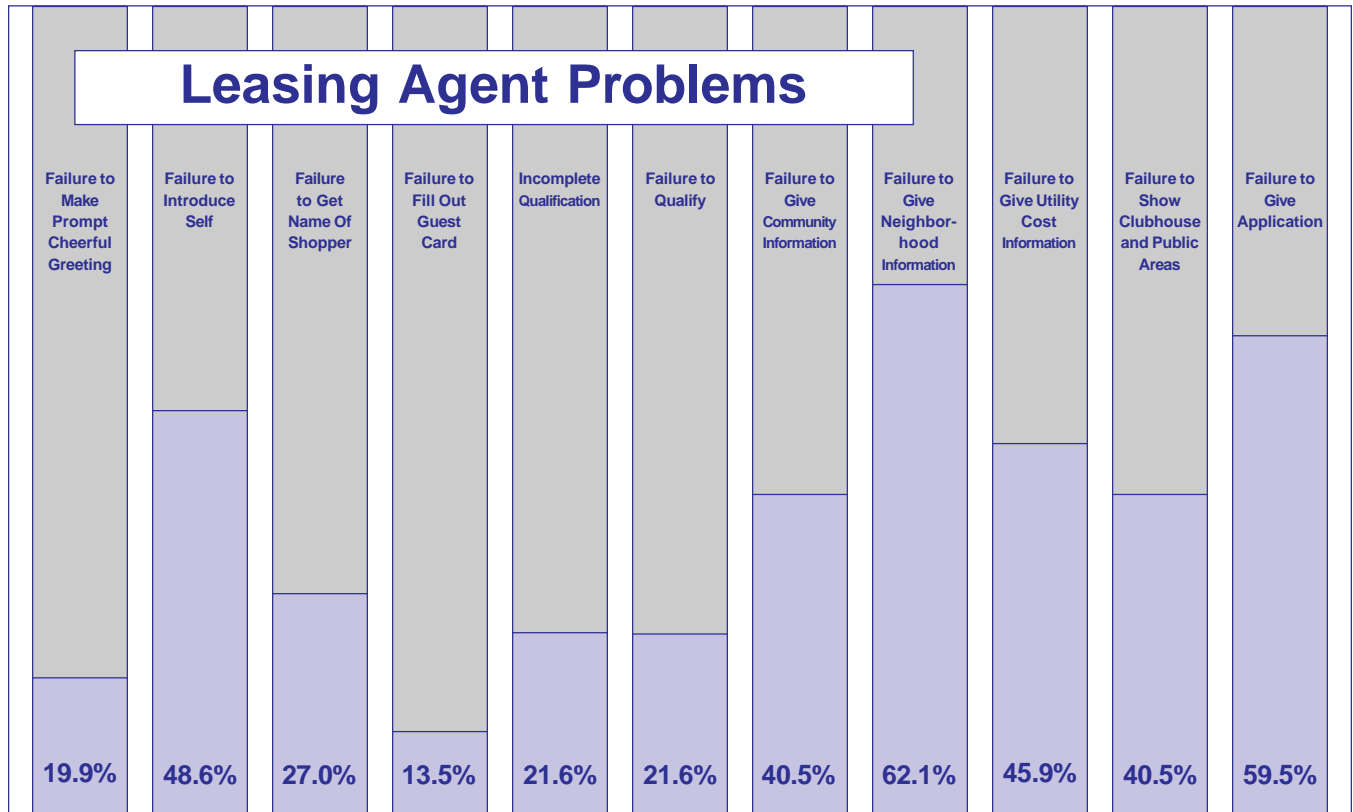
Making the Close

As a sales professional, a leasing agent must be able to successfully close the deal. Your rental agent must be able to make that last push to get the deal closed, even when a shopper insists that he needs more time to make decision. Your occupancy rate and cash flow depend on it. Our analysts reported that only 40.5% of the leasing agents they evaluated gave them an application or asked them to fill one out. Over half (59.5%) of the leasing agents made no attempt whatever to close the deal.

The Tour

One of the major parts of any sales process is actually seeing the merchandise. We consider seeing the model apartment and taking the tour to be so important that we are going to treat them in a separate article.

Reprinted from March 1991



WHAT EVERY RENTAL AGENT SHOULD KNOW

An Apartment Resources Clip and Save Checklist

About The Community

- Number of units
- Unit mix
- Rents for each unit type
- Reasons for rent variances (by floor, view, etc.)
- Year constructed
- Unit amenities for each unit type
- Project amenities and policies
- Utility information and costs
- Pet policy

About Each Shopper

- Name
- Reason for moving
- Place of employment
- Some interests or hobbies
- Type of work done
- Reason for visiting
- Type of unit desired
- Unit likes and dislikes
- Number of occupants
- Number and ages of children

About the Neighborhood

- School district
- Elementary school/location
- Middle school/location
- High school/location
- Nearest day care
- Nearest grocery store(s)
- Nearest convenience store
- Nearest discount department store
- Nearest major shopping
- Nearest park
- Nearest movie theatre
- Pizza shops that deliver
- Nearest fast food
- Other area restaurants
- All area churches
- Nearest interstate access
- Nearest library branch
- Nearest post office branch
- Nearest video rental store
- Nearest exercise facility
- Nearest dry cleaner

Part V: The Tour

The tour begins not when you enter the model/vacant unit, but the moment you step out of the rental office. This is particularly important if your office is located in the community clubhouse, or if community amenities are near the rental office. As noted last month, 48.6% of the rental agents shopped failed to show the clubhouse and other public areas. Those first few moments while the shopper is already in the clubhouse can present the perfect opportunity to feature your community amenities.

It is also important that the approach to the model/vacant unit be clean and ready for showing as well. The model apartment may not have seen dust in a year, but if shoppers pass messy grounds and hallways on the way there, they will get a negative impression of the management's ability to maintain a clean community. Almost one-fourth (22.8%) of our analysts reported that approaches to the model were not as clean and orderly as they should have been. Slightly fewer (19.4%) reported that hallways and stairways were not neat and clean.

Show and Sell

These comments from actual shopping reports emphasize the difference between simply showing an apartment and "selling" it:

"The leasing consultant "sold" the apartment by unlocking the door and waiting inside the front door while the prospective tenants walked through the unit. Questions raised by the prospective tenants as they toured the unit had to be shouted to the leasing agent. Unit amenities such as appliances and storage areas were not highlighted."

"The rental agent truly "showed" the units, highlighting everything from the security system to the closet space. She said something positive about each room, and objections were handled confidently."

Anyone can show an apartment, but a good rental agent will know how to sell a shopper on an apartment. Selling a model apartment involves pointing out and emphasizing the details that shoppers might overlook - storage space, closets, quality of construction, appliances and other unit amenities.

While these amenities may not have a great deal of glamour, they are the amenities the tenant will be dealing with daily, and can play an important role in a shopper's final decision - if the shopper is aware of their presence and quality. Tenants might not walk into a closet, or open a cupboard, or peek inside the freezer if not prompted by the rental agent, but once they do, they are likely to remember. Our analysts reported that 37.8% of rental agents they shopped failed to adequately demonstrate storage space, appliances, closets, unit amenities, and community amenities.

Ready for Selling

A model or vacant unit also should be ready to be seen at all times. A unit that is ready to be sold has the lights on, the drapes open, the heat or air conditioning on, the unit furnished to exhibit the apartment to its best advantage, and no offensive odors. Our analysts reported that 11.1% of the models shown were not adequately ready for showing.

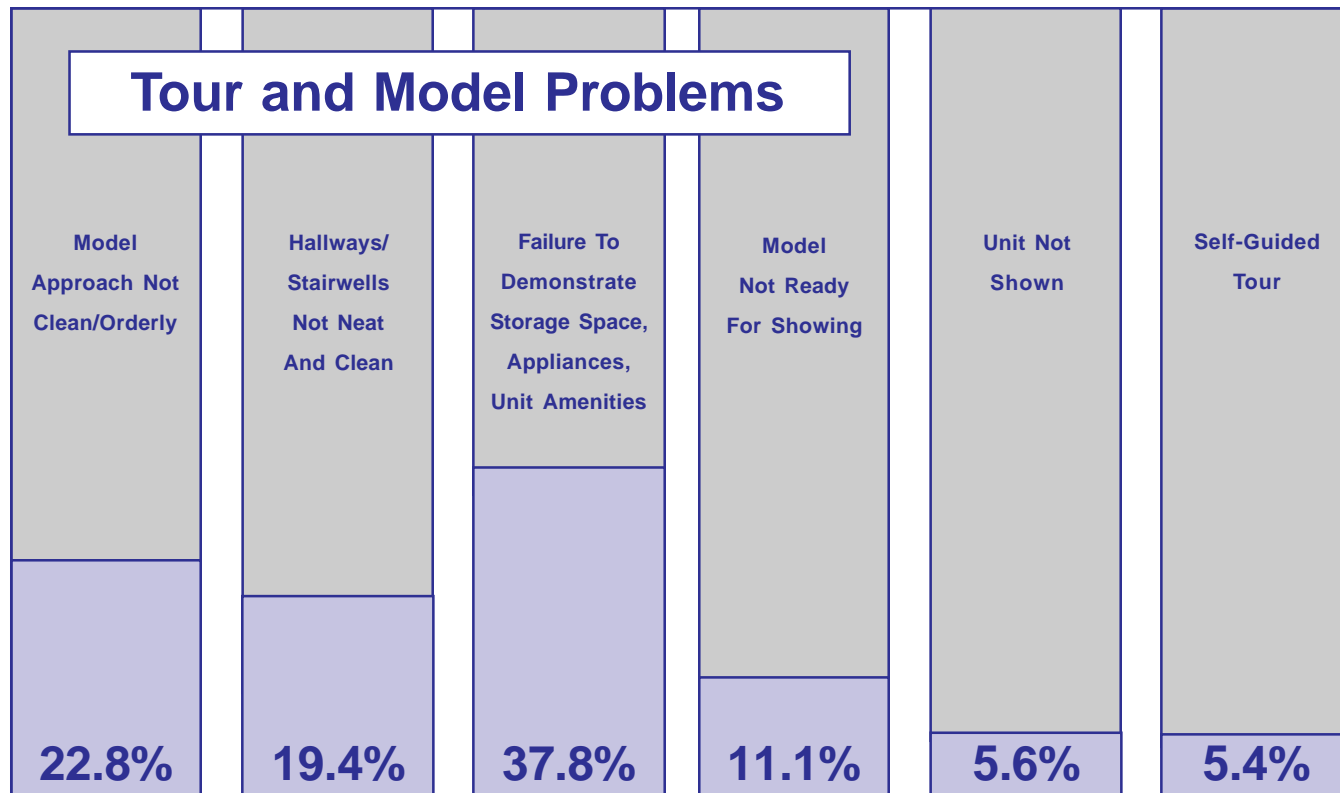
For example, one of our analysts reports visiting an apartment community where he was not given a

tour, but merely handed a set of keys to a vacant unit. Upon entering the vacant unit, he was overwhelmed by the smell of cleaning solvents, and would have left immediately had he been a shopper. In addition, our analysts reported being given tours of units in which the manager was currently living or units in which the rental office also served as the model apartment.

Anyone can show an apartment, but a good rental agent will know how to sell a shopper on an apartment

Furnished Model vs. Vacant Unit

The importance of a furnished model unit (rather than a vacant unit) cannot be emphasized enough, as it accomplishes several important sales objectives. First, a furnished model unit



demonstrates potential space usage in the apartment. A furnished model allows shoppers to visualize how their furniture will fit in the same context and gives them decorating ideas.

Second, the style of furnishing helps to establish a character and image of the community. As explored in previous articles (see "*The Housing Needs Myth*," February 1991), market-rate housing is selling an image and life-style. The model unit is one of the best places to demonstrate this life-style through furnishings. Showing a vacant unit, in effect, is projecting a blank life-style.

Third, creative furnishing allows for hiding any unit space problems (see "*Space: The First Frontier*," March 1991). A unit can be made to look bigger, brighter and more efficient in its space use by creative furnishing. A vacant unit does not hide anything, leaving all the unit's shortcomings in plain sight.

Always Give The Tour

While it seems obvious that giving the tour would be a vital part of the sales process, it was surprising to us how often our analysts were not given tours. At 5.6% of the communities we visited, a model or vacant unit was not shown, and at 5.4% of the units, our analysts were handed a set of keys and sent off to inspect the unit on their own.

Here is one such example: "*The leasing agent asked the analyst if he had 'a lot of stuff' and mentioned that the units were 'kind of small.'* She then said that the policy was not to give tours, but to let people explore the units on their own. She gave him the keys, pointed him in the right direction, and sent him on his way."

This rental agent made several mistakes. The first was giving a negative impression of the apartment to the analyst before he even saw it, but the most important was not giving the tour.

In addition, everyone who works in the rental office should be capable of giving the tour and answering basic questions about the units. At one community, our field analyst had to telephone six times before he could find a leasing agent who could answer his questions. The rest of the time, the

leasing agent was not in or was out giving a tour, and none of the other personnel could answer his questions.

When the analyst visited the same community, the leasing agent was ill. Upon hearing that our analyst was from out of town, two of the office personnel decided to go ahead and show him some vacant units, but they were ill-prepared to answer his questions and were unable to show off the units' appliances, storage space, and other key elements. Most shoppers would not have the persistence of our field analyst - they would simply leave and not come back. Although leasing agents get sick or get called away on emergencies, such things will not keep shoppers from visiting your community, and everyone needs to be prepared to meet such emergencies.

In Summary

This series of articles has been designed to expand the concept of what it means to be successful in presenting your community and renting an apartment; there is more than just giving the tour. Successful presentation involves many components working together: keeping the grounds in top condition, using the telephone to sell the community and get people in the door, effective signage, and an effective tour and presentation. The process can break down at any one of these points, so it is vital to continually assess all of these critical areas.

This series of articles has been designed to expand the concept of what it means to be successful in presenting your community and renting an apartment

Most of the items that we have discussed in this series seem basic to anyone in the sales field. The fact that so many are overlooked so often is cause for considerable concern. In the days ahead when there will be fewer new renters entering the rental pool, your community cannot afford to make mistakes in the presentation process.