



MOVE-IN SATISFACTION MAKES OR BREAKS RENEWALS

BY DOUG MILLER AND JEN PICCOTTI

National survey results show retention efforts must begin much sooner than one might think.

When residents have negative, unresolved experiences or issues on move-in day and during the early months thereafter, their likelihood to renew their leases is significantly impacted. A SatisFacts Research analysis of more than 10,000 residents revealed that owners clearly benefit when they follow up with residents regarding their move-in experiences.

Communities often invest a great deal of time, effort and money into soft retention programs, such as move-in gifts. But what's the point of a pasta basket awaiting a new resident on the kitchen counter if the stove does not work? Likewise, while most leasing staff focuses a great deal of

time following up with prospective residents who phone, e-mail or visit a community, the survey shows it is more critical to follow up with new residents—those who already are paying rent. Owners who shift these priorities accordingly can expect to improve their bottom lines.

Results from the nearly 500,000 units SatisFacts contracted for annual, pre-renewal, move-in and work order follow-up surveys in 2008 show that more than 60 percent of turnover is controllable. Because move-outs cost \$3,000 to \$6,000 apiece, focusing on reducing controllable turnover is a sound financial decision. How service and work orders are handled by the office staff and communication

between the staff and residents have the strongest impact on retention. Nowhere is this more critical than at move-in and survey findings validate that the renewal decision-making process begins at that time.

364 Days and Counting

Residents might not notice when a job is well done, but they certainly remember negative experiences. Staff therefore must focus on minimizing dissatisfaction at move-in, or risk the resident carrying an unfavorable impression for the 364 days leading to the annual renewal date. This starts with proactively identifying issues and is followed by delivering a remarkable

RESIDENTS SAY IT BEST

Following are quotes from recently completed move-in follow-up surveys conducted by SatisFacts. Situations leading to these responses were issues such as the office's staff not being ready for the move-in, kitchen drawers missing, appliances not working, water leaks, gaping holes in the ceiling, deeply stained carpets, walls patched and painted with mismatched colors and office staff members not responding to residents' service requests.

"I am very disappointed. I feel these things should have been done before I moved in."

"The office staff needs to be more professional with residents that move here, instead of brushing people off the way they do once the lease is signed!"

"Both have been noted to the office but have not been taken care of yet. I realize the property is 20 years old, but there is a difference between old yet well-maintained, and old and uncared for."

"I was given a specific move-in date. The office staff and agent were unaware of the status of my apartment. I got three different stories as to why it wasn't ready. The day after my original move in date, I went back to the office to get my keys, sign my lease and move in and again the office could not tell me if my apartment was ready. The maintenance supervisor saw the look of distress on my face and asked if everything was OK. After explaining things to him he quickly responded, 'Yes, that apartment is done and ready for move-in today.' After moving in, the agent informed me that the office could not find my application fee money order and that I needed to bring in proof. Then, the next day, I received a letter stating I had an unpaid amount of \$88.03. No one has ever told me what that amount is for or if they found my money order. The office staff is not very organized and not personable at all."

"The biggest problem to me is to get a response from the person who was my leasing professional. I have tried to set up a meeting with the manager about my concerns but have had no luck."

"The expectation is for me to be a model resident, respect the property, pay rent on time, etc. That's fine. In turn, my expectation is to have my concerns addressed in a timely manner. Not being informed of the status of things disturbs me and conveys a lack of respect."

"It looks like a stain might have been there and instead of replacing the carpet they just cut out a square and patched it. It looks funny, but I guess I have to get over it."

"This is not the floor plan that I was shown or wanted. I was given a handicap unit with no door on the bathroom and the layout was different. Plus, among other things, the wall was patched and painted in a color that did not match the wall color or texture of paint. It will be difficult to entertain guests. It would be embarrassing. I am considering opting out of my lease."

"I don't understand why our apartment wasn't cleaned by the date we were supposed to move in. We couldn't move in that night and had to stay in a hotel until it got cleaned. We didn't get reimbursed for the hotel, plus why should I have to pay rent for days when it wasn't ready to move in?"

"The attention and service from the leasing and office staff is great before you move in; and after you move in, it all stops."

Source: SatisFacts Research



recovery when bad experiences occur. The starting point for improving performance begins with following up with every move-in.

Community Manager Lauren Swint, Legend Management Co., McLean, Va., said the move-in process either makes or breaks an owner's chance for lease renewal. "If they had a bad move-in experience, chances are they are already questioning if they made a good decision even moving in, let alone renewing," Swint said. "As long as you act immediately, there is a chance to overcome a bad experience."

Property Manager Karen Trueman, Legend Management Co., McLean, Va., said residents who experience negative move-ins tend to anticipate more negative experiences.

"They look forward to the day their leases expire so that they can look for a positive experience somewhere else," she said. "They will also voice their experience, positive or negative, to everyone they know. So not only are we losing a potential renewal, we also are losing resident referrals."

Lastly, Property Manager Cheryl Henley, Legend Management Co., McLean,



Va., said, “If the apartment is not in top condition, the resident will be disappointed on day one and we will be in recovery mode for the rest of their stay.”

Residents see the difference between good and bad experiences, and owners who initiate a move-in follow-up program see improved satisfaction. In a recent analysis of nearly 200,000 units’ move-in survey results, overall client scores were diverse. Client mean scores ranged from a low average/borderline warning score for a new client (3.55 on a five-point satisfaction rating scale), up to a long-term client’s superior score of 4.33.

‘Inspect What You Expect’

The difference between scores is the result of focusing attention on preventing or responding to and resolving resident issues from day one. The overall mean score of all clients currently stands at 4.12, which is both in the superior range and on the upswing.

Property Manager Margaret Early, Legend Management Co., McLean, Va., suggests that onsite staff “inspect what you expect” and to “walk your make-ready apartment prior to move-in day. Don’t allow for surprises. Feedback we receive from our move-in surveys is the tool that is most valuable in helping us to get it right.”

Tammy Elam, Director of Marketing, Harbor Group Management, Norfolk, Va., said that residents who are satisfied on their move-in dates are more likely to renew and they also will “invest the time and money to ‘nest’ and create a home within your community if their move-in experience was a good one and their apartment was 100 percent ready to be occupied.”

Positive move-in day experiences and prompt follow-up when

apt guide

UNRESOLVED MAINTENANCE ISSUES HURT RENEWAL RATES

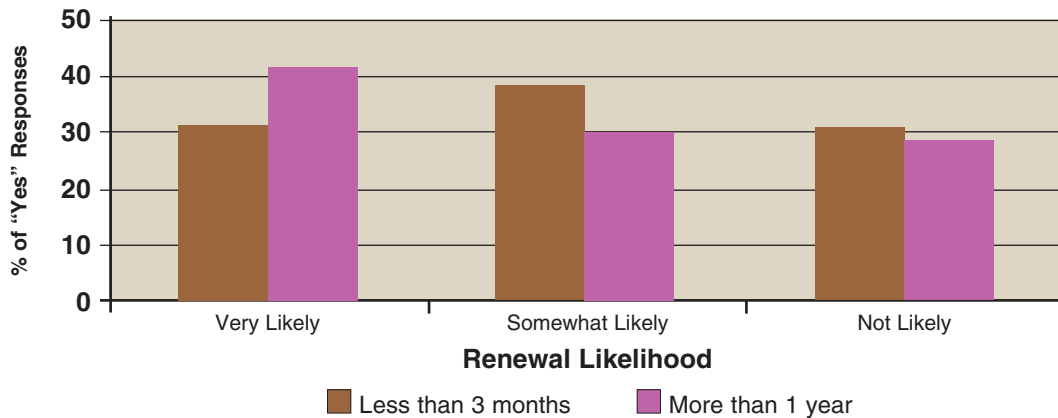
Following is an analysis evaluating residents who answered “yes” to the survey question, “Does a maintenance problem still exist?” We segmented residents into categories based on how long they have lived at their communities (less than three months, three to 12 months, more than one year). Then an analysis was conducted between new residents and those who have lived there for more than a year to compare how they responded to the survey question regarding renewal likelihood.

Residents who have lived at a community for less than three months and have a maintenance problem that still exists from the move-in are significantly less likely to be “very likely” to renew compared to longer-term residents.

Said another way, unresolved maintenance issues early in a resident’s tenure causes a significant number to shift from “very likely” to being only “somewhat likely” to renew. New residents are 10 points less likely to say they are “very likely” to renew, thus the bad experience causes them to immediately question whether they made the right decision on where to rent.


The graph below validates the critical need for prompt follow up with every resident after their move-in. While many communities make random phone calls to new residents, a sound resident retention and feedback program requires contacting every new resident and asking, “Is everything OK? Have we met your expectations?” — D.M.

Residents’ Likelihood to Renew When Maintenance Problems Exist, Based on Tenure



Source: SatisFacts Research (www.SatisFacts.com)



issues exist can reduce turnover. The value of focusing on service delivery and feedback is clear: the resident turnover rate for SatisFacts clients is 9.5 points below the average reported in NAA’s annual Income and Expense Survey. 

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