

Analyzing Your Resident's Demand for Amenities

What marketing plan is complete without amenities?

It's those little, unexpected touches that help attract residents to a property, and keep them there. Yet, all too often, in the rush to fill vacant units, eager leasing agents load units with every possible amenity.

First, you must recognize that the amenity is really only desirable if it can contribute to the net operating income of the property – attracting additional residents and inducing residents to pay higher monthly rents for desirable amenities. Having said that, which amenities will make the most significant contributions to the property's bottom line?

To find that out, an owner must be prepared to apply market research techniques to determine the best amenity package for a particular property. You could survey your existing residents, assessing exactly how much they desire specific amenities, as well as how much they are willing to pay for that amenity. An owner could then add select amenities and accurately and realistically set rents for units that have the desired amenities in place.

Your resident survey should include the following information: Size of unit, a range of approximate monthly incomes, age, sex, marital status, student, children, etc. and approximate amount resident would be willing to pay for each amenity listed.

Before offering a possible amenity, a careful examination of potential cost to include or install the amenity, as well as the length of actual return on the initial investment should be carefully considered.

Some of the possible amenities may include:

- Fireplace
- Washer/Dryer Connection
- Covered Parking
- Swimming Pool
- Jacuzzi
- Exercise Area
- Patio – Open or Covered
- Microwave Oven
- Ceiling Fans in Bedroom or Living Room

A market area survey should be done to determine local preferences. Comparable rental rates will be needed to reach an informed decision on an appropriate amenity package that coincides with reasonable rental rates. Market conditions will also dictate which amenities should be offered.

In general, nation-wide results in amenity surveys have shown that almost all amenities are cost-beneficial, at least for a certain percentage of units on your property.

One approach might be to “tailor” certain buildings or units to have full amenity packages, while others remain “bare-bones” buildings and units. Naturally, rent would be adjusted accordingly.

Another approach might be to start out with those amenities that would cost less to implement, such as purchasing a certain number of microwave ovens, washers and dryers or ceiling fans that can be offered for installation in a basic unit, for marginally higher rents.

If physical amenities are not a viable alternative perhaps “service amenities” could be offered, depending upon property size and staffing needs to carryout the extra services. A similar survey or questionnaire could be utilized, offering such services as: trash pickup at door, dry-cleaning pickup, maid service, car washes, additional phone jacks, 24 hour security service, and video rental on site just to name a few.

The survey questionnaire should be designed so that it can be completed within approximately five minutes so that the respondents don't become bored. Respondents should be asked to state how much more per month they would be willing to pay for each service.

Regardless of your approach, your property's amenity package profile should be periodically reviewed to decide whether resident demands are being met and net operating income is being maximized.

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