



Presented By:



ANNA MYERS

Grocapitus & MultifamilyU



You Can't Manage What You Can't Measure


Best Practices for Asset Management from a Process and Data Geek



Multifamily University

Meet Anna

Vice President, Grocapitus & MultifamilyU



Anna Myers

Vice President



ABOUT ANNA

- Third-generation commercial real estate entrepreneur with 25+ years' experience
- VP : Acquisitions, Operations & Asset Management, teacher Multifamily University
- Grocapitus owns / manages a portfolio of over \$300 Million
- Over 2,000 units of Multifamily, Mixed-Use and Self-Storage, in 9 states
- About 5,000 investors attend MultifamilyU webinar series and hundreds attend Multifamily Boot camps

KEY FOCUS

Submarket & Property Selection

Investor Management

Asset Management

Operations & Metrics

Sample of Grocapitus Portfolio & Track Record



Equinox at Knight

This well maintained value-add 194 unit project in suburban Atlanta is in a submarket with incredible schools, and offers projected cash flow of 8% from 2020 onwards. The property projects a 1.9X equity multiple with an 18% avg. annual return.



Equinox on Prince

Purchased March 2019, our first property in Tucson, AZ is an older 114 unit property in a growth area with new medical centers and malls nearby. Under market rents and tired units offer a true value-add opportunity. We've boosted occupancy by 10% in our 1st month as we re-brand and renovate to create a modern apt community.



The Falls at Crismon Commons

New 240-unit A class property in high-growth metro Mesa, AZ. Development includes allocation of 40 vacation rentals and 200 long-term rentals architected to maximize income and profits.

Ground-up construction commences Q2 2020 with completion expected by Q3 2022.

The GRID

217 units ground up construction next to transit and BNMC medical university campus in Buffalo, NY.

Started construction July 2019, for Q1 2021 completion.



Woods Cross Flex

Short-term 6 building industrial shovel ready project with a projected 3 year exit. Fully zoned/entitled, all entitlement risks removed consisting of 207K SF Industrial Park, 27K SF Storage Yard for parking, loading dock space, with 2 buildings preleased. Fully subscribed.



Storage Depot

718 unit value-add storage facility with adjacent land for expansion. We will rebrand and reposition it as a green facility by adding two solar arrays to power the entire complex, more climatized storage units, RV parking, as well as an EV charging station. Fully subscribed.



Lakewood Oaks

Our first project in Jacksonville FL is a 138-unit Class C (vintage 1974) in an emerging Class B area, acquired in Feb 2019. With under market rents, and no renovated units, this is a true value add. We will re-brand it, re-position it, then explore the possibilities to build 32 additional units.



Park Canyon

151-unit Class B Property in Dalton GA, Chattanooga Metro. Under market rents and 20 down units from a fire gives us opportunity to add significant value in this project.

Property purchased November 2018.



Coyote Creek Apartments

116-unit new construction multifamily in St George UT, a city with 2% vacancy rate, and the property is zoned for vacation rentals as well.

Construction starts Sept 2019, for completion Q1 2021.

AND MANY MORE...

Best Practices for Asset Management

What We Are Going to Cover Today

Onboarding Property to Asset Manager:

PM, CPA, Weekly Meetings, Site Visits, PM Software, Bank Accounts, Trackers & Technology



Capex Tracker:

Exterior / Interior Renovations, Budgets, Charts and Timelines



Weekly Reporting:
MMR, Occupancy,
Leases, Marketing,
Collections, Evictions,
& Service Calls



Monthly Reporting:
Budget v Actuals, Financial
Meetings, Rent Survey,
Market Research &
NOI Tracker

Investor Reporting:
Monthly, Quarterly,
Yearly and As Needed



Yearly Reporting:
Year-End Financials,
K1's and Site Visits



It All Starts with a Business Plan

Your Final Underwriting for the Property



FROM THE FINAL UNDERWRITING, GET:

- **Budget for Income**
(including other income and timeline for implementation)
- **Budget for Expenses**
- **Projected NOI**
- **Expected Unit Turn Rate per Month**
- **Expected Rent Bump per Turn**
- **Budget for Interior and Exterior Capex**

Onboarding Property to Asset Manager: PM



Who are All the Players on PM Side?



Local PM



Person
Above That



Construction
Manager



Regional PM



Maintenance
Manager



Accounting
Manager

Onboarding Property to Asset Manager: CPA



Who is Your CPA?



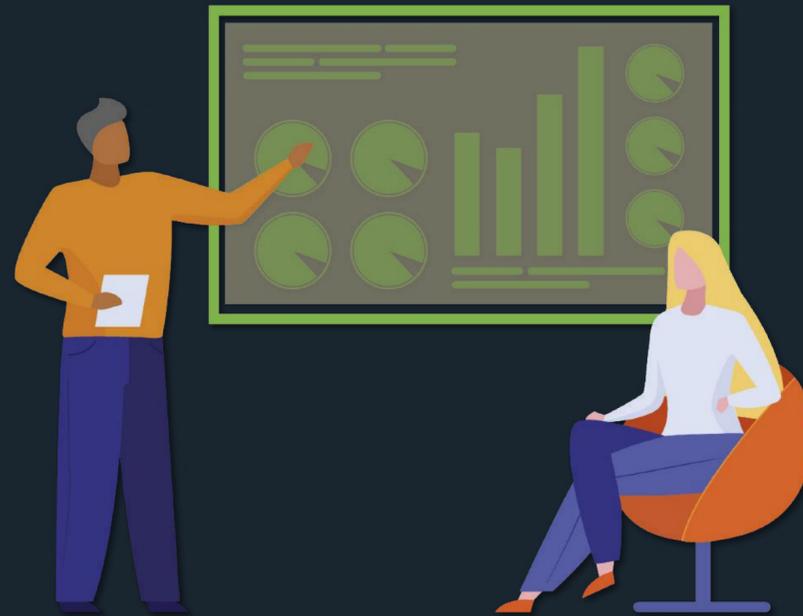
MAKE SURE:

Chart of accounts and Accounting Method is approved by your CPA.



Onboarding Property to Asset Manager: **Weekly Meetings**

— — — — —
Set Up Weekly Meetings



PARTNER MEETING

- Review all the trackers
- Get on the same page



PARTNER + PM MEETING

- Review the trackers with focus set in partner meeting

Onboarding Property to Asset Manager: *Site Visits*

Setup Site Visits

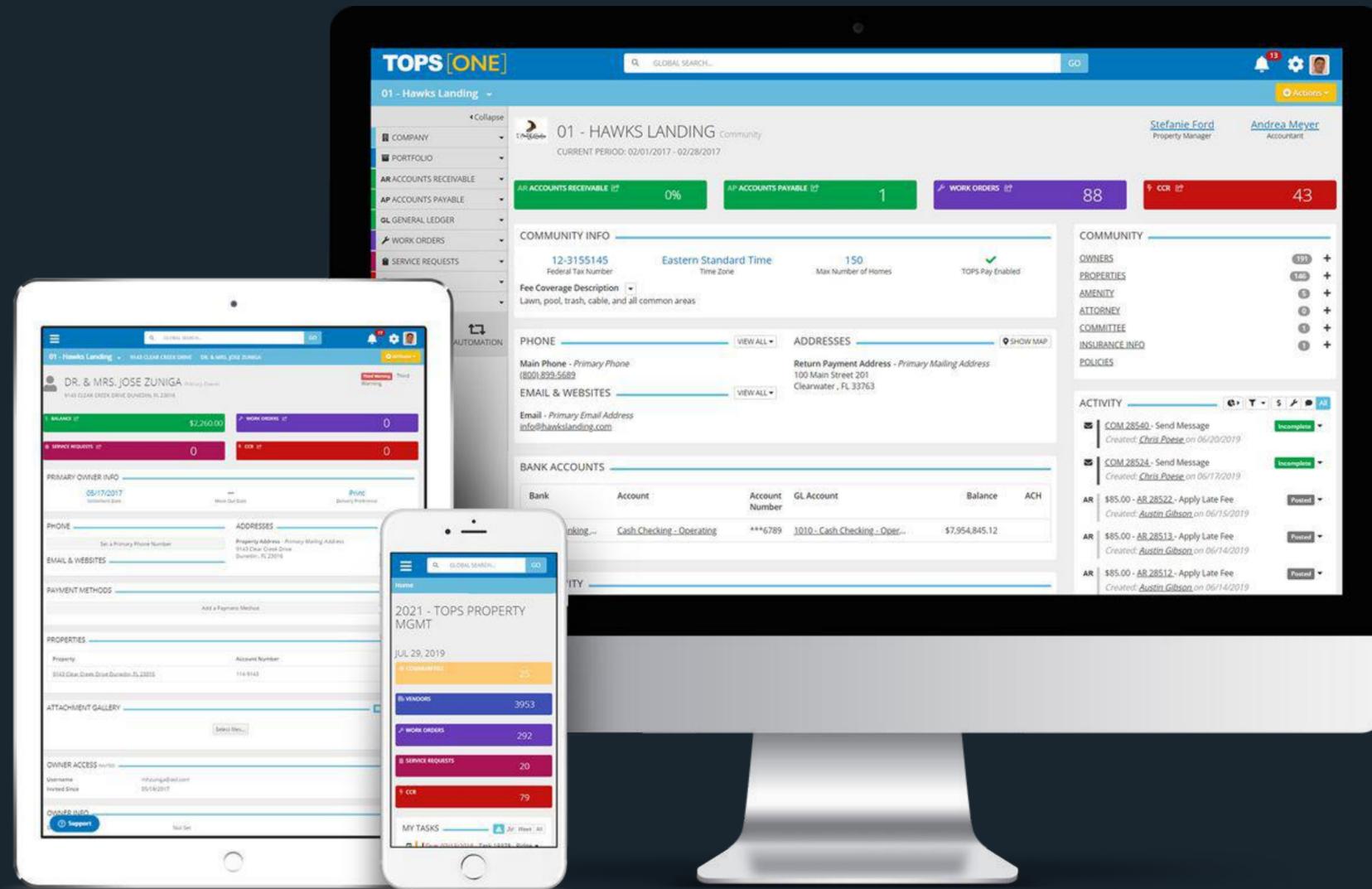


HOW OFTEN & WHO?



Onboarding Property to Asset Manager: PM Software

Need to Have Login to the PM Software



NEED LOGIN DETAILS

Onboarding Property to Asset Manager: Bank Account



Owners Own the Bank Account



IF THERE IS A BANK ACCOUNT PM HAS...

- Owners need to be added to it

Onboarding Property to Asset Manager: Trackers

Prepare Trackers for Them To Add Data



PREPARE TRACKERS

- Provide Expectations and Training for the trackers they will fill in **weekly** and **monthly**

Onboarding Property to Asset Manager: **Technology**



Prepare Trackers for Them To Add Data



PROJECT MANAGEMENT SOFTWARE

- Hold your PM accountable



COMMUNICATION SOFTWARE

- Easily search communications and cut down on emails

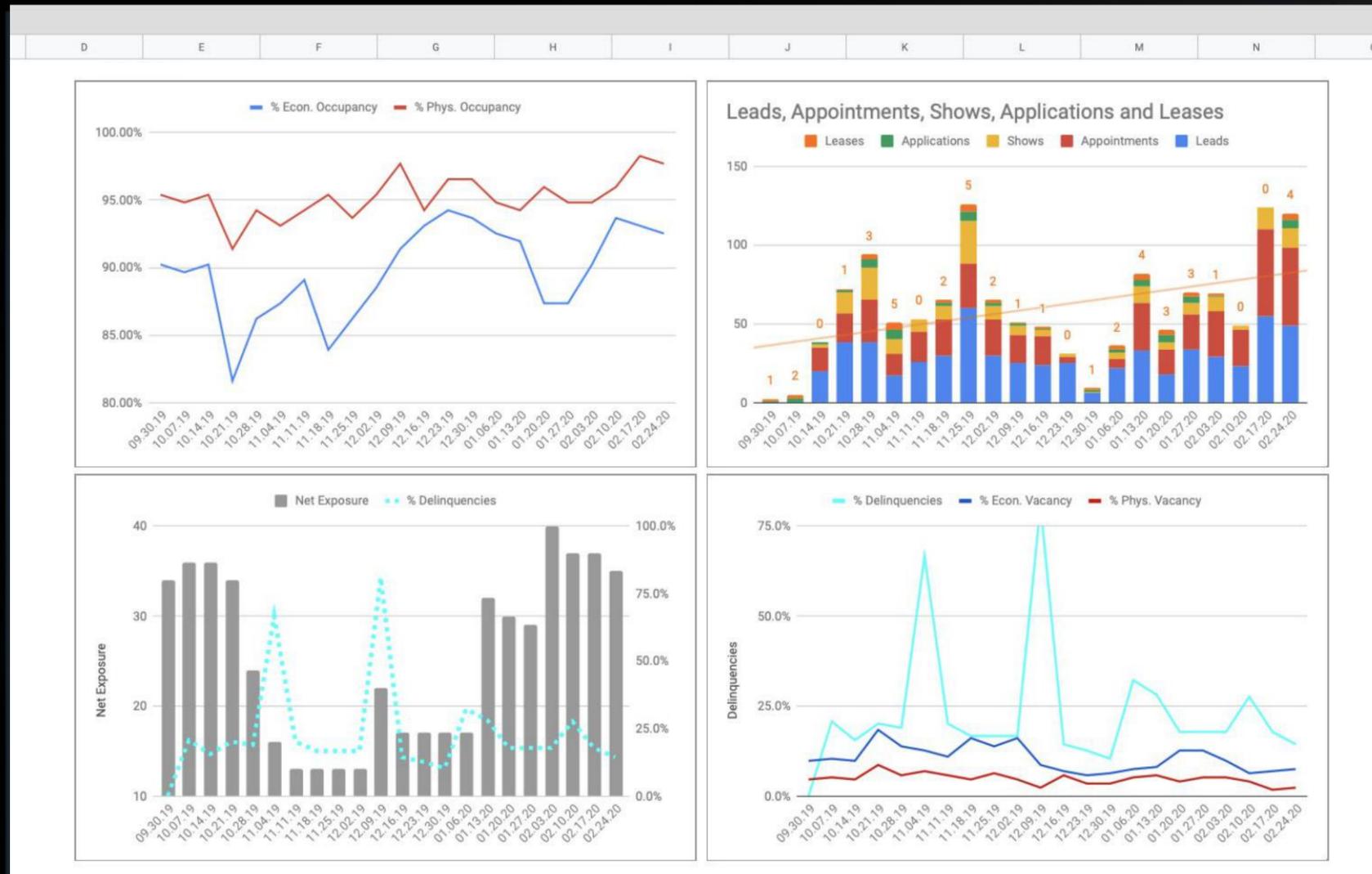


KEY PIECES OF ASSET MANAGEMENT FOR MULTIFAMILY

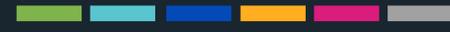


Weekly MMR

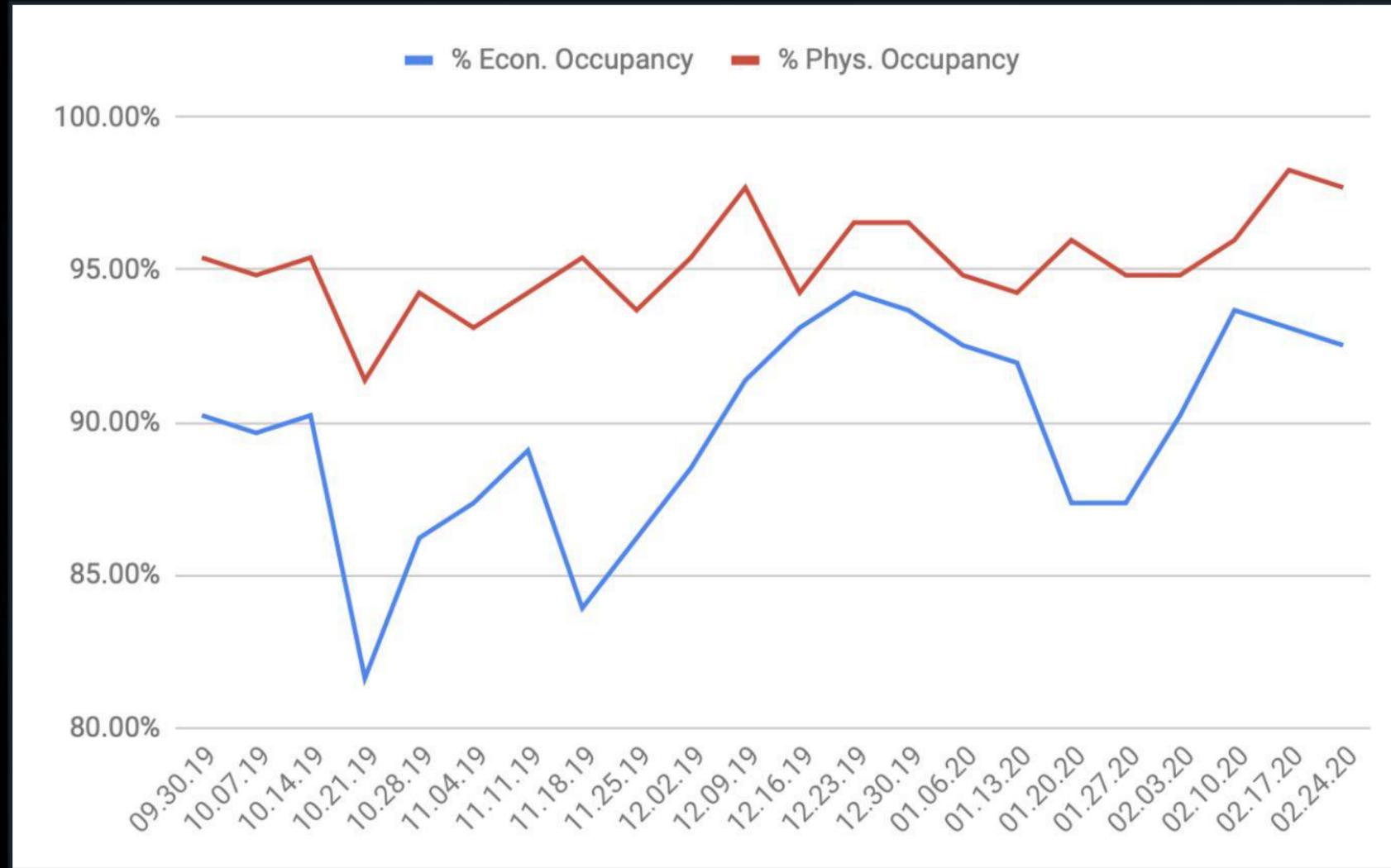
Monday Morning Report



Weekly: Occupancy



Physical and Economic



Weekly: Move Outs / Notice to Vacates



		3.2.2020	% Econ. Occupancy-->		92.53%	7.47%	<--% Economic Vacancy				
			% Phys Occupancy-->		97.70%	2.30%	<--% Physical Vacancy				
		SUMMARY					PREVIOUS LEASING				
		Previous Wk Occupied (Incl. Non-Rev - last tab)	Evictions	Skips + Moved Out	Moved In	NonRev + Occupied	Economic Vacancies (Incl. Evic+Sk)	Leased: Vacants	Pre-Leased: NTVs	Lease Reje Cancell	
TOTAL		174	171	9	1	0	161	13	0	2	0
1 Bed / 1 Bath		18	18	0	1	0	17	1	0	0	0
2 Bed / 1.5 Bath		102	100	5	0	0	95	7	0	1	0
3 Bed / 1.5 Bath		54	53	4	0	0	49	5	0	1	0
TRAFFIC SOURCES		Mega Marketing Leads	Leads (Goal 100)	Appointments (Goal 35)	Shows (Goal 30)	Applications (Goal 15)	Leases (Goal 12)	REASONS FOR NOT LEASING			
	Apartments.com		0	0	0	0	0	Rent too expensive			
	Other property		0	0	0	0	0	Unit type not available			
	Other		0	0	0	0	0	No response to call/email			
	google		0	0	0	0	0	No show appt			
	Resident referral		0	0	0	0	0	Unit amenities			
	Grocapitus		0	0	0	0	0	Not wanting to commit/still looking			
	Craigslist		0	0	0	0	0	Future move-in date			
	Facebook		0	0	0	0	0	TRAFFIC WAS NOT QUALIFIED BECAUSE			
	Brochure		0	0	0	0	0	Income too low			
	ApartmentRatings.com		0	0	0	0	0	Criminal record			
	Prior Resident		0	0	0	0	0	Negative rental			
	Non-resident referral		0	0	0	0	0	Voucher program			
	Total Traffic		0	0	0	0	0	Pet doesn't meet property criteria			
FINANCIALS		Amount	%	LEASE EXPIRATIONS		#	Renewed this month	NTV	Undec		
	Rents (monthly billing)	\$146,360.97		MTM Leases		4	1	1	2		
	Other Income (monthly billing)	\$10,111.55		Through end of this calendar month		13	5	0	4		
	Total (monthly billing)	\$156,472.52		Through end of next calendar month		15	0	5	10		
	MTD Collections	\$36,466.96		Through end of next calendar month		9	0	0	9		
	Current month delinquent	\$118,022.21	75%	MOVE IN/OUT		Move Outs	Move Ins	READY UNITS			
	Prior delinquent	\$10,217.55		0-7 Days	0	1	Total # vacant for long t				
	Total delinquent	\$128,239.76		8-14 Days	0	1	# Vacant available to show				
	# of Units with delinquency	134	77.0%	15-21 Days	0	1	# Units comple				
	Expenses MTD			22-30 Days	0	0	SERVICE REQUESTS				
	Income MTD	\$36,466.96		30 + Days	5	4	Pending la				
	Exp / Inc Ratio	0%		TOTAL MOVE IN/OUT	5	7	Received th				
ACCOUNTS RECEIVABLE				EVICTIONS + SKIPS		#	Completed t				
	"A/R current balance (Delinquency Report - ALL)"	\$118,022.21		New Evictions Filed	6	Pending th					
	Diff from total delinquent	\$10,217.55	8%	Prev Evictions Still in Process	3						
	Aged Recieveables (ALL)	\$128,239.76		New Skips	0						

Weekly: Occupancy

Physical and Economic

10/14/19

% Econ. Occupancy-->

92.03%

7.97%

% Phys Occupancy-->

97.10%

2.90%

SUMMARY

	# of Units	Last Wk Occupied (Incl. Non-Rev)	Evictions	Skips + Moved Out	Moved In	NonRev + Occupied	Economic Vacancies (incl Evic+Sk)
TOTAL	138	132	7	0	2	127	11
Studio - Cozumel	24	24	0	0	0	24	0
1 Bed/1 Bath - Cancun	48	46	2	0	1	45	3
2 Bed / 1 Bath - Cabo	8	6	0	0	0	6	2
2 Bed / 1 Bath - Carmen	16	15	1	0	0	14	2
2 Bed / 2 Bath - Tulum	16	15	1	0	1	13	0
3 Bed / 2 Bath - Acapulco	25	25	3	0	0	24	1
4 Bed / 2 Bath - ADMIN	1	1	0	0	0	1	0

Weekly: Leases / Upcoming Move Ins



		02.17.2020		% Econ. Occupancy-->		93.10%		6.90%		<--% Economic Vacancy	
				% Phys Occupancy-->		98.28%		1.72%		<--% Physical Vacancy	
		SUMMARY						PREVIOUS LEASING			
		Previous Wk Occupied (Incl. Non-Rev - last tab)	Evictions	Skips + Moved Out	Moved In	NonRev + Occupied	Economic Vacancies (Incl. Evic+Sk)	Leased: Vacants	Pre-Leased: NTVs	Lease Rejection Cancellations	
TOTAL		174	168	9	0	3	162	12	1	2	0
1 Bed / 1 Bath		18	18	0	0	0	18	0	0	0	0
2 Bed / 1.5 Bath		102	98	7	0	2	93	9	0	1	0
3 Bed / 1.5 Bath		54	52	2	0	1	51	3	1	1	0
TRAFFIC SOURCES		Mega Marketing Leads	Leads (Goal 100)	Appointments (Goal 35)	Shows (Goal 30)	Applications (Goal 15)	Leases (Goal 12)	REASONS FOR NOT LEASING			
	Apartments.com		5	5	1	0	0	Rent too expensive			
	Prior Resident		2	2	0	0	0	Unit type not available			
	Other		1	1	1	0	0	No response to call/email			
	google		5	5	2	0	0	No show appt			
	Resident referral		4	4	2	0	0	Unit amenities			
	Grocapitus		26	26	1	0	0	Not wanting to commit/still looking			
	Craigslist		5	5	2	0	0	Future move-in date			
	Facebook		5	5	3	0	0	TRAFFIC WAS NOT QUALIFIED BECAUSE			
	Brochure		1	1	1	0	0	Income too low			
	Apartment Guide		1	1	1	0	0	Criminal record			
	RentPath		0	0	0	0	0	Negative rental			
	Referral Companies		0	0	0	0	0	Voucher program			
	Total Traffic		55	55	14	0	0	Pet doesn't meet property criteria			
FINANCIALS		Amount	%	LEASE EXPIRATIONS		#	Renewed this month	NTV	Undecided		
	Rents (monthly billing)	\$144,705.59		MTM Leases		4	1	1	2		
	Other Income (monthly billing)	\$15,867.46		Through end of this calendar month		13	3	1	9		
	Total (monthly billing)	\$160,573.05		Through end of next calendar month		15	0	5	10		
	MTD Collections	\$145,879.84		Through end of next calendar month		0	0	0	9		
	Current month delinquent	\$23,346.31	15%	MOVE IN/OUT		Move Outs	Move Ins	READY UNITS			
	Prior delinquent	\$8,433.10		0-7 Days	1	1	Total # vacant for long term				
	Total delinquent	\$31,779.41		8-14 Days	1	0	# Vacant available to show this				
	# of Units with delinquency	31	17.8%	15-21 Days	0	0	# Units completed in				
	Expenses MTD	\$59,059.00		22-30 Days	0	1	SERVICE REQUESTS				
	Income MTD	\$145,879.84		30 + Days	5	0	Pending last we				
	Exp / Inc Ratio	40%		TOTAL MOVE IN/OUT	7	7	Received this we				
ACCOUNTS RECEIVABLE				EVICTIONS + SKIPS		#					
	"A/R current balance (Delinquency Report - ALL)"	\$23,346.31		New Evictions Filed	6	Completed this we					
	Diff from total delinquent	\$8,433.10	27%	Prev Evictions Still in Process	3	Pending this we					
	Aged Recieveables (ALL)	\$31,779.41		New Skips	0						

Weekly: Marketing



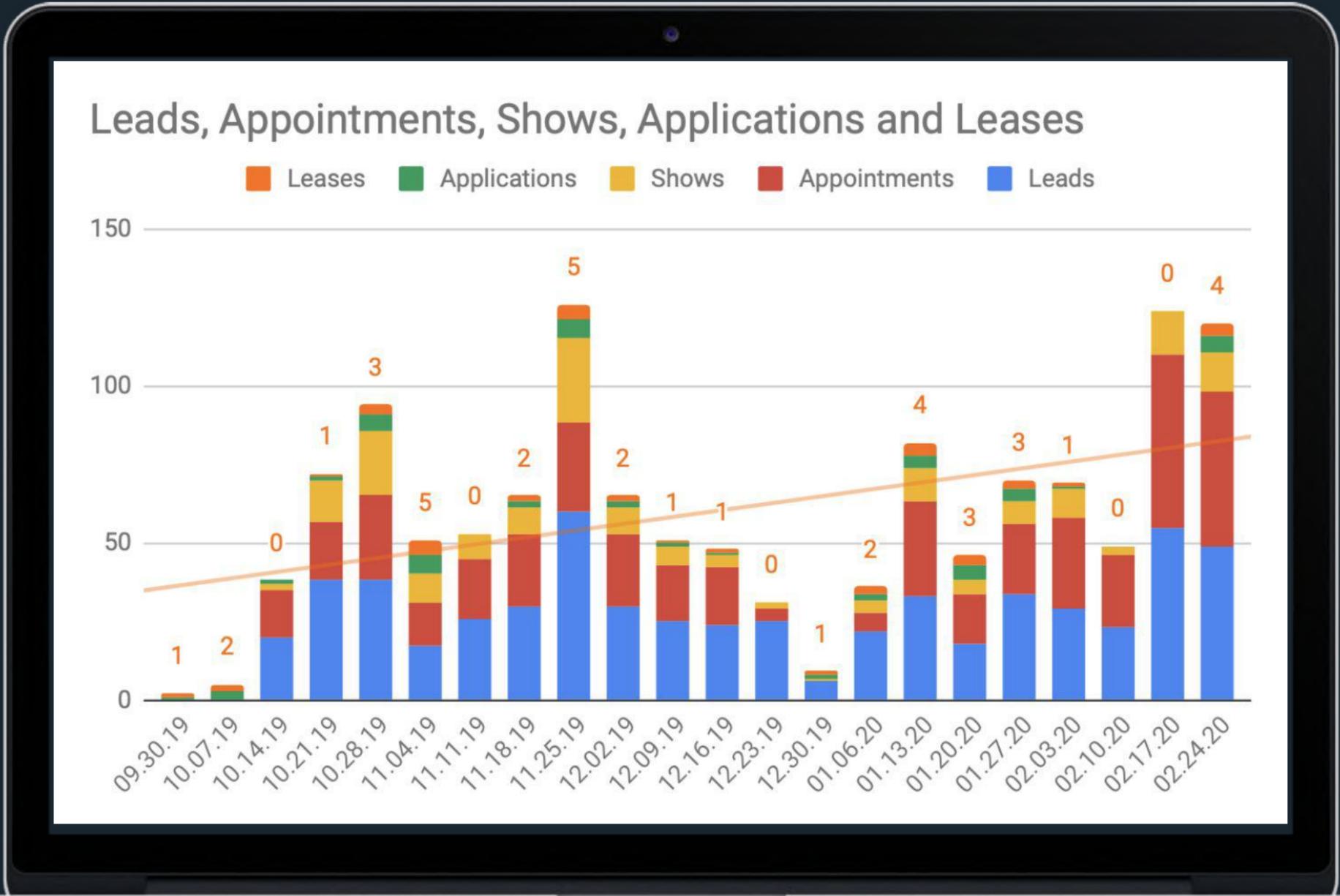
Incoming Leases and the LASAL Behind Those Leases

TRAFFIC SOURCES	Mega Marketing Leads	Leads (Goal 100)	Appointments (Goal 35)	Shows (Goal 30)	Applications (Goal 15)	Leases (Goal 12)
	Apartments.com	6	6	2	0	0
	Other property	1	1	0	0	0
	Other	3	3	0	0	0
	google	9	9	1	0	0
	Resident referral	5	5	0	1	0
	Grocapitus	82	35	24	7	3
	Craigslist	5	5	3	0	0
	Facebook	6	6	4	2	2
	Brochure	1	1	1	1	1
	ApartmentRatings.com	1	1	0	0	0
	Prior Resident	1	1	0	0	0
	Non-resident referral	1	1	1	1	1
	Total Traffic	121	74	36	12	7

Weekly: Marketing



Incoming Leases and the LASAL Behind Those Leases



Weekly: Current Collections for the Month



		SUMMARY				
		Previous Wk Occupied (Incl. Non-Rev - last tab)	Evictions	Skips + Moved Out	Moved In	NonR
ApartmentRatings.com		0	0	0	0	
Prior Resident		0	0	0	0	
Non-resident referral		0	0	0	0	
Total Traffic		0	0	0	0	
FINANCIALS		Amount	%	LEASE EXPIRATIONS		
Rents (monthly billing)		\$146,360.97		Through end of this		
Other Income (monthly billing)		\$10,111.55		Through end of next		
Total (monthly billing)		\$156,472.52		Through end of next next		
MTD Collections		\$36,466.96		MOVE IN/OUT		
Current month delinquent		\$118,022.21	75%	0-7 Days		
Prior delinquent		\$10,217.55		8-14 Days		
Total delinquent		\$128,239.76		15-21 Days		
# of Units with delinquency		134	77.0%	22-30 Days		
Expenses MTD				30 + Days		
Income MTD		\$36,466.96		TOTAL MOVE IN/OUT		
Exp / Inc Ratio		0%				
ACCOUNTS RECEIVABLE		EVICTIONS + SKIPS				
"A/R current balance (Delinquency Report - ALL)"		\$118,022.21		New Evictions Filed		
Diff from total delinquent		\$10,217.55	8%	Prev Evictions Still in Process		
Aged Recieveables (ALL)		\$128,239.76		New Skips		

Weekly: Current Evictions / Skips



SUMMARY				
Evictions	Skips + Moved Out	Moved In	NonRev + Occupied	Economic Vacancies (incl. Evic+Sk)
	Through end of next calendar month			15
	Through end of next next calendar month			9
75%	MOVE IN/OUT		Move Outs	Move Ins
		0-7 Days	0	1
		8-14 Days	0	1
77.0%		15-21 Days	0	1
		22-30 Days	0	0
		30 + Days	5	4
		TOTAL MOVE IN/OUT	5	7
	EVICTIONS + SKIPS		#	
		New Evictions Filed	6	
8%		Prev Evictions Still in Process	3	
		New Skips	0	

Weekly: Service Calls & Ready Units



How Many Coming In and How Many Solved

PREVIOUS LEASING		LAST WEEK'S LEASING			
Leased: Vacants	Pre-Leased: NTVs	Lease Rejections/ Cancellations	All upcoming NTV's Received	Approved Leased: Vacants	Pre-Leased
Renewed this month	NTV	Undecided	Net Exposure	APPLICATIONS (INCLUDES NTV, PRE-LEA	
1	1	2	3		4
5	0	4	8		0
0	5	10	15		4
0	0	9	9	ON WAIT LIST	#
READY UNITS			#		1
Total # vacant for long term leases			2		1
# Vacant available to show this week			1		0
# Units completed last wk			1	OTHER	#
SERVICE REQUESTS			#		0
Pending last week (+)			12		0
Received this week (+)			15		0
Completed this week (-)			18		
Pending this week (=)			9		

Capex Tracker: Exterior Renovations



Exterior Capex				
Category	Description	Project Manager	Status	Est. Completion Date
Landscaping & Tree Trimming	▼ Tree trimming/palm tree pruning, dead tree removal	Sid	Completed	
Landscaping & Tree Trimming	▼ Additional Tree Work	Sid	Completed	
Signage Package (monument, other)	▼ Temp. Signage (leasing office, playground)	Julia	Completed	
Dog Park	▼ Dog Park, fencing and mulch	Sid	Completed	
Pool Furniture	▼ Pool furniture (Leisure Creations)	Sid	Completed	
Sidewalk Trip Hazard Repairs	▼ Sidewalks Trip Hazard Repairs (FSI)	Sid	Completed	
Pool Furniture	▼ Sidewalk changeorder	Sid	Completed	
Pool Furniture	▼ Pool Coping (no invoice)	Julia F	Completed	
Clubhouse Building Panel Replace	▼ Leasing office redesign (no invoice)	Julia/Elizabeth	Completed	
Clubhouse Building Panel Replace	▼ LR - Replace clubhouse building panel (no invoice)	Demetrius	Completed	
Handle Hardware at Sinks	▼ LR - Provide lever handle hardware at sinks (no invoice)	Demetrius	Completed	
Pipe wrap under leasing office	▼ LR - Provide pipe wrap under leasing office toilet room sinks (no invoice)	Demetrius	Completed	
Summer Kitchen	▼ Outdoor kitchen	Sid	Completed	
Summer Kitchen	▼ Outdoor Kitchen- Additional work	Sid	Completed	
Wood & Siding Repairs	▼ Wood and Siding repairs	Sid	Completed	
Exterior Paint	▼ Paint + Powerwash Exteriors	Sid	Completed	
Wood & Siding Repairs	▼ Carpentry Additional Work	Sid	Completed	
Signage Package (monument, other)	▼ Property Signage	Julia	Completed	

Capex Tracker: Interior Renovations



NOTE : Fill in Choices of Unit Types and Renovation Packages on the Reference Tab FIRST to populate dropdowns with your properties data. 2nd step is it populate Renovation Packages tab. Then your data is ready to populate your Turn and Reno data on this tab

Unit #	Unit Type	Renovation Package	Status	Move Out Date	Reno Start Date
305	2 BW	Reno with Resurfacing	Completed	5/6/2019	05/07/2019
514	2 BW	Reno with Resurfacing	Completed	3/4/2019	3/12/2019
801	2 BW	Reno with Resurfacing	Completed	8/31/2019	9/16/2019
403	2 BH	Reno with Resurfacing	Completed	2/28/2019	3/12/2019
402	2 BH	Reno with Resurfacing	Completed	8/31/2019	9/4/2019
607	1 BD	Reno with Resurfacing	Completed	5/8/2019	5/20/2019
612	1 BD	Reno with Resurfacing	Completed	3/6/2019	3/12/2019
903	1 BD	Reno with Resurfacing	Completed	7/31/2019	8/12/2019
916	1 BD	Reno with Resurfacing	Completed	10/5/2019	10/14/2019
207	1 BC	Reno with Resurfacing	Completed	4/30/2019	5/13/2019
211	1 BC	Reno with Resurfacing	Completed	4/30/2019	5/20/2019
110 (Model)	1 BC	Reno with Resurfacing	Completed	5/6/2019	5/6/2019
112	1 BC	Reno with Resurfacing	Completed	6/30/2019	7/5/2019

Capex Tracker: Budget from PM for Various Types



n Unit Types and Renovation Packages on the Tab FIRST. Then fill in the data here	1 BD Classic	1 BD Moderate	1 BD Reno with Resurfacing	1 BD Reno Gra
Expected Rent Bump	\$30	\$90	\$155	\$1
Expected Days to Complete	7	7	15	1
Chadwell Kit	\$0	\$0	\$1,050	\$1,
Misc Supplies for Turn	\$150	\$150	\$150	\$1
Appliances	\$0	\$1,475	\$1,475	\$1,
Carpet (includes Labor)	\$60	\$790	\$790	\$7
Vinyl (includes Labor)	\$0	\$425	\$425	\$4
Cabinet Doors (includes Labor)	\$0	\$0	\$580	\$5
Counter Tops Kitchen & Vanity (includes Labor)	\$0	\$0	\$275	\$5
Bathtub Resurfacing	\$0	\$0	\$275	\$2
Paint Purchase	\$150	\$150	\$250	\$2
In House Cleaning	\$80	\$80	\$80	\$8
House Labor (includes paint & punch)	\$750	800	3200	\$3,

Capex Tracker: Number / types of Units Under Renovation



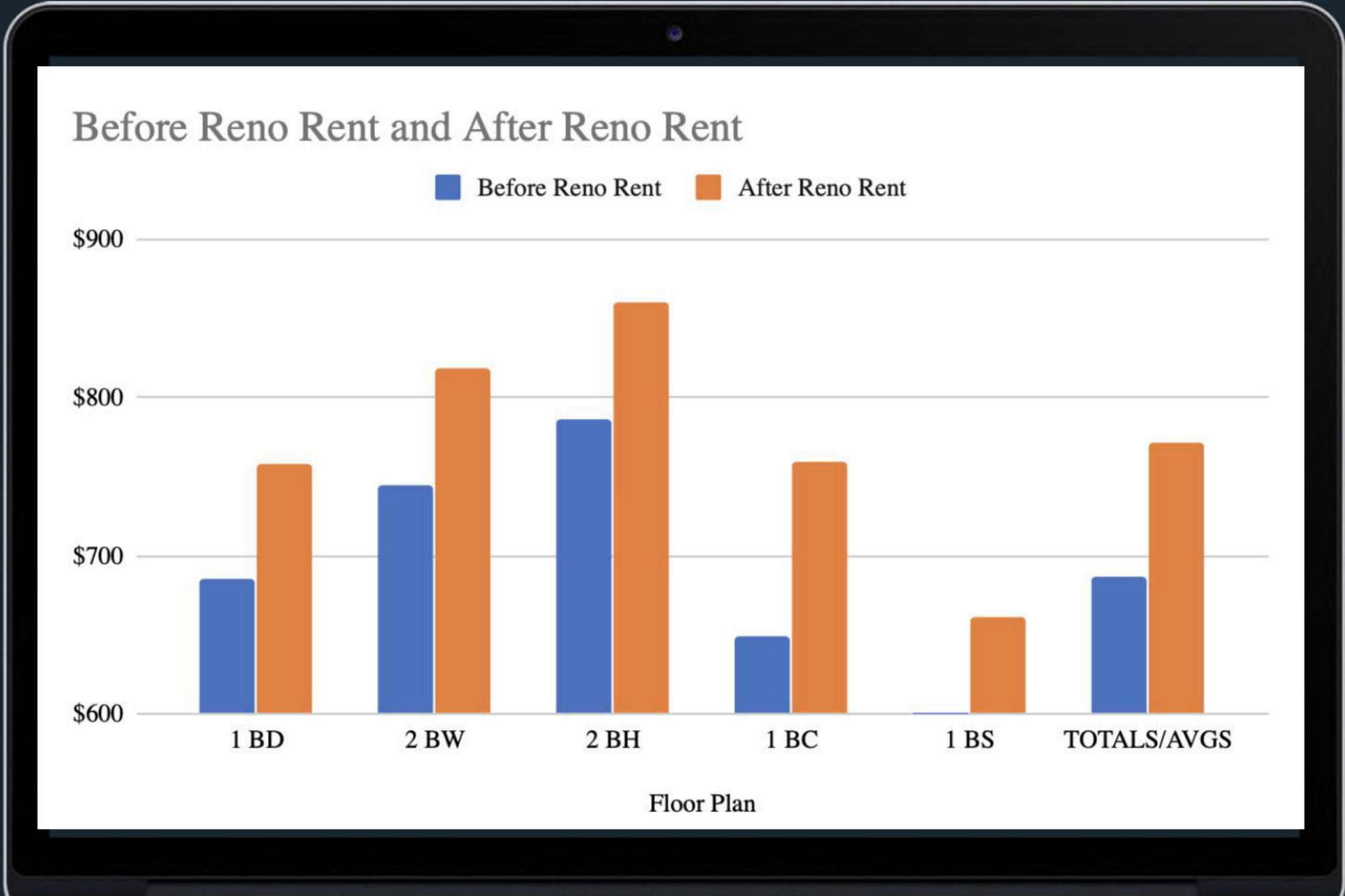
Unit #	Unit Type	Renovation Package	Status	Move Out Date
205	1 BC	Reno with Granite	Completed	12/31/20
105	1 BS	Classic	Completed	1/31/202
113	1 BC	Classic	Completed	1/31/202
209	1 BC	Classic	Completed	1/31/202
516	2 BW	Classic	Completed	1/31/202
106	1 BS	Classic	Not Started	2/29/202
620	1 BS	Classic	Not Started	2/29/202
912	1 BC	Moderate	Not Started	2/29/202
814	2 BW	Reno with Granite	Not Started	2/29/202
315	2 BH	Reno with Granite	Not Started	2/29/202
910	1 BC	Classic	Not Started	2/29/202
804	2 BW	Moderate	In Progress	1/31/202
818	1 BS	Classic	Not Started	2/29/202

Capex Tracker: Timeline from Lease End to New Lease

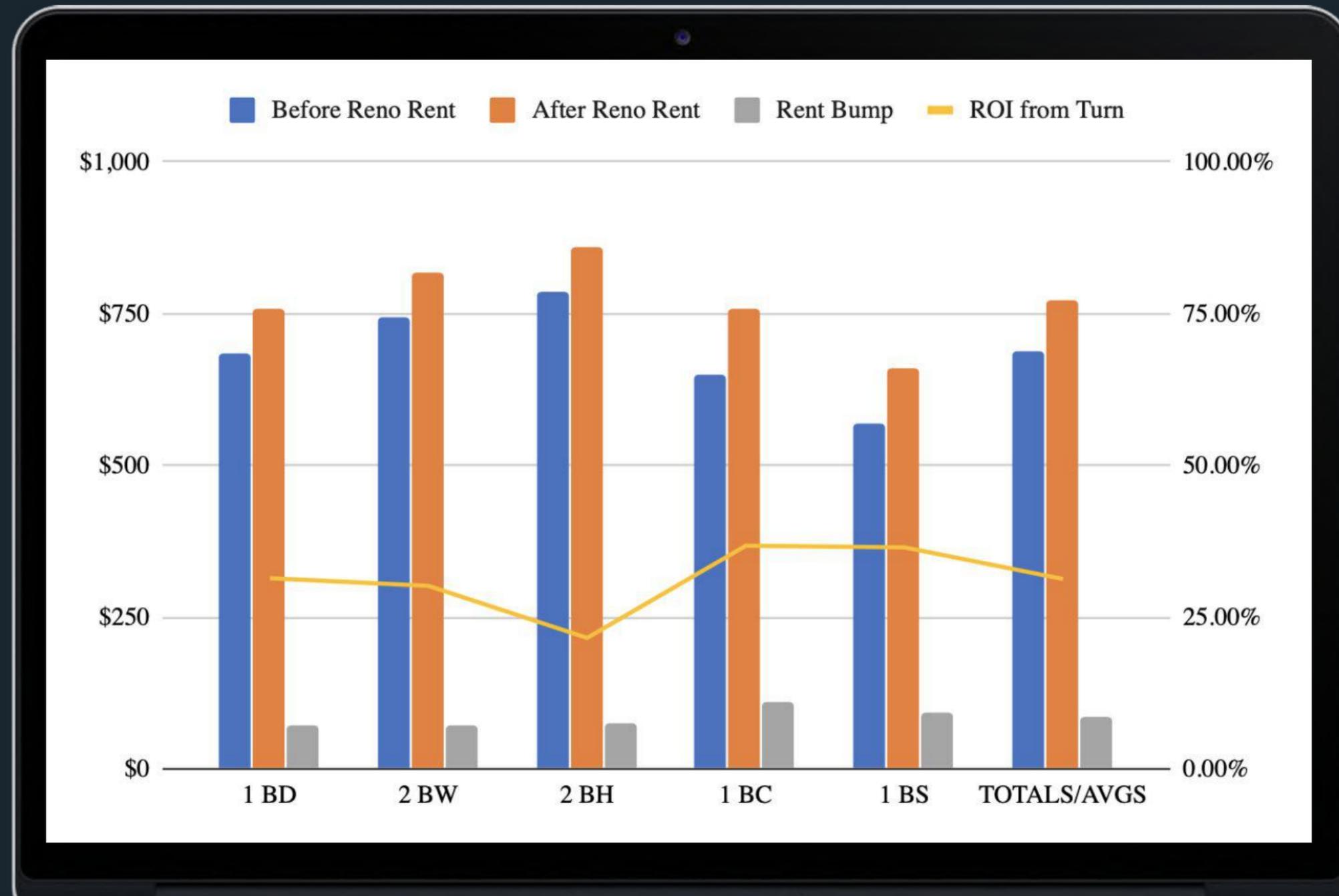
What Are We Measuring?

Renovation Package	Status	Move Out Date	Reno Start Date	Reno End Date	New Lease Signed
Reno with Resurfacing	Completed	5/6/2019	05/07/2019	05/24/2019	05/29/2019
Reno with Resurfacing	Completed	3/4/2019	3/12/2019	4/30/2019	05/02/2019
Reno with Resurfacing	Completed	8/31/2019	9/16/2019	9/27/2019	09/28/2019
Reno with Resurfacing	Completed	2/28/2019	3/12/2019	4/30/2019	05/08/2019
Reno with Resurfacing	Completed	8/31/2019	9/4/2019	9/20/2019	09/21/2019
Reno with Resurfacing	Completed	5/8/2019	5/20/2019	5/30/2019	06/01/2019
Reno with Resurfacing	Completed	3/6/2019	3/12/2019	4/23/2019	05/04/2019
Reno with Resurfacing	Completed	7/31/2019	8/12/2019	8/23/2019	08/24/2019
Reno with Resurfacing	Completed	10/5/2019	10/14/2019	10/22/2019	10/22/2019
Reno with Resurfacing	Completed	4/30/2019	5/13/2019	5/27/2019	06/01/2019
Reno with Resurfacing	Completed	4/30/2019	5/20/2019	6/7/2019	06/08/2019
Reno with Resurfacing	Completed	5/6/2019	5/6/2019	5/24/2019	
Reno with Resurfacing	Completed	6/30/2019	7/5/2019	7/19/2019	07/20/2019
Reno with Resurfacing	Completed	6/30/2019	7/8/2019	7/23/2019	07/27/2019
Reno with Resurfacing	Completed	7/31/2019	8/12/2019	8/23/2019	08/24/2019
Reno with Resurfacing	Completed	3/9/2019	3/18/2019	4/23/2019	05/01/2019

Capex Chart of Results: New Lease Rate (Rent Bump)



Capex Chart of Results: ROI of Renovation



Capex: Measure Actual Costs, Time & Rent Bumps



COUNTA of Unit Type	AVERAGE of Lease Expiration to Reno Start	AVERAGE of Days to Complete Reno	AVERAGE of Days to Lease Up After Reno	AVERAGE of New Lease Signed	AVERAGE of Budget	AVERAGE of Actual
2	20	14	7	43,855	\$8,376	\$5,968
1	16	14	1	43,861	\$8,828	\$5,781
1	18	24	43	43,862	\$9,860	\$7,823
4	19	16	17	43,859	\$8,860	\$6,385
COUNTA of Unit Type	AVERAGE of Lease Expiration to Reno Start	AVERAGE of Days to Complete Reno	AVERAGE of Days to Lease Up After Reno	AVERAGE of New Lease Signed	AVERAGE of Budget	AVERAGE of Actual
9	4	5	4	\$43,737	\$1,340	\$1,270
14	4	6	3	\$43,733	\$1,190	\$1,283
6	6	6	8	\$43,790	\$2,127	\$1,681
4	24	5	4	\$43,736	\$2,181	\$2,553
11	6	8	12	\$43,743	\$1,415	\$1,364
44	7	6	6	\$43,744	\$1,495	\$1,470



asana Project Tasks: Keep on Top of Tasks



List
Board
Timeline
Calendar
Progress
Forms
More...

Set status

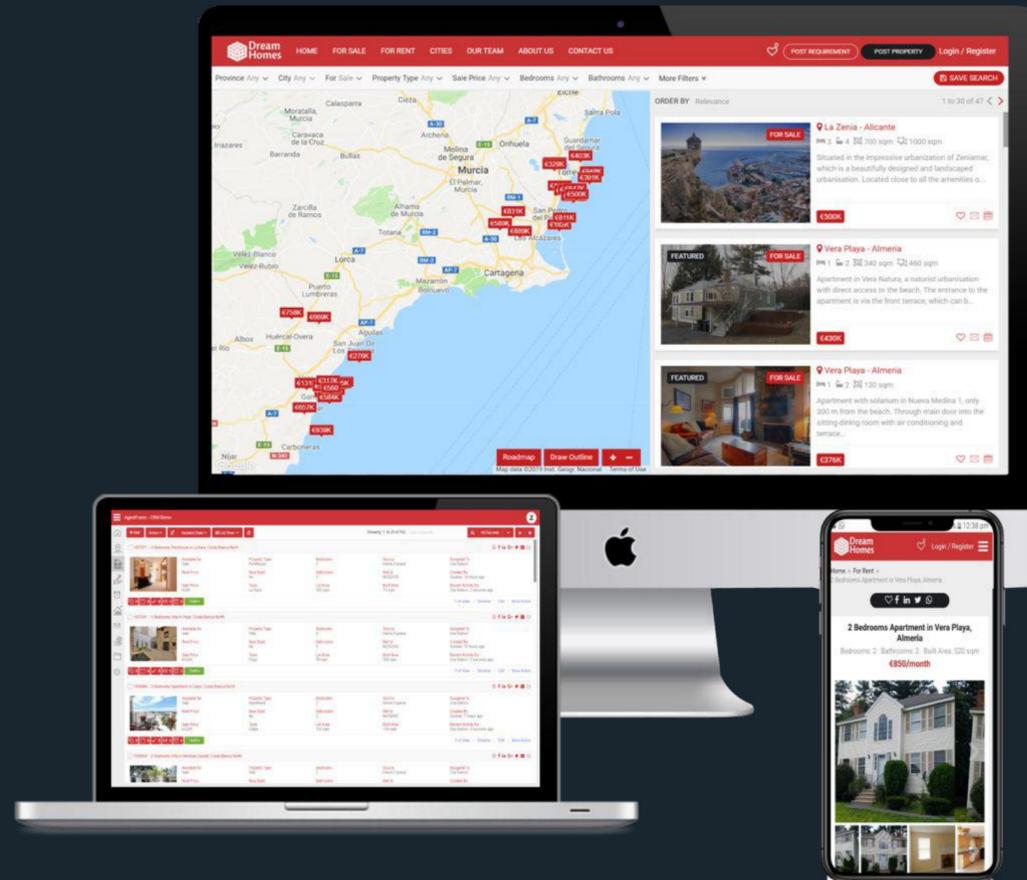
Join

Upgrade

+ Add Task
Incomplete tasks
Filter
Sort
Rules
Fields
...

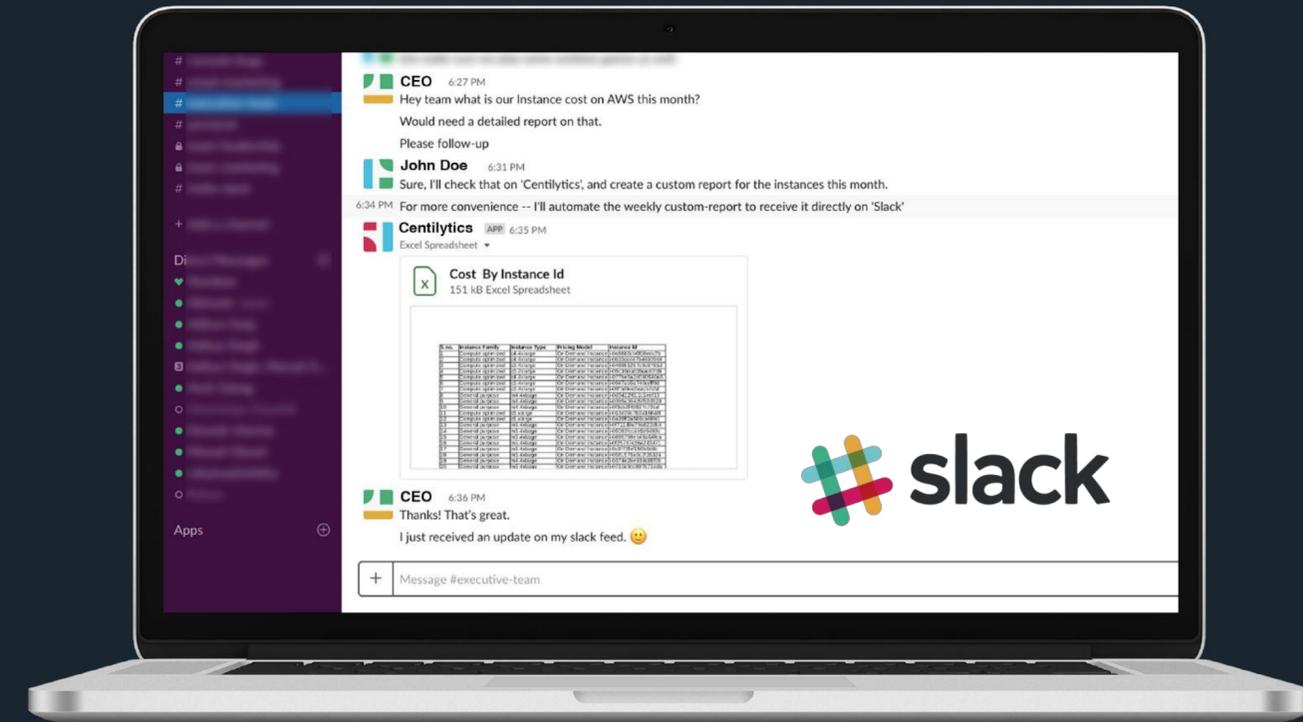
Task name	Assignee	Due date	+
<input checked="" type="checkbox"/> Insurance Settlement Question 1	Anna Myers		
<input checked="" type="checkbox"/> Set up mini model - figure out timing			
<input checked="" type="checkbox"/> Share construction timeline with onsite staff	Anna Myers	2 Mar	
<input checked="" type="checkbox"/> Fencing - Have new construction do it or Us		28 Feb	
<input checked="" type="checkbox"/> Start Pre-leasing the new units			
<input checked="" type="checkbox"/> ***** Discuss Gigafy Pricing 4	jadams@s...	25 Feb	
<input checked="" type="checkbox"/> New park canyon property taxes 1		8 Sep	
<input checked="" type="checkbox"/> ***** Remind ACE regarding refund - assign to Jorge 2		2 Mar	
<input checked="" type="checkbox"/> Quarterly Webinar for PC		16 Apr	
<input checked="" type="checkbox"/> PC: Send Webinar Replay to Investors		1 Apr	
<input checked="" type="checkbox"/> Remind operators about distributions by the 15th		15 Apr	
<input checked="" type="checkbox"/> Monthly Finance Meeting - PC		18 Mar	
<input checked="" type="checkbox"/> Ongoing billing to Properties for our time and resources....		12 Mar	
POST-ACQUISITION			
<input checked="" type="checkbox"/> Park Canyon Immediate repairs 338223156 - tennis court 8	jadams@s...	Tuesday	
<input checked="" type="checkbox"/> Arbordale 2	Gary Lee	2 Mar	

Leads / Marketing



BRING IN YOUR OWN LEADS

- The more the merrier:
EFFICIENCY CENTER



SLACK FOR COMMUNICATIONS

- Slack to communicate between
CSRs and PMs

Grocapitus Efficiency Center



Ultra-Powerful Secret Sauce

FILL UP THE PROPERTY

MEGA MARKETING



Current run rate of nearly 20,000 tenant leads a year

MEGA LEASING



Current run rate of 3500 tenant appointments a year

KEEP THE PROPERTY FILLED

DELINQUENCY MANAGEMENT



Calls, texts, voice-shots to reduce delinquency and accelerate evictions

RENEWAL MANAGEMENT



Ensure that best practices of tenant renewal are being followed

REPUTATION MANAGEMENT



After maintenance calls, tenants are called to request reviews

COMMUNITY BUILDING



Newsletters, Taco Tuesdays, Pizza Fridays, tenant highlights, birthday greetings & more



Monthly: Financials - Budget Vs. Actual Tracker



Year	2	2	2	2	2
Quarter		1	1	1	2
Variance: Actuals to Budget					
	Total	Jan-20	Feb-20	Mar-20	Apr-20
Rental Revenue					
Gross Potential Rent	(130,331)	3,065	3,544	(136,940)	-
Loss-to-Lease	8,278	(2,851)	(2,965)	14,094	-
Vacancy	2,323	(1,722)	(4,022)	8,067	-
Concessions	(1,425)	(825)	(600)	-	-
Employee Units	0	-	-	-	-
Admin Units	0	-	-	-	-
Model Units	(5,536)	(2,768)	(2,768)	-	-
Bad Debt	4,220	145	(195)	4,270	-
Total Rental Revenue	(122,471)	(4,956)	(7,006)	(110,509)	-
Other Income					
RUBS	(12,692)	(2,925)	(1,697)	(8,070)	-
Laundry / Vending Income	(671)	529	(600)	(600)	-
Fee Income	(2,628)	(278)	1,852	(4,202)	-
Miscellaneous Income	4,138	7,649	3,724	(7,235)	-
Additional Income	0	-	-	-	-
Total Other Income	(11,853)	4,975	3,279	(20,107)	-
Total Revenue	(134,324)	19	(3,727)	(130,616)	-
Operating Expenses					
Controllable					
Property Management Fees	7,856	20	3,876	3,960	-
Administration	3,647	(121)	(840)	4,608	-
Advertising	2,023	303	(3,987)	5,707	-
Contract Services	3,778	(204)	(373)	4,355	-
Repairs and Maintenance	3,716	852	1	2,863	-

REVIEW ALL MONTHLY LINE ITEMS AND HAVE PM WRITE DOWN REASONS FOR VARIANCE (GOOD OR BAD):

- NOI
- Income: Rent and Other Income
- Expenses
- No. of Units Turned

Monthly: Financial Meeting



MEETING WITH PM, PARTNERS & INDEPENDENT AUDITOR / CONTROLLER

- Review all financials and trackers
(Lauretta loves the MMR)
- Ask for additional reports to substantiate certain areas like delinquency or payroll
- Keeps you on track to prepare for taxes at year end

Monthly: Rent Survey



SECRET SHOP COMPETITION

- To update pricing (classic & renovated) as well as amenities
- How do their renovations compare to yours in terms of finish?
- Keep on top of this in case it changes and they up their game on finishes

OTHER INCOME

- Other income is a special category to keep track of
- Are they charging pet rent, RUBS, etc - what is the pricing for these and are there any new items they are charging for like Valet Trash, In unit Washer and Dryer, Pest Control?

For Asset Manager To Do: Market Research



- Stay on top of the market for:



JOBS



POPULATION



NEW BUSINESSES



BUSINESS CLOSURES



CHANGES IN LAW



LOCAL POLITICS



INCOMING SUPPLY



RECENT SALES

- Best Practice : Get a CoStar Full Underwriting Report every Quarter

For Asset Manager To Do: NOI Tracker



COMPLETE MONTHLY

- What you said you were going to do
- What you did
- Are you ON or OFF track?

Yearly: Year End Financials & K1's



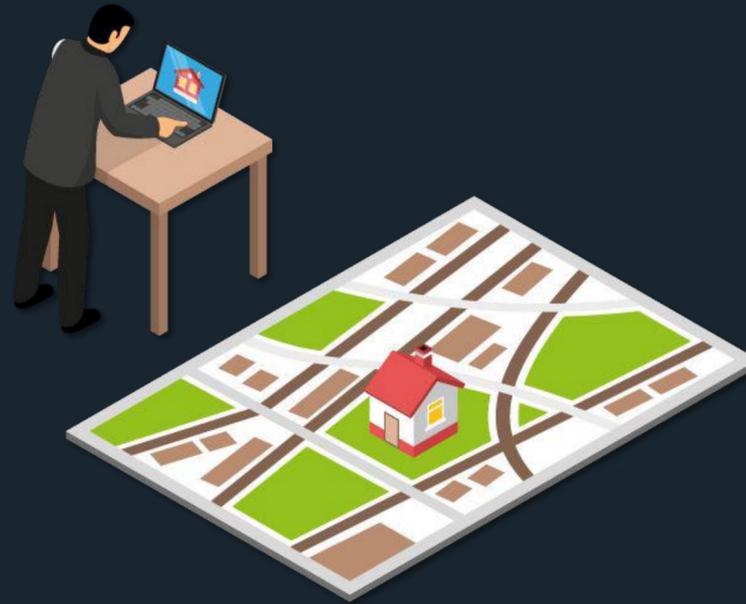
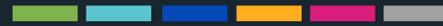
YEAR END FINANCIALS

- Need to be vetted throughout the year
- Easy to roll up when it comes time
- Have to get them to the CPA in time

K1's

- No more certain way to piss off investors than delivering K1's late

Site Visits



WHAT ELSE?

- Besides taking photos and videos to send monthly to your investors, what else should you be doing?

ALWAYS BE AUDITING

- Never Trust, Always Validate
- This is your number one job - to validate the financial and physical information PM providing to you

SPOT AUDIT

- Every time you go, spot audit different things
 - Payroll
 - Appliances (by serial number)
 - Repairs & Maintenance Receipts...

Investor Reporting: Monthly



INVESTOR UPDATE VIA EMAIL

- Occupancy & Delinquency
- Unit Turns / Capex Projects
- Special Projects
- Market Report
- Guidance on Financials
- [SAMPLE1](#), [SAMPLE2](#)

Investor Reporting: Quarterly



FINANCIALS

- Financials included in Investor Update
- T12 and Rent Roll at a minimum, full owners package ideally



WEBINAR

- Webinar to present Budget vs Actual of Financials to Investors and answer questions

Investor Reporting: As Needed

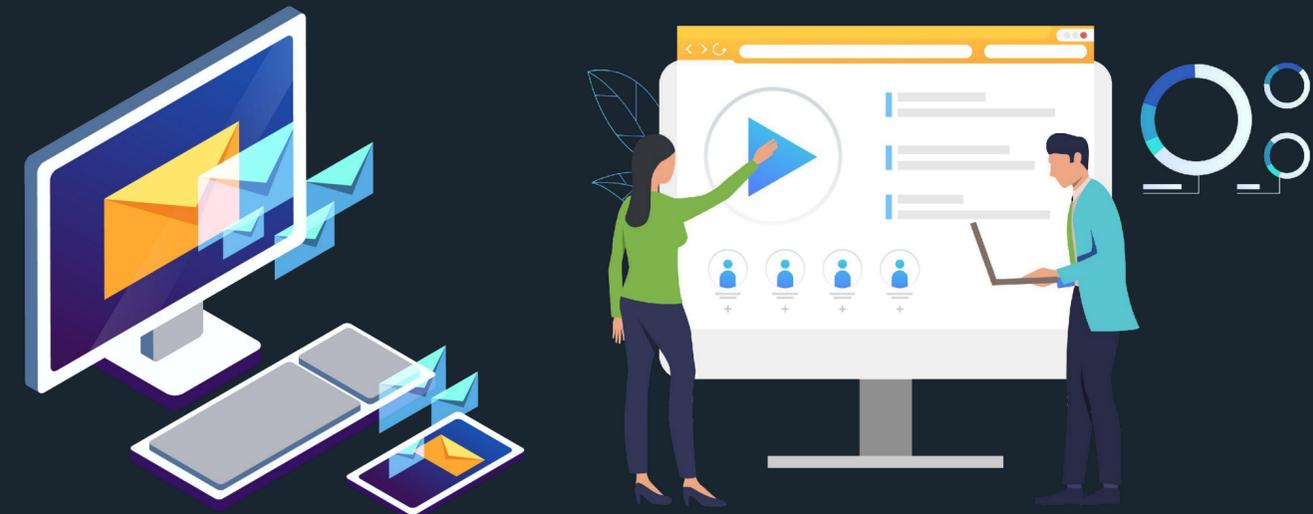


- If you are off track or sense you will be off track : Increase communication to investors



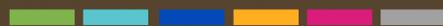
CHATTY CATHY

- Full Transparency



EMAILS OR WEBINAR

- Live if best if significant news



ASSET MANAGEMENT: How To Protect Your Communities & Your Investor's Profits





ASSESS COMMUNITY HEALTH REGULARLY

FOR EACH PROJECT:

- **Daily monitoring of COVID-19 cases** on properties and general community status - via phone, slack or text
- **Research resident options** within the community in case they contract COVID-19 (local services)
- Assess whether certain buildings are more at-risk for spread than other units



PROVIDE RESIDENTIAL SERVICES

FOR EACH PROJECT:

- Provide tenants with a **comprehensive list of services** that may assist during pandemic at federal, county and state levels for individuals and small businesses
- Reach out to residents to update them with list of services, especially local services that can provide rent assistance
- Understand tenant **risk profiles**
- **Suggest remedies** to tenants



EVALUATE “AT-RISK” TENANTS

FOR EACH PROJECT:

- Study the employment composition of residents, targeting those employed in “at-risk” industries such as:
 - Airlines
 - Restaurants
 - Hospitality
 - Travel
 - Entertainment
- Determine level of exposure to “as-risk” residents per property



LEASING: ONLINE INITIATIVES

FOR EACH PROJECT:

- Create **video tours and post online** to Facebook and website (our team will customize with video splicing, project logos, lower thirds)
- Implement **online leasing protocols:** applications and online interactions
- Provide **more payment options** including a “dropbox” for checks at leasing center, try to move all to online payments
- **Increase online marketing** as physical leasing traffic will be reduced



LEASING: INCREASE/MAINTAIN OCCUPANCY

FOR EACH PROJECT:

- **Maximize Spring/Summer Leasing Velocities:** Focus on lead follow-up, social media posts and sending out renewals:
 - Offer concessions to keep occ. high
 - Offer resident referral fee
- **Maintain Occupancy with Solid Tenants:** Lease renewals should be sensitive to current situations who pay on time.
- **Re-evaluate Prior Notices to Vacate** as some tenants may now wish to stay put
- **Maintain Occupancy:** Provide care packages to residents: deck of cards, coloring book, **surprise school lunch** for remote schooling kids, **socially distanced events** for residents with food or ice cream truck



PREVENT & ASSIST WITH DELINQUENCIES

FOR EACH PROJECT:

- Implement Lease Modification Program:
 1. Offer a late payment fee waiver;
 2. Offer one-month payment skip and lease modification that amortizes the missed rent payment over the balance of the lease term: Restricted to residents who have previously paid on time; or
 3. Offer 'two-chunk' installment payment option: Restricted to residents who have previously paid on time.



SOCIAL DISTANCING: LIMIT INTERACTIONS & LEASING OFFICE CLOSURES

FOR EACH PROJECT:

- Immediate cancellation of resident events
- Close all amenities: fitness & playgrounds
- No consumable goods in offices
- Cancel cleaning checks & quarterly inspections
- Add signage to offices requesting that any resident service items be handled by phone (posters with QR codes posted to doors of projects with leasing office closures)



FOR EACH PROJECT:

EVALUATE WORK ORDERS FOR URGENCY

- Leave DIY-fixable items at resident doors (smoke alarm batteries, furnace filters, etc)
- Non-urgent work orders to be postponed
- Urgent work orders: Maintenance technicians to wear protective suit and sanitize self and tools upon entry and completion



UNIT TURNS

FOR EACH PROJECT:

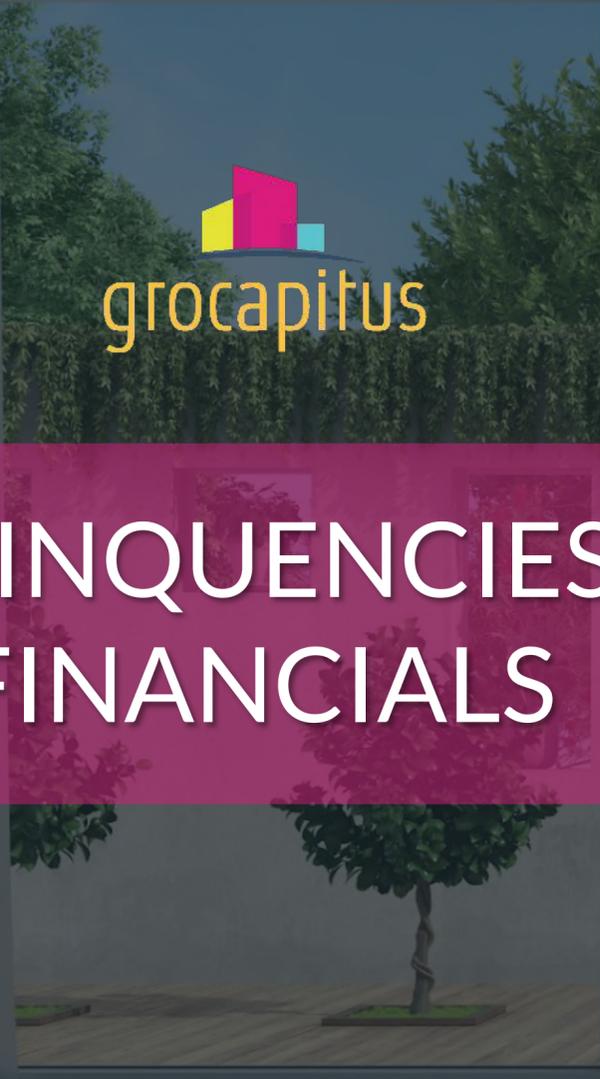
- Consider stopping renovations after immediate materials used and only turning classics (depending on capex source)
- Renovations of vacant units to proceed normally, except for limited number of non-renovated units being released for occupancy at lower rates in an effort to preserve occupancy levels



CAPITAL PRESERVATION

FOR EACH PROJECT:

- Withhold distributions to investors for immediate use
- Withhold payment of Asset Management Fees
- Reduce / remove all non-essential expenses



DELINQUENCIES & FINANCIALS

FOR EACH PROJECT:

- Increase frequency of delinquency and financials monitoring, and take more care
- If delinquencies reach high amounts, partner with lenders to work out “creative” solutions

JOIN US FOR

50+ Free Knowledge-Driven, Power-Packed Webinars on:

www.multifamilyu.com



Multifamily University

Thank You for
Joining Me

QUESTIONS?

Free Online Training
REAL ESTATE TRENDS
Critical updates 2019...
PLUS Top 10 cities For Investors
With Neal Bawa



Free Online Training
SECURITIES LAWS
What you need to know
about securities laws
With Kim Lisa Taylor



Free Online Training
**WHAT YOU NEED TO KNOW
OPPORTUNITY ZONES**
Unprecedented New Real
Estate Tax Strategy
With Neal Bawa



Free Online Training
**USING LLCs FOR
STRUCTURING
REAL ESTATE
TRANSACTIONS**
With Clint Coons



Free Online Training
**EVALUATING
MULTIFAMILY
PROPERTIES**
Step-by-step through
our proven system
With Anna Myers



Free Online Training
**EVERYTHING
INVESTORS NEED TO
KNOW ABOUT
THE NEW TAX LAWS
IN 2020**
With Toby Mathis



Free Online Training
**TAX STRATEGIES
FOR PASSIVE
INVESTORS**
With Brandon Hall



Free Online Training
**AIRBNB &
VACATION
RENTALS**
Your Secret Profit Weapon
With Ken Barton



Free Online Training
**NEW INVESTORS GUIDE TO
MULTIFAMILY FINANCING**
How To Successfully
Finance Your Deals
With John Brickson




grocapitus

ANNA MYERS
Grocapitus & MultifamilyU



510-376-3962
anna@grocapitus.com