

# RRHA OF TEXAS

## Supervisors! Add more Value than you Cost!

Operating Tips to  
Add more Value



The State-Wireless Company July 28, 2015

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## Our Perspective Today

- Multi-Site Responsibility
- Standard Operating Policy Perspective
- Ability to Influence
  - Owners
  - Protocol
  - Policy
- Affect daily activities at the property



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## I. Your Role as a Supervisor

So What DO you cost??

Salary + 35% for Benefits Load  
Use \$50,000  
Total Cost to Company: \$81,000



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### Your Role is Tricky!!

1. Authority is implied, liability is real
2. Even if you just have the title!
3. You are here to ensure that the work gets done correctly by others
4. Its time to see the big picture in everything you do



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**Small Moves  
Big Benefits!**

The State Water Conservancy July 20, 2015

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## II. Team Leader



The image shows a stylized icon of a team leader. A central figure stands with arms slightly out, facing a group of smaller, identical figures behind them, all within a rounded square frame.

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## Reduce Employee Turnover

- 57% of the work force will be looking for a new job in the coming year. (Monster)
- Multifamily 2014 Industry Turnover

All Positions:	32.3%	Leasing Staff :	31.3%
Maintenance:	36.2%	Manager:	22.1%

- There has been a 65% increase in the time it takes to replace an employee.

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## Keeping Your Employees!



- Flexibility
- Transparency
- Community
- Communication
- Your Ability to Coach rather than to just Counsel is more important than ever!

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## Your Liability as a Supervisor

- Harassment and discrimination claims are rampant!
- New changes to exempt/non-exempt wage test
  - Maybe also to duties test
- Overtime must be paid correctly
  - Time recorded
  - Regular rate includes standard bonuses BEFORE calculating
- Be sure independent contractors REALLY ARE!!

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## Team Leader

The  
bottom  
line

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## III. Safety Manager



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**OSHA**® Occupational Safety and Health Administration

- Up to speed on SDS books and staff training?
- If a worker misses the 30-day deadline to file an OSHA claim – they can now go to NLRB!!!
- 1/1/2015 new rule to report any hospitalization of ONE worker to OSHA within 24 hours – used to be THREE.
- Latest from OSHA
  - Since 1/1/15 new rule, 5,474 Injury reports and 40% have resulted in workplace inspections!!!!
  - Another 46% required employers to conduct and report on its own "rapid response investigation"
  - OSHA is on the lookout for employers who blame their employees for the injury.

The Labor Watch Company - 1/4/15, 2015

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**Here's Real Claim History**  
4/1/14 – 7/1/15

- Claims by Title
  - 16 or 48% by lead maintenance
  - 6 or 18% by Assistant Maintenance
  - 4 or 12% by Porter/Groundskeeper
  - 3 or 9% by Manager
- Claims by Tenure
  - 17 or 52% on the job for less than a year!
    - 4 or 24% in the first 90 days
    - 7 or 41% from 6-12 months
  - 6 or 18% each for those 1-3 years and 5-10 years



The Labor Watch Company - 1/4/15, 2015

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**Here's Real Claim History**  
4/1/14 – 7/1/15

- Most Claims by Type of Injury
  - 4 claims – Strain/Injury by Lifting
  - 3 claims each – Fall/Slip on same Level – Struck by Animal/Insect
- Highest Cost per Claim - Ranked
  - Fall/Slip on Ladder
  - Fall/Slip on Different Level
  - Fall/Slip Ice/Snow
  - Strain/Injury by Lifting
  - Miscellaneous Other



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### Here's Real Claim History 4/1/14 - 7/1/15

- **Most Claims by Body Part**
  - 4 claims each - Hand - Ankle - Lower Back
  - 3 claims each - Fingers - Multiple Body Parts
- **Highest Cost per Claim - Ranked**
  - Fingers
  - Lumbar/vertebrae
  - Lower Back
  - Shoulder
  - Knee



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### Do This NOW!

- **TRAIN!**

Ask what your most frequent and costly injuries are - start there!

As your W/C provider for materials - most are free!!!

- **INSPECT!**

Make thorough interior and exterior property inspection a quarterly event. Include PPE

Divide units by 3, do inside and outside.

No excuses!!



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### Fire - The Number 1 Loss

- Fireplaces, patios and grills
- 28% of all residential fires are in multifamily units
- 101,900 fires in 2 years, 395 deaths, 4250 injuries, \$1.2 billion in losses
- 70% of those fires were small and contained
- Firestop costs \$40 a unit; so does an extinguisher



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# Safety Manager

## The bottom line

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# IV. Service Satisfier

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# Conflict Management Tips

- Assume Its Your Fault
- Allow them to Vent
- Is there Something you can do?
- Determine Resident's Objective

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## Customer Loyalty

- Kingsley Associates 2014 **LOYALTY**
  - Renewal Rates are dropping
  - Residents seem more inclined to move
  - Loyalty is harder than ever to win and retain
- Initiate Communication
  - The single most effective way to build relationship and loyalty.
  - A resident that says nothing to you, you don't interact with is not a loyal resident nor one who will promote you
- A customer who has had a service issue that you have addressed is more loyal than one who never had an issue or concern brought to you!

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## Residents Come and Go!

- Nationally, resident turnover rate in subsidized apartments is 39%
- Number one reason they stay – Value for the Price Paid
- Other Reasons include –
  - Sense of community
  - Apartment appearance and condition
  - Responsiveness & dependability



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## Monitor or Manage?

- Subsidized housing?? You still compete!
- Your customer controls your brand!!!
- Apartmentratings.com is one of the top ten media sources for prospects! Are you using the Manager Center?
- Respond to everything!
- Google your own community!



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### Reputation Management Stats

- 70% of prospects use rating sites when they search for their new home.
- 53% said they were less likely to trust an anonymous post, but 40% said they would trust them equally as a named post.
- 92% of millennials would purchase a product recommended by a friend.
- 96% said their friends were the most credible source
- Only 3% said online advertising is credible!!

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### The Maintenance Staff is Key!!

- Service technicians spend more time in residents' homes than anyone else on staff.
- Service technician
  - Greet with a smile and a cheerful hello
  - Be able to redirect questions or need for follow-up
  - Support and endorse other team members
- Satisfacts – Work Order Index
  - #1 is prompt response by the office
  - #2 is professionalism and courtesy of maintenance
- Only 32% of residents advised of completion delays!
- 100% follow-up on all service requests is critical.



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### Service Satisfier

# The bottom line

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## V. Revenue Builder



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## Creative Revenue Builds

- Ancillary, Convenience and Penalty Fees are OK – but don't go nuts!
- Grow Laundry Income ? Others?
  - MacGrey "LaundryView" and "ChangePoint", Coin Mac
  - Speed Queen "WashAlert"
- Revenue shares with nearby retailers or restaurants?
- Other Ideas from J Turner Research
  - 14% of renters would pay \$5 for bike storage
  - 44% work out at least 3 times a week – 30% run
  - 73% want a grocery store close by the property
  - 84% spend their weeknights at home
  - 42% cook daily
  - Cater to pet owners



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## Stop the Revenue Drains!!


If its due – collect it!

Figure out online payments –

- RentPayment works with MoneyGram and your software
- Neighborhood Pay Services takes rent from payroll

Spend a little to make much more?

Stay in touch with your customer!!!



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# Revenue Builder

## The bottom line

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# VI. Expense Reducer



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# Work Order Management

- Make Readies
- Resident Service Requests
- Maintenance and Repairs are the third largest expense on an apartment property:
  - First is Taxes
  - Second is Salaries
- 2014 national average for Maintenance & Repairs on subsidized housing is \$450 per unit per year – or 52 cents per sq. ft.



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## Two Critical W/O Components

- Track what your maintenance techs do!!
  - Work orders taken vs. completed
  - Recurring work orders by problem or resident
  - Productivity by worker
  - Require 100% call backs
  - Report findings out to team and residents
- The Cost of Turnover – almost totally Controllable!!
  - Estimates hover around \$2500
  - Average subsidized unit rent is \$819, if downtime from move-out to move-in is 20 days = \$557 in lost rent alone



**MAINTENANCE REQUEST**

For Name: \_\_\_\_\_

Room No: \_\_\_\_\_

Room No. (if different from above): \_\_\_\_\_

Room No. (if different from above): \_\_\_\_\_

Please show picture of request area with description of problem.

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## Purchase Strategy

- This is not about vendor approval
- Got a strategy???
- How do you shop for yourself?
- Sam's, Costco, Big Box stores?
- Try a 30-day plan – you will save!



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## Utilities – the Dollar Drain

If the Owner pays Utilities, Residents use 30% more!!!

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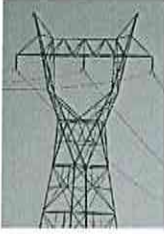
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### How to Save on Utilities

- Just because residents gain the most – does not make savings a bad idea! Sell it!
- Typical Savings per device per year – low or no cost
  - CFL light bulb \$7.76
  - Showerhead \$36.50
  - Aerator \$12.76
  - Smart Strip \$26.15
- Greystar study of 7 properties
  - 2,435 total units
  - Showerheads alone
  - \$158,275 in water and gas - \$65 PUPA
- New Products!



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### Expense Reducer

# The bottom line

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### VII. Financial Performer



Financial Performance

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### Market vs. Subsidized vs. TDHCA Y/E 2013 – \$ per Unit

Category	NAA Market	NAA Subsidized	TDHCA Budget
Units in Sampling	274	180	151-280
General/Admin	265	409	340
Management	340	346	363
Payroll/Payroll Tax	1213	1312	1139
Repairs/Maint	756	866	627
Util/Watr/Swr/Trash	346	660	856
Insurance	260	257	350
Property Tax	1290	900	645
Marketing	163	0	0
<b>TOTAL/UNIT</b>	<b>4635</b>	<b>4862</b>	<b>4613</b>
Operating Expense Ratio	38.5%	41.3%	55.2%
Vacancy	5.9%	4.1%	8.6%

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- ### .....Speaking of Budgets.....
- Get numbers together early
  - Ask your managers, maintenance and suppliers for their input
  - Check TDHCA and other websites
  - Know how to extrapolate and annualize
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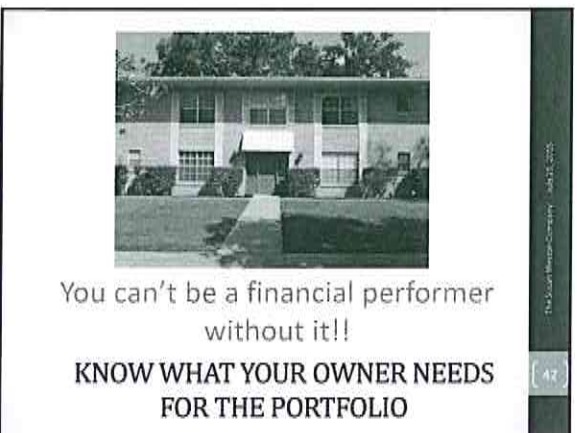
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### Every Dollar Matters

The Texas Property Tax Code requires property to be appraised at 100% market value. The capitalization rate that will be used to derive an estimate of market value for low and moderate income housing qualifying for exemption under Section 11.1825 of the tax code will be between **8% and 10.5%** for tax year 2015.

**Every Net Dollar made is worth \$11**

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## Financial Performer

# The bottom line

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### The Bottom "Bottom Line"

<b>In One Year</b>	
1. \$20,000	Team Leader
2. \$15,000	Safety Leader
3. \$10,000	Service Satisfier
4. \$ 1,000	Revenue Builder
5. \$ 1,250	Expense Reducer
6. Priceless	Financial Performer
<b>TOTAL</b>	<b>\$47,250 (very conservative)</b>

HOW MUCH DID WE SAY EACH DOLLAR WAS WORTH????  
 Estimate we netted 50% of this amount OR \$23,625

**TOTAL ADDED TO VALUE: \$262,500!!!**

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Add more Value than  
you Cost

**Never Give Up!**

Opportunities moves  
Make the Difference!



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