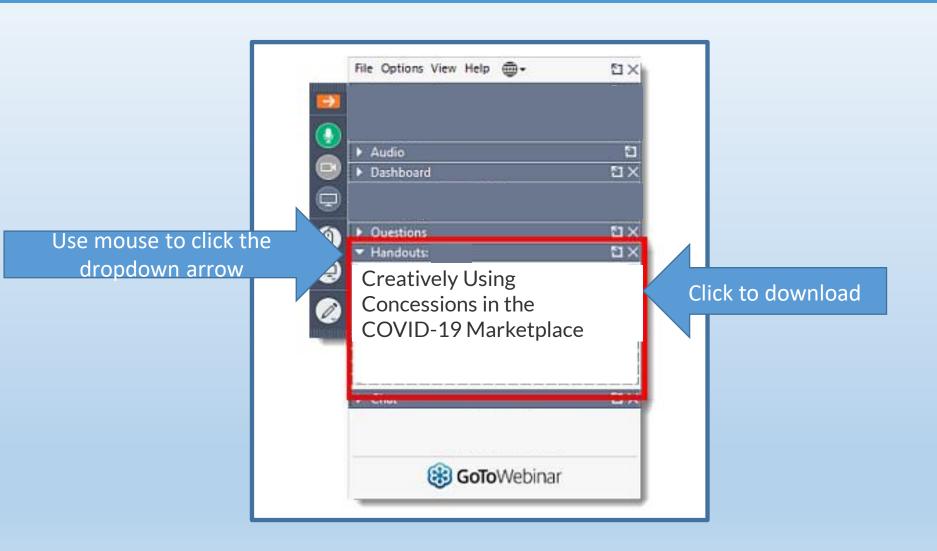
Download Your Handout



Creatively Using Concessions in the COVID-19 Marketplace

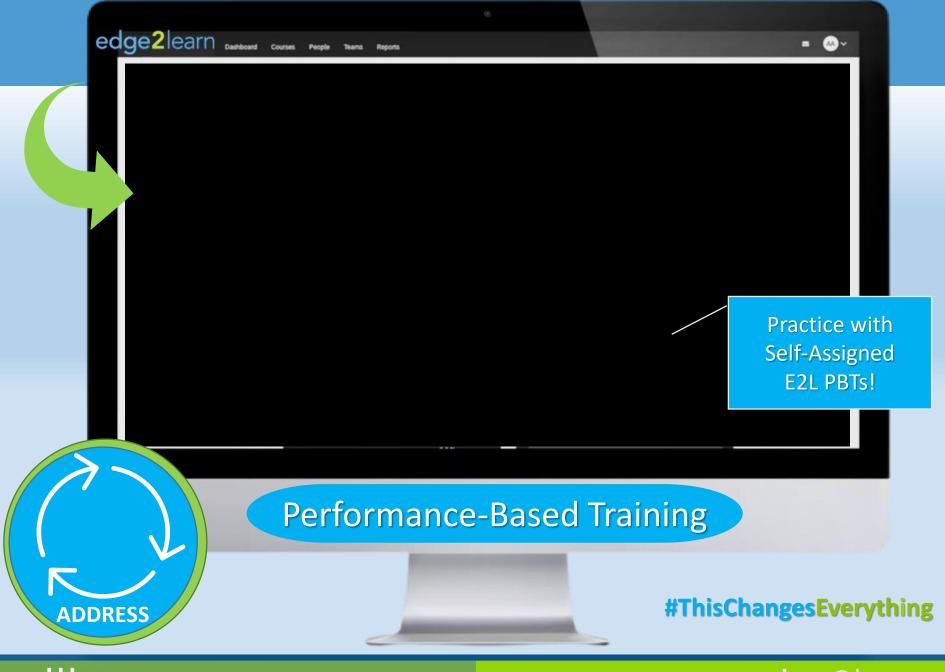
WELCOME!



Your Webinar Today is Presented by Ellis, Partners and Edge2Learn









Thank you for joining us today!

Want to learn more?



Pam Pederson

Director of Engagement and Communications Edge2Learn ppederson@edge2learn.com











Today's Presentation!





Meet Your Speaker: Rick Ellis



 Mr. Ellis has been intimately involved in the apartment business for over 40 years.

In 1985, he founded ELLIS Consulting Group in Irving, Texas.

He also runs a management company called Ellis HomeSource.

Rick is the Broker Owner/Operator of J.
 Ellis Apartment Locators in Lewisville, TX.

"Creatively Using Concessions in the COVID-19 Market"

Presented By

Rick Ellis, CAM, CPM rick.ellis@ellisconsulting.com



Do you have that 8 Page Resource Handout?

Save these for your onsite team future training.



ZZZZOOOOOOMM!



Are you Zooming this afternoon?

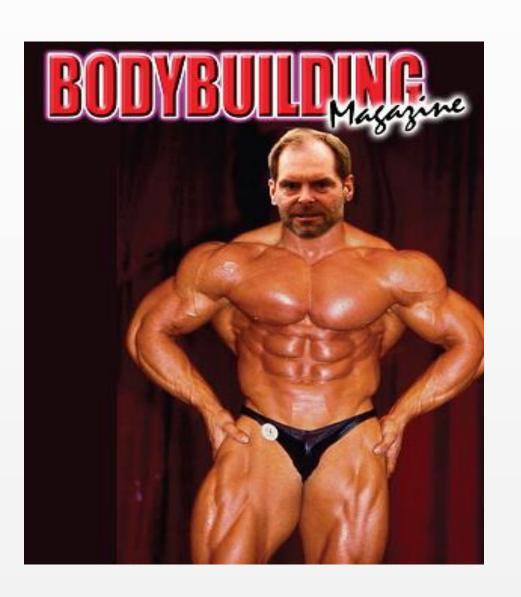
Listen for your inner ZOOM.



Meet Rick Ellis!

Meet Rick Ellis!





Former Mr. World 2018 (Before Pandemic!)

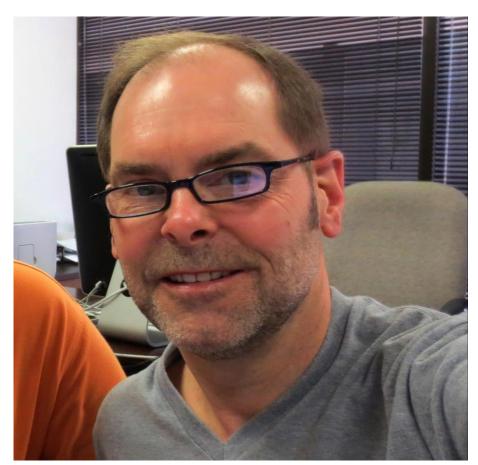
Former
Mr. World
2018
(AFTER
Pandemic!)



Your Presenter:

Rick Ellis, CAM, CPM

Good Afternoon!





Wife & Best Friend...

Diane

Here we are Today!

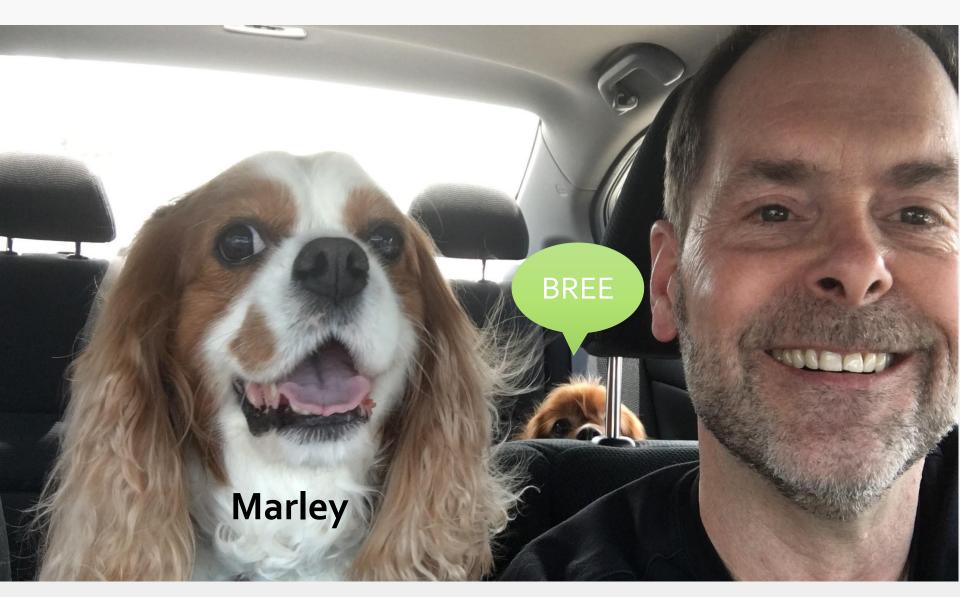
Rick and Diane being good Americans.

Wearing our masks!













Your
Presenter
in Action!

Here is what a webinar looks like from my angle.





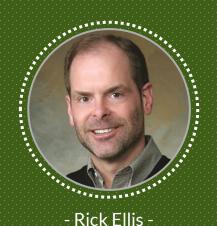
Now you see why my forehead is so shiny!

It's the O Light!









CAM, CPM

& Rick LOVES Monday!

- Property Manager since 1980
- ELLIS provides apartment portfolio consulting nationwide. (Continent wide!)
- Lease and Manage Apartments Everyday Just Like You!
- We manage 300 homes in the Dallas area.
- I experience the Same Challenges and Struggles that each of you experience!



You Should Be Warned

LOYE MONDAYS





LOVE MONDAYS

I HATE MONDAYS



Some dread

MONDAY

so much they ruin

SUNDAY

(by dreading Monday!)



Monday is the

WEEK'S MISTAKES. **GOOD MORNING!**



Its YOUR Monday!

"Either you run the day or the day runs you!"

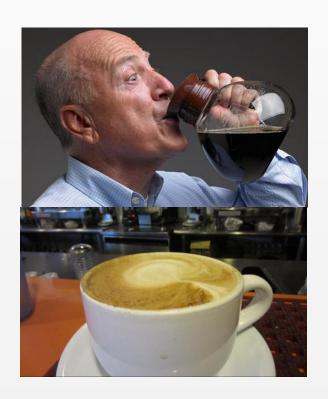
- Weekly Do Over
- Fresh Start
- Another Day of Life!





Rick Ellis Coffee



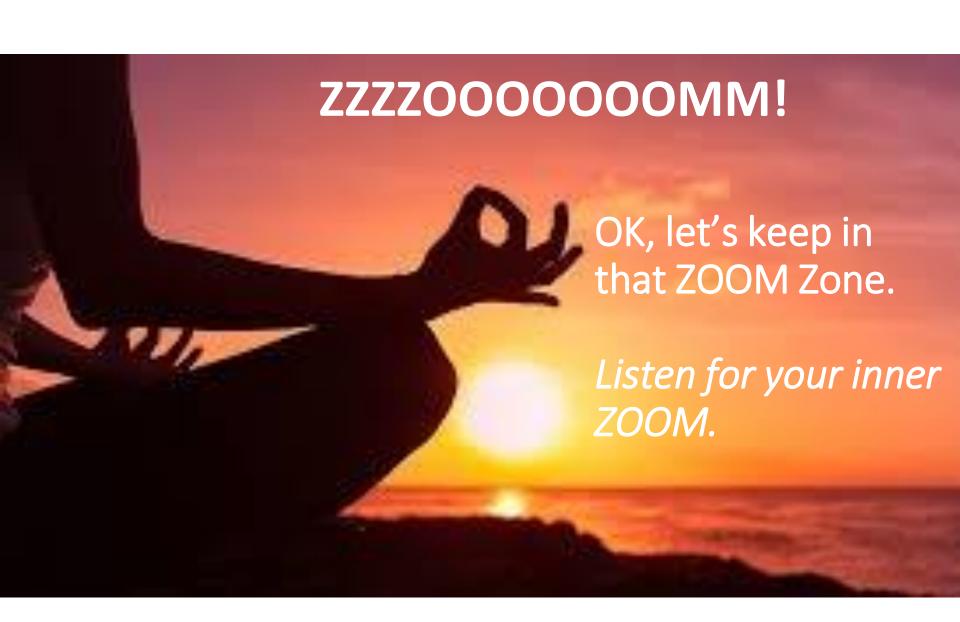


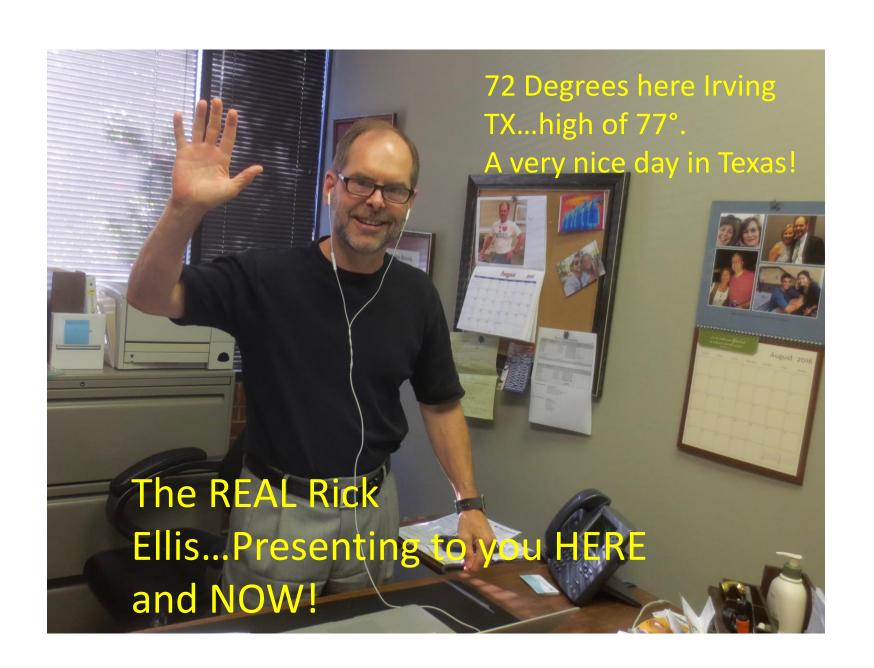
Fun Fact



Rick LOVES Jelly Bellies









Do You Have Your

Webinar Handout:

That w(hopping) 8 page handout?





OK! Let's Rock and Roll!

Concessions & SPECIALS in a COVID-19 Marketplace?

New Construction
Continues as Demand
Decreases.

Rental rates are inching down.

It is the "perfect storm" for concessions.

It is All the Same but Different!

The Perfect Storm...

For SPECIALS & Concessions

(not a big fan of the word "concessions".)

1. Slower Leasing Season





3. New construction is creating fierce competition.

4. Lower rates and incentives on new construction put pressure on all property classes.

SPECIAL

Hey! What is it with that crazy type font for "SPECIAL"?

It is a unique ALGERIAN font.

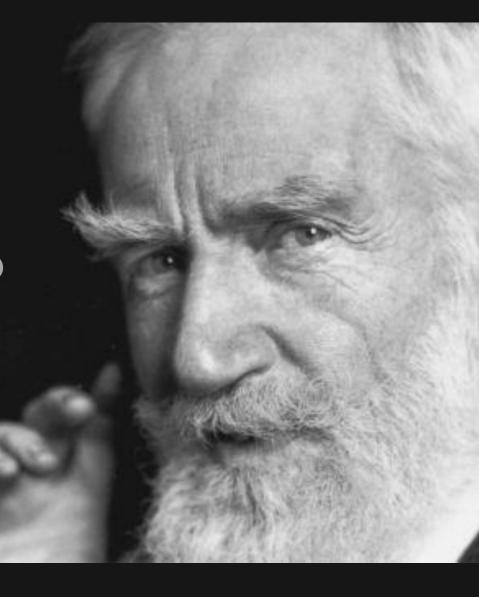
It reminds us that a Special should

Always be presented as SPECIAL!



How do we RESPOND?

Well...1st Thing...



Are We Answering the Phones??



When a prospects calls and your answer, YOU are the EXPERT!

But when you call them back, you are just a salesperson, solicitor, & interruption!

I mean, REALLY?

Negative Impact of Concessions Think it Through! We Need a plan.

Because:

- 1. The value is Short Lived
- Impacts the Renewal Rates – Especially Prorated Concessions
- 3. Frustrated Existing Residents
- 4. Can Change Resident Profile

Do We Really Need a SPECIAL?

Will it give us a competitive advantage?

Do we have a leasing problem? Shop & Train?

Do we have a marketing/advertising problem? Traffic?



How do you find out? Where is the problem?

Four Ps: People, Product, Promotion, Price

Do we really need a special or concession?

WHY?

- 1. Discuss the issue with your staff.
- 2. Shop your team and then train in areas needed
- 3. Create a training aid with techniques for handling objections and put-offs.
- 4. Shop you closest and most competitive comparables.
- 5. How are you positioned online compared to the competition?

The Big 2 Rules

...You Never Break in Offering SPECLALS & Incentives

1

Never offer automatic, across-the-board concessions.

2

Never Give Without Getting Something Back

What is an Apartment Concession?



- 1. A Very Bad Idea??
- 2. Something FREE? A giveaway?
- 3. An Accommodation?
- 4. How About an Objection? "Why is your community worth more?"



We Hate....

SPECIALS

and

CONCESSIONS!

Right?

Are Concessions and Specials BAD?

Are they simply EVIL?

A crutch for the weak and ill prepared?

Concessions are not good or bad. They are market driven.

Specials always hurt value and NOI. BUT...

It can be even more harmful to NOT offer concessions if your market demands it.

Is a Concession something FREE? A giveaway...something for NOTHING?



Never, never, never!

This is a business! We always expect something if we provide a special or concession.

What is a Concession or a Special in Apartment Leasing?



An Accommodation? Make it really SPECIAL!

- ✓ Never just throw out your special! Give it a name.
- ✓ Create a theme and story.
- ✓ Better have a logo and its own colors.
- ✓ Make this something extra SPECIAL just for the prospect and on a very limited basis.
 - Careful, not to be confused with a fair housing RA Request for Reasonable Accommodation

A Request for a Concession is an Objection!

"Why Should I Pay More to Live Here?"



The prospect is questioning the value of your community. The property down the street is giving two months free.

Why should I lease here?

- Sell Value. Differentiate.
- Apples to Apples Comparison?
- Buying signal?Objections show interest!
- Can you make a special accommodation?

1. **Month Free** – The *boring* classic.

2. **Flat Term -** \$1,000 off a 13 month lease.

3. **Reduced Rental Rates –** Equally Pro-Rated or Tiered to Increase.

4. Coupon or Voucher

Book – For \$1,000

concession you get ten
\$100 coupons.





Specials & Concession Do's

- 1. Make Specials...REALLY
 SPECIAL (themes, colors, value, FUN!)
- 2. **Timing is Critical!** Offer specials to either entice a property visit or generate a commitment RIGHT NOW.
- 3. **Show the VALUE.** What does this mean to the prospect?
- 4. Take your Fair Housing Seriously. Offer the same concession to every prospect in the same order and process.



- 1. Never Offer an Across-the-Board Special!
- 2. Give without getting something.
- 3. Immediately blurt out your special to your prospect.
- 4. Reveal ALL your concession details in your online communications. (Unless this is part of your strategy).
- 5. Wait too long to make adjustments and changes.



Dealing with Requests for a Special – When The Comps are Giving It Away!

"I'm glad you asked about that. You know there is probably a reason they are offering specials. Why do you think they are giving away a month free?"





"Our community provides special service, outstanding maintenance, and neighbors who take pride in where they live. Isn't that something special to you?"

Dealing with Requests for a Special – When The Comps are Giving It Away!

"Some communities do desperate things to get leased. I guess they know what they are worth."





"...and after all that discount, you are stuck at a place you really don't want to live!"

"Wow! The Rent is Too High!

"This is more than I was planning to spend!"

"I Know! Rents are so high these days. I can't believe it myself!"

- Agree with the prospect...and keep closing!
- 2. The reality is rents have gone up!
- 3. Ask, "How much too high?"

More Tips for Overcoming Concession & Rental Rate Objections

"I'm not permitted to talk about our competition, but...I can tell you that we don't have to offer specials nor do we have the type of residents who move in and out of our community because of specials."

"I'm glad you mentioned that special...let me ask you, did they guarantee that your rental rate would remain the same at the end of your lease or tell you how much of an increase to expect?"

"Specials are usually given to attract you to a community. Once your lease expires, it only makes sense that they need to recover their loss. In other words, they'll probably need to pass along a rental increase. We feel that specials are only a temporary benefit. We prefer to offer the long-term benefit of a high-quality apartment with _____ and a quality community where residents don't move in and out looking for the next special. We prefer long-term quality and stability. Don't you agree that's more important?"

"Yes, I've noticed that they recently had to start giving away the moon to attract residents. I'm sure that once you compare our community to theirs, feature to feature, you'll understand why they have a need to give away a special, and why we don't have to."

~ Classics from Tami Siewruk – Multifamily Pro https://www.multifamilypro.com



\$ZERO Cost to Property!

1. Double your deposit – Offer Half Off!



- 2. Double ANY Fee Offer Half Off. Even App Fee!
- 3. Waive pet, parking, admin fees or double them!
- 4. New appliances and upgrades you have to do anyway.
- 5. Free rent till official move-in day on vacancies.



\$ZERO Cost to Property!

Increase your rental rate \$100...
And offer \$1200 OFF
on a 13 month lease!

KWIK Tip: Leasing those Apartments in Bad & Undesirable Locations on the Property



- Put together a list of positives about the location...there are some!
- Show only that apartment all day...and offer double leasing bonus to team.
- Upgrade the heck out of the apartment and increase the rental rate...be ready to negotiate to market.



What about Renewal Specials?

An important corporate decision...but during this COVID-19 season, are we better off keeping a resident at the same concession cost...

rather than spending the cost of a turnover AND the special to gain a new resident?



I hope you found this webinar to be award winning!

Thanks!!

One Final Tip!

Why Wait
Till After
Thanksgiving?

People Who Decorate for Christmas Earlier Are Happier, According to a Psychologist

BY CAILEY RIZZO NOVEMBER 21, 2017





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Upcoming Webinars!



December 3, 2020 1:00pm – 1:30 pm CST

Register: edge2learn.com epmsonline.com

Presented by Dr. Deborah Phillips





Questions?

From All of Us at Ellis and Edge2Learn

