



REASONS

Why Owners Churn

— The Key to Make Them Stay —
and Profiting from Their Retention

Why does owner retention matter?

Every successful business depends on both new and recurring customers to increase profit. The property management industry is no different.

The concept of profiting from an owner is pretty straightforward.

- ✓ The longer an owner stays, the more money you make.
- ✓ The longer an owner stays, the more likely they will refer you.
- ✓ More referrals means fewer owners to search for.

The ultimate goal: profit.

In order to achieve this type of profitable behavior, you need to understand your owners' expectations and how to make them profitable.

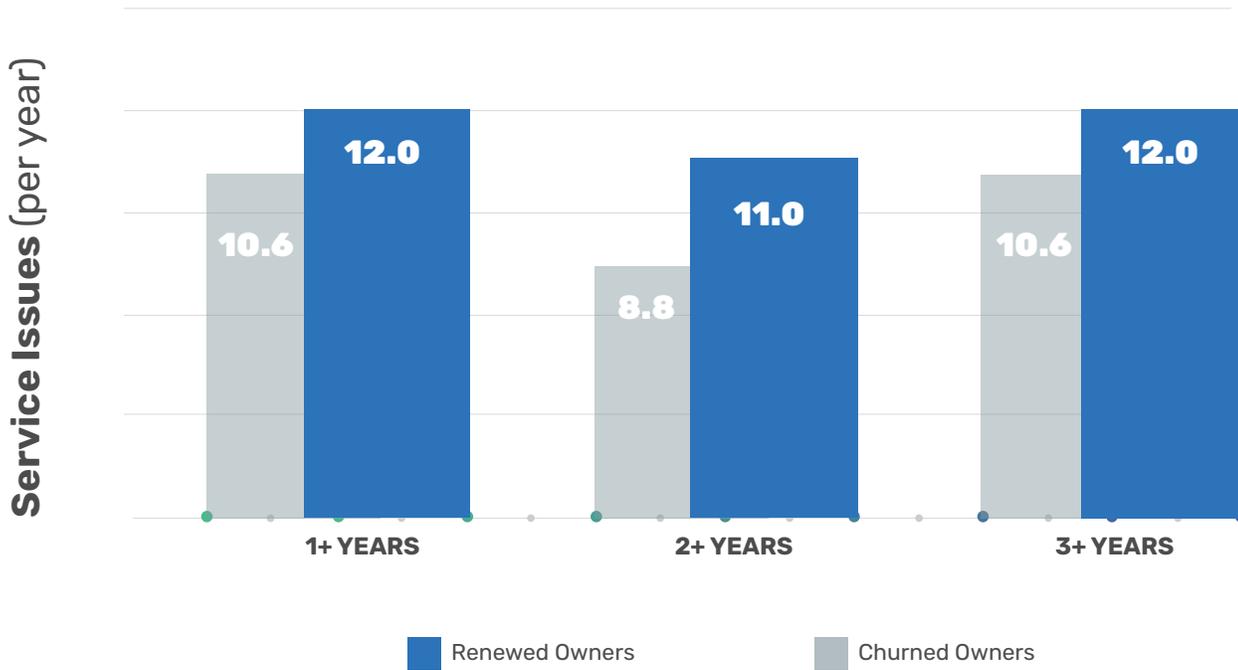
Owners and investors hire property management companies to handle the daily operations of their properties. While they invest in you, they invest in your ability to provide exceptional and profitable returns.

1. _____

Not enough maintenance is performed.

One of the patterns we see is there is a direct correlation between the number of repairs performed and owner retention.

Maintenance Generation vs. Retention



THE LOWDOWN

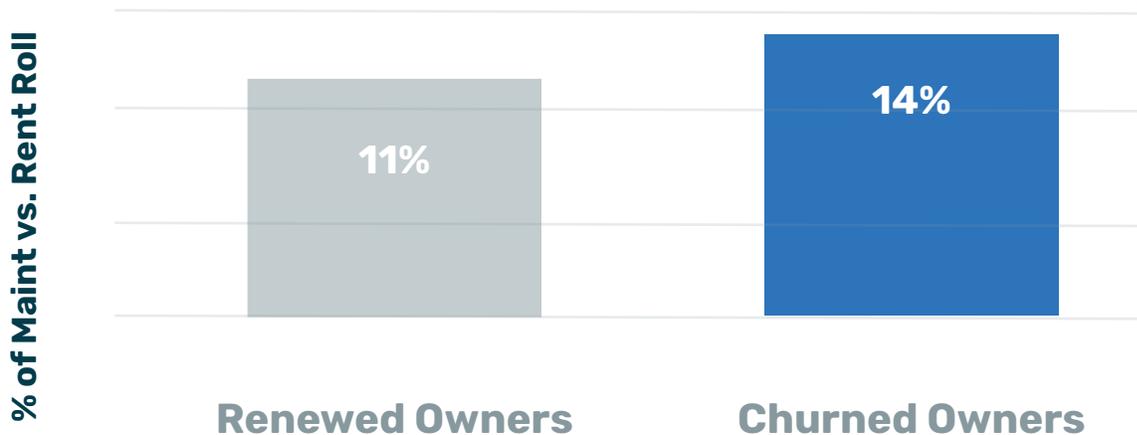
About 15% more work is done for the owners that renew.

Based on our data, owners renewals are associated with having significantly more maintenance performed. When they see value-added maintenance by their property management companies, they are more likely to stay.

2.

High maintenance expenses results in low returns.

You may think that high maintenance costs results in higher renewals. However, it may surprise you that the higher the maintenance cost, the increase chance an owner will churn. Leaving you searching for other areas of profit gain.



THE LOWDOWN

Owners who see less in returns tend to leave. In fact, investing 11-12% of rent roll towards maintenance is ideal for increased owner renewals. Anything over 12% puts an owner at risk of churning.

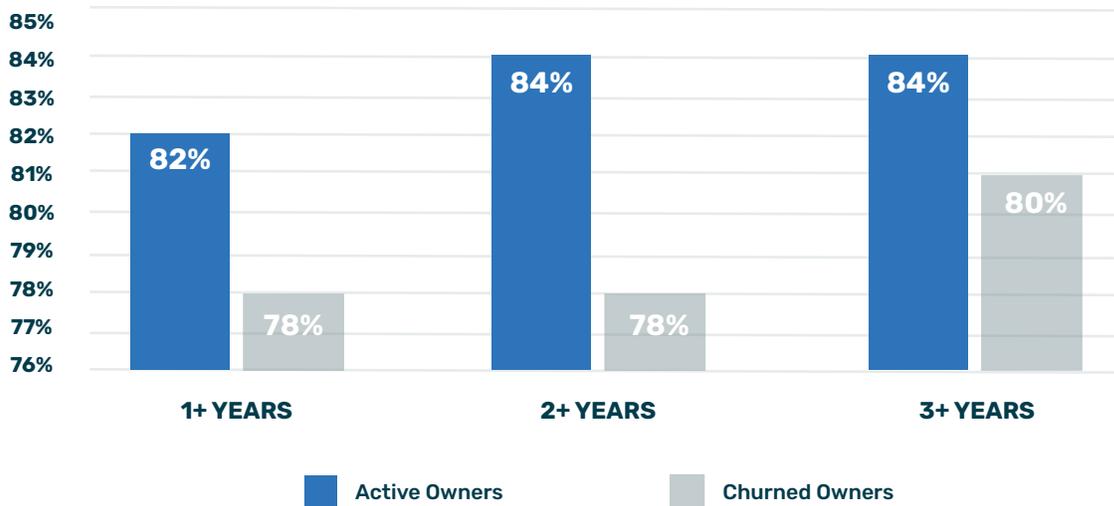
By implementing a preventative maintenance program into your process, you'll see more maintenance completed at a lower cost. Less costly repairs in the future will reduce the risk of owner churn significantly.

3.

Poor maintenance results in poor resident satisfaction.

According to our data, the #1 driver for resident churn is the experience they have as it relates to maintenance. As expected, a poor, slow maintenance on major repairs is the number one reason residents leave a unit. Plus, you'll see higher turnover costs, vacancy gaps, and increased owner churn.

Resident Satisfaction vs. Retention



THE LOWDOWN

Providing an exceptional experience for your residents will result in increased renewals and positive reviews.

You'll see happier residents staying longer under your care. Feeling valued and heard will result in less rental turnover and costly make-readies. In tandem, your owners will take notice and stay longer, too.

How to profit from your owners.

We'll let you in on a secret. The best way to profit from your owners is to retain them. The longer you retain your owners, the more money you will make over time. The longer they stay, the better! To calculate the profit of owner and investor retention, you must consider Lifetime Value (LTV).

What's Lifetime Value?

The lifetime value of an owner is a metric that articulates how much money you will make during the lifetime of that customer.



	Company A	Company B
Acquisition Costs	\$750	\$750
Avg Annual Rev ^{PER OWNER}	\$2,100	\$2,100
Length of Customer	5 Years	3 Years
Gross Margin	40%	40%
Total Revenue	\$9,750	\$9,750
Total Profit	\$3,900	\$2,200
Owners/Doors	500	500
Total Portfolio Profit	\$1,950,000	\$1,110,000 (-\$840,000)
Total Portfolio Value	\$4,875,000	\$2,775,000 (-\$2,100,000)



THE LOWDOWN

In this scenario, you'll see that both property management companies have identical portfolios while doing the same amount of work. The critical difference? The lifetime of owners/investors that "Company A" manages is longer than "Company B".

They are making nearly \$840,000 more in profit over the lifetime of their portfolio.

Automate your maintenance process.

It's time to put owner retention in your control. Avoid owner churn by implementing an automated maintenance solution. By staying on top of maintenance repairs, while completing tasks fast and flawlessly, your residents will be happier, and so will your owners.

Discover a few ways the power of Property Meld can change your maintenance process:

- Create automated workflows that trigger preventative maintenance inspections.
- Automate owner approvals and invoices.
- Directly communicate with documented and time-stamped messaging.
- Stay in control with complete transparency and oversight.



Learn the **power of automation** and choose Property Meld to streamline your maintenance process.