

Long Range Marketing Plan

NAHC

Friday, November 1, 2013

2 PM – 3:30 PM

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The Columbia Property Group, Inc.

- I. Board Member Responsibilities
 - A. Fiduciary & Steward
 - B. Condition of Physical Asset
 - C. Condition of Finances
 1. Understanding basic financial statements, BS, P&L, Ledger
 2. Understanding the Financial Audit report
 3. Understand your property mortgage
 4. Monitoring financial trends: Expenses, A/P, Reserves
 5. Understanding Basic Business Operations – Know your By-Laws
 - D. Maintaining a Long Range Plan for the Cooperative
 - E. Striking a balance between controlling rates and fulfilling the Board Member responsibilities.

- II. The Fundamentals of a Marketing Plan
 - A. Product: Curb Appeal – Office Appearance – Vacant Unit Condition
 - B. Price: Share Price – Monthly Payments
 - C. People: Greeting – Product Presentation – Follow up – Customer Service
 - D. Who is the competition for the “quality household?” What do they offer?
 - E. Why are members moving out of the Cooperative? Home purchase? Financial Woes? Aging? Service Problems?

- III. How to Establish Long Term Value
 - A. Start with Curb Appeal
 1. Clean up, maintain and “refresh” front of property and all common areas;
 2. Establish policies concerning community appearance and enforce them equally with all members:
 - Window Treatments – Plantings – Porches and Patios – Front Doors
 - Signs – Vehicles – Parking Lots – Maintenance Areas – Dumpsters
 - Turf and Plant Beds – Play Areas – Building Exteriors - Security

Curb Appeal is the most important factor in attracting new households that will maintain their homes, follow rules and pay on time.

 3. Take a fresh, new look at your community. Set your priorities and deal with them one at a time, starting with the most important factors.
 - B. Properly Budget and Establish Rates to Maintain the Asset and Fund Reserves

This is the most common failure of Boards of Directors! Failure to fund a solid budget that prepares for the long term success of the cooperative!

Know what the competitive rates are for housing in your market and sub-market.
Yes! You are competing with other housing options for quality households.
Yes! There are more housing options today that there were 40 years ago.
Yes! The federal government is competing with you for senior housing by funding and providing incentives for the development of “high amenity” new construction apartments with Section 8.

What you may discover is that your member rates are quite a bit lower than the rates for other housing options in your marketplace! Those lower rates only work in your favor if you are providing an overall quality housing product!

What can you do to “modernize” your vacant units?

What can you do to lower utility costs for members? For the property?

Bottom Line: The “Cheapskate – No Rate Increase” path may be politically popular, but it is a recipe for long term disaster. Work to keep the rates well below the market while making certain that you maintain the asset and fund your reserve account. A 2% increase every year is the best way to maintain your property and your reserves without troubling your membership or pricing yourself out of the marketplace.

- C. Establish a Reputation for Professionalism, Service and Goodwill in your community.
 - 1. All personnel must be trained, positive and professional. Office and maintenance personnel must all have Fair Housing training as well as policies for operation that are customer friendly.
 - 2. In a competitive marketplace, service is what makes the difference! If your staff excels at providing service, the word will quickly spread.
 - 3. Have property events and publicize them in the community paper. Participate in community events with the community name prominently displayed.

IV. Your Long Range Marketing Plan Outline

- A. Update and maintain property curb appeal. Have fresh signs, flower beds, prune trees and shrubs. Buildings, parking lots and patios kept clean. Member areas clean and consistent in appearance. Enforce property policies.
- B. Keep your monthly rates competitive, below the area market, but do not fail to adequately budget for repairs, maintenance and reserves. Price your memberships at a level that will pay for the renovation of the vacated unit.
- C. Renovate or update units to keep up with the marketplace. Have some sort of amenity update in common areas annually.
- D. Be prepared to obtain financing for your cooperative that will prepare it for it’s “second life,” the next 40 years.