

# PROPERTY PERFORMANCE ENHANCEMENT ANALYSIS

*For Apartment Communities*

## PERFORMANCE CHALLENGES

The real estate industry moves in cycles from landlord-advantaged periods to more competitive periods — a “tenants market”. Prudent owners and investors look for ways to enhance the productivity of real estate assets as we move through these cycles. Disappointing property performance is a result of a combination of marketplace challenges, over which we have little influence, and factors within the control of an owner — such as a decline in property competitiveness and less-than-best-practices in management and marketing.

Delta Associates assists clients in evaluating apartment properties and identifying measures to “tune up” performance. In many cases, owners can achieve significant returns on minimal investments, perhaps moving their properties up a grade level. Some properties can improve performance even without capital investment — they are simply under priced in the market or require improvements to management or leasing practices.

## PERFORMANCE ENHANCEMENT SERVICES — REPOSITIONING OR “TUNE-UP” STUDIES

- Evaluate the subject’s performance vs. its peers.
- Evaluate and rate/rank the subject and its peers on a proprietary 60-point checklist.
- Survey tenants.
- Evaluation of demographic changes in the host neighborhood.
- Analysis of general market conditions in the subject’s market area, including:
  - Vacancy trends
  - Rent trends
  - Transactions and investments involving competing properties
  - Pipeline of planned renovations and new construction
  - Neighborhood conditions, including employment, retail, transportation, public amenities and services, public infrastructure projects and commercial real estate development.
- Estimate rents “as-is” (i.e., is the subject achieving its potential, even before improvements?)
- Recommend improvements (both physical and management) and estimate impact on rent, turnover, traffic counts, conversion ratios, operating expenses, etc.
- Estimate of feasible investment justified by achievable rent increases.

## CLIENTS/REFERENCES FOR APARTMENT PROPERTY PERFORMANCE ENHANCEMENT SERVICES OF THE FIRM

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