

Resident Portals: Using the Internet to improve productivity and increase resident satisfaction

An Internet portal is a site on the World Wide Web that typically provides personalized capabilities to its visitors, providing a pathway to other content. Today, portals are the standard mechanism for accessing the vast wealth of information and services available over the Internet. Such capabilities as on-line shopping, on-line banking, and stock market trading, not to mention such social sites as Youtube.com and Myplace.com, are all based on portal technology. Some portals provide additional capability to allow content to work on multiple platforms such as personal computers, personal digital assistants (PDAs), and cell phones.

The first use of an Internet portal by the real estate industry was the publishing of the MLS on-line by the National Association of Realtors. Initially it was a simple listing of homes for sale, sorted by location. Now, of course, it is a highly functional resource for anyone wishing to buy or sell residential property. It helped point the way for other segments of the real estate industry, specifically the property management industry, to leverage Internet technology to provide competitive advantage, improve productivity and enhance customer service.

To better understand how you can use this technology to stay competitive in today's market and to improve your business fundamentals, let's take a look at how we got to where we are today.

BACKGROUND

In the late 1990s, the Web portal was a hot commodity. After the proliferation of web browsers in the mid-1990s, many companies tried to build or acquire a portal, to have a piece of the Internet market. The Web portal gained special attention because it was, for many users, the starting point of their Web browser. Netscape became a part of America Online, the Walt Disney Company launched Go.com, and Excite became a part of AT&T during the late 1990s

Many of the portals started initially as either web directories (notably Yahoo!® and/or search engines (Excite, Lycos, Alta Vista, Infoseek, and Hotbot among the old ones).

Resident Portals: Using the Internet to improve productivity and increase resident satisfaction

Expanding services was a strategy to secure the user-base and lengthen the time a user stayed on the portal. Services, which require user registration such as free email, customization features, and chatrooms, were considered to enhance repeat use of the portal. Game, chat, email, news, and other services also tend to make users stay longer, thereby increasing the advertising revenue.

The portal craze, with "old media" companies racing to outbid each other for Internet properties, died down with the dot com flameout in 2000 and 2001. Disney pulled the plug on Go.com, Excite went bankrupt and its remains were sold to iWon.com. Some notable portal sites, for instance Yahoo!, remain successful to this day. To modern dot-com businesses, the portal craze serves as a cautionary tale about the risks of rushing into a market crowded with highly capitalized but largely undifferentiated me-too companies.

Corporate intranets also gained popularity during the 1990's. Having access to a variety of company information via a web browser was a new way of working. Intranets quickly grew in size and complexity, and webmasters (many of whom lacked the discipline of managing content and users) became overwhelmed in their duties. It wasn't enough to have a consolidated view of company information; users were demanding personalization and customization. Webmasters, if skilled enough, were able to offer some capabilities, but for the most part ended up driving users away from using the intranet.

CORPORATE WEB PORTALS

The 1990's were a time of innovation for the concept of corporate web portals. Many companies began to offer tools to help webmasters manage their data, applications and information more easily, and through personalized views. Some portal solutions today are able to integrate legacy applications, other portals objects, and handle thousands of user requests.

Today's corporate portals are sprouting new value-added capabilities for businesses, such as enhancing the customer experience by improving customer service through

Resident Portals: Using the Internet to improve productivity and increase resident satisfaction

easy access to pertinent product and warranty information, or by providing improved productivity for businesses through the use of self-service portals (think on-line shopping carts and on-line banking).

In early 2000 we began to see hybrid portals, which were a cross between public web portals such as Yahoo! and internal web portals such as corporate intranets. These specialized portals, or affinity portals, were accessible only by becoming a member of the group to which the portal was targeted. These portals required a secured registration process similar to corporate intranets, but were available to members through the World Wide Web. It is this type of portal that has proven increasingly popular with real estate and property management firms.

WEB PORTALS FOR PROPERTY MANAGEMENT

Initially only the very largest multifamily property management companies could afford to provide web-based services to their residents. The earliest web portals merely provided a means for residents to report problems and generate a service request that would be transmitted to the building facility manager. Companies, typically, would enhance the sites to include information on the local community and highlight upcoming events. It was thought that, if managers could get residents to use the portal to generate service requests, the manager could be more responsive while reducing paperwork. However, because the sites simply did not offer enough benefits to the residents, early use of the sites was low.

In order to improve acceptance of the portals by multifamily residents, many companies began adding additional features as technology allowed. They established “bulletin boards” for residents, allowed residents to reserve community rooms over the Internet, implemented e-mail announcement capability and issued on-line community newsletters. All of which were targeted to enhance resident satisfaction and improve manager productivity. And as more and more multifamily properties added Internet connectivity to their list of amenities, the use of resident portals began increasing significantly.

Resident Portals: Using the Internet to improve productivity and increase resident satisfaction

By the time technology allowed residents to make rent payments on-line, the integration of web portals into day-to-day property management was firmly established. Today, virtually all large multifamily operators have created web portals to allow their residents to make rent payments via credit cards, electronic check or by debiting their checking accounts. These resident portals serve as community Web sites that allow residents to accomplish a whole host of functions—paying rent, reviewing their payment history, signing up for and paying utilities, placing service requests, reading the community newsletter, reserving a party room and even meeting their neighbors—at any time they choose and without the need to interact directly with site staff.

The sites can also offer local news and sports information and special deals for residents from area stores. They can also give owners the chance to promote some of their ancillary-income programs.

Those companies that offer portals—a list that includes most of the industry's largest players—report that the response from residents has been hugely enthusiastic.

WEB PORTALS FOR PROPERTY MARKETING

Concurrent with the creation of resident web portals, most of the larger multifamily owners and/or managers created web sites specifically designed to showcase their properties and provide information regarding available units. The sites are usually enhanced to provide the prospect with an understanding of the surrounding environment, including schools, shopping and transportation options. Through these web sites, prospects can identify the type of property and unit they are interested in, check on availability, view floor plans and even take virtual tours. Prospects can also fill out an on-line application, send inquiries to the property manager and obtain driving directions to the property.

By the strategic use of the Internet, large property management companies were able to differentiate and brand their properties in a manner that could not be duplicated by their smaller competitors. In many cases, they were able to command a 5% –7% differential in terms of rental rates. This, of course, easily paid for the required technology

Resident Portals: Using the Internet to improve productivity and increase resident satisfaction

infrastructure needed to support both the resident and the marketing portals. This placed the medium and small multifamily property owner/managers at a distinct disadvantage, particularly as the Internet became the principle channel for communications by the prime demographic population: the 20 and 30 year olds.

THE ADVENT OF HOSTED WEB PORTALS

Because small and mid-sized property management companies were reluctant to make the significant investment in technology required to erect resident web portals, they began to petition the companies providing their accounting and lease management software to provide web portals capable of tapping into their property databases. In response, starting around 2005, several of the major software providers such as Intuit® and Yardi® began to offer hosted web sites to their mid-sized property management clients, along with programming tools to allow those companies to provide property specific, branded portals for use by the management and residents of their properties. The software providers offered access to a centrally managed group of servers and maintained and managed the technology infrastructure necessary to ensure reliable access to web services, on a cost-sharing basis. Just as an apartment complex spreads its infrastructure costs across many living units, thus keeping the rental cost for a single living unit lower than it would be if it were designed as a stand-alone unit, so does a hosted web server farm provide affordable web services by sharing infrastructure costs across multiple property management companies. As a result, companies with as few as 2000 residential units could, cost effectively, deploy property specific portals for use by their residents and advertise vacant units through the use of branded marketing portals. This enabled mid-sized property management companies to level the playing field, when competing for residents, against the large national companies that could afford to internally host and maintain resident and marketing portals.

THE NEXT STEP

Resident Portals: Using the Internet to improve productivity and increase resident satisfaction

The next step in the evolution of hosted web portals will be to provide such services at a price point that will make sense to the smaller independent rental owner. DIY Real Estate Solutions™ is prepared to do precisely that. With its focus on those property owners and managers with portfolios under 1000 units, it has effectively leveraged its low-cost infrastructure to bring web-based products and services to this level of the market. It is one of the few companies providing comprehensive web property management software in a hosted environment, at a price point that makes it attractive to property owners and managers with portfolios as small as 25 units. By using the same web server infrastructure it provides to users of its property management software, DIY is able to offer owners and managers of small multifamily communities the same portal technology enjoyed by the large and medium-sized owners and managers. Now, for a small monthly fee, independent rental owners, using DIY MyPortal™, can provide their residents and prospective residents with access to personalized resident and marketing portals that are fully integrated with the DIY property management software.

By implementing the resident portal feature, users of DIY' property management software can collect rent, process service request, renew leases and allow their residents to view their balances and payment history all through a customized community web site. With the marketing portal, management companies can quickly create and maintain individual websites for their apartment communities. Features include online applications, floor plans, photos, directions, and real-time availability pulled from the property management software and free Internet listings on Google.

THE RIGHT TECHNOLOGY AT THE RIGHT TIME

What makes resident portals so pertinent and important today is the fact that more people—especially the Echo Boomer generation, which is becoming increasingly essential to any property's success—are conducting more and more transactions online—and spending more of their free time there. The younger, more computer savvy residents do everything on the computer—theater tickets, airline bookings. The new resident lives, breathes and communicates on the computer. That's how we all shop

Resident Portals: Using the Internet to improve productivity and increase resident satisfaction

today—for homes, for cars—we look on the Internet.

So communities that frustrate a resident's desire to do business online run a serious risk of alienating their customers.

Most management firms today understand the importance of marketing their properties online to prospective renters. The next logical step, after a lease is signed, is to continue to serve residents in the 24/7 environment to which they are now accustomed. Management firms that don't do so will find it increasingly difficult to keep residents happy—and keep them renewing.

As David Cardwell, vice president of capital markets and technology at the National Multi Housing Council points out: “The growing acceptance of resident portals is simply a reflection of demographics and the nation's use of the Internet. If your residents are online, you have to be, too.”