

CLIENT PROFILE

 Houston, TX

 357 Unit Asset

 Multifamily

 International Client

BUSINESS PROBLEM

The client struggled with their financials and occupancy stabilization. The asset was built in 2019 as a high-end high-rise building in Midtown Houston. The developers hired a 3rd party property management firm and in one year achieved 74% stabilized occupancy. Then, as a result of fraud and other outlying issues, occupancy dropped below 40% with no grip on asset's financials or reporting insights.

WHAT EXPECTATIONS WERE NOT MET?

The client hoped that their 3rd party property manager was the right choice to maintain (and maximize) occupancy rates to generate sufficient revenue from the asset. However, the 3rd party solution failed to keep occupancy rates high enough to achieve stabilization, and the asset lost money after the first year.

HOW WE IDENTIFIED THE ROOT CAUSE

RTCS made multiple onsite visits to the asset and observed current property management practices. After a deep dive into the budget and reviewing the financials and property management practices, we developed a plan for immediate changes to improve marketing efforts, replace the current property management provider with a better solution, and return the asset to fuller occupancy and stabilization.



HOW WE SOLVED IT

- ◆ RTCS came on board as the asset manager and began with a deep dive into the budget.
- ◆ We presented proposed changes to the owners, including a Gantt chart with a strategy to achieve stabilization and a project plan.
- ◆ We ended the relationship with the existing management company and conducted an RFP request with top Multifamily (MF) management companies. This process landed the 2nd largest MF management firm in the U.S.
- ◆ We revised and restructured the asset's budget.
- ◆ We created a marketing campaign to jump start leads to lease and restore occupancy stabilization.
- ◆ In 90-days, we increased occupancy from 39% to 54% with a goal to be at 94% total occupancy by EOY.

WORDS FROM THE CLIENT

"I wish I had found Deb sooner. I was in over my head, trying to balance our Australian stakeholders with our current management company with zero solutions. After finding RTCS and bringing Deb onsite several times throughout her duration with our firm, she found areas for improvement each time and brought forth solutions within weeks. Deb took the budget and went through our T12 finding areas of opportunity and savings. In the end, she took a fledging asset with top-of-the-line technology and made it the place to lease, adding in revenue, and helping to interview and hire a management company to take us to stabilization."

RESULTS/DELIVERABLES

- ◆ Improved Occupancy Rate
- ◆ Established Expectations & Reporting
- ◆ Improved Leasing Processes
- ◆ Future path for growth & stabilization

IMPROVED OCCUPANCY RATE



Increased Occupancy Rate
from 39% to 54% in 90-Days



Established Expectations and
Reporting Structure



Improved Leasing
Processes

FUTURE PATH FOR GROWTH & STABILIZATION



Created a future path for growth and
stabilization for the company