

Phones in Hand, Leasing Staff Takes on Marketing

Live virtual tours help apartment operators sign prospects in peak moving season, according to industry experts.

By Joe Gose (/author/joe-gose/)

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The onset of COVID-19 in mid-March could not have come at a more inopportune time for apartment operators. The sector's spring and summer peak leasing season was set to begin, but stay-at-home orders largely restricted apartment communities from providing tours to prospective tenants.

The initial fallout jolted the multifamily industry. By the end of March, year-over-year leasing volume had plunged 46 percent, and only in mid-May did it start to rebound, according to RealPage.

Tested by the crisis, apartment owners and managers pivoted to technology-driven virtual tours. Many communities already provided videos of units and amenities on websites well before the pandemic interrupted business. But the shutdown forced them to strengthen their technology by providing much more detailed videos and live one-on-one tours via FaceTime, Zoom and various social media platforms.



675 North Highland. Image courtesy of Origin Investments

"Before COVID, we thought our virtual marketing efforts were enhancements, but they quickly became 'must-haves,'" said Marc Turner, managing director of investment management for Origin Investments, a Chicago-based owner of some 3,600 units primarily in southern growth markets. *"When you can't tour an apartment, it becomes much harder to gauge what it would feel like to live there, so we personalized tours to create a better experience."*

Origin's communities possessed a lot of video content that it could immediately deploy as part of the effort, he said. But the owner and its managers also realized that the videos needed to provide more visual information, including views into cabinets, refrigerators, closets and storage, displays of functioning faucets and ovens, and architectural highlights.

GOING VIRTUAL



Cabana on Washington. Image courtesy of Alliance Greystar

Because professional videographers were unavailable, leasing staff had to practice taking video with their phones. Ultimately, that proficiency transferred to live virtual tours.

The approach paid off. Despite the forced closure of leasing offices, virtual tours helped Origin net one additional lease per week in April and May compared with the same period in 2019, Turner stated.

"We found that the video content helped people say, 'OK, this is a community I'm interested in, and I want to learn more,'" he explained. *"From there we could do a personalized tour on FaceTime or other platform and answer questions that maybe didn't get covered in the video."*

Other apartment operators have had similar results. In Phoenix, more than 50 percent of prospects interested in two new Greenlight Communities are inking leases, which is about 10 to 15 percentage points higher than the original lease-up goal, noted Erica Herald, regional manager of new sites for property management firm Alliance

Greystar, formerly Alliance Residential.

In January and February, Alliance had been providing virtual tours of the two properties—Cabana on 12 and Cabana on Washington—to drum up pre-leasing activity for spring and summer move-ins. The tours included standard online videos of its models as well as live “hard hat” showings online. Yet early in the rollout, the latter strategy was still considered a bit awkward for people who were used to physically touring properties, Herald said.

“I don’t think the pandemic has done many great things for the world, but it did make apartment prospects more open to virtual experiences, and virtual tours have become an industry standard,” she pointed out. “Because we wanted to be more progressive prior to receiving a certificate of occupancy, our teams had already transitioned to conducting virtual tours, and it served us well when COVID set in.”

TECH SAVVY

RangeWater Real Estate, an Atlanta-based apartment service provider, focused on creating new content that blended professional videos with self-made clips made by on-site teams to ensure that all of its communities were digitally optimized, according to Dana Pate, senior director of marketing for the firm.

“COVID-19 escalated any beta-testing into full blown, portfolio-wide rollouts,” she said. “Our experience and training team established a standard for RangeWater virtual tours, utilizing all technology available—from Zoom and Microsoft Teams, to FaceTime and Facebook video messenger. If prospects were using it in their day-to-day lives, then we needed to be available and proficient in those same systems.”

Thanks to those and other marketing efforts, the firm has not seen a significant drop in conversion rates from lead to lease since the crisis began, she said.

To a large extent, on-site guided and self-guided tours have returned to properties, but appointments are generally required and are spaced to avoid overcrowding and to allow for cleaning, observers say. Virtual tours still remain an option, especially as some people remain cautious about where they travel.

Prior to the pandemic, property manager Village Green primarily provided virtual tours for out-of-state prospects that wanted a detailed look at units, said Ryan Kirby, senior vice president of the Midwest region for the Southfield, Mich.-based firm, which oversees 40,000 units in 20 states. But virtual tours became much more effective in April and May.

“We’ve pretty much opened everywhere for physical tours at this point, but because our virtual tours were so successful, we’ve just incorporated them as an option as part of our sales presentation,” he added. “We got a lot better at them through the pandemic, and I think they’re here to stay.”

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