



THE DEFINITIVE PROPERTY MANAGEMENT METRICS HANDBOOK

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Meet the Author

Thank you for downloading the Definitive Guide to Property Management Metrics!

My name is Saad Shah, and I am the founder of Metric-X Analytics, the company that built RentViewer.

I work with executives of real estate management companies that want to build a solid foundation of processes and metrics on which to grow their portfolio.

Metrics enable executives to focus their team's energy on the work that matters the most. When metrics are easily visible and up to date, they help create a culture of performance and accountability that is reflected in the financial performance as well as tenant satisfaction and employee satisfaction.

Please also take a look at some of our other offerings, including the [RentViewer Dashboards](#), the [Process Improvement Toolkit](#) and the [Business Diagnostic](#). We also have useful how-to information and demos on our blog ([RentViewer Blog](#)).

You are welcome to call me with any questions. My mobile number is 248-495-4925, and I live in Michigan.



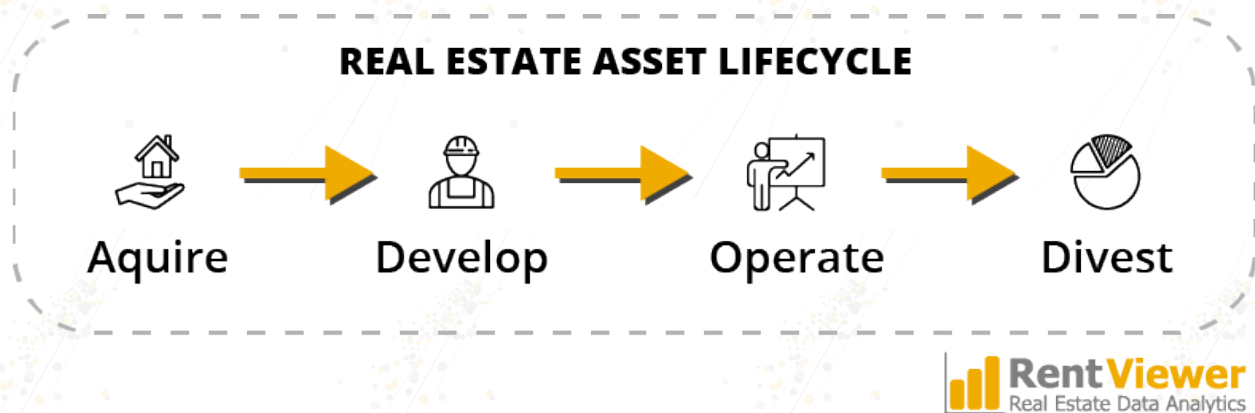
Saad Shah

The Metrics Framework

The metrics in this Guide are organized according to the process model described below. While the example relates mostly to residential property management, the guide is relevant to commercial, retail, industrial and other sectors.

The Real Estate Asset Lifecycle

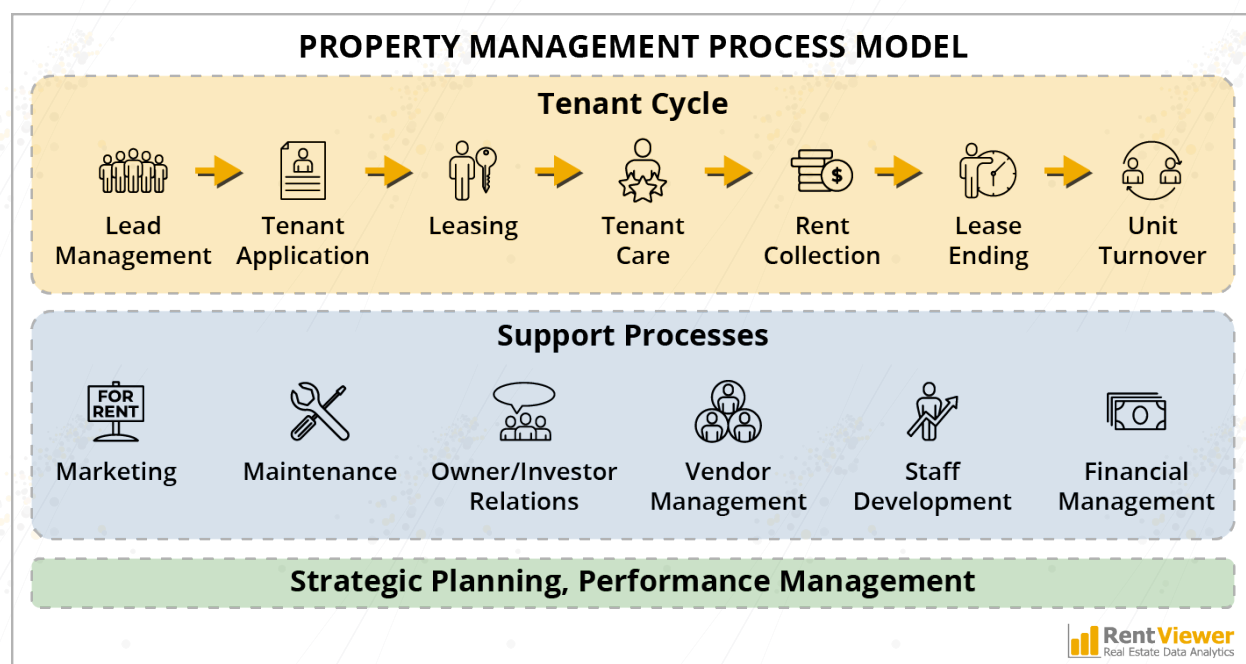
The Real Estate Asset Lifecycle is a high-level description of the phases in the life of a real estate asset. In this Guide, our focus is on the “Operate” (or “Manage”) phase, as shown in the diagram below.



The Property Management Process Model

The diagram below shows the process model for a property management company. These are the major processes involved in the “Operate” phase of a real estate asset. The metrics described in this Guide are mostly related to the “Tenant Cycle” shown in the diagram.

Editable diagrams and the metrics listed in a Microsoft Excel file are available in the [Property Management Process Toolkit](#).



1. Lead Management Metrics

Lead Management includes receiving a lead, engaging the prospect and guiding the prospect to fill out a lease application. The actual generation of leads is covered in Marketing. Since Lead Management guides prospects through a funnel, additional metrics should be defined for conversion from each stage to the next.

- » 1.01 - # of Leads by Status (not contacted, contacted, shown ...)
- » 1.02 - # of Leads by Lead Source (web, phone)
- » 1.03 - # of Showings Conducted
- » 1.04 - # of Applications Received
- » 1.05 - # of No-Shows
- » 1.06 - % of Leads Converted
- » 1.07 - Cost Per Lead
- » 1.08 - Cost Per Converted Lead
- » 1.09 - # of Qualified Leads
- » 1.10 - % of Leads Qualified

2. Lease Application Metrics

Lease Application is the process for initiating a lease application and performing all the steps necessary so that the application can be approved or declined. It includes collecting the required information, performing background checks, credit checks etc. and responding to the applicant. In commercial real estate, this is a longer process.

- » 2.01 - # of Applications Received
- » 2.02 - # of Background Checks Completed
- » 2.03 - # of Employment Verifications
- » 2.04 - # of Applications Approved
- » 2.05 - # of Days to Process Applications
- » 2.06 - # of Applications Rejected
- » 2.07 - # of Applications in Open State
- » 2.08 - # of Applications Abandoned
- » 2.09 - Cost to Process an Application
- » 2.10 - Employee Hours per Application

3. Leasing Metrics

Leasing is the process of ensuring the new tenant has a positive experience from the time their lease application is approved until they move in to the unit. While occupancy is not controlled by Leasing alone, occupancy metrics are also included here.

- » 3.01 - # of Leases Signed
- » 3.02 - Amt of Security Deposit Collected
- » 3.03 - # of Move-Ins
- » 3.04 - # of Applicants Not Leasing
- » 3.05 - # of Vacant Units
- » 3.06 - # of Days Vacant (by Unit)
- » 3.07 - Rent Lost Due to Vacancy
- » 3.08 - Gross Potential Rent
- » 3.09 - Rent Loss to Lease

4. Rent Collection Metrics

Rent Collection metrics cover how quickly rent is collected as well as the magnitude of late payments and delinquency.

- » 4.01 - # of Rent Payments Received on Time
- » 4.02 - # of Late Payments
- » 4.03 - # of Open Issues Related to Rent Collection
- » 4.04 - Accounts Receivable (> 30 Days, > 60 Days ...)
- » 4.05 - Amount Delinquent
- » 4.06 - Late Fees Charged
- » 4.07 - Amount Uncollectable
- » 4.08 - Bad Debt Forecast Accuracy (%)
- » 4.09 - Amount Discounted for Early Payment
- » 4.10 - # of Late Payment Notices Issued
- » 4.11 - Total Rent Charged
- » 4.12 – Total Charges

5. Tenant Care Metrics

Tenant Care metrics address the overall tenant experience. The servicing of customer requests and tenant sentiment are also included.

- » 5.01 - # of Service Tickets Opened
- » 5.02 - # of Service Tickets Closed
- » 5.03 - # of Service Tickets in Open State
- » 5.04 - # Avg Days to Close Service Request
- » 5.05 - Amount Spent on Service Tickets
- » 5.06 - Hours Spent on Service Tickets
- » 5.07 - # of Complaints Opened
- » 5.08 - # of Complaints Resolved
- » 5.10 - Tenant Satisfaction Ratings
- » 5.11 - Service Tickets per Employee
- » 5.12 - # of Referrals from Tenants

6. Lease Ending Metrics

Lease Ending metrics focus on minimizing vacancy by anticipating when leases will terminate and taking proactive measures to perform timely unit turnovers.

- » 6.01 - # of Units Vacating in Next 30 Days
- » 6.02 - # of Units Currently Vacant
- » 6.03 - # of Pre-Move Out Inspections Conducted
- » 6.04 - # of Eviction Notices Issued
- » 6.05 - # of Leases Terminated Before Lease End Date
- » 6.06 - # of Leases at Risk of Early Termination
- » 6.07 - # Turnovers Scheduled for Next 30 Days

Order a Metrics Dashboard

Display metrics on simple, attractive, and information-packed dashboards. Connect directly to your property management system.



Order a pre-built dashboard or have one custom-built for you!

<https://www.rentviewer.com/catalog/>

7. Unit Turnover Metrics

Unit Turnover metrics address the amount of time and money involved in getting a vacant unit ready for the next tenant. These also include the impact on new tenants when a unit is not ready upon lease commencement.

- » 7.01 - # of Units Being Turned Over
- » 7.02 - Total Amount Spent on Turnover
- » 7.03 - Average Days for Turnover
- » 7.04 - Amount Charged for Damage
- » 7.05 - # of Turnovers on Time
- » 7.06 - # of Turnovers on Budget
- » 7.07 - # of Issues Identified During Turnover
- » 7.08 - Damage Charges Documented
- » 7.09 - # of Units Not Ready at Time of Move-In
- » 7.10 - # of Issues Reported Within 14 Days of Move-In
- » 7.11 - Rent Lost Due to Late Turnover
- » 7.12 - # of Leases Expiring in Next 30 Days

8. Marketing Metrics

Marketing is infamous for being hard to measure. Heard the saying “Half my marketing dollars are wasted. I don’t know which half”? The metrics listed below address lead generation, quality of leads, and the contribution of marketing to revenue.

- » 8.01 - Total Marketing Expense
- » 8.02 - Revenue Generated from Marketing
- » 8.03 - # of Leads Generated from Marketing
- » 8.04 - # of Qualified Leads Generated (by Lead Source)
- » 8.05 - Marketing Spend Per Qualified Lead
- » 8.06 - Marketing Spend per Signed Lease
- » 8.07 - Ratio of Marketing Expense to Lease Rent
- » 8.08 - Marketing Expense per Unit
- » 8.09 - Cost to Acquire a New Lead

9. Vendor Management Metrics

Vendors, including subcontractors, can have a huge impact on your image and profitability. The Vendor Management metrics here are designed to create alignment between your interests and the performance of your vendors.

- » 9.01 - # of Active Vendors
- » 9.02 - # of Vendors who Have Received Code of Conduct Orientation
- » 9.03 - # of Vendors with Overdue Balance
- » 9.04 - # of Vendors who Meet Quality Standards
- » 9.05 - Tenant Complaints Received Due to Vendor Performance
- » 9.06 - # of Suggestions Received from Vendors
- » 9.07 - Total Spend on Vendors
- » 9.08 - Vendor Spend as Percent of Total Expense
- » 9.09 - Total Accounts Payable for Vendors

10. Process Improvement Metrics

Consistent execution cannot be achieved without “systematizing” the business. Companies that practice “continuous improvement” have metrics to measure their effectiveness at it. The metrics below highlight the extent to which process improvement is embedded within the organization and the development of the staff.

- » 10.01 - # of Process Metrics Being Tracked
- » 10.02 - # of Processes Documented
- » 10.03 - # of Personnel Trained on Processes
- » 10.04 - # of Processes Being Measured
- » 10.05 - # of Improvement Projects Completed
- » 10.06 - # of Personnel Trained in Process Improvement Methods

11. Team Development Metrics

Developing capable team members can positively impact many of the other metrics in this Guide. The Staff Development metrics address the need to train, grow and reward employees.

- » 11.01 - Employee Retention Rate
- » 11.02 - Time to Onboard
- » 11.03 - Employee Satisfaction Score
- » 11.04 - Training Hours Per Employee
- » 11.05 - % of Employees Promoted in Past 12 Months
- » 11.06 - Performance Reviews Completed
- » 11.07 - Bonus Amount Awarded
- » 11.08 - Exit Interviews Conducted
- » 11.09 - Performance Improvement Programs Initiated
- » 11.10 - Tenant to Staff Ratio
- » 11.11 - Service Tickets per Employee
- » 11.12 - Leads Processed per Employee

Get More Done in Meetings

Know Your **Metrics**. Arrived **Prepared**.

Run Productive Meetings
Using **RentViewer**
Dashboards.



"RentViewer has saved me hours each month. I no longer need to take the time to pull several reports into a spreadsheet to measure how we are doing. RentViewer's dashboards automatically combine the data and presents it in an easy-to-read format."



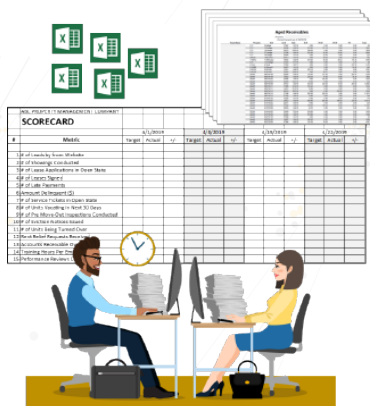
- Sherrie Featherly

Missoula Property Management

Without RentViewer

- Time wasted compiling numbers
- Most time spent reviewing numbers
- Little time left to solve problems and innovate.

Is this how your meetings go?



With RentViewer

- Metrics already up to date
- Easily spot Plan vs Actual variances
- Discuss action plans

Solve Problems!



12. Financial: Revenue Management Metrics

There are too many useful revenue related metrics, particularly ratios. Applying the 80/20 rule, one should identify the revenue categories that have the most impact on profitability and financial performance. Below are a few common revenue metrics. Ideally, the ratio to total revenue or a subset of revenue should be tracked.

- » 12.01 - Total Rent Income
- » 12.02 - Gross Potential Rent
- » 12.03 - Rent Relief Awarded
- » 12.04 - Total Lease Rent
- » 12.05 - Total Market Rent
- » 12.06 - Late Fee Income
- » 12.07 - Total Discounted Rent
- » 12.08 - Common Area Maintenance Charge (CAM)
- » 12.09 - Rent Lost Due to Vacancy
- » 12.10 - Amount Delinquent Written Off
- » 12.11 - Amount Delinquent
- » 12.12 - Rent Loss to Lease
- » 12.13 - Ratio of Operating Expense over Operating Income
- » 12.14 - Net Operating Income

13. Financial: Expense Management Metrics

As with Revenue metrics, Expense metrics also need to be prioritized. As companies become good at utilizing metrics, there are various **expense ratios** that will be useful for identifying areas for improvement.

- » 13.01 - Leasing Commission
- » 13.02 - Office Expense
- » 13.03 - Bad Debt
- » 13.04 - Maintenance Expense
- » 13.05 - Utilities Expense
- » 13.06 - Property Tax
- » 13.07 - Marketing Cost per Lease
- » 13.08 - Turnover Cost per Lease

14. Financial: Balance Sheet Metrics

Depending upon the profile of investors, debt and operating structure, each company will need to define its own balance sheet metrics. Below are some standard metrics that can be generated from reports.

- » 14.01 - Accounts Receivable (30, 60, 90, 90+ Days)
- » 14.02 - Accounts Payable
- » 14.03 - Cash on Hand
- » 14.04 - Short Term Liabilities
- » 14.05 - Long Term Liabilities
- » 14.06 - Current Asset Value
- » 14.07 - Forecasted Bad Debt
- » 14.08 - Rent Not Deposited
- » 14.09 - Capital Expense Allocated
- » 14.10 - Capital Expense Not Utilized

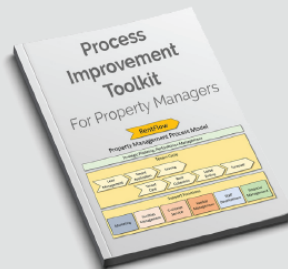
Process Improvement Toolkit

Get a running start on process improvement. The Toolkit contains an editable process catalog, potential process defects, metrics and a template for an action plan.

<https://www.rentviewer.com/buy/process-toolkit/>

Property Management Process Improvement Toolkit

For leaders who want to consistently deliver stellar results by systematizing their operations



- » Scale your business
- » Improve employee morale and pride
- » Earn the trust of your tenants and investors
- » Make a great first impression on your prospective customers

Call 248-601-6400 for a walkthrough of the toolkit

What's Included in the Toolkit?



Process Catalog



Cost of Quality Calculator Workbook



Property Management Metrics List



Improvement Roadmap Workbook



Two Hours of Phone Coaching

What Our Customers Are Saying



Todd Neel

Sola Salon Studios

"We had a massive amount of data and no way to organize and analyze it. Metric-X took our data, scrubbed it and gave us some surprising findings that changed the way we marketed throughout the system."



Sandy Murray

VP Marketing, Beach Front Property Management

"Our corporate office now has KPIs displaying on monitors across our walls, and all employees can easily view their metrics as well as other team members' metrics for radical transparency"



Greg Rothermel

VP Asset Management, NuStyle Development

"Our ability to review our metrics across our portfolio including rent per unit type per building as well as lease end dates and turn over coming for our maintenance staff has greatly benefited from RentViewer"

RentViewer

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