



propmodo
RESEARCH



Effectively Branding a Multifamily Property

UNDERWRITTEN BY BRIVO



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Introduction

IMPORTANCE OF BRAND IN MULTIFAMILY

In this report, we focus on the theory and practice behind branding a multifamily property. Branding is a standard concept for every non-commoditized product but the practices have not been fully utilized when it comes to residential rentals. Now, though, sophisticated multifamily owners and **operators are using data and creativity to** build valuable brands both on the building and portfolio level.



Sponsor Letter

A MESSAGE FROM OUR UNDERWRITER

Hi, my name is Mary and I help elevate market awareness for leading technology companies on the path to growth success.

That is my personal brand. It is what makes me unique and memorable. I'm pleased to sponsor this research because I understand what the value of solid branding can bring to the multifamily sector and why it is important for attracting and retaining tenants.

Although we're certainly adjusting to life post-COVID-19, it definitely changed how people live and adapt to spending more time at home. The widespread lockdowns, work-from-home arrangements, and social distancing

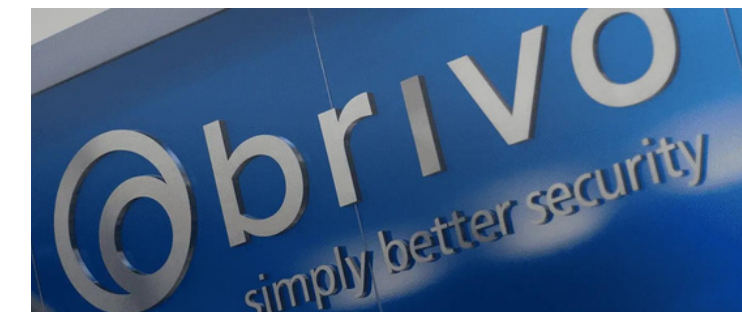
ushered in a record-breaking \$32 billion in PropTech investments. Smart cloud based access control became multifamily's technology centerpiece and underpins the successful implementation of all PropTech.

In this report, you will discover ways to successfully build a strong brand for your multifamily property to attract residents - from young professionals to empty nesters - based on their core interests and expectations. Your brand will shape the way tenants think and feel about your property now and for the future, and reap all of the benefits that comes with it.

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MARY CLARK
Chief Marketing Officer
Brivo



Brivo Simply Better Security | **Cloud Access Control**

Brivo, cloud-based access control SaaS company, protecting lives and facilities with the best service to meet your physical security...

Executive Summary

Branding in multifamily can sometimes be an afterthought. Doing the work of maintaining properties, streamlining operations, and doing market research comes first, and branding and marketing easily gets overlooked. But like any **business, branding is essential in** multifamily and requires diligent planning and hard work.

We'll dig into why branding is important, including the ability to generate a price premium, increase retention and renewal rates, and activate amenities. We'll also talk about the process of creating a multifamily brand from the ground up.

Branding is a term used so widely in the business world that even people who work in marketing may have trouble defining it. One simple way to think about branding is the message a product

or service conveys to customers and potential customers. When residents **identify your multifamily property with** positive emotions, that's an example of excellent branding that'll help your building and portfolio.

AvalonBay Communities is an excellent example of powerful branding in the multifamily market. AvalonBay is a publicly traded REIT that invests in apartments, and the firm is currently the third largest apartment owner in America. The REIT has done extensive work to incorporate ESG practices into everything it does, and it conveys its transformative climate-friendly work in clear and concise messaging to current residents and potential residents.

Many residents today want to live in **places that are forward-thinking about** climate change, especially young

professionals. AvalonBay is a case study of building a brand around an issue that residents deeply care about. Residents who may be on the fence on where to live next may see the ESG work that AvalonBay Communities does and make a decision based on that factor. That's the power of branding.

**When residents
identify your
multifamily property
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excellent branding.**

Branding Theory

Apply to
Multifamily





Keller's brand equity model

YOUR BRAND NAME'S ADDED VALUE

There have been decades of research that have gone into branding. One of the most influential voices on the subject is Dartmouth professor Kevin Lane Keller, whose books on marketing management and brand equity are still taught in universities across the world. His approach to marketing is based on the idea that in order to build a strong brand, you must shape the way consumers both think and feel about a product. Generally, that means first establishing a brand identity, then creating a brand meaning. This should then elicit a brand response that'll ultimately result in brand loyalty.

Multifamily Brand Value



The value of a multifamily building's brand

Creating a brand is a long, challenging process, but one that can pay off in the longrun. Property owners might not think it is worth the effort to brand a property. People move to neighborhoods, not buildings, right? But, when it comes to multifamily properties, there are multiple benefits of creating a strong brand.

PRICE PREMIUM

The first, most obvious reason for branding a residential building is to be **able to charge a premium in rent. Well-branded properties** cater to a particular market segment, allowing them to offer features and amenities that help them differentiate themselves from other buildings in the area and to command a premium price.

THE BENEFITS OF BRANDING GROW WITH PORTFOLIO SIZE

Large multifamily brands with properties in different metros are able to utilize their brand loyalty when former residents are relocating. This is especially true when prospects are not able to tour properties in person, something that is becoming more common with the growth of virtual tours.

RETENTION AND VACANCY

Another important reason to brand a **property is to increase the resident retention** and therefore reduce vacancy. Turnover of residents results in an increase in costs and risks for landlords. A well-branded property can create a

"stickier" product, one that causes residents to stay longer, connecting with a resident enough to make them want to stay.

AMENITY ACTIVATION

A lesser considered benefit of a branded property is the way it activates its amenities. Any multifamily operator knows how little amenity spaces like gyms and movie rooms actually get used. One of the most impactful ways that companies are branding properties is by organizing and **facilitating events and activities. These activities** turn an unused space into a perceived benefit to the resident.

Process for Creating a Brand



Branding

Branding is an ongoing process. It requires companies to first understand their brand and their target market. Then, assets like strategy roadmaps and brand profiles need to be created to help **keep the marketing team on track** and the marketing consistent. Eventually, these plans need to be rolled out with product improvements and outbound advertising.

Lastly, marketers need to setup a system to monitor how their brand image is changing in the minds of their customers and how that is affecting the company's bottom line.



Build a Brand

PROCESS FOR CREATING A BRAND

1

- Kick-off
- Internal Brand Audit
- External Brand Audit

UNDERSTAND

2

- Brand Strategy
- Message Map
- Brand Book

CREATE

3

- Internal Rollout
- External Rollout

DEPLOY

4

- Marketing Dashboard
- Customer Experience Dashboard
- Voice of the customer Survey

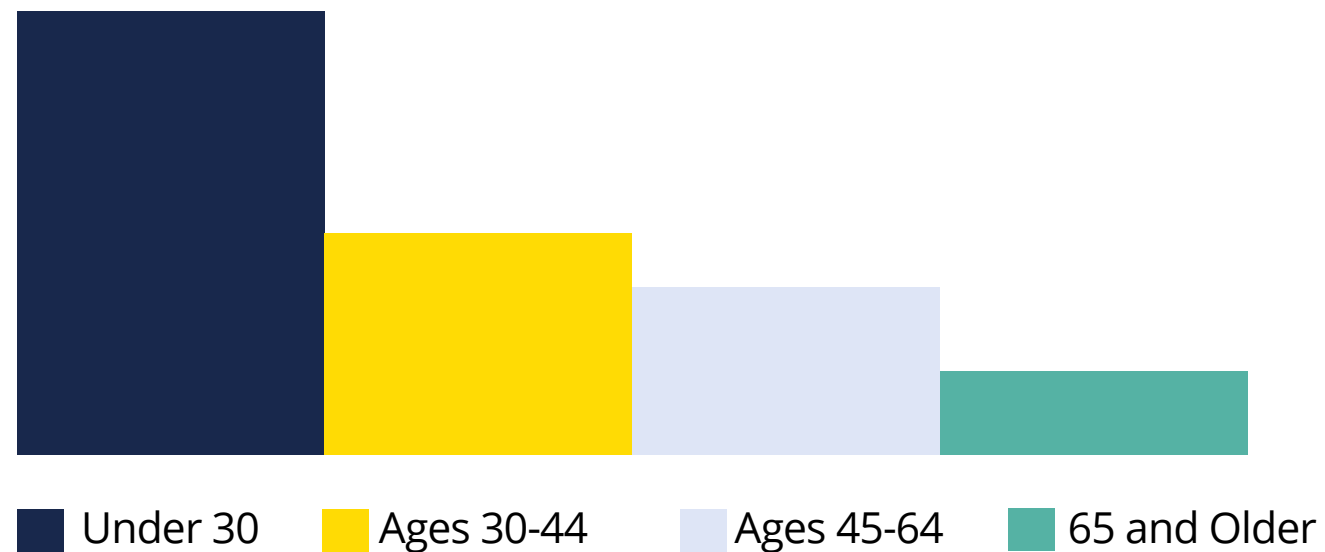
MONITOR

Understand Your Market



Segments

For multifamily buildings, understanding the market means segmenting renters into categories. Three broad categories that are often used to divide the rental market are young professionals, families, and empty nesters. Each has their own wants and needs when it comes to their residences, but many of them overlap between the categories.



Age Distribution of American Renters 2022

Source: NMHC

YOUNG PROFESSIONALS

Young professionals are a large segment of the apartment rental market. Because they represent such a big share of renters, catering to this segment is critical.

There's a huge portion of young professionals that are new to the cities where they rent, offering an excellent

branding opportunity. Young professionals are also increasingly eco-friendly and eco-conscious, so highlighting a property's green building certifications and sustainability metrics is a wise move.

Catering to young professionals also means providing them with the latest, **greatest smart apartment amenities**. The under-35 crowd are digital natives, and apartments that have features like seamless access control via mobile devices will be more attractive.

Young professionals expect a modern experience at every touchpoint in a multifamily community, and they are willing to pay a premium for it.

Segments

FAMILIES

Ben Pleat, CEO of Cobu, a multifamily community app, says young professionals and families have a lot of overlap in their **interests. "For families, center the branding around convenience and how to save time during the day,"** Pleat advises. Marketing for families is different than for residents without children. Some families don't have as much time to go on several property tours.

To reach out to families better, create robust marketing materials with plenty of pictures and descriptions of family-friendly amenities. Also, go beyond marketing just online and post advertisements throughout your area, including bulletin boards at schools, grocery stores, day cares, and other common destinations.

Showcasing local school districts, parks, daycares, and kids' activities nearby in

marketing materials is one way to establish a family-friendly brand. Building owners can also highlight safety and security features at their properties to put parents' minds at ease, such as safety gates at swimming pools or letting them know about local crime rates.



"For families, center the branding around convenience and how to save time during the day."



Segments

EMPTY NESTERS

People think older residents and empty nesters just sit around all day, but that's a bit of a misunderstanding. "Empty nesters are not much different than other resident groups," Pleat said.

"They like anything that brings people together in person."

"Empty Nesters and Baby Boomers are also a rising apartment rental segment.

Not unlike young professionals, Empty Nesters are also very focused on health and wellness. So, marketing exercise classes and well-equipped gyms is smart. The number of older renters is growing rapidly nationwide as Baby Boomers age into their 60s and 70s. Renters over 65 years old only account for 10 percent of all renters in the U.S., according to the National Multifamily Housing Council, but their share is growing.

The total number of rental households increased by 14 percent from 2009 to 2019. But the number headed by someone over the age of 65 spiked by 43 percent, according to America's Rental Housing 2022, a comprehensive report by the Joint Center for Housing Studies of Harvard University. The bottom line is there are more older renters than ever all across the U.S., and multifamily owners are taking notice.



"The Baby Boomer generation controls more than half of the wealth in the U.S., according to the Federal Reserve."



Data

SURVEYING

Brands are built for specific audiences. So, landlords need to get an understanding of residents to build a **brand. Surveys are fine, but what people say on surveys versus what they do can be very different. Getting** data about hot button issues and resident complaints is vital, enabling landlords to better plan a brand and make resident experiences better.

Still, collecting survey data is useful in many cases. Many multifamily owners like to use surveys at four key touchpoints: after an apartment tour, feedback on the move-in experience, after a work order or maintenance is completed, and feedback 60 to 90 days before lease renewal.

This method of active collection of resident feedback covers many of the essential parts of a resident's journey and provides useful information for branding.

SOCIAL MEDIA

Social media is an important source of brand sentiment data. Property companies should track what people are saying about their company or properties on social media sites. But social media **can also help landlords build profiles of** residents by tracking likes and interests.

Social media can be used to give property managers an understanding into their local markets. There are a number of companies who specialize in using social media posts to learn about the consumer habits of people in certain areas.

INTERACTIONS

Resident engagement is a great way to gather information about interactions between residents and with management. Apps gather data on hot button issues and resident complaints,

which is very useful information for multifamily owners to sift through.

According to Benjamin Pleat of Cobu, multifamily properties that use their app **typically see 10 to 17 percent higher** renewal rates, leading to reduced turnover and increased net operating income.



"Timing is the most important factor to consider when collecting survey feedback."

Data

ACCESS CONTROL

Knowing what spaces residents are using helps build a brand. Access control **data from space usage is the missing link** in building a brand strategy.

"No matter what age the resident is, everyone wants new tech in a building like seamless access control," said Mariam Rogers, Director of Multifamily Sales for Brivo, a cloud-based access control company with more than 20 years of experience. According to Rogers, **resident experience is the number one concern for multifamily owners in today's market**. Residents deeply care about good customer service, and they want memorable experiences in the places they live, work, and play.

Tech that makes these experiences more possible is critical. "Multifamily properties sell faster and lease faster when they have the best technology," Rogers said.

"Smart apartment tech isn't going anywhere, and it's an essential amenity that must be provided."

Rogers said that new tech in multifamily communities needs to be flexible, too, especially for residents older than 55.

"Believe it or not, not everyone has a smartphone today," she said. "So, there needs to be other ways to integrate access control technology other than via mobile, such as key fobs and pin codes."

"There are many types of multifamily access control systems, but they all have the common goal of simplifying building access for residents and visitors, and **they can also improve building security**. If done properly, access control data should maintain resident and visitor privacy while also giving insights into which parts of the building are seeing the most traffic. This is vital in the branding process because it helps building owners know what amenities and events in the



property are the most popular. Moving access control to the cloud and mobile devices is an excellent way to increase **security and eliminate the waste of lost key cards and fobs**. By using a sophisticated access control system, building managers are able to identify not just how much an amenity is being used, but who is using it and when. This can be used to further build out profiles on each resident and eventually help management understand what is connecting most with their target market.



Experimentation

Building owners can decide on how to market their properties and reconfigure their amenities based on survey feedback, access control data, and tracking interactions with residents. It's harder to change the amenities you have, so most owners don't make any hasty moves. Instead of changing amenity spaces, change how you use the space.

For example, there are cheap types **of experiments you can run. Instead of** ripping things up and doing renovations for a movie room residents may not use,

build a film lovers group and use an existing room. If residents don't show up and engage, you'll know further efforts aren't needed. But if engagement is high, it could be a sign a branding strategy can be built around movie geeks in the property, for example.

"Instead of changing amenity spaces, change how you use the space."



Creating a **Unique Brand** Around Residents Personas



Personas

We already said the three most common resident segments in multifamily are young professionals, families, and empty nesters. But with branding, **there are always opportunities to dig deeper** and find even more niches that can help attract excellent residents. Most multifamily branding experts **recommend focusing on three to four resident segments or personas**. Depending on your type of property, location, and other factors, the personas you target could be different from other properties.



Personas

IDENTIFYING SEGMENTS

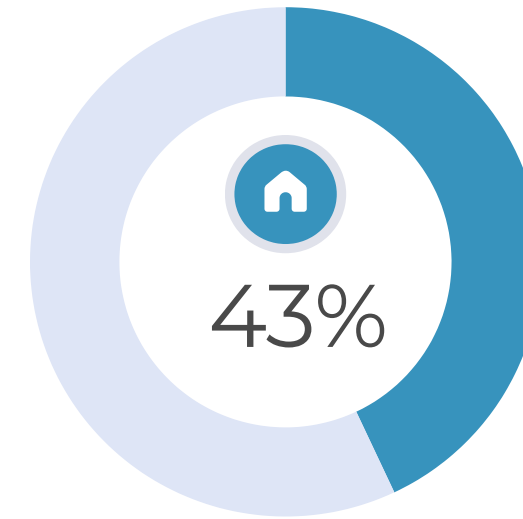
Each resident at your property is different and unique, so identifying segments and personas is essentially an attempt to attract the average resident. There are two types of information you'll need to create personas: demographic and psychographic. Demographic info tells you things like age, occupation, and gender.

Psychographic information is about more abstract things like desires, challenges, and hobbies. Branding and marketing for apartments works best when you know what your target audience is, so gathering this information and creating personas is essential.

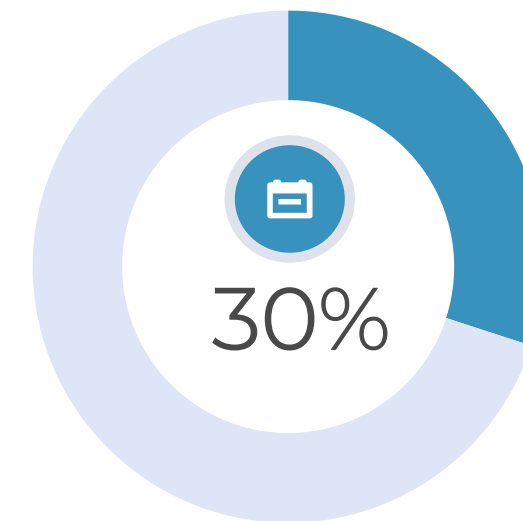
DEFINING VALUE PROPOSITION

Successfully marketing an apartment community means conveying a set of **unique selling points that shows what** makes your brand different from the others. Many multifamily residences use the same themes, so it's important to establish a unique value proposition and keep it consistent in marketing and branding materials.

Multifamily owners should have a good idea of what makes their communities stand out after doing the work of gathering data and establishing a brand. The next step is to sum it all up in the value proposition. Figure out what your niche is that would make an emotional connection with a potential resident.



Americans who rent that work remotely every day



Renters who work from home several days a week

Investing in brand

Many multifamily owners know branding **is important, but how much should you** invest in branding and marketing? Budgeting correctly for marketing campaigns is a critical function that's tied up in larger operational budgets. Establishing a branding and marketing budget and then tracking it often lets you know if the money is well spent.

A best practice is to rely heavily on data **to inform decision making. If you spend** X amount of dollars on marketing, you should have a good idea of what types of results and return on investment will be. Factoring in other data helps, too. For example, if rental demand is surging in your area, you may be able to pull back on marketing and advertising and not see much of an impact on leasing and renewal rates.

“Email marketing is another effective way to engage with your target audience and gain conversions quickly. It is cost-effective and can get your brand in front of your target audience in a short while.”



Sharing and Evolving your Brand



Sharing

MISSION

Traditionally, most multifamily communities haven't had a brand strategy. Now, however, many multifamily operators are taking a page **from hospitality operators.**

Sentral operates a network of 13 connected communities in 9 different cities, including Miami, Chicago, Austin, and Nashville, to name a few. Customers have the option of flexible stays, from a night to a quarter to multiple years. More than 50 percent of Sentral's staff comes from the hospitality industry. Sentral believes the behavior of consumers and multifamily residents has changed, so they have gone with, instead of against, that change.

Lisa Yeh, Chief Operating Officer at Sentral, says the company caters to residents who have an affinity for traveling and exploration because they

can stay in a Sentral city for any length of time. Sentral's on-property team acts as tour guides, and they call them **"experience associates" who create an exceptional experience for residents,** providing insight on how they can best explore their respective cities and live like a local.

Yeh said offering flexible staying options enables them to generate higher revenues in different cities during peak travel seasons. "We know people are yearning for interesting experiences," she said. "People are willing to pay more for those experiences."



Poolside at one of Sentral's locations in Atlanta. More than half of Sentral's employees come from the hospitality industry.

"Apartment buildings can feel stale and lack personality, so we try to really focus on enhancing the vibe and personality of our communities."

Evolving

AESTHETIC

Brands aren't nearly as common in multifamily as they are for hotels. Yeh of Sentral says this offers an opportunity for apartment owners to differentiate **themselves. "Our brand is the cool one,"** Yeh said. "It encourages flexibility and services." She explained that if people don't have an emotional attachment, they won't remember your brand.

For many residents, there's also a 'cool' factor to modern amenities and technology that's a draw for the best multifamily communities. Being able to gain access to the gym or other parts of a **building by simply swiping a mobile** phone just hits different than doing it with a fob or clunky key card.

In addition, she shared that Sentral communities have some of the best customer sentiment scores and reviews among multifamily and hospitality

operators. The average online review is 4.8/5 stars.

There's a need for consumers to create **memories at the buildings, and this** happens in hotels and resorts more often because of that industry's service-oriented culture. Multifamily operators like Sentral train their staff to create more personalized experiences for residents.

SOCIAL PROOF

Advertising and marketing campaigns are obvious aspects of branding. But multifamily operators can go a step further by providing consistent, excellent services that create what Roman Stephens, Senior Vice President of Northland Investment Corporation, calls "social proof."

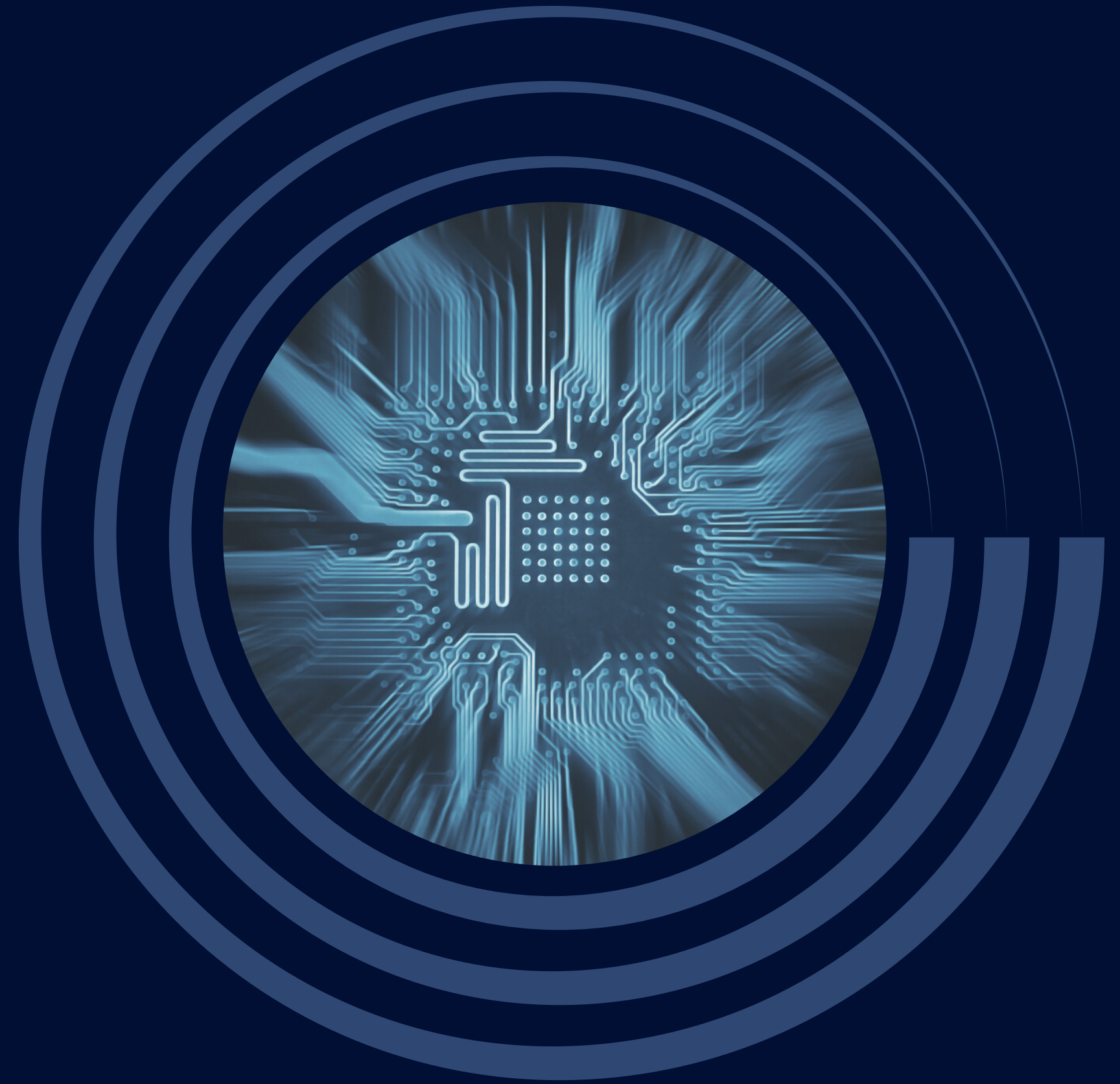
Stephens said the ultimate currency for branding nowadays is Google.

Advertising is great, but people may trust anonymous Google ratings more. That's why Stephens said Northland has an "intense focus" on improving and maintaining its ratings.

Rolling out exciting new technology that makes life easier for residents is another way to garner positive social proof. An example of this is Northland's use of modern amenities like cloud-based access control, which provides residents with secure, remote access to their units. Instead of leaving a key under the mat for a dog walker like the old days, residents approve access for a guest from their phone, no matter where they are.

"What's powerful is people will see this technology in action and it'll provide immediate social proof for Northland's communities," Stephens said. "A friend may see one of our residents using the tech and say, wow, where do you live again?"

Protecting and Evolving your Brand



Reputation

MONITORING SENTIMENT

Monitoring and responding to reviews is an essential part of protecting a multifamily brand. The team at Urby tries to respond to all reviews, positive and negative.

Urby is another multifamily brand adopting hospitality mindset. The company currently has five locations in New York, New Jersey, and Connecticut, but is soon expanding into Dallas, Miami, and Washington, D.C. Urby seeks to build more than just apartments, aiming for community-building and unique design choices.

Each Urby location is a little different but they all share a similar approach with lively social spaces and amenities like 24/7 welcome desks, fitness classes, ample opportunities for communal gardening, and libraries.

David Barry, President and CEO of Urby, said they are intentional with their brand and want residents to identify with it.



"Brands are like humans: they go through stages," Barry said. "How do we create a **positive emotional connection?** We make changes with each property and then we evaluate and ask, 'What works in one city versus another city?'"

Barry, Urby CEO, says they use the idea of

"service recovery" from the hospitality industry to fix problems and complaints.

If Urby thinks there's a genuine problem stemming from a bad review, they kick **into service recovery mode and fix the issue**. Taking this hospitality-centered approach may not improve online ratings, but it helps the brand's reputation.

The cozy lobby at Urby's Jersey City location, complete with a cafe and macchiato bar. Urby designs its multifamily units with lively social spaces.

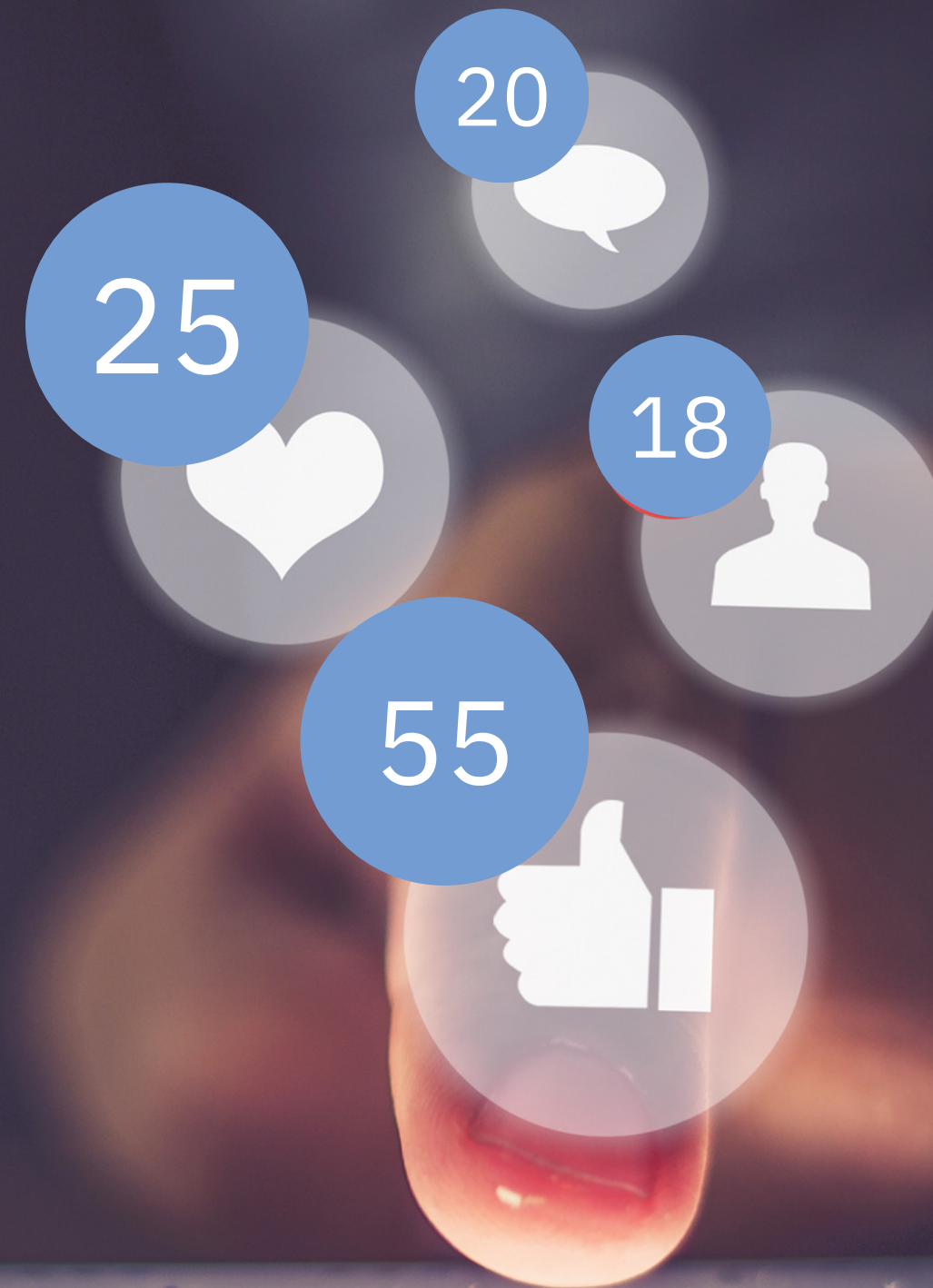
Sharing

REVIEWS

Many landlords tack on requests for Google reviews on surveys and maintenance tickets. This is fine, but it's also smart to ask for reviews immediately after a resident has a positive experience. Ask them right away, and don't miss the golden opportunity for a good review.

Landlords can focus on how to build brandable, review worthy experiences. Also, remember that the actual content of the reviews is often more important than the star rating. Most people today are smart enough when reading reviews to figure things out. They make judgments based on those few sentences

included in a review, not necessarily the star rating.



Conclusion

A product can easily be copied by other companies in an industry, but a brand is unique. Domino's and Pizza Hut's pizzas may taste and look the same, but for some reason, some people feel more connected to one or the other. This is what branding is about.

In the multifamily world, good branding can signal to residents and potential residents that your property will support their lifestyle and goals. When residents make a choice on where to live, it's about price but it's also an emotional decision. Branding is about reputation and the expectations that residents have. Developing a trustworthy brand is a multistep process that takes hard work, but it can pay off big time. Increased retention and renewal rates, higher rental income, and more vibrant multifamily communities are just some of the numerous benefits.



UNDERWRITTEN BY BRIVO

