



2017 BUILDIUM / NARPM

# State of the Property Management Industry Report

*Strategies for Growth & Efficiency in an Evolving Digital Landscape*





# 2017 BUILDIUM/NARPM STATE OF THE PROPERTY MANAGEMENT INDUSTRY REPORT

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**Strategies for Growth & Efficiency in an Evolving Digital Landscape**



**Buildium®**  
Property Managed.

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As property managers, it can be challenging to get an accurate picture of how your business compares to the rest of the industry. How is your portfolio growing compared to property managers with similar goals? Which challenges are others facing—and which strategies are they leveraging to resolve them? Which advice and best practices could you learn from your peers if you had the chance to connect?

At Buildium, we've made it our mission to provide property managers with the resources they need to make their jobs a little bit easier. In line with that mission, we've gathered the insights of nearly 1300 property managers across the United States for the third year in a row. In addition, we've partnered with the National Association of Residential Property Managers (NARPM) for the second time to ensure that a wide range of voices are represented in the results.

**From the insights of hundreds of property managers, we've uncovered compelling answers to the following questions:**

- Which goals are property managers focused on in 2017, and how has this changed in the past year?
- What are growth-oriented property managers doing differently, and how can you learn from their successes?
- Which strategies are helping property managers tackle challenges and take their businesses to the next level?
- And more

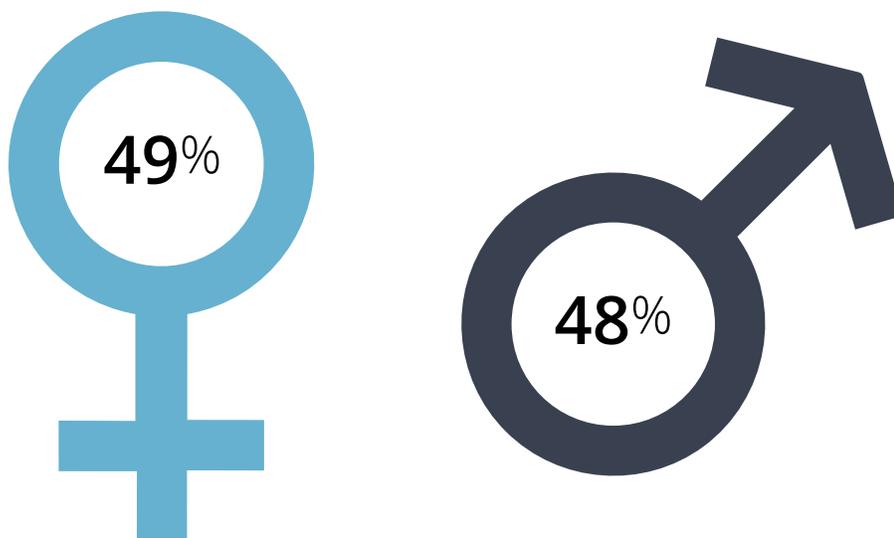
Ready to see how your business measures up and get the insights you need to jumpstart your growth? We can't wait to share what we've found—[let's get started](#).

# PROPERTY MANAGERS IN 2017: WHO THEY ARE

There are as many women in the property management industry as men.

48% of our respondents were male and 49% were female, with 3% selecting “prefer not to say.” (See Figure 1.) This is consistent with industry data: According to the Bureau of Labor Statistics, in 2015, 49% of property managers were male and 51% were female.<sup>1</sup>

**FIGURE 1:**  
What is your gender?

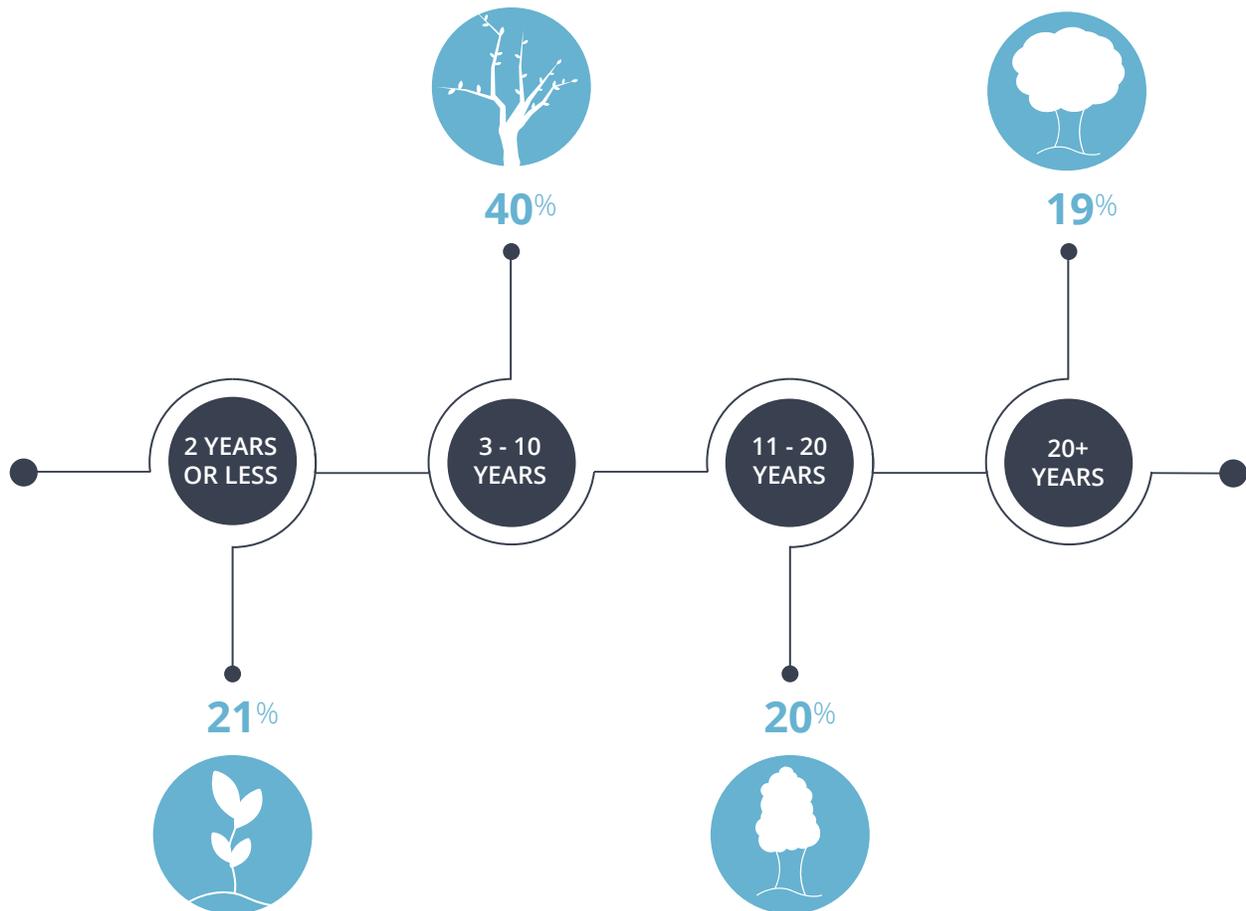


<sup>1</sup> “39 Percent of Managers in 2015 Were Women,” Bureau of Labor Statistics, <https://www.bls.gov/opub/ted>, (August 1, 2016)

A majority of respondents (61%) had been property managers for less than 10 years—and 1 in 3 of those respondents were brand new to the industry. (See Figure 2A.)

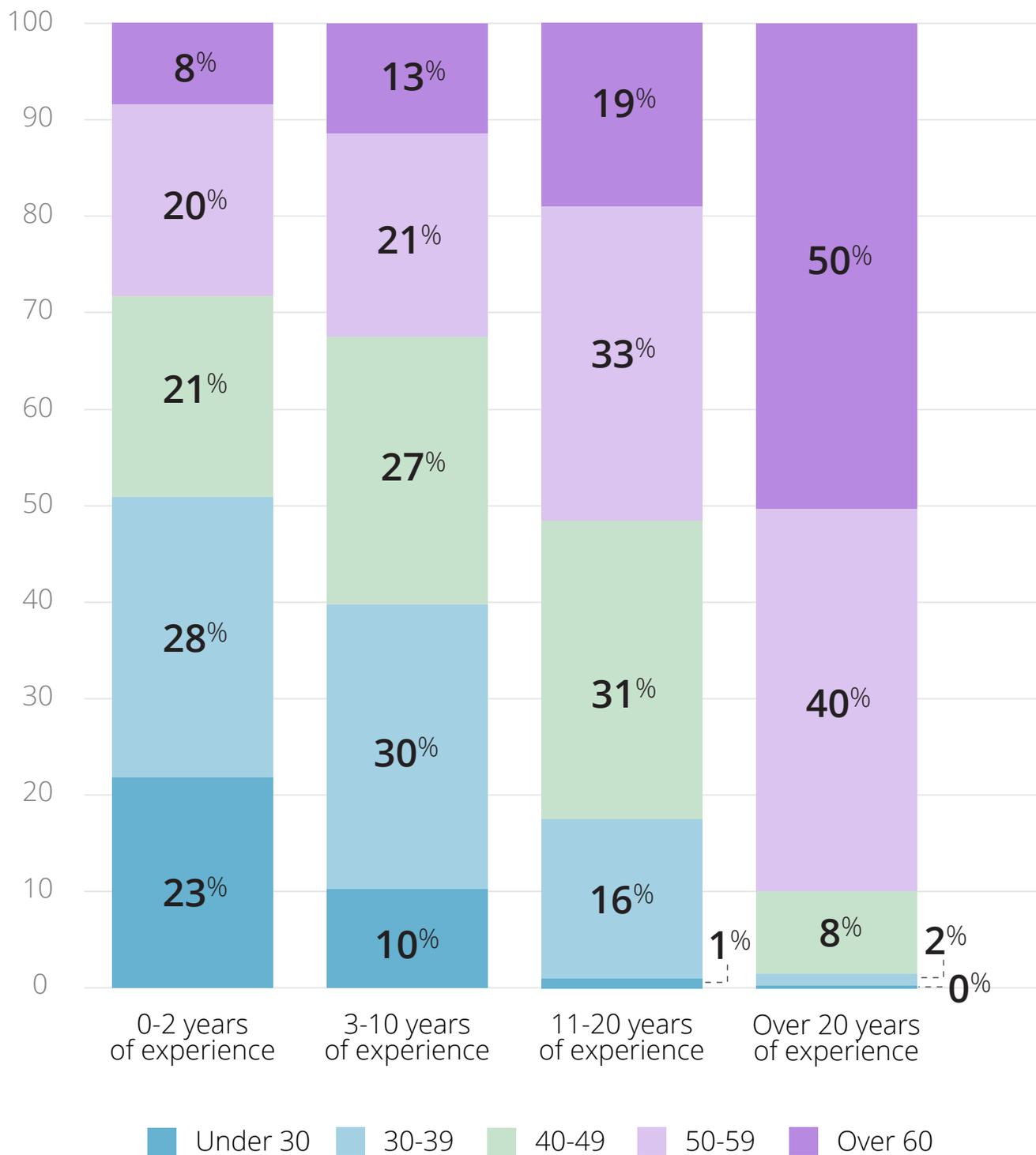
Among property managers with less than 10 years of experience, every age group was represented: 14% are under age 30; 29% are in their thirties; 25% are in their forties; 21% are in their fifties; and 12% are over age 60. (See Figure 2B.) Coupled with the fact that a large portion of our respondents were in their 40s and 50s, this likely reflects the reality that property managers often have other careers before getting into the property management industry.

**FIGURE 2A:**  
How long have you worked in residential property management?



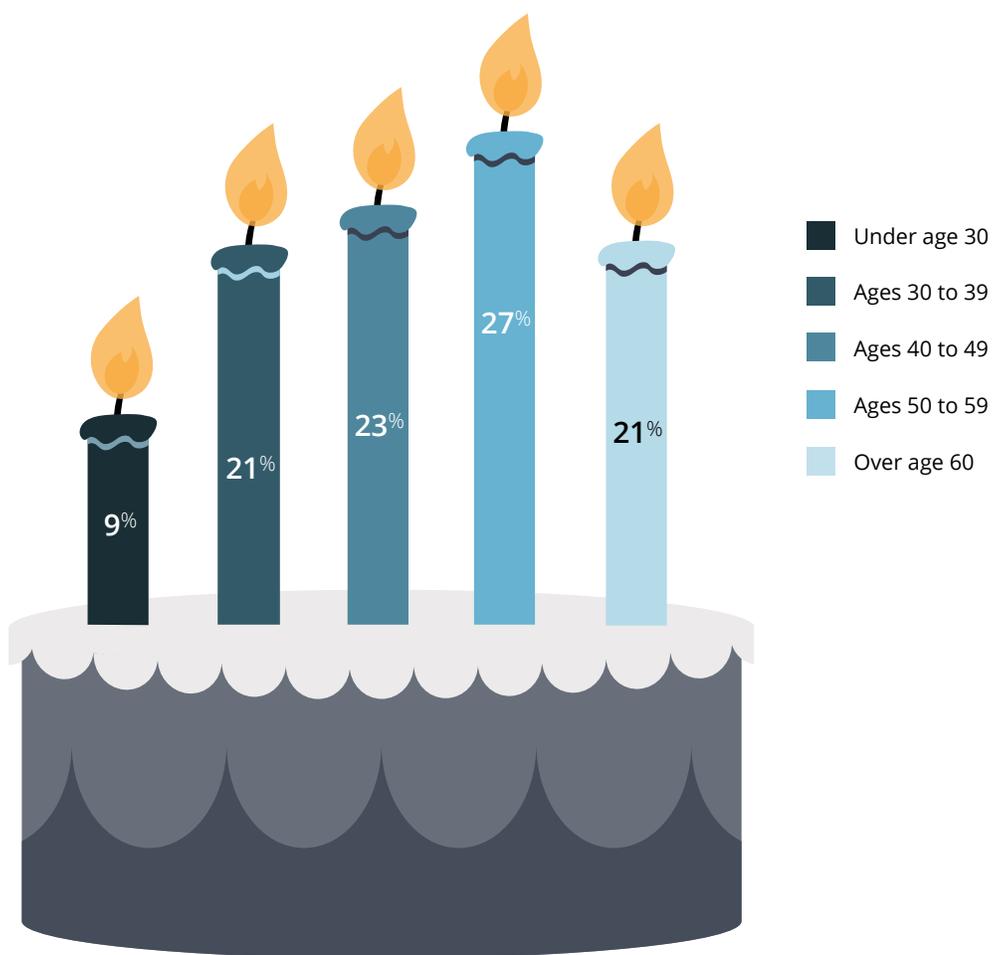
**FIGURE 2B:**

What are the most common ages among property managers with various levels of industry experience?



Currently, three-quarters of property managers are in their 40s and above. (See Figure 2C.) The Bureau of Labor Statistics reports that the median age of property, real estate, and community association managers is 49.8 years old.<sup>2</sup> However, with millennials expected to comprise 3 of every 4 working-age adults in the United States by 2025,<sup>3</sup> the average age of property managers may drop rapidly if today's young professionals choose to enter the industry.

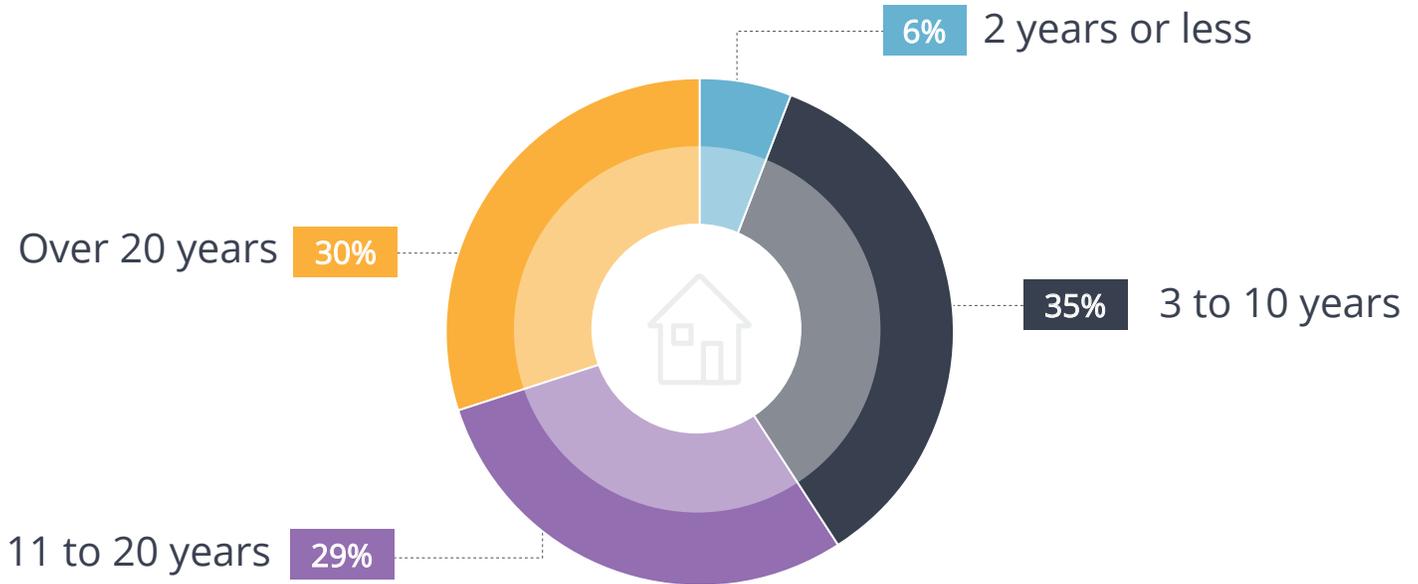
**FIGURE 2C:**  
Which age range do you fall into?



<sup>2</sup> "Labor Force Statistics from the Current Population Survey," Bureau of Labor Statistics, <https://www.bls.gov/cps>, (February 8, 2017)

<sup>3</sup> Fred Dews, "11 Facts About the Millennial Generation," Brookings, <https://www.brookings.edu>, (June 2, 2014)

**FIGURE 3:**  
Industry Experience Among NARPM Members



**Experienced, growth-oriented property managers are more likely to join industry organizations like NARPM.**

57% of respondents who are members of the National Association of Residential Property Managers (NARPM) identify growth as a top goal, compared with 37% of non-NARPM members. This may signify that growth-oriented property managers see organization membership as a valuable asset.

In addition, the longer that a property manager has been in the industry, the more likely they are to be a member of NARPM. Just 6% of respondents who were NARPM members had been in the industry for 2 years or less. In contrast, 35% of respondents who were

members of NARPM had been in the industry for 3 to 10 years; 29% of members had been property managers for 11 to 20 years; and 30% of members had started their careers in property management over 20 years earlier. (See Figure 3.)

Why is this the case? Understandably, property managers who make it through their first few years in the industry likely have more time to join organizations like NARPM. **In addition, though, many property managers inevitably realize the importance of building relationships, learning from their peers, and staying up-to-date on industry news for the success of their business.**

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We asked respondents who were members of NARPM for feedback on the value of their membership. Here's what a handful of respondents said:



- "It can be cathartic for troubling days. Other members share experiences and listen to each other. Seasoned members may know what to do, and newer members could have a fresh take."
- "NARPM is a great way to stay on top of new legislation and to keep in touch with best practices."
- "[NARPM] has given me the education and tools I need to be in this business."
- "By being a member, it has doubled my business."
- "[NARPM offers] great education, networking, [and] open sharing."
- "NARPM is my primary source of knowledge and information regarding property management."
- "I love the monthly luncheons and learning from the speakers."
- "[NARPM is a] great group of like-minded businesses."

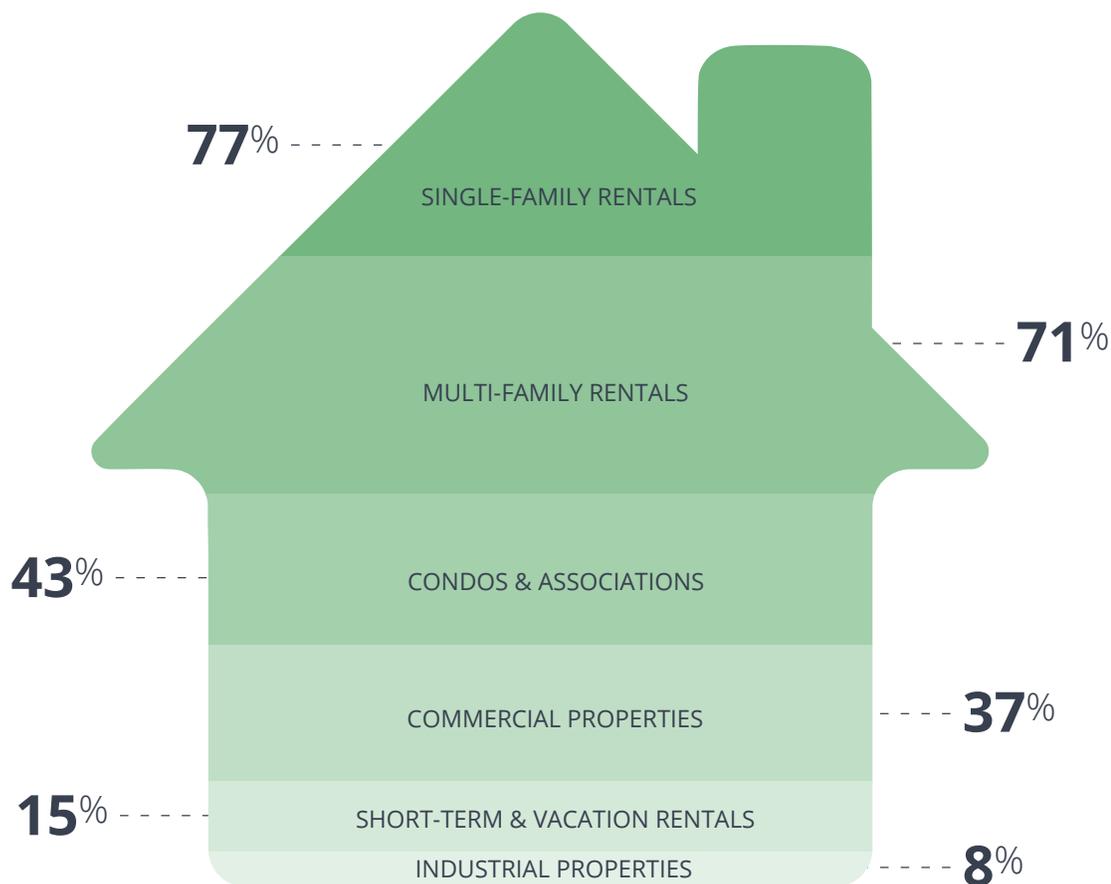


# THEY MANAGE A WIDE RANGE OF PROPERTIES

On average, property managers have 2 to 3 different types of properties in their portfolios.

Our respondents reported diverse portfolios, made up of various combinations of single family rentals, multi-family rentals, condos & associations, commercial properties, short-term & vacations rentals, and industrial properties. (See Figure 4.)

**FIGURE 4:**  
Property Types Managed by Respondents *(Select all that apply.)*

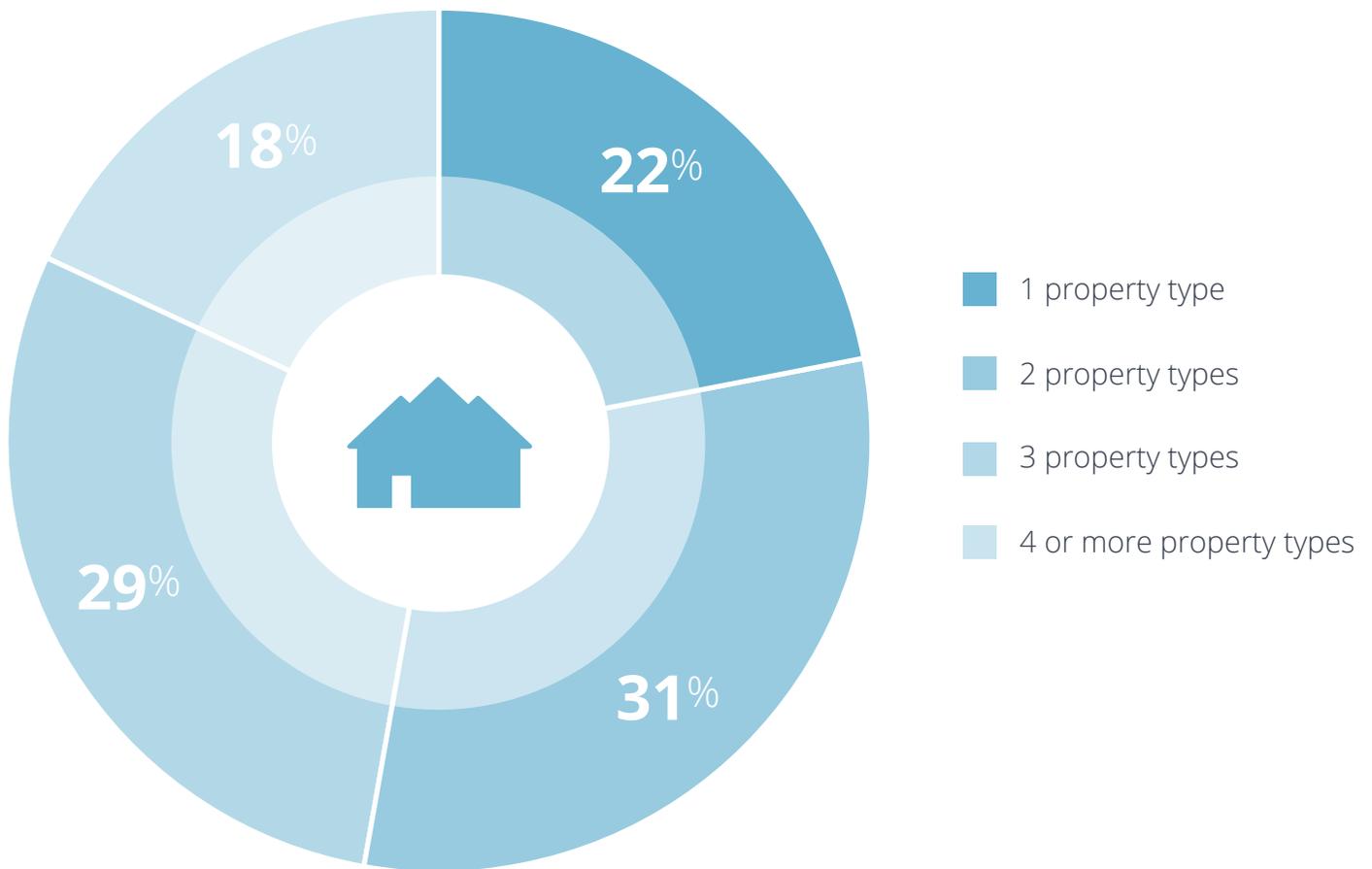


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82% of our respondents manage 3 property types or fewer, with only 18% managing 4 or more property types. Surprisingly, 2% of respondents actually manage all 6 of the property types listed. (See Figure 5.)

**FIGURE 5:**  
How Many Property Types Respondents Manage

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# THE SERVICES THEY OFFER

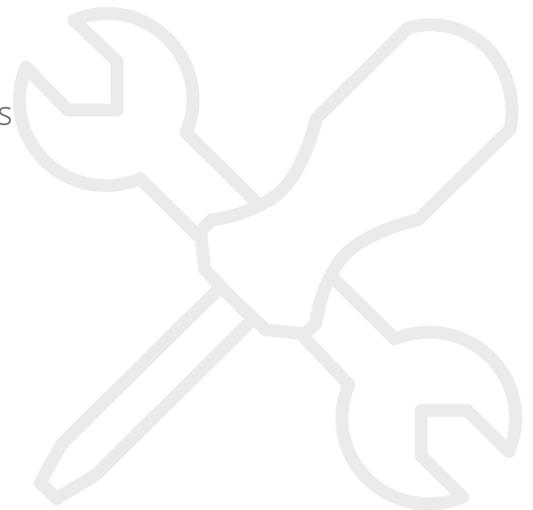
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Over half of property managers provide the same 13 services.

These 13 common services are:

1. Maintenance and repairs  
(offered by 86% of respondents)
2. Property leasing (80%)
3. Property showings (80%)
4. Property inspections (77%)
5. Evictions (69%)
6. Resident screening and application management (69%)
7. Fee collection (68%)
8. Vacancy marketing (65%)
9. ePayments (62%)
10. Accounting (62%)
11. Bookkeeping (60%)
12. Cleaning (59%)
13. Construction/renovation (51%)

If you manage other people's properties, these are the services that clients will likely expect you to provide, whether you offer them in-house or through a third party. Otherwise, you could risk losing business to your competitors.



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For property managers looking to differentiate their businesses from the competition, consider adding valuable, less common services to your repertoire, such as:

1. Property sales  
(offered by 47% of respondents)
2. Outdoor services (47%)
3. Financial reporting (46%)
4. Property purchasing (42%)
5. Sales brokering (34%)



# THEY'RE SMALL BUSINESSES

A majority of the property managers we surveyed have 5 or fewer full-time employees. 13% run their business single-handedly.

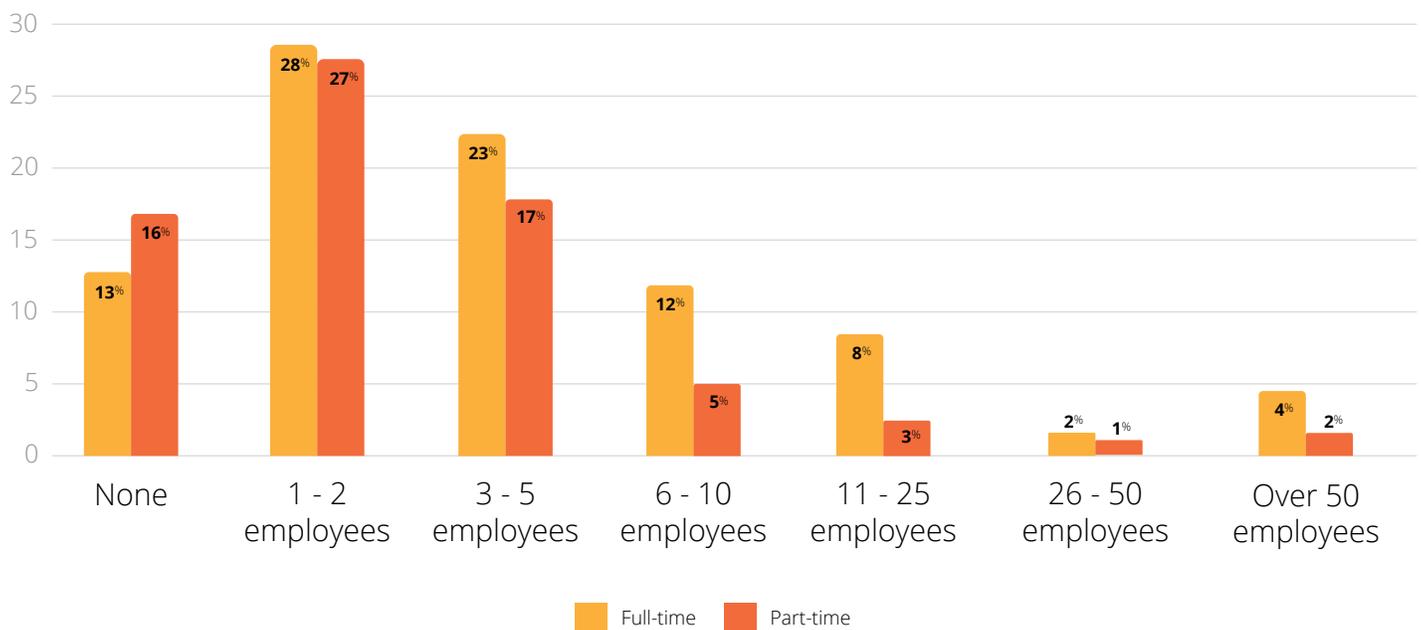
Three-quarters of respondents have a full-time staff of at least 1 employee. Most common is a staff of 1 to 2 employees (28%) or 3 to 5 employees (23%). Just 26% have 6 or more full-time employees.

A full 13% run their business single-handedly with no full-time employees. A small fraction of those have a handful of part-time or contract

employees, but two-thirds do not. (See Figure 6.)

The Small Business Administration classifies companies with fewer than 10 employees as micro-businesses. While micro-businesses might be small in size, they have a big impact on the economy: The United States' 3.7 million micro-businesses comprised three-quarters of all private-sector employers as of 2013, and they were the source of 11% of private sector jobs.<sup>4</sup>

**FIGURE 6:**  
Not including yourself, how many employees does your company have?



<sup>4</sup> Brian Headd, "The Role of Microbusinesses in the Economy," Small Business Administration, <https://www.sba.gov>, (February 2015)

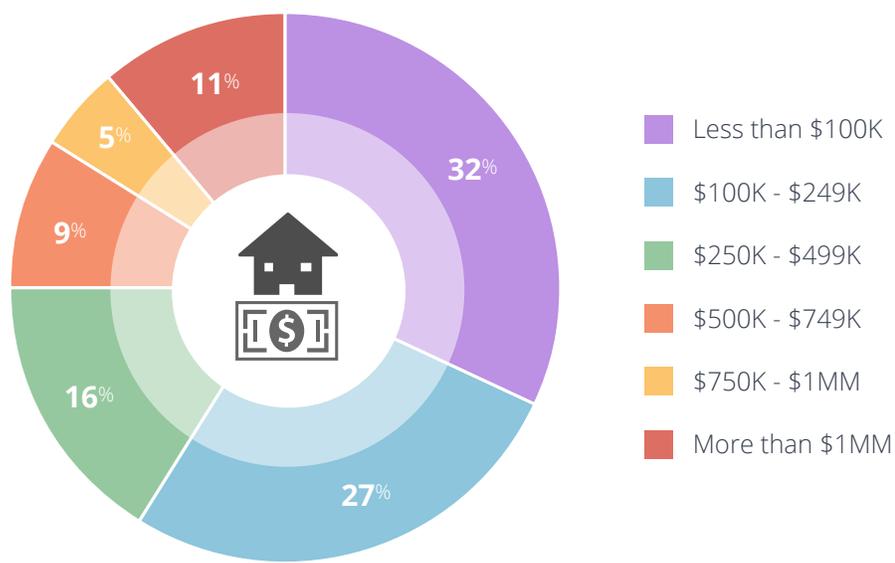
One-third of the property managers we surveyed bring in less than \$100K in annual gross revenue. A majority bring in less than \$500K each year.

When it comes to revenue, our survey responses were skewed toward the lower end of the scale. Three-quarters of respondents bring in less than \$500K each year, with half of those companies bringing in less than \$100K.

Just 25% of respondents bring in \$500K or more each year, but nearly half of those companies bring in over \$1 million in revenue—making this group a minority, but a significant one. (See Figure 7.)

To put these numbers into context: Property management companies are considered small businesses by the SBA if their annual gross revenue is less than \$7.5 million.<sup>5</sup> The vast majority of the property managers that we surveyed fall definitively within this definition.

**FIGURE 7:**  
What is your company's annual gross revenue from residential property management?



<sup>5</sup> "Table of Small Business Size Standards," Small Business Administration, <https://www.sba.gov>, (October 1, 2017)

## Property managers often carry 2 or more job titles.

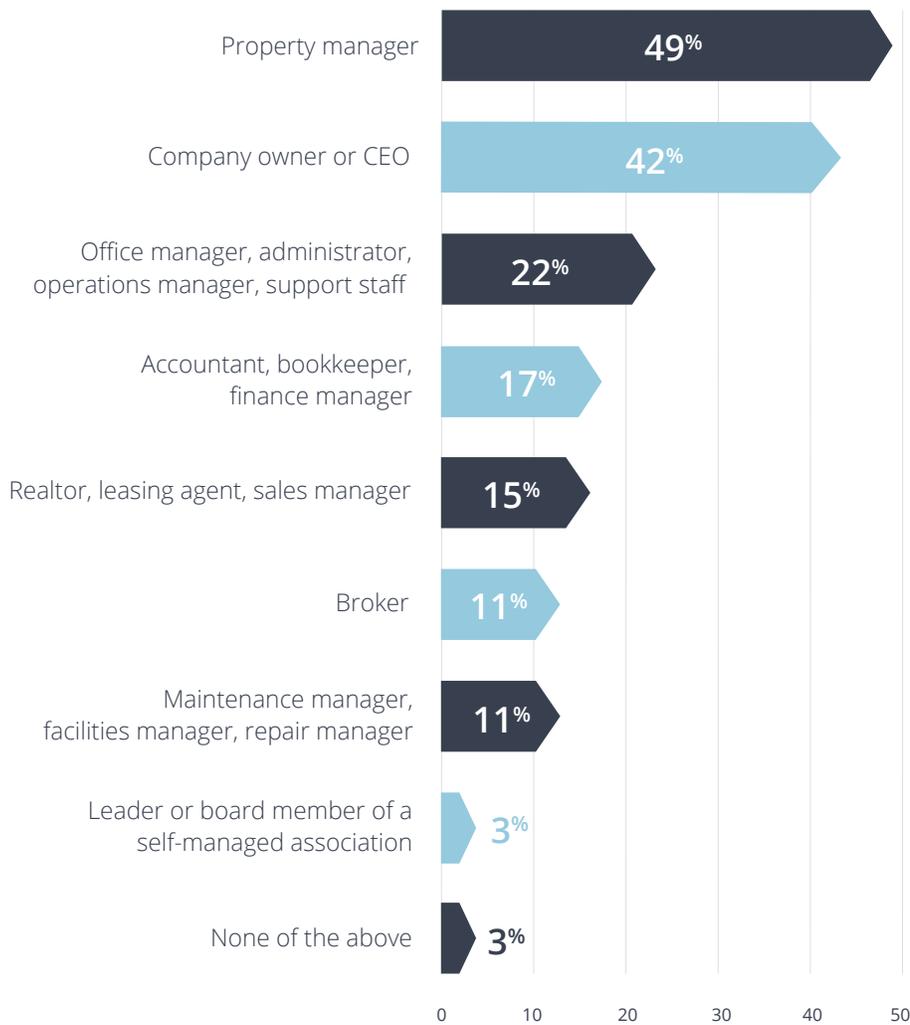
Our respondents wear multiple hats—1.76, to be exact. Those who selected “property manager” as their job title also selected 1 to 2 additional job titles. Most often, property managers selected “company owner” as an additional title (42%), along with “realtor” (15%), “office manager” (22%), “accountant” (17%), “maintenance manager” (11%), or “broker” (11%). (See Figure 8.)

The fewer employees that property managers have, the more likely they are to wear a number of different hats.

**FIGURE 8:**

What best describes your position in your company?

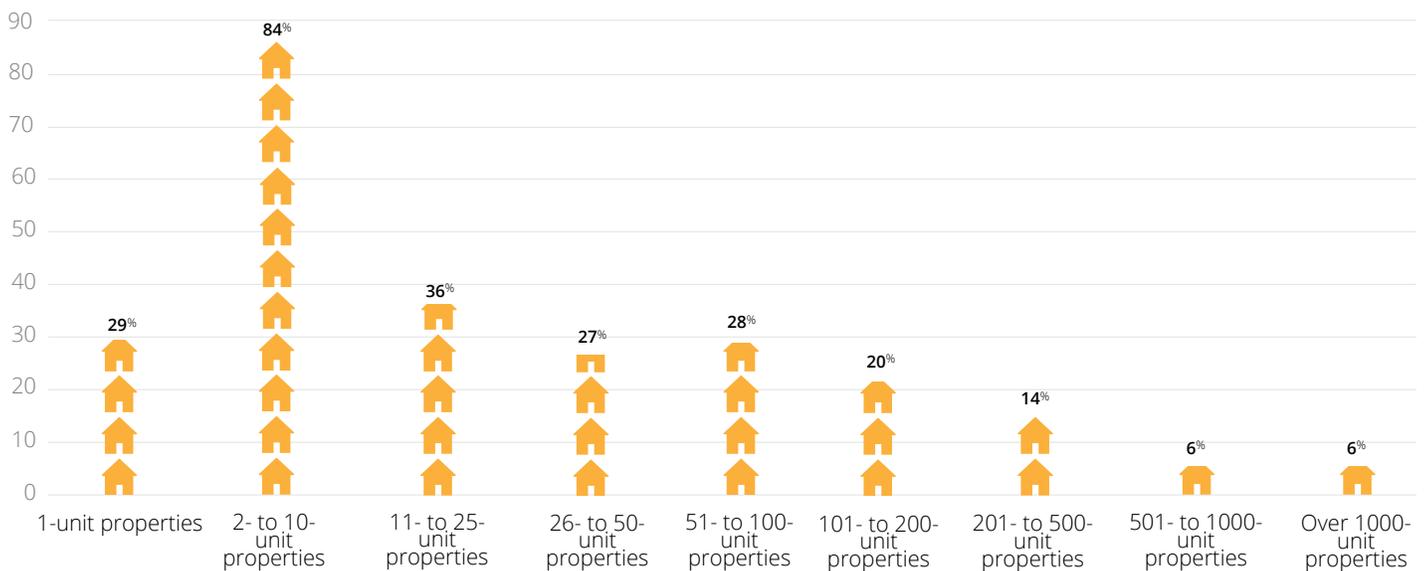
*(Please select more than 1 option only if you spend your time equally in multiple roles.)*



Among the property managers we surveyed, a large portion of their portfolios are filled with small to mid-sized properties under 200 units.

By far, the most common property size was 2 to 10 units; 84% of respondents managed at least one property of this size. The next most common property size was 11- to 25-unit properties, managed by 36% of respondents. 1-unit properties, 26- to 50-unit properties, and 51- to 100-unit properties were each managed by nearly 1 in 3 respondents. (See Figure 9.)

**FIGURE 9:**  
How many units (“doors”) of the following types does your company manage? *(Select all that apply.)*

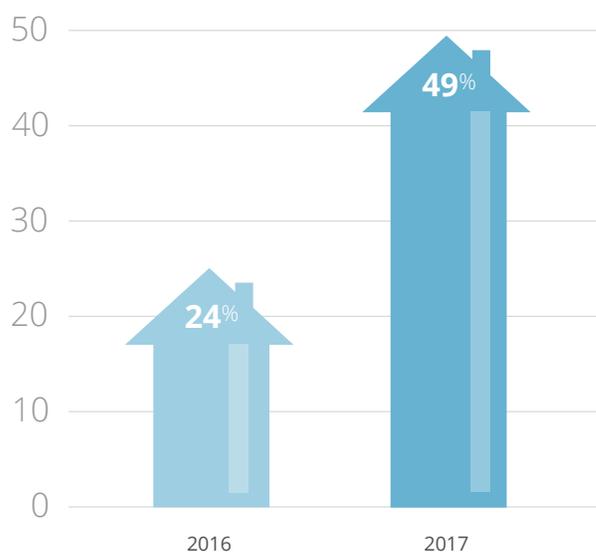


# PROPERTY MANAGERS IN 2017: WHERE THEY'RE HEADED

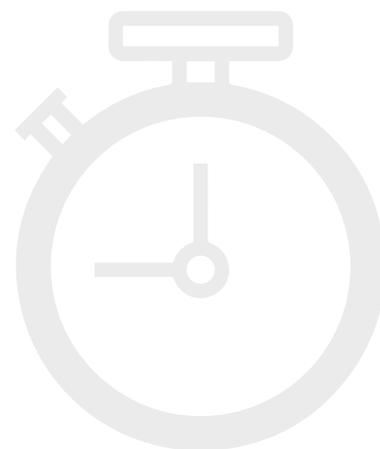
Next, let's talk about property managers' business goals, as well as industry-wide trends that will likely impact your business in the coming years.

## A new goal rose to the top of property managers' minds in 2017: **efficiency**.

The number of property managers intent on increasing their efficiency more than doubled in the last year, shooting up from 24% in 2016 to 49% in 2017. (See chart below.)



The drive to increase efficiency is particularly strong among respondents who plan to grow their portfolios or revenue in the near future. Efficiency was selected as a top goal by 53% of those who expect their portfolios to expand significantly, as well as 49% of those who expect their portfolios to expand a little. Efficiency was also a primary focus for 52% of respondents who expect their revenue to increase significantly, and 49% of those who expect it to increase a little.

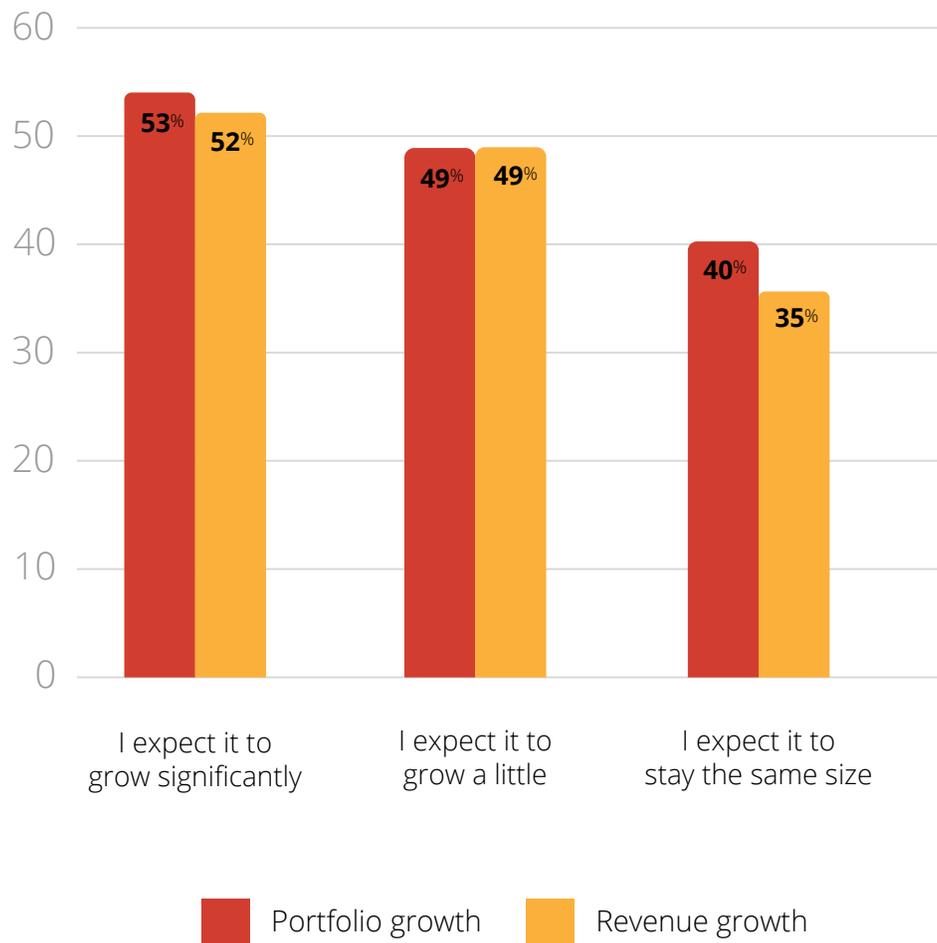


Efficiency isn't just a top goal for those who plan to grow their business in the coming years, however. Among those who expect their portfolio to stay the same size, 40% named efficiency as a primary focus. In addition, 35% of those who expect their revenue to stay the same agreed that efficiency is a top goal. (See Figure 10.)

While becoming more efficient is an important precursor to growth, it is clearly an aim that holds value for businesses at all stages of their lifecycle.

**FIGURE 10:**

Among respondents who anticipate portfolio and revenue growth, how many selected **efficiency** as a top goal?

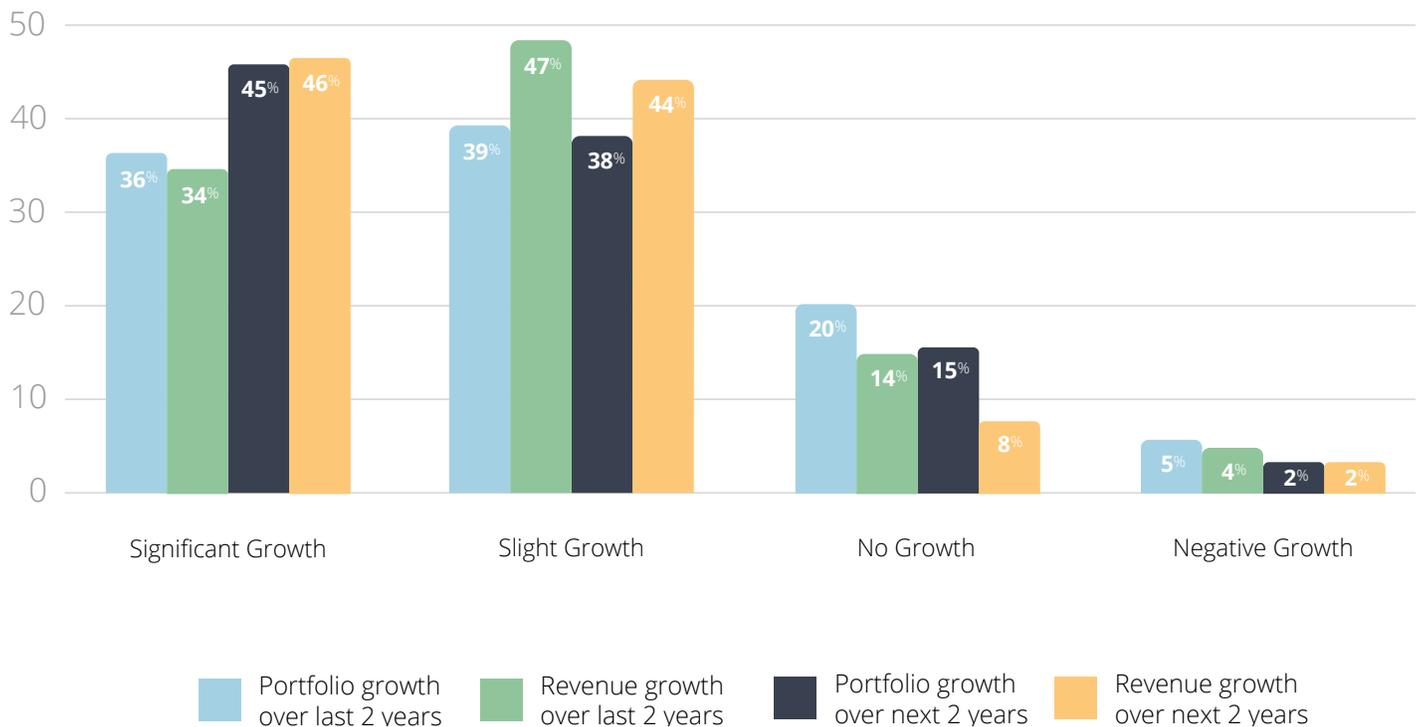


## Property managers identified **growth** as a top goal for the second year in a row.

The property managers that we heard from in our survey are incredibly focused on growth—and they feel highly optimistic about what the future holds for their businesses.

39% of respondents agree that growth is a primary goal for their business in the coming year—an increase of 2 percentage points from 2016. 83% of respondents plan to expand their portfolios in the next 2 years; and 90% expect their revenue to increase. (See Figure 11.) Just 2% reported that downsizing was on their to-do list for the coming year.

**FIGURE 11:**  
Past Portfolio Growth & Revenue Growth vs. Anticipated Portfolio & Revenue Growth



## Property managers' plans for business growth are matched by the anticipated expansion of the industry.

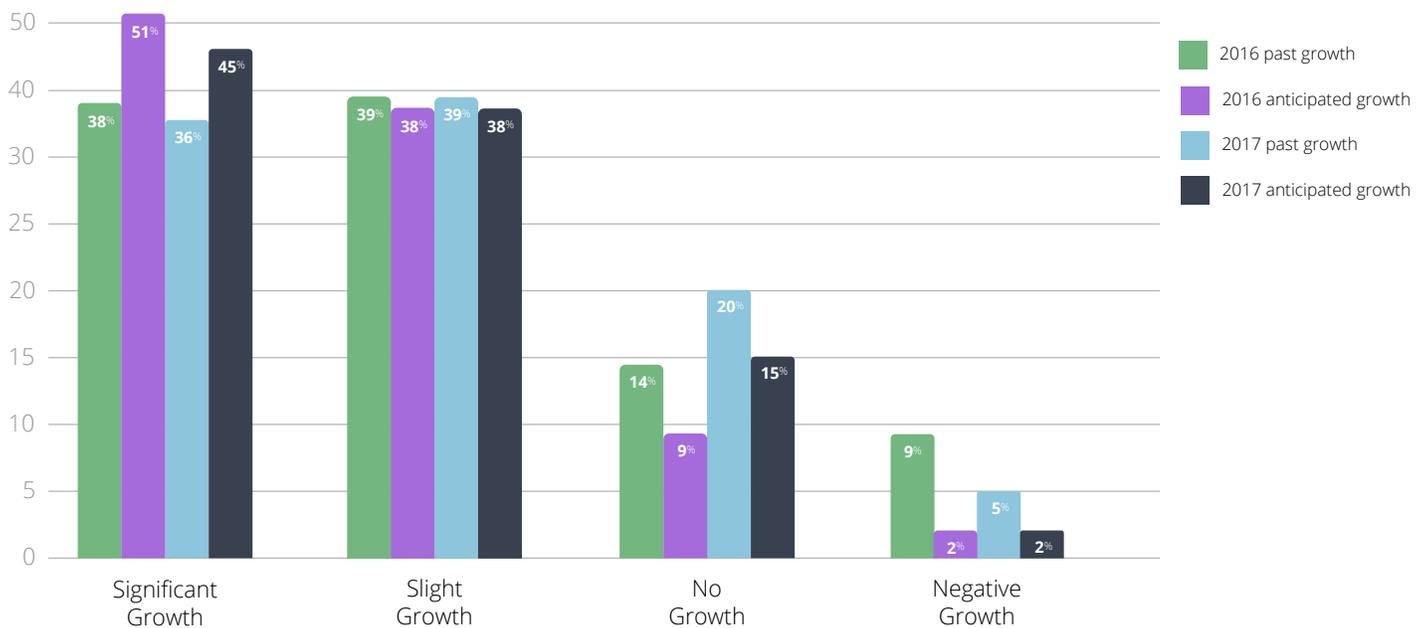
PricewaterhouseCoopers predicts that 12.5 million new households will be created over the next decade—and more than half of them will be renting.<sup>6</sup> Because of rising interest rates, tight inventory, increasing demand, and a lack of affordable housing, renting continues to be an attractive option for many Americans.<sup>7</sup> The survey responses show that property managers are poised to take advantage of this trend.

In 2014, the Bureau of Labor Statistics predicted a rate of 8.1% occupational growth for property managers by 2024—just slightly

more than the 6.5% rate of growth that's expected across all professions. In comparison, however, the BLS predicted lower rates of occupational growth among real estate agents (2.8%) and real estate brokers (1.8%).

Between 2016 and 2017, similar rates of portfolio growth were anticipated by the property managers we surveyed. However, in 2017, a slightly higher percentage of respondents expect their portfolios to stay the same in the coming two years; while in 2016, slightly more expected their portfolios to grow significantly. (See Figure 12.) This could indicate that while the property management industry is still in a high growth phase, the frenzied rate of growth is moderating slightly.

**FIGURE 12:**  
Past Portfolio Growth vs. Anticipated Portfolio Growth in 2016 & 2017



<sup>6</sup> "Emerging Trends in Real Estate: Canada and the United States 2017," PwC & the Urban Land Institute, <http://www.pwc.com/ca/en/research-insights.html>, (2017)

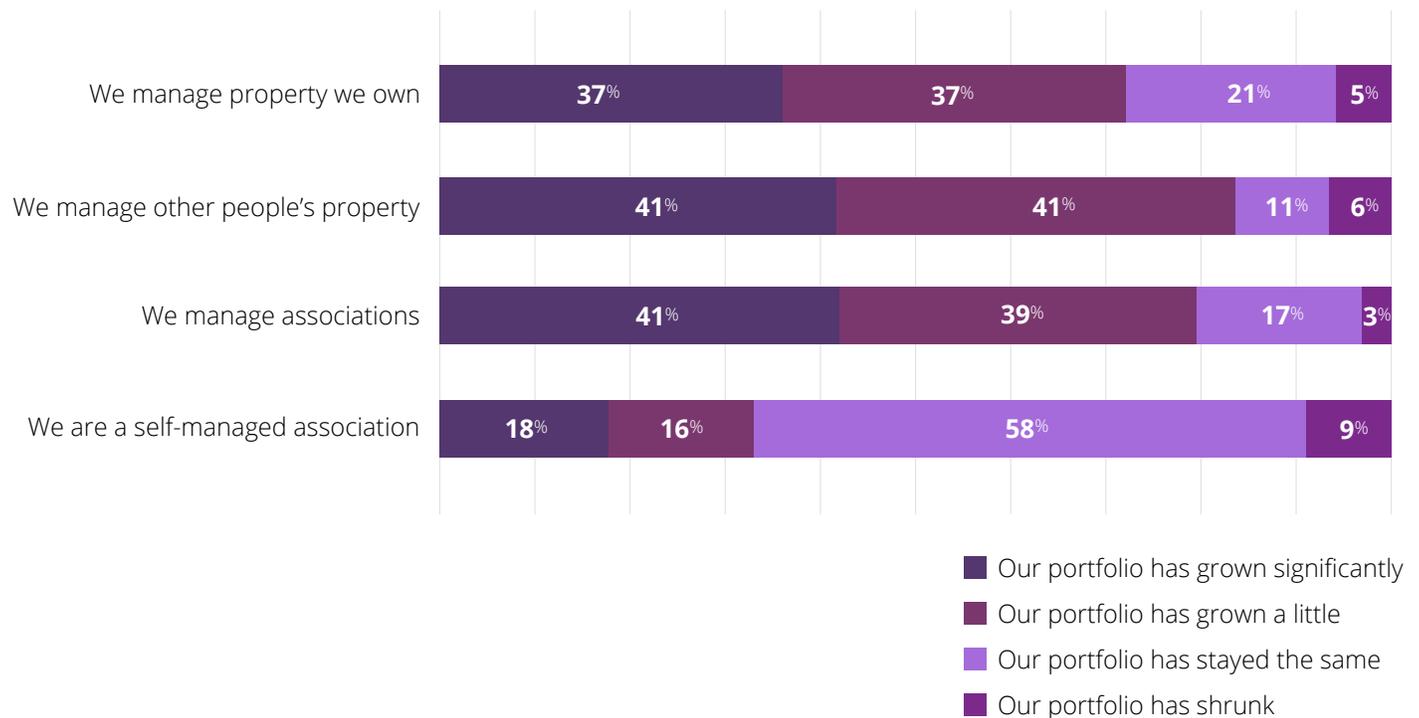
<sup>7</sup> Samantha Sharf, "Housing Outlook: Five Expert Predictions on What to Expect for the Remainder of 2017," *Forbes*, <https://www.forbes.com>, (August 1, 2017)

A high rate of growth has occurred in property managers' portfolios and revenue over the last 2 years—regardless of the type of property they manage.

The growth that's predicted for the industry will be a continuation of the success that many property managers have seen in recent years. Two-thirds of respondents reported that their portfolios and revenue have grown over the last 2 years—one-third of whom saw a significant increase. (See Figure 11, page 22.)

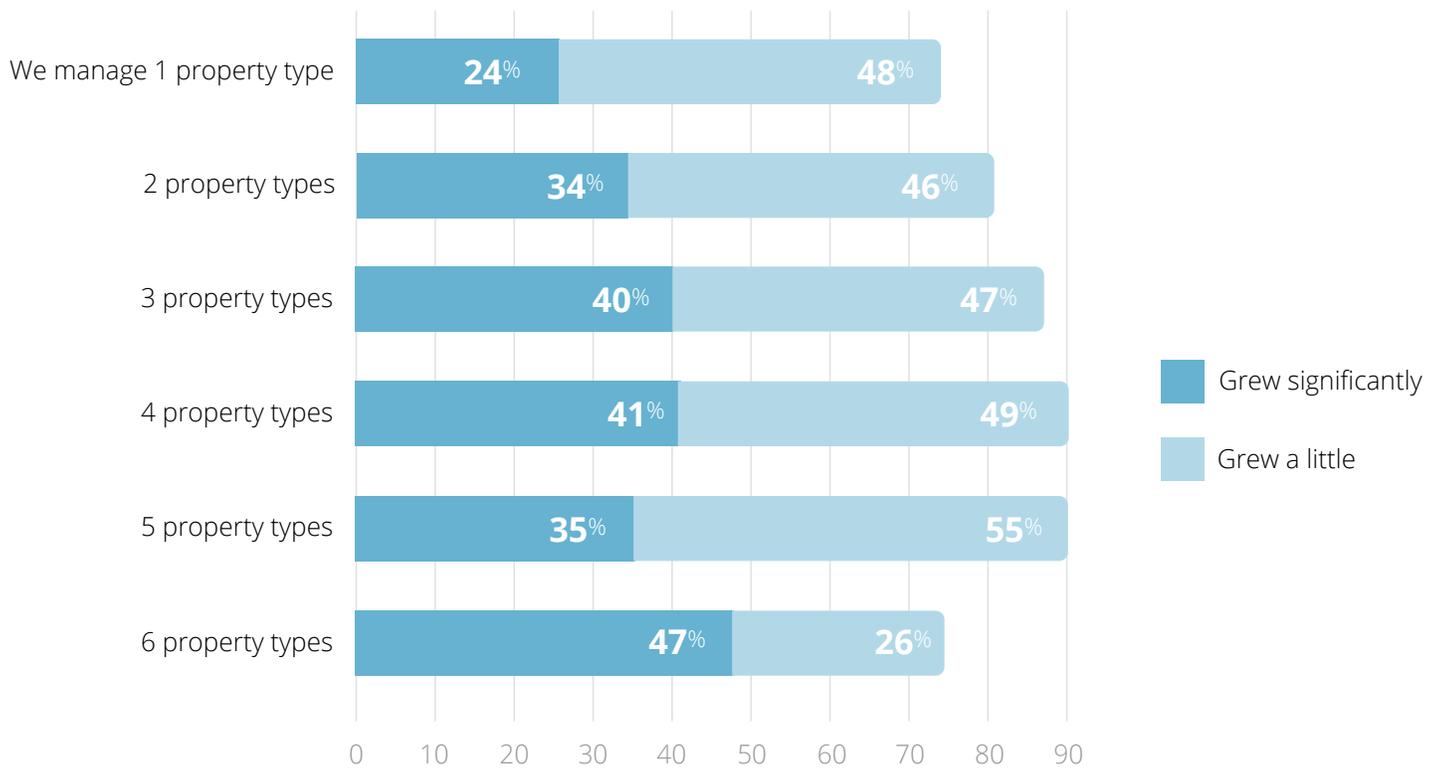
For respondents who manage other people's property, 82% reported portfolio growth, and 84% reported revenue growth. For respondents who manage property they own, 74% saw their portfolios grow over the last 2 years, and 84% saw their revenue increase. 80% of those who manage associations experienced portfolio growth, and 83% experienced revenue growth. (See Figure 13.)

**FIGURE 13:**  
Portfolio Growth by Property Type



The more diverse a property manager's portfolio was, the more significant revenue growth they saw. This could indicate both that managing more than one type of property results in greater revenue, and that property managers with more revenue invest in more diverse types of property. (See Figure 14.)

**FIGURE 14:**  
Portfolio Diversity & Revenue Growth in the Last 2 Years



# HOW PROPERTY MANAGERS PLAN TO GROW

Though the same goals were shared by many respondents—to grow more successful and more efficient—property managers' plans for growth varied widely.

When we asked which methods have been most effective in growing respondents' businesses, the leading responses focused on acquiring more properties and receiving referrals from clients as primary sources of growth. Apart from these two leading answers, however, respondents were evenly split.

**1 ACQUIRING MORE PROPERTIES**



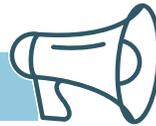
**2 RECEIVING REFERRALS**



**3 NETWORKING WITH PEERS**



**4 REFERRALS FROM BROKERS**



**5 LEADS FROM THE COMPANY WEBSITE**



**6 SOCIAL MEDIA**



**7 ONLINE ADVERTISING**

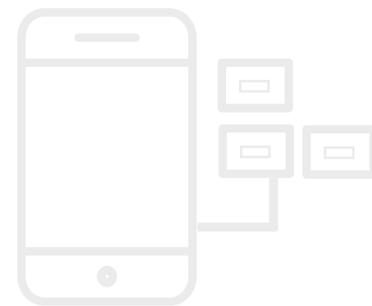




**A common theme emerged from respondents' plans to grow their businesses: Relationships.**

From receiving referrals to joining industry organizations, it's clear that building relationships with clients, peers, and others remains a vital aspect of growing your property management business in 2017.

For example, organizations like the National Association of Residential Property Managers (NARPM) are helping property managers to forge these connections. In our survey, 81% of NARPM members reported that word of mouth is a top source of business growth for them, compared with 58% of non-NARPM members. In addition, 38% stated that networking with peers has had a big impact on their growth, compared with 27% of non-NARPM members.



**Another top theme throughout respondents' plans for business growth was technology.**

Let's dig into the ways in which property managers are leveraging software, social media, and other digital tools to drive efficiency and growth in 2017.

# HOW TECHNOLOGY HELPS PROPERTY MANAGERS WIN

## Leveraging Technology for Efficiency: Back-Office Operations

We were surprised to find that only 11% of respondents reported that finding the right technologies to support their businesses was a primary goal for the coming year. **However, investing in technology is among the most effective ways to address the top 2 business challenges named by property managers in 2017: efficiency and growth.**

This drove us to take a deeper look into which business problems property managers are turning to technology to solve—and how these tools have impacted their business' success. Here's what we discovered:

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**Many property managers share the same challenges, regardless of how quickly they're growing or how long they've been in the industry.**

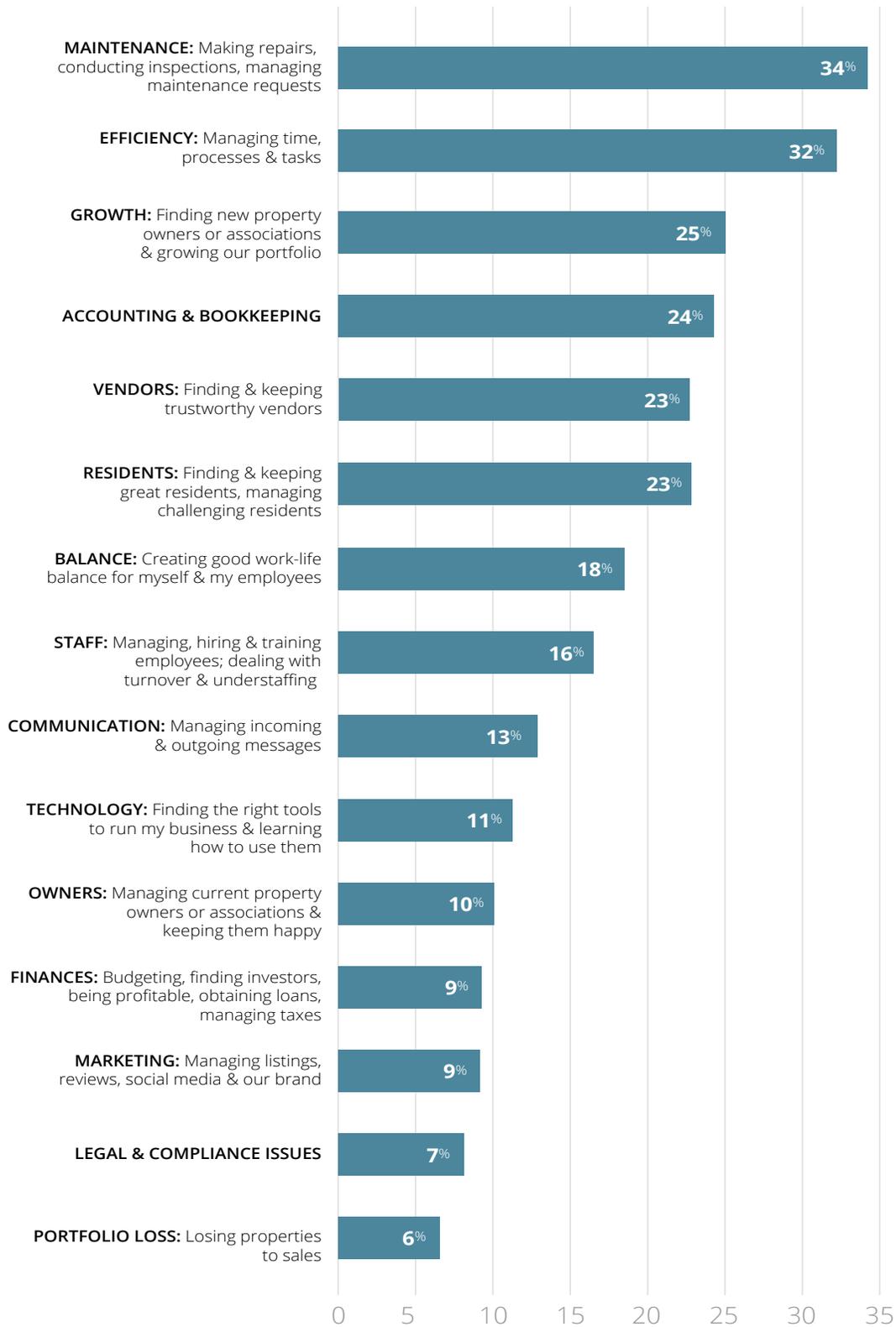
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1 in 3 respondents told us that maintenance and efficiency are their biggest challenges; and 1 in 4 reported that growth, accounting/bookkeeping, vendors, and residents were areas of particular difficulty. (See Figure 15.) These challenges were the same across all experience levels: Property managers who are new to the industry are largely facing the same struggles as those who have been around for over two decades.



**FIGURE 15:**

What are the top 3 challenges that you face in your business right now?  
(Select up to 3 answers.)



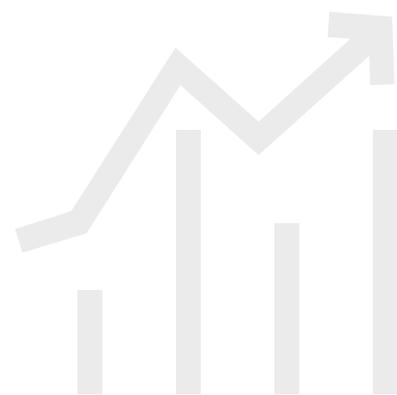
Property managers who expect their portfolios to grow in the next 2 years identified many of the same challenges as property managers who expect to stay the same size or shrink. Getting their books in order, finding balance, staying on top of communications, keeping property owners and residents happy, managing their finances, hiring the right people, and finding trustworthy vendors were chosen by all respondents in nearly equal numbers.

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**For growth-oriented property managers, however, challenges like working more efficiently and finding the right tools to run their business were areas of increased concern.**

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Efficiency was identified as a top challenge by 39% of property managers who plan to significantly expand their portfolios—which falls to 14% among property managers who plan to downsize. Similarly, among those who plan to significantly expand their portfolios, 13% selected finding the right technology to run their business as a top concern—compared with 0% of property managers who plan to cut back their portfolios.





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Many property managers and owners turn to Excel or QuickBooks to track and calculate important numbers when they're just starting out. While these solutions might do the job for a handful of properties, the amount of work multiplies exponentially as the business grows. **The desire for increased efficiency in the context of a growing business is ultimately what drives many people to invest in property management software.**

This made us wonder: Is property management software making a difference for respondents facing the challenges of growth and efficiency?

Yes, there is a strong correlation between successful growth and using property management software to power your business.

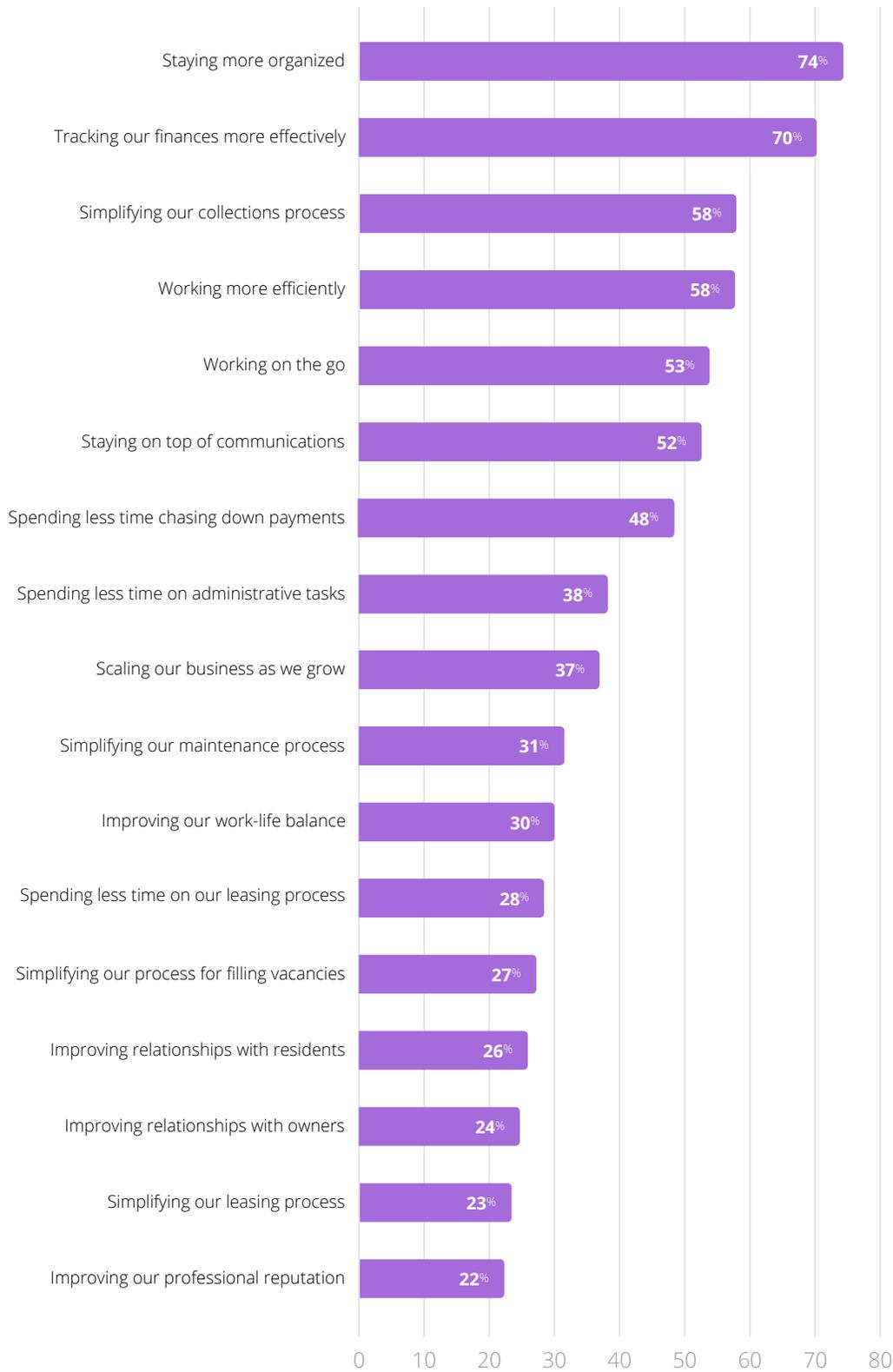
For the 90% of respondents who currently use property management software, these solutions have had a sizable impact across the entire business—including significant growth in portfolio sizes and revenue. 76% of those who use property management software report that their portfolio has expanded in the last 2 years—38% of which expanded significantly. In addition, 83% of those using property management software saw their revenue increase in the last 2 years, of which 36% saw a significant increase.

These findings indicate both that growth-oriented property managers are more likely to invest in property management software, and that these solutions better equip them to grow their businesses. In particular, the data shows that property management software can help property managers to simplify key processes—empowering them to work more efficiently, free up time for the things that matter most, and scale their businesses as they grow. (See Figure 16.)



**FIGURE 16:**

Has property management software impacted your company's success in any of the following ways?  
(Select all that apply.)



Our survey also asked which features a property management solution would have to have in order to meet property managers' needs (See Figure 17.) **The requested features were scattered across 3 categories:**

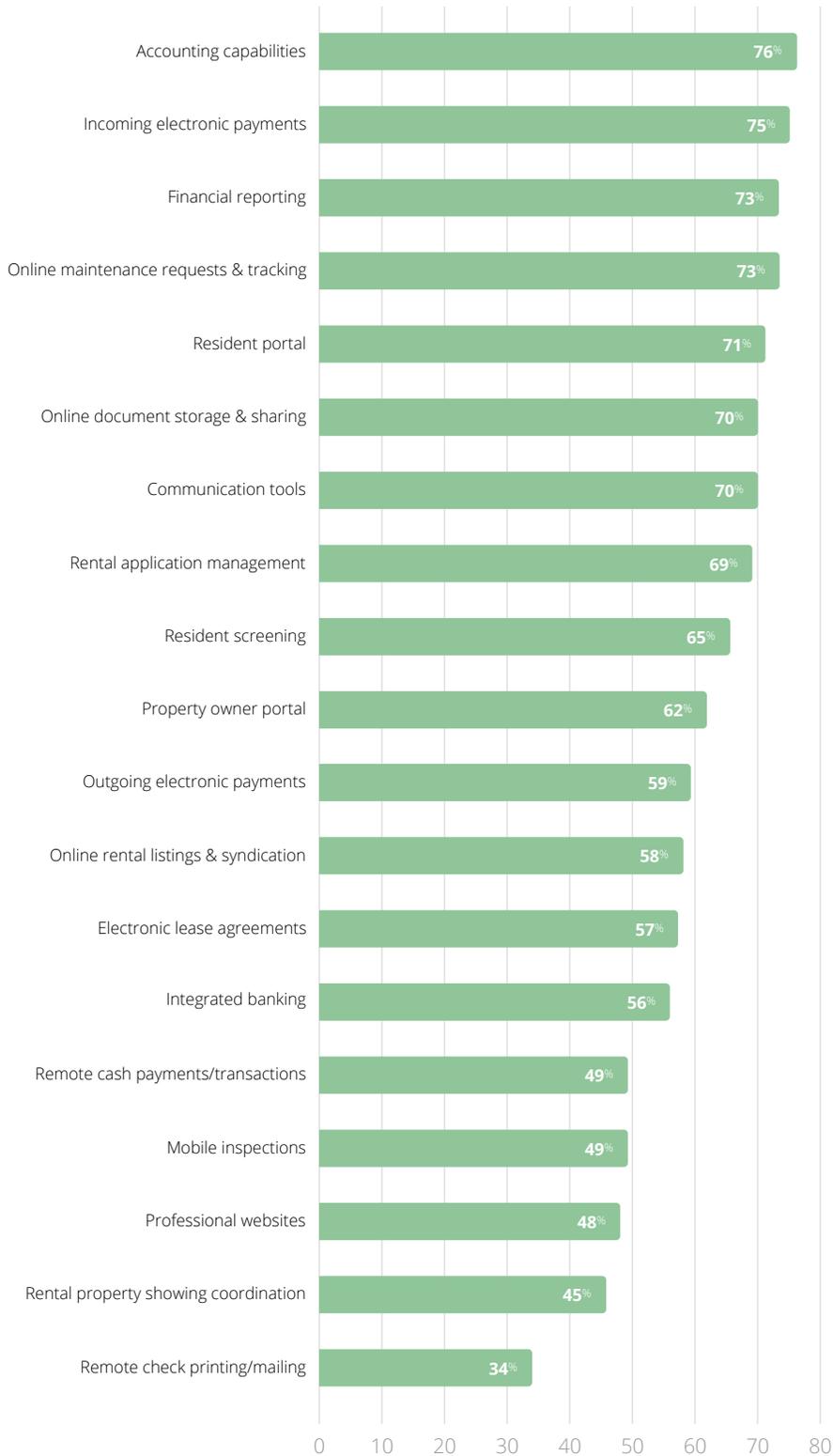
- 1 Accounting**—e.g. electronic banking and financial reporting
- 2 Leasing**—e.g. resident screening and electronic leases
- 3 Business operations**—e.g. online maintenance requests and portals for residents and owners

Each feature that property managers want their software to have maps back to the purpose of simplifying key processes to improve their efficiency and effectiveness.



**FIGURE 17:**

Imagine your ideal property management software solution. Which features would it need to have for all of your needs to be met? *(Select all that apply.)*



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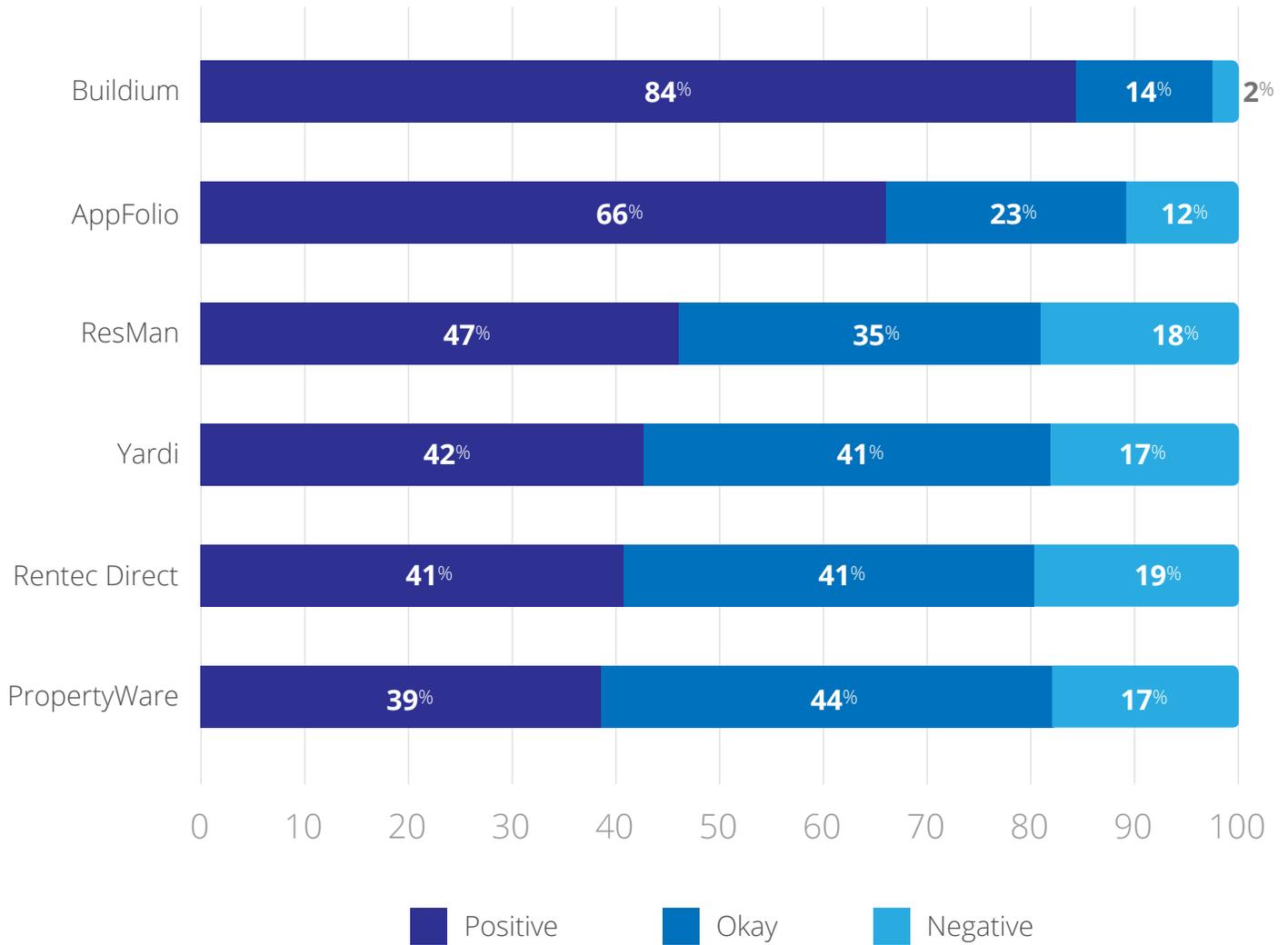
We also asked respondents to rate the property management software solutions that they'd used. It's important to note that many of our respondents are Buildium users. However, 1 in 2 respondents had used other types of software as well.

Buildium earned a particularly high score, with 84% of respondents giving the software a positive rating. (See Figure 18.) In addition, 85% of respondents who named efficiency as a top goal gave Buildium a positive rating.



**FIGURE 18:**

Which of the following residential property management software solutions have you used? How would you rate them?



# LEVERAGING TECHNOLOGY FOR GROWTH: **MARKETING THE BUSINESS**

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Apart from back-office software, how are property managers leveraging digital tools to grow and scale their businesses in 2017? When we asked which methods have been key to the growth of property managers' businesses, these are what they selected:

1. Leads from their company's website  
(offered by 23% of respondents)
2. Social media (21%)
3. Online advertising (19%)
4. Syndications sites, e.g. Craigslist and Apartments.com (77%)

However, a recent survey found that nearly 1 in 3 small businesses didn't have a website as of 2017; and that businesses earning under \$1 million each year are 30% less likely to have a website.<sup>8</sup> Nearly half of small business owners handle marketing efforts on their own,<sup>9</sup> so it's understandable that marketing could have taken a backseat to more urgent concerns in the past. Based on our research, however, it's clear that failing to harness the power of digital marketing to grow your business is a missed opportunity—particularly in an economy where only 1 in 2 small businesses survive the first 5 years, and just 1 in 3 pass the 10-year mark.<sup>10</sup>

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<sup>8</sup> Amelia Peacock, "Small Business Websites in 2017: Survey," Clutch, <https://clutch.co/web-designers/resources>, (March 14, 2017)

<sup>9</sup> Daphne Sidor, "Just Released: The 2016 Small Business Marketing Trends Report," Leadpages, <https://www.leadpages.net/blog>, (2016)

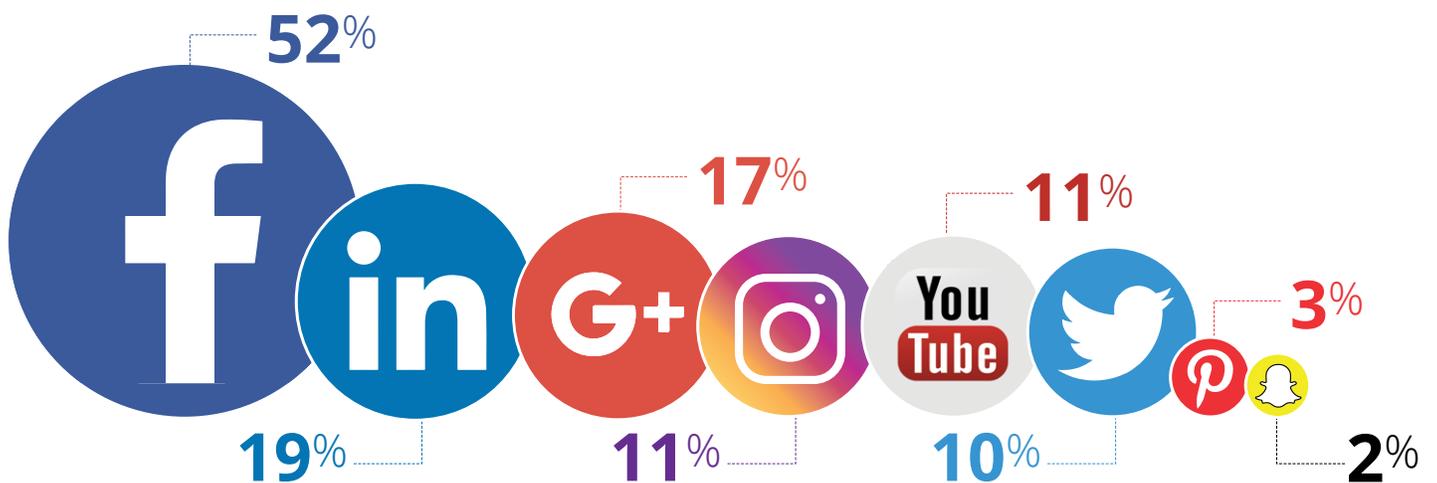
<sup>10</sup> "Frequently Asked Questions," U.S. Small Business Administration Office of Advocacy, <https://www.sba.gov/advocacy>, (August 2017)

## 4 in 10 property managers aren't yet using social media for their business.

This is actually lower than the adoption rate among small businesses overall: A recent survey found that just 24% of small businesses had not yet made the leap to social media.<sup>11</sup>

In comparison with other small businesses, property managers are using Facebook 39 percentage points less; using LinkedIn 10 points less; using Google+ 30 points less; using Instagram 41 points less; using YouTube 33 points less; and using Twitter 45 points less.<sup>11</sup> Property managers are also using social media significantly less than real estate agents are, across all channels.<sup>12</sup>(See Figure 19.)

**FIGURE 19:**  
Which of the following social media channels do you use regularly for work?  
(Select all that apply.)



<sup>11</sup> Riley Panko, "Social Media for Small Business: 2017 Survey," Clutch, <https://clutch.co/agencies/social-media-marketing/resources>, (March 8, 2017)

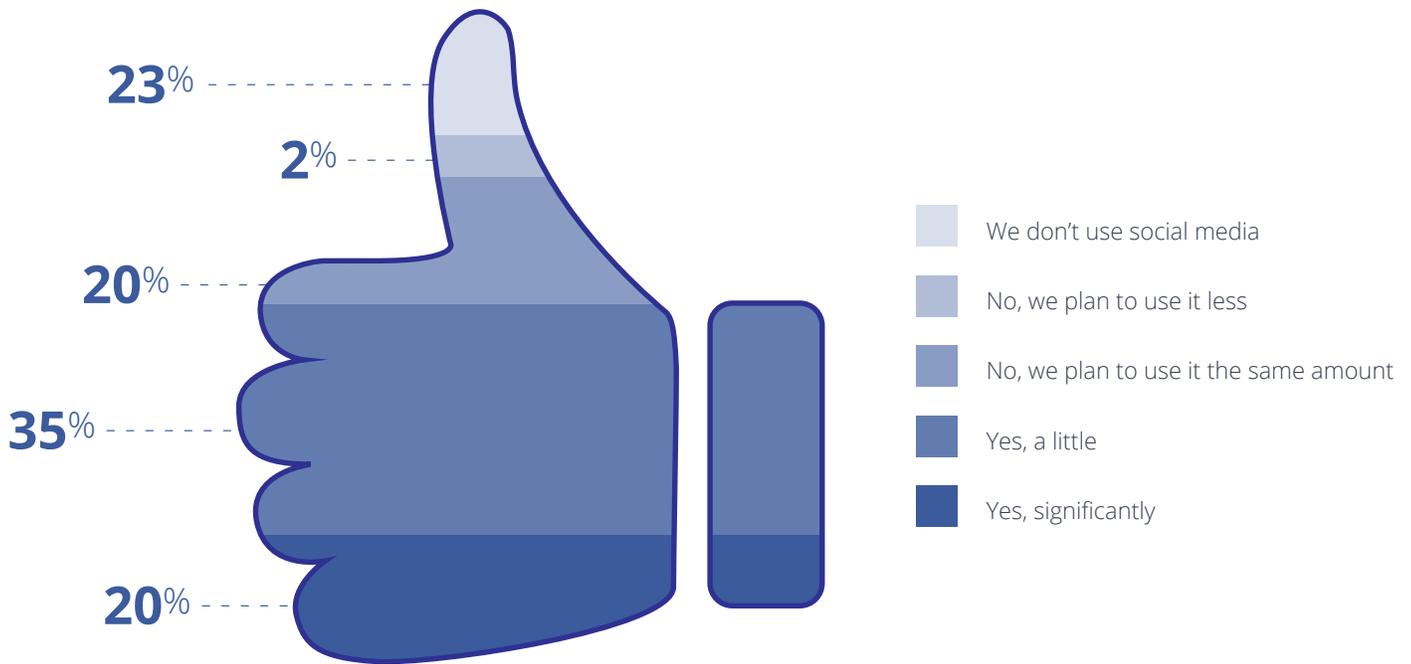
<sup>12</sup> "Real Estate in a Digital Age – 2017 Report, National Association of Realtors, <https://www.nar.realtor/research-and-statistics/research-reports>, (March 10, 2017)

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What's more, nearly half of respondents had no plans to increase their usage of social media for their business. (See Figure 20.)

**FIGURE 20:**  
Do you plan to increase your use of social media for your business in the next year?

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However, our survey uncovered a correlation between the use of social media and business growth:

**87% of property managers who regularly use social media say that their revenue has increased in the last 2 years—38% of whom say it's increased significantly.**

In addition, 81% report that their portfolio has expanded in the last 2 years, of whom 40% say it's grown significantly.

In contrast, 28% of property managers who

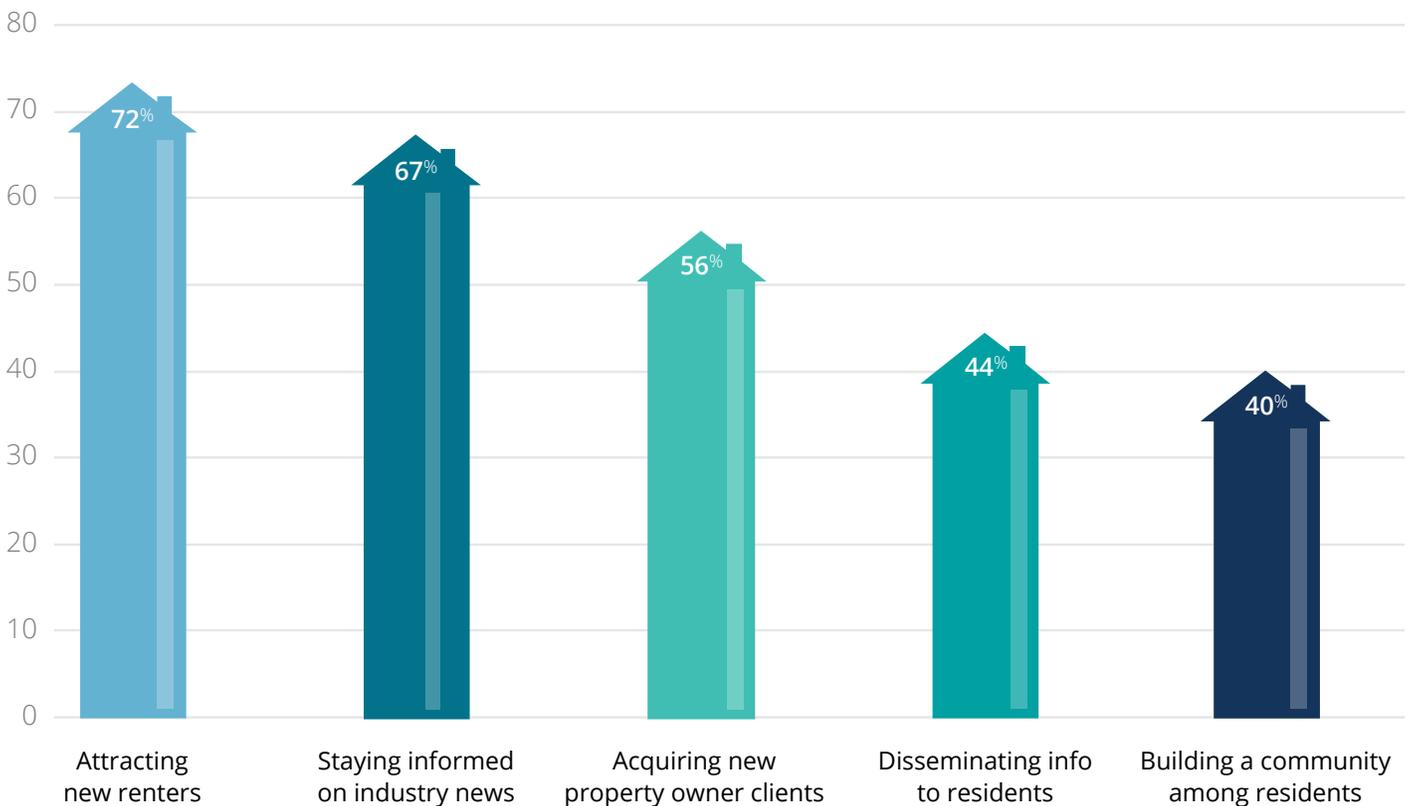
aren't using social media say that their portfolio was stagnant over the last 2 years, and 7% reported a decline. 20% say that their revenue has flat-lined in the last 2 years, and 6% saw their revenue decrease.

These correlations likely reflect that social media is helping property managers to grow their businesses; and that growth-oriented property managers are more likely to invest time in social media to market their business, amplify their public voice, and engage with clients and owners.

7 in 10 property managers who regularly use social media say that it's helped them to attract new renters, and 6 in 10 report that it's helped them to acquire new clients.

In addition, 67% of property managers report that social media has helped them to stay informed on industry news; 40% have successfully leveraged social media to build a community among residents; and 44% find it significantly easier to disseminate information to residents now that they have social media in their toolkit. (See Figure 21.)

**FIGURE 21:**  
Has your company grown as a result of social media in any of the following ways?  
(Select all that apply.)



More than one-third of respondents say that growth is a top priority for their business but aren't on social media yet.

65% of property managers who don't use social media are expecting their portfolios to expand in the next 2 years, and 78% expect their revenue to increase. However, just 13% of respondents named marketing as a top 3 goal for the coming year—the fourth-lowest response of 14 choices—and that number was the same even among those who expect their revenue to grow in the next 2 years. **The research suggests that without marketing, however, growth could stagnate for many of these businesses.**

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It's hard to imagine a future where your digital presence doesn't play a role in your business' success. Most property management companies have a website, which is an important element of your marketing strategy. For example, according to Zillow, 84% of renters rely on websites and apps when they're looking for an apartment.<sup>13</sup>

However, social media continues to penetrate more and more aspects of our daily lives—and it's important that property managers think of it as critical counterpart to their website. Social media is the tool that enables you to actively engage with your audience and build your brand. We strongly recommend taking advantage of the opportunity that social media presents to differentiate yourself from your competition sooner rather than later.

In our next section, we provide some key ways to put social media to work for your property management business.



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<sup>13</sup> "The Zillow Group Report on Consumer Housing Trends," Zillow, <https://www.zillow.com/research>, (October 18, 2016)

# HOW PROPERTY MANAGERS CAN PUT SOCIAL MEDIA TO WORK

How should property managers be using social media—not only as the face of your business, but as an engine of growth that's running even when you step away from your laptop?

Here are 5 key ways to put social media to work within your business:

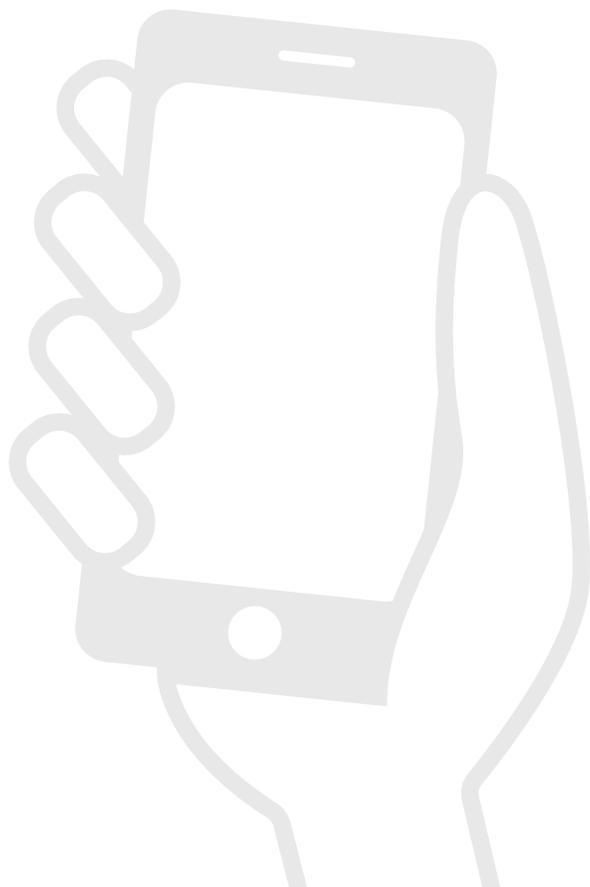
- 1. Let people know who you are and what you do.** Post photos of your team at work, share customer testimonials, and tell stories that reflect your brand identity.
- 2. Attract tenants and owners.** With social media, you can build a permanent audience to amplify your properties and services. Share photos of newly refurbished units or enviable outdoor spaces to attract renters at a faster rate.
- 3. Form great relationships.** Through your posts, your audience of owners and tenants can engage with you and get to know you. Become their go-to source for industry news, and they'll be even more inclined to share and engage with your posts. In addition, you can create dedicated communities so that each property's residents can form relationships with one another.

**4. Drive traffic to your site.** The more content that you produce and promote on social media, the more that current and future tenants and owners will notice you online.

**5. Build your reputation.** Leverage social media to communicate your business' values; provide fantastic customer service; and encourage positive reviews.

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When we talk about social media, we're also talking about online review sites like Yelp. This brings up one last aspect of marketing that's important to highlight: How to manage your business' reputation in the digital age.



**TIP:**

For more insights and advice, we highly recommend reading [A Property Manager's Guide to Social Media](#), published by Buildium earlier this year.



# HOW TO MANAGE YOUR REPUTATION WITH REVIEW SITES

In 2017, online reviews can make or break a small business' reputation—as can the way in which a business owner responds to them. Here are a few insights that property managers should keep in mind in order to deal with review sites more effectively.



## ONE

Review sites drive action among users more effectively than any other kind of site, including social media and search engines.<sup>14</sup> This is because users generally turn to Yelp and Facebook reviews when they're ready to make a decision—all that's left is selecting a vendor. For example, when a user searches for property managers in their city, they're more than likely in the market for a property manager—and they'll make their choice based on the information and reviews that each one has provided.



## TWO

The more reviews and photos you have, the more easily potential tenants and clients will be able to find you. According to Yelp, businesses with 1 to 5 reviews and at least 10 photos garner 200% more views than those with no photos.<sup>14</sup>

<sup>14</sup> Greg Sterling, "Business Profile and Review Best Practices from TripAdvisor and Yelp," Search Engine Land, <http://searchengineland.com>, (June 2, 2017)



### THREE

Users often turn to review sites for information like business hours, addresses, and photos. In fact, 27% of Yelp searches are solely to find a specific business' location.<sup>14</sup> Take advantage of this by claiming your business page and keeping the information up-to-date over time—otherwise, people could show up while your business is closed, or end up at the wrong address. Yelp reports that on average, businesses with completed profiles see 5 times more customer leads each month.<sup>14</sup>



### FIVE

Responding to reviewers with empathy, sincerity, and humility can solidify the relationships you've already built, and it can even help to mend relationships with unhappy clients or tenants. One source reports that 33% of negative reviews become positive after business owners respond in a constructive way.<sup>15</sup> In addition, Yelp's search algorithm prefers businesses whose owners regularly interact with their page and engage with users.<sup>15</sup>



### FOUR

Reviews are often the most direct source of feedback you can get—and this is incredibly valuable currency for business owners. While criticism can be painful, it's best to accept the information that your clients or tenants have given you; thank them for their feedback; and move on.

Yelp advises taking the following approach:



By contacting your reviewer, you have a chance to help the situation and maybe even change this customer's perspective for the better. But please be very careful here: If your reviewer perceives that you are being rude, condescending, or disingenuous in any way, there's a chance he or she could get angry and make the situation even worse. So just keep your message simple: thank you for the business and the feedback. If you can be specific about the customer's experience and any changes you may have made as a result, this could go very far in earning trust.<sup>16</sup>



<sup>14</sup> Georgia McIntyre, "Yelp for Business: The Step-by-Step Guide to Getting Found," *Fundera Ledger*, <https://www.fundera.com/blog>, (January 14, 2017)

<sup>16</sup> "Responding to Reviews," *Yelp for Business Owners*, <https://biz.yelp.com/support>, (2017)

# CONCLUSION

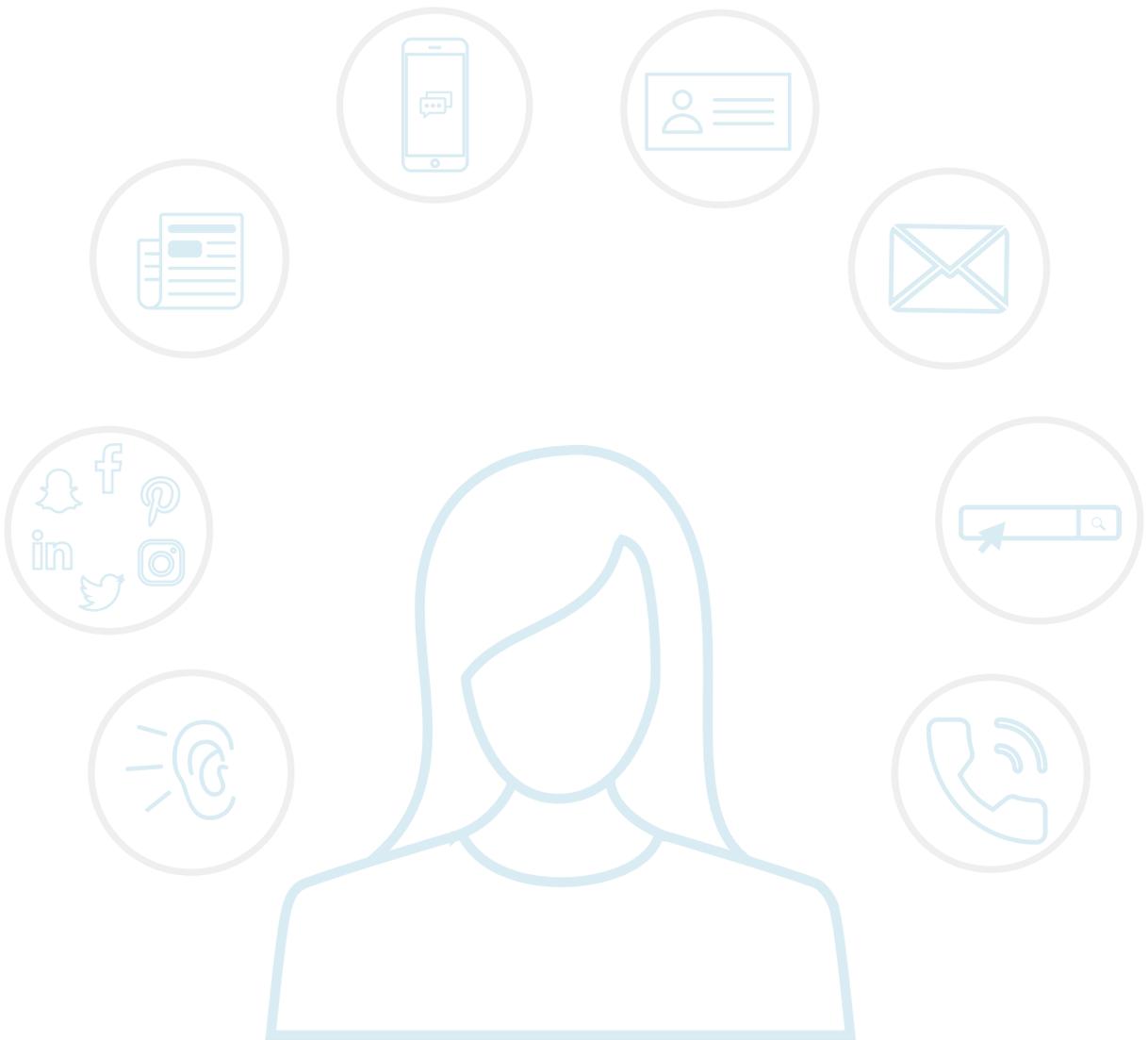
In the 2017 State of the Property Management Industry Report, we took a deep dive into property managers' goals, challenges, and best practices to illuminate which decisions forge a path to success that others can follow.

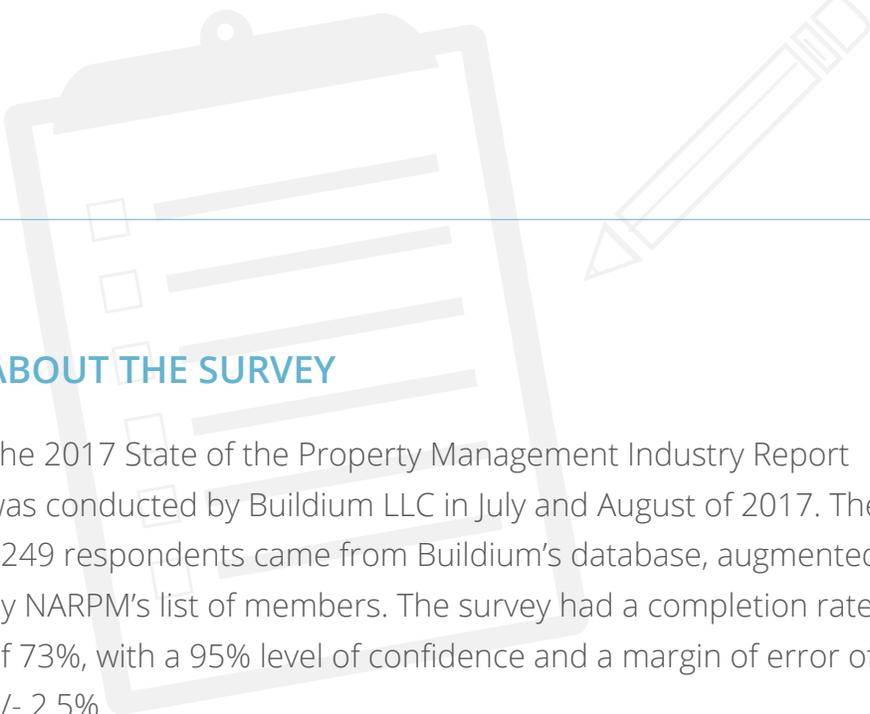
After analyzing the responses of nearly 1300 property managers, we discovered 3 overarching findings:

1. **Today's property managers are incredibly focused on growth**—and this outlook is matched by the anticipated expansion of the industry. Property managers are poised to take advantage of this trend and are highly optimistic about what the future holds for their businesses.
2. **Efficiency rapidly rose to the top of property managers' priority lists this year**—particularly among growth-oriented property managers. Property management software is empowering many property managers to work more efficiently, scale their businesses as they grow, and free up time for the things that matter most.
3. While finding the right technology wasn't a primary focus for property managers in 2017, **the benefits of back-office software and digital marketing tools are clear**. The biggest area of opportunity lies in social media adoption, which is tied to portfolio and revenue growth, an influx of new renters and owners, and other measurable advantages.

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We hope that this report has given you the insights you need to maximize your business' growth and efficiency in this rapidly evolving digital landscape. We wish you the best that the coming year has to offer, and we can't wait to see how your business has grown in next year's report.





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## ABOUT THE SURVEY

The 2017 State of the Property Management Industry Report was conducted by Buildium LLC in July and August of 2017. The 1249 respondents came from Buildium's database, augmented by NARPM's list of members. The survey had a completion rate of 73%, with a 95% level of confidence and a margin of error of +/- 2.5%.

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## ABOUT BUILDIUM

At Buildium, we understand property management because we are property managers. That's why we're trusted by more than 13,000 property and association managers worldwide, with over 1 million units under management across 46 countries.

Since 2004, we've worked alongside our customers to provide intuitive software and relentless support for their every need, no matter their size. Our best-in-class accounting, leasing, and business operations features help our customers to achieve success in every area of the business, including:



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in **efficiency**



fewer **tenant calls**



fewer **property  
owner calls**



less time preparing  
**owner statements**



fewer **maintenance  
and vendor calls**



growth in  
**portfolio size**

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When you're ready to take your business to the next level, we're here to help. Visit [our website](#) for more information on who we are and what our product can do for you. Next, be sure to check out the [Buildium Blog](#) and [Resource Library](#) for expert advice on the issues you care about.

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