

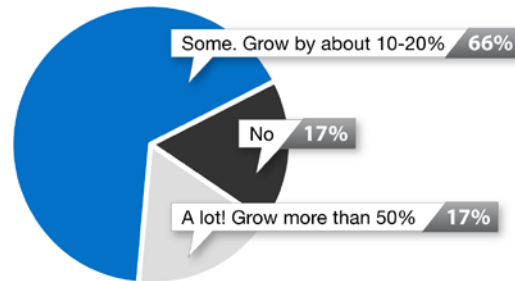
Executive Summary – Internet Marketing Survey

Many property managers look for the best ways to use the Internet to market their business so they can find more owners and fill vacancies faster. We surveyed a group of residential property managers to learn how they use the Internet for marketing, how they spend money to acquire tenants and how engaged they are with social networks like LinkedIn and Facebook. This survey was sent out via email to property managers who primarily focus on single-family rentals, here are the results.

It is a great time to be in Property Management – 83% are growing their business this year.

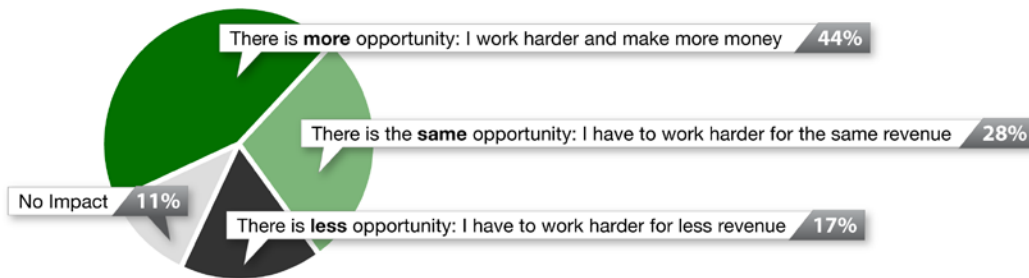
Although the economy is challenging, the majority of respondents (66%) said they are planning to grow their portfolio (add properties) by about 10-20% in 2009. Only 17% of the respondents expected zero growth in 2009 and 17% expected to grow their portfolios significantly by more than 50%. So 83% of those we surveyed are viewing the rise in available rental properties as a growth opportunity for their business.

Are you expecting to add properties to your portfolio in the next 12 months?



Another area of focus was how the economy is affecting their business and if they believe there is more or less opportunity for property managers. Almost half of the respondents (44%) said they believe there is more opportunity: they work harder and make more money. A small group (17%) felt there was less opportunity and they had to work harder for less revenue.

How is the economy affecting your business?



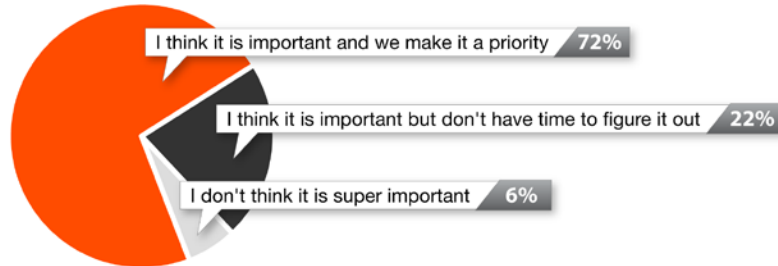
Rent reductions are not enough to keep tenants.

But to experience this growth do you have to do more than discount rents? 46% of our respondents felt that just discounting rents isn't enough; you have to both discount rents and aggressively look for new tenants. 35% said it is better to keep rental prices the same but invest the time and money to find more tenants. So what techniques are property managers using to find more tenants?

Property managers rely on the Internet for marketing to both owners and tenants – 72% say it is a priority.

Using the Internet for marketing is a hot topic for property managers because more and more renters use Google search and free Internet services like Craigslist to find their next rental. It becomes so important to have professional vacancy listings and company websites to stand out from the competition. And the majority of property managers surveyed (72%) agree that using the Internet for marketing is important and they make it a priority. A smaller group, 22%, said they recognize the value of using the Internet but don't devote the time to figure it out.

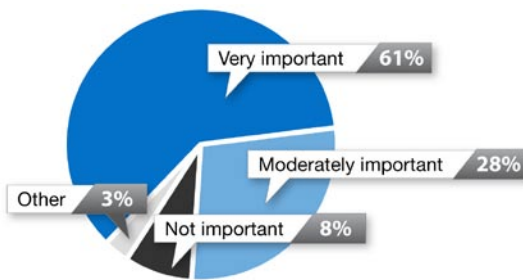
Describe your approach to using the Internet for marketing.



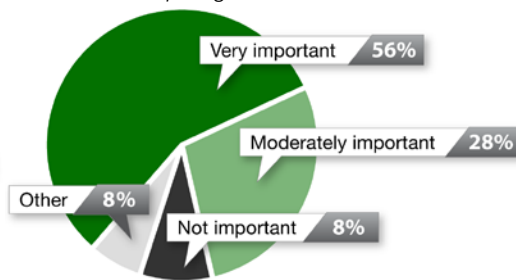
Company websites do matter.

It is equally important to have a professional looking website for both renter and owner acquisition. 56% said it is very important for owner acquisition and 61% said it is very important for tenant acquisition. This means that property managers are spending more time, energy and money to build websites that will be used by all target customers.

*How important is a professionally designed website for acquiring more **tenants**?*



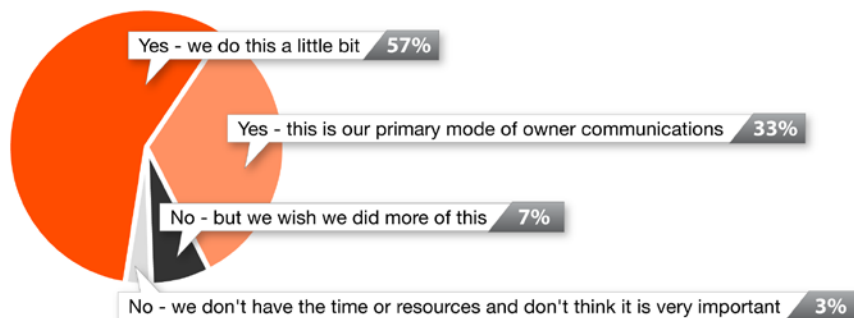
*How important is a professionally designed website for acquiring more **owners**?*



Owner communication is moving online.

57% of the respondents said they are also using electronic communications (email, newsletters, statements) a little bit to be in contact with owners compared with 33% who said it is their primary method of contact with owners. A very small group does not use electronic communication at all.

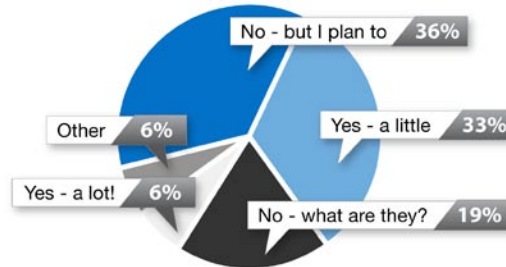
Do you use electronic communication to communicate with owners?



Property managers are using social networks early.

There is so much talk about social networks like LinkedIn, Facebook and Twitter, but are property managers actually using these channels to acquire tenants and owners? 75% of the respondents are using or plan to use these services. 33% of respondents are using them just a little bit and 36% said they aren't using them yet but they plan to. Although these channels are cheap in terms of money, they do require time and effort to reach prospective tenants and owners. If managed well, investing the time to interact with peers and prospects can drive more traffic to your website.

Are you participating in social networks like LinkedIn, Facebook to network with peers and market your business?



Property Managers continue to invest money to acquire both owners and tenants.

Half of the respondents (50%) spend the majority of their marketing budget (80-100%) to find new tenants and 25% spend their marketing money in the opposite way with the bulk (80-100%) spent on finding new owners. It is interesting to note that very few respondents said they balance their spending equally. The main areas of investment are regular website updates, posting vacancies to newspapers, printing property brochures and a little bit of direct mail. These tend to be more expensive marketing channels. As more property managers embrace electronic communication and social networking it will be interesting to see if these investments change or decrease.

At least 70% of moving searches are within the same local area and we learned that only a very small group of our respondents (6%) invest money on Pay Per Click (PPC) search terms to help renters find their available properties. 23% said they are listed in local search directories and 34% have taken the time to place search terms in their website. One of the easiest first steps to improve your search rankings is to list your website in local directories such as:

- Google local (<http://www.google.com/local/add/businessCenter>)
- Yahoo local (local.yahoo.com)
- Yellowpages.com (www.yellowpages.com)

Summary

The majority of survey respondents said they are both growing their business and make it a priority to use the Internet for marketing. This is no coincidence that growth correlates to using the Internet – it is more cost-effective and offers a much bigger audience. More and more renters search online for their next rental, and in the future it won't be enough to simply have a website. Property Managers shouldn't be complacent with having just a website, they must continue to look for innovative ways to communicate with both current and prospective owners and tenants – basically their entire audience. The surprising news is that the majority are looking at emerging approaches like social networks and using more electronic communications already. The most successful property managers who want to see strong business growth will continue to use the power of the Internet to stand out from the competition.