

Let's Give Residents Peace of Mind

By this time, we all know the economy presents unprecedented challenges for most market segments. Of course, we're concerned about the impact on our businesses. In our case, property management companies face the task of stabilizing cash flow and occupancy in an economic downturn.

But are you worried about where you're going to sleep tonight?

Fortunately you are not facing this concern tonight, but thousands in this country do worry about it. There are very real concerns these days about losing one's job. Without the means to satisfy lease commitments, individuals often facing hard choices like landing on a brother's doorstep or doubling up with another family member or friend. Through its involuntary unemployment insurance program, Riverstone Residential is helping people stay in their homes and focus on finding a new job.

Along with our partners and property owners, we are actively developing inventive strategies to bridge the pink slip problem.

The Pink Slip Solution

Industry studies show apartment occupancy decreases as unemployment rates increase; not a hopeful picture during this time of heavy layoffs. To stave off this trend, we teamed up with our insurance partner, Assurant Specialty Property, in developing a solution known as the Pink Slip Protection program. With an in-depth knowledge of multifamily insurance needs, Assurant can be trusted to bring high-end solutions to the table. Through them, we developed a strategic offer and an approach with owners to alleviate the stress related to what is often the largest expense in people's lives—their rent.

Join Hands and Stick Together

Solid partnerships are the key to success, and we needed to assess what fundamental practices make our business tick, what makes our clients successful and most importantly, what satisfies our residents.

If your company understands the value of supporting residents as a means to developing word-of-mouth references, longer leases, and supportive property communities—all because they benefit the resident on the front end—this is a perfect time to develop innovative programs, solicit partnerships and implement practices that will help provide relief to clients and residents.

Companies that anticipate client and resident needs by monitoring market changes and responding with well-calculated and innovative solutions, like the Pink Slip Protection program, will maintain a position of leadership.

We've seen a very real need among some residents for rent relief when they lose their jobs. So the logical conclusion is the Pink Slip Protection program that provides coverage when a resident becomes unexpectedly unemployed and that ultimately benefits both residents and property owners.

Now is the Time

What is most important about this strategy is the added value to the resident and revenue generation for the property owner:

- First and foremost, at less than ten dollars a month, a significant portion of a resident's rent will be covered up to two months if the he or she suddenly becomes unemployed.
- We're currently working with property owners who want to augment the Pink Slip Protection program by covering portions of the rents that exceed what is covered by the program.
- Brand loyalty is generated for the property. The resident has a positive impression from the experience and will "spread the word" to others.
- If the resident stays in his or her apartment, the revenue stream is not interrupted during the time of unemployment and the likelihood of renewing the lease is increased.
- Property owners and asset managers see continued occupancy, which equates to consistent cash flow and revenue generation. This makes a significant difference at a time when access to cash is severely limited.

Since the inception of the program in April, 20% of the resident insurance policies purchased nationwide through CAS Insurance Services have included the Pink Slip Protection. In some states, the acceptance rate is much higher... up to 57%.

With unemployment threatening so many residents, it's a perfect time to identify strategic means to help foster the success of the people we serve in our apartment homes and the individuals who entrust us with the profitable management of their properties. Making sure you have consistent cash flow and providing peace of mind to your residents will help everyone sleep at night.



Insight from Michael Payton,
Senior Vice President,
CAS Insurance Services

As senior vice president of risk and insurance services, Michael Payton directs all aspects of risk management and insurance services for Riverstone and CAS Partners.

Our approach at CAS Insurance Services is to identify strategies that provide cost-effective benefits to you and your residents. I'd like to share an update on our Pink Slip Protection program, a hugely welcomed initiative we launched in April. I've included some thoughts on the importance of strategic partnerships and how these can strengthen your bottom-line and build brand loyalty.

I look forward to your thoughts. Please call me with comments and questions at 214.965.6084.



Michael

