

## Tenant Portal Case Study

### *Abstract*

A Tenant Portal is a specialized website designed to provide services to a tenant base for a particular commercial or residential property. The services enabled by the Tenant Portal would not normally be available without the Tenant picking up the phone, sending an email or making a visit to the property management offices. The primary goal of the Tenant Portal is to provide automated “Self Service” functions to the Tenant and perspective Tenant.

### *Introduction*

In a changing economic climate that is affecting energy costs, labor costs and vacancies rates, recent technology trends, in an effort to combat these issues, include the implementation of the Tenant Portal. A Tenant Portal helps offset increases in operating costs, erosions in profits and decreases in retention and vacancy rates. This study looks at the documented results achieved from the deployment of a Tenant Portal for 12 month period.

### *Subject Property*

The subject property is a 210,000 square foot three story office complex located in Southern California. The property consists of approximately 120 tenants. A Tenant Portal was deployed in June of 2006. This study details the financial findings from the period of June 2006 to June 2007.

### *Study Parameters*

This study looks at three primary parameters to calculate financial gains. They are:

- Revenues from the introduction of 3rd party products and services promoted through the Tenant Portal. On average the bottom line revenue increase was 30% of the gross monthly income.
- Material and labor savings through the elimination of the traditional method of distributing paper memos and handouts. Savings figure is based upon an industry average of .50 per handout which includes labor and material costs.
- Labor savings through the use of an automated service request system. Savings based upon an industry average of \$2.00 per call which includes labor and material costs.

- Material and labor savings thought the use of online payments and invoice display. Savings is based upon .25 per tenant, which includes labor and material costs.
- Staffing labor reductions through the general use of “Self Service” functions that normally require staff interaction. Savings is based upon a reduction in staffing at a rate of 20%. Staffing hourly rate of \$12.00 per hour for a full-time employee is used to calculate total staffing labor savings.

### *Documented Study Results*

A total bottom line addition of \$16,660 was achieved in a 12 month period. This equates to an additional average \$1,388.34 a month for this property. The following averages were documented. See Appendix A for a monthly breakdown of each item:

<b>Item</b>	<b>Average Monthly Documented Savings/Revenue</b>
3rd party products and services revenue	\$355.84
Savings from elimination of Tenant handouts	\$150.00
Savings with the introduction of automated service request system	\$160.00
Savings with the deployment of online invoices and payment options	\$22.50
Staff labor savings	\$700.00
<b>TOTAL Monthly Average Revenue Increase</b>	<b>\$1,388.34</b>

### *Non-Capitalized Benefit*

A significant additional benefit that was documented but was not translated to direct savings or revenue figures was increased “Tenant Retention”. Property Management noted higher overall tenant satisfaction with a distinct decrease in move out notifications. This study was not able to put a direct revenue value against this savings because there was not a method in place to directly attribute the tenant portal as the sole source of the increase in retention. Other factors such as the economy or real estate market trends may have affected tenant retention factors documented in this study.

## Appendix A

Detailed study results from June 2006 – June 2007

<b>Month</b>	<b>Items</b>	<b>Documented Savings/Revenues</b>
June	3rd party products and services revenue	0
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$1,032.50</b>
July	3rd party products and services	\$25.00
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$1,057.50</b>
August	3rd party products and services	0
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$1,032.50</b>
September	3rd party products and services	\$75.00
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$1,107.50</b>
October	3rd party products and services	\$820.00
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00

		<b>\$1,852.50</b>
November	3rd party products and services	\$695.00
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$1,727.50</b>
December	3rd party products and services	\$250.50
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$1,283.00</b>
January	3rd party products and services	\$931.50
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$1,964.00</b>
February	3rd party products and services	\$2,479.37
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$3,511.87</b>
March	3rd party products and services	\$4,171.63
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$5,204.13</b>
April	3rd party products and services	\$1,762.75
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	
		<b>\$2,095.25</b>

May	3rd party products and services	\$1,926.05
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$2,958.55</b>
June	3rd party products and services	\$1,097.00
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
		<b>\$2,129.5</b>
	<b>TOTAL Savings 12 months</b>	<b>\$12,390.00</b>
	<b>TOTAL Revenue of \$14,233.80 at 30% profit</b>	<b>\$4,270 .14</b>
	<b>TOTAL addition to bottom line over 12 months</b>	<b>\$16,660.14</b>