

“By Owner” Corporate Housing 2013 Annual Report

Results of the “By Owner” Corporate Housing Survey

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Online Corporate Housing Resource

Corporate Housing by Owner (CHBO) is the highest volume corporate housing marketing website in the world. CHBO is dedicated to providing unique and traditional housing solutions in one place and effectively connecting private owners and property providers with the traveling public.



January 15, 2014

Dear Property Owners,

After a wild year in corporate housing in 2012 – complete with corporate housing mergers, new regulations on vacation rentals, and an uncertain economic climate – 2013 proved to be a fairly stable year in the corporate housing industry and the residential rental world. We hope it was a successful year for you.

As you turn your attention to 2014, we’re excited to share the 2013 “By Owner” Corporate Housing Annual Report. In the following pages, you’ll find a summary and analysis of the results from our annual “By Owner” Corporate Housing Survey – now in its fifth year. In the pages to follow, you’ll be able to draw upon the latest data, as well as comparisons and trends from recent years, to ensure 2014 is your most profitable year yet.

What Makes This Report Different

The “By Owner” Annual Report is different than other property management annual reports. It reflects findings from individual property owners of furnished monthly rentals, rather than from full-service, corporate housing companies. This report is designed to help individual owners, like you, learn from relevant trends in your marketplace and achieve greater success.

If you took the time to complete our 2013 “By Owner” Survey, I thank you for your insight and candor. Once again, we had hundreds of people respond to our survey questions. The survey was made available to any person who owned or managed a furnished monthly residential rental in 2013 – not just to property owners who market their properties through the CHBO website.

Where to Find Additional Resources

If, after reading this report, you’re looking for more information – from the latest corporate housing trends to rental tips – you can find useful articles every week on the CHBO Blog or through Personal Real Estate Investor (PREI) Magazine at www.PersonalRealEstateInvestorMag.com.

You also can get a complete introduction to managing successful corporate housing rentals in *The Corporate Housing Handbook* and *Making Money with Rental Properties* available on Amazon.com.

The CHBO Team is always looking for new ways to help you get your property rented. We look forward to providing you with useful information for many years to come.

To participate in next year’s survey, visit our website in November 2014: www.CorporateHousingbyOwner.com. In the meantime, if you have any questions, please call us at (877) 333-2426.

Sincerely,

Kimberly Smith, CCHP
Chief Executive Officer

New Features on CHBO for 2014

- Easier **search options**
- More **photos** – up to 33 per property
- **Larger** property displays
- More leasing **forms & documents**
- Expanded property **statistics**
- Enhanced occupancy **calendars** with import features
- Improved **housing request forms**
- Personalized property **owner profiles**
- Expanded personal **dashboard**

Experience the New Era of CHBO:
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Executive Summary



Survey Respondents

- **Property Locations.** Hundreds of property owners from across the United States (including 38 states, the District of Columbia and Puerto Rico) and Canada responded to the 2013 survey. The highest response rate came from property owners in California, followed by Colorado, Texas, Washington and Illinois.
- **Number of Properties.** 42% of respondents say they have one rental property – about the same as 2012. Meanwhile, 41% report they have two to five properties. This group is up from 35% in 2012 – but the percentage is back to a similar level seen in 2010.
- **Years as a Corporate Housing Landlord.** 38% of respondents say they have been furnished landlords for five years or more. This number has continued to grow over the last few years (up 4% over 2012 and up 13% over 2011), indicating that property owners are finding long-term financial success in their rentals.
- **Reasons for Being a Corporate Housing Landlord.** At an all-time high, 59% of respondents said the reason they are corporate housing landlords is for the long-term investment.
- **Corporate Housing Terminology.** Similar to last year, 75% of respondents list their rentals as “corporate housing,” followed by 51% who list their properties as “furnished rentals.” After two years of seeing a decrease in the number of people who refer to their properties as “vacation rentals,” there was a slight 4% increase in that terminology.

Outlook and Profitability

- **Outlook for 2014.** 36% of respondents predict that 2014 will be better and more profitable than 2013 – similar to responses in 2012. Only 6.3% of respondents believe that 2014 will be less profitable, down from the 10% who had this outlook in 2012.
- **Profitability.** 91% of respondents report that their properties were profitable or breakeven in 2013. Overall, this response has been nearly identical over the last three years.
- **Investment Real Estate Trends.** For the fourth year in a row, there are more “Yes, I plan on buying more real estate” responses (45%) than “No, I’m done with real estate” responses (15%). The biggest variation in this question has been the steady 11% decrease in the “No, I’m done with real estate” responses since 2010.

Rental Rates

- **Variations: Changes in Rates.** 60% of respondents say they offered the same rental rates in 2013 as they did in 2012. 33% reported they raised their rates in 2013, and only 8% of respondents lowered their rates. The latter is a big improvement compared to two years ago when 16% of people reported lowering their rates.
- **Actual Rental Rates.** The largest increase in rental rates was for studio rentals, indicating increased demand. Average rental rates went down for 1 bedroom, 2 bedroom, and 4 bedroom properties, after being up in 2012.
- **Rental Discounts.** Consistent with last year, two out of three respondents say they offer discounts for longer-term leases.



Property Management Trends

- **Property Management.** 72% of respondents say they do all their property management themselves, down from 80% in 2012 and 86% in 2011. Respondents also used property managers (11%) and friends and family (7%) to manage their properties.
- **Property Management Software.** Consistent with last year, the majority of respondents (56%) say they do not use any form of property management software to manage their rental properties. 21% use basic spreadsheets, followed by 17% who use accounting software, such as QuickBooks™.
- **Rental Documents.** We asked respondents, where did you get your rental documents (such as leases)? The most (36%) say they found their documents on the Internet, followed closely by 35% who say they wrote their own documents. Only 13% say they paid an attorney to have their documents drafted.
- **Leasing Trends.** Many property owners still rely on face-to-face meetings before leasing their properties. 53% say they meet potential renters before leasing their properties (up from 46% in 2012). In 2013, fewer respondents provided tours of their properties to potential renters. 75% of respondents say email is the primary way they communicate with potential renters.

Properties

- **Property Size / Number of Bedrooms.** The highest percentage of “by owner” rentals continues to be two-bedrooms (38%). In addition, 29% of respondents say their rental properties have three bedrooms or more. In contrast, in the full-service, corporate housing industry, the majority of rentals are one-bedrooms. The availability of additional bedrooms makes the “by owner” corporate housing segment an attractive option to renters.
- **Property Type.** Whereas the majority of corporate rentals in the full-service corporate housing industry are apartments, only 12% of “by owner” rental properties are apartments, according to survey results. Single-family homes make up the largest percentage of “by owner” properties (28%) accounted for in this survey, followed closely by low-rise condominiums (24%).
- **Property Locations.** The highest numbers of private corporate rentals are in suburban areas on residential streets (42%), followed by central urban areas (28%) and outer urban areas (23%).
- **What’s Included in Your Rental.** While most private owners offer tenants a fully stocked kitchen (91%), TV (88%), bed linens (88%), towels (85%) and electricity (84%), there is much greater variation – and opportunity for competitive advantage – in the technology, maid services and perks that are available in each rental property.

Tenants

- **Experiences with Corporate Housing Tenants.** Corporate housing tenants continue to be relatively “painless” tenants. In 2013, 95% of respondents say they had a positive experience with their corporate housing tenants – an all-time high for this report.
- **Renter Types.** In 2013, the top two reasons for rentals were: business assignments at 76% and relocations at 44%. The corporate housing renter pool went through some changes in 2013 – including a 9% increase in business travelers. We also saw an 8% increase in vacation renters, a 7% increase in people renting due to home remodeling, and a 5% decrease in military tenants.



- **Lengths of Stay.** Two out of three respondents say their tenants stayed an average length of three months or more. We found that 27% of properties *could* be rented for less than one month. However, on average, 84% of properties *were* rented for one month or more.
- **Security Deposits, Travel Insurance and ARDI.** 84% of “by owner” landlords say they required some form of a refundable security deposit in 2013 – similar to 2012. Also consistent with last year, 8% of respondents say they required Accidental Rental Damage Insurance (ARDI) as an alternative to a security deposit. 8% didn’t collect any type of deposit.
- **Credit & Background Checks.** In 2013, 32% of respondents told us, “Yes, they always run credit checks on potential tenants,” and 29% said, “Yes, they always run background checks.” Both these numbers are all-time highs for this report.
- **Credit Cards.** Approximately 60% of respondents say they accept some form of credit card payment from their renters. PayPal and Visa/MasterCard are virtually even in popularity at 36% and 35% respectively.

Pets

- **Pet Trends and Pet Fees.** Many renters continue to travel with pets. 43% of survey respondents say they accept pets (down from 48% in 2012). Of those who accept pets, 67% say they take pets because it gets their properties rented. The most common rental period for renters with pets is one to three months. In 2013, the average, non-refundable, one-time pet fee that property owners charged was \$204 (down from \$253 in 2012). The average pet refundable deposit was \$343 – consistent with 2012 results.

Marketing

- **Marketing Trends.** In 2013, 37% of respondents say they spent \$500 or more on their annual marketing efforts – down from 2012 but consistent with 2011. 51% of “by owner” landlords say their properties were always rented (up from 40% in 2012), while the remaining 49% say they needed more tenants.
- **Marketing Resources.** 72% say they had professional photos taken of their properties (up from 63% in 2012), and 37% say they have a dedicated website for their properties. More individual owners are seeing property management as a viable income opportunity that requires polished marketing. In addition, social media is also playing a bigger role in finding renters.
- **Marketing Results.** The majority of “by owner” landlords say they use the Internet to promote their properties. 67% of respondents say they use CHBO’s basic listing service, followed by 50% who use Craigslist (a 6% increase over 2012). Respondents find they receive the most qualified leads and the most renters from Internet marketing, followed by real estate agents.
- **Internet Reservations.** In 2013, we again asked how the “by owner” segment feels about real-time booking reservations, in which the property is leased through a computer website and the property owner has no interaction with the tenant. 25% of respondents say they have used one of these programs (up 9% over 2012). However, 48% say “no,” they would never rent their property without talking to the tenant first.
- **CHBO Services.** Of the respondents using CHBO, they tell us they use the following CHBO tools the most: (1) The property listings (2) The MyCHBO documents page (3) *The Property Owner Handbook* (4) This “By Owner” Corporate Housing Annual Report.



Survey Respondents:

About the “By Owner” Corporate Housing Segment

Property Locations

We received hundreds of survey responses from property owners across the United States (including 38 states, Puerto Rico and the District of Columbia) and Canada.

The **top U.S. states for responses** were:

1. California 23.6% (up from 22.5% in 2012)
2. Colorado 9.6% (up from 9.0%)
3. Texas 7.7% (up from 6.9%)
4. Washington 6.3% (replacing Illinois at #4)
5. Illinois 5.2% (replacing Georgia at #5)
6. Florida 5.0%
7. Georgia 4.7%

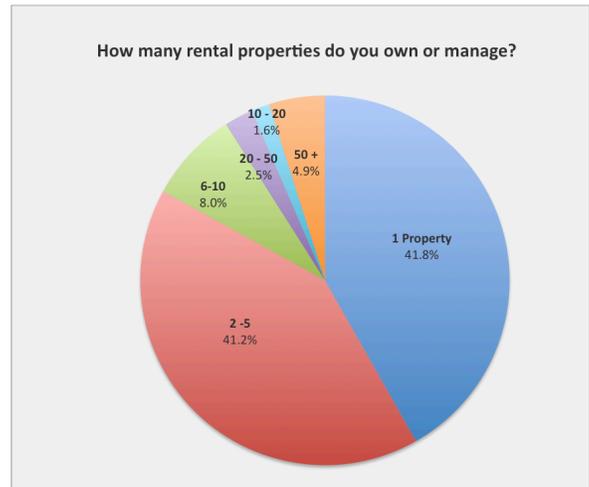
Number of Properties

41.8% of respondents say they have one rental property – about the same as 2012. Meanwhile, 41.2% report they have two to five properties. This group is up from 35% in 2012, but the percentage is back to a similar level seen in 2010.

Perhaps the **most interesting trend** to note is that over the last four years, the numbers have generally stayed the same. From 2010 to 2011, we saw a 6% increase in property owners who had one rental unit, but we believe that may have been attributed to the number of “accidental landlords” who entered the market at that time due to the economy. (Accidental landlords are defined as those who became landlords due to unexpected circumstances, such as not being able to sell their homes.)

As a whole, though, the numbers over the last four years are almost the same. The only number that consistently went down over the four-year period is the number of owners who owned six to 10 units.

Given that the majority of survey respondents say they only have one to five rental units, the responses in this annual report are truly a reflection of the “by owner” corporate housing segment.



How many rental properties do you own/manage?					
	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
1 unit	42%	41%	46%	40%	n/a
2 - 5 units	41%	35%	34%	40%	n/a
6 - 10 units	8%	9%	9%	11%	n/a
10 - 20 units	3%	6%	5%	3%	n/a
20 - 50 units	2%	4%	3%	3%	n/a
50+ units	5%	5%	3%	3%	n/a

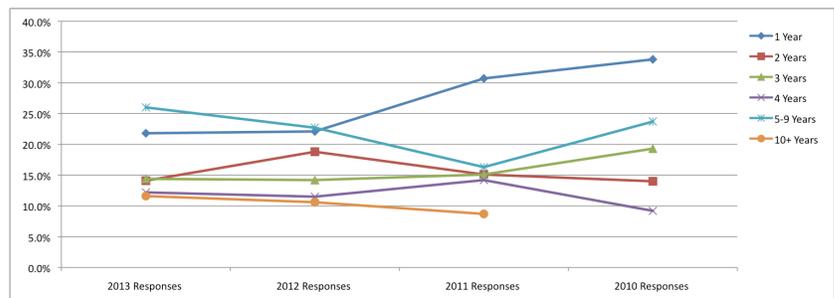
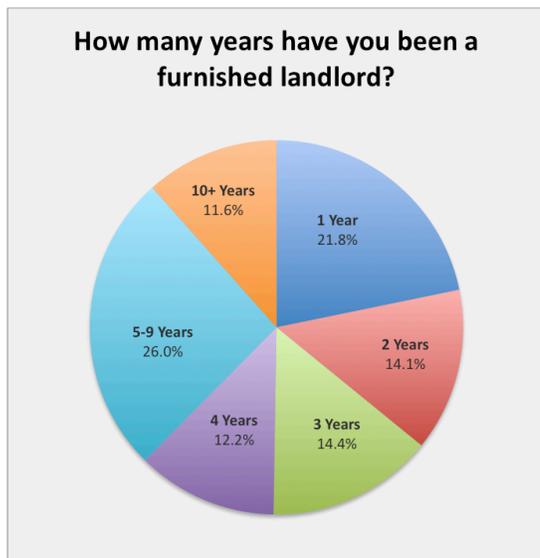
Years as a Corporate Housing Landlord

Corporate housing remains a relatively new field in property management for individual owners, but it's a field that more owners are committing to for the long-term.

37.6% of respondents say they have been furnished landlords for five years or more. This group of respondents has grown over the last few years, up 4.3% over 2012 and up 12.6% over 2011.

62.4% of respondents say they have been furnished landlords for four years or less. This is down from 67% in 2012, supporting the data that furnished landlords are finding long-term financial success in their rentals.

New landlords took a small drop, but nothing like the biggest drop from 2011 to 2012. There has been a steady decrease in new landlords since 2010, but it's an **expected trend** as we move away from the phenomenon of the "accidental landlord" and into a more stable real estate environment. Given that interest rates should stay stable in 2014, we will watch this number for a possible increase in new investors who are willing to enter the real estate investment market.



How many years have you been a furnished landlord?

	2013 Responses	2012 Responses	2011 Responses	2010 Responses
1 Year	21.8%	22.1%	30.7%	33.8%
2 Years	14.1%	18.8%	15.1%	14.0%
3 Years	14.4%	14.2%	15.1%	19.3%
4 Years	12.2%	11.5%	14.2%	9.2%
5-9 Years	26.0%	22.7%	16.3%	23.7%
10+ Years	11.6%	10.6%	8.7%	n/a

Reason for Being a Corporate Housing Landlord

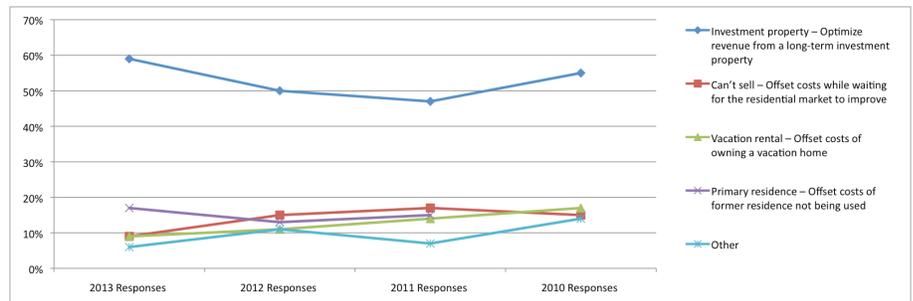
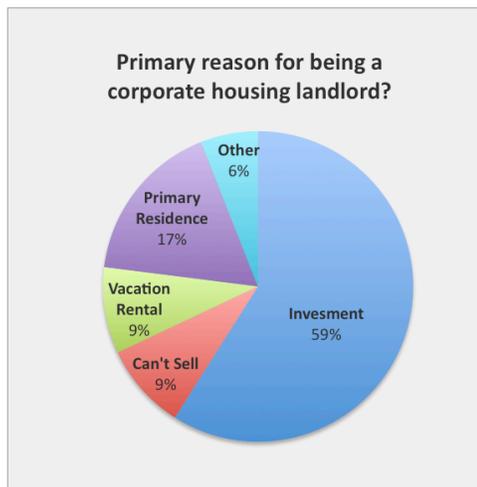
Understanding who is a corporate housing landlord and how current real estate trends affect decisions can help you better understand how you fit into this industry.

At an all-time high, 59% of this year's respondents say they are landlords for **investment purposes**. That's up from 50% in 2012, and it's even higher than our previous peak of 55% in 2009.

The **biggest surprise this year** was an all-time high of 17% of respondents who said they were renting their primary residence. Based on this data and responses to the "other reason" question, we conclude that real estate owners want more flexibility from their properties. They are enjoying travel for business and pleasure that can be funded by renting their primary residences when they aren't in use.

In the past, in the "other reason" section, we've had people note that they were renting their primary residences while they relocate for a new job. In the 2013 survey, no one made this comment.

In line with our predictions that there are fewer accidental landlords, the reason of "not being able to sell" is now at an all-time low of 9%.



Primary reason for being a corporate housing landlord?				
	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Investment property Optimize revenue from a long-term investment property	59%	50%	47%	55%
Can't sell Offset costs while waiting for the residential market to improve	9%	15%	17%	15%
Vacation rental Offset costs of owning a vacation home	9%	11%	14%	17%
Primary residence* Offset costs of former residence not being used	17%	13%	15%	n/a
Other reason	6%	11%	7%	14%

*To give you some historical perspective, our assumption following the 2010 survey was that the "other reason" category probably included individuals who were renting their primary residence for a period of time. With that in mind, we added a "primary residence" category in the 2011 survey.



Corporate Housing Terminology

The Lodging Segment = Extended Stay

“Extended Stay” is generally considered the larger lodging category name for housing options that offer both sleeping and living facilities. The Extended Stay lodging segment includes:

- Extended stay hotels (averaging less than 7 days per stay)
- Serviced apartments (averaging 80 days per stay)
- Managed corporate housing (averaging 100 days per stay)
- “By owner” corporate housing (with 13% of stays lasting one year or longer)

Think of these options as a spectrum of choices that meet people’s specific housing needs.

The Product = Corporate Housing

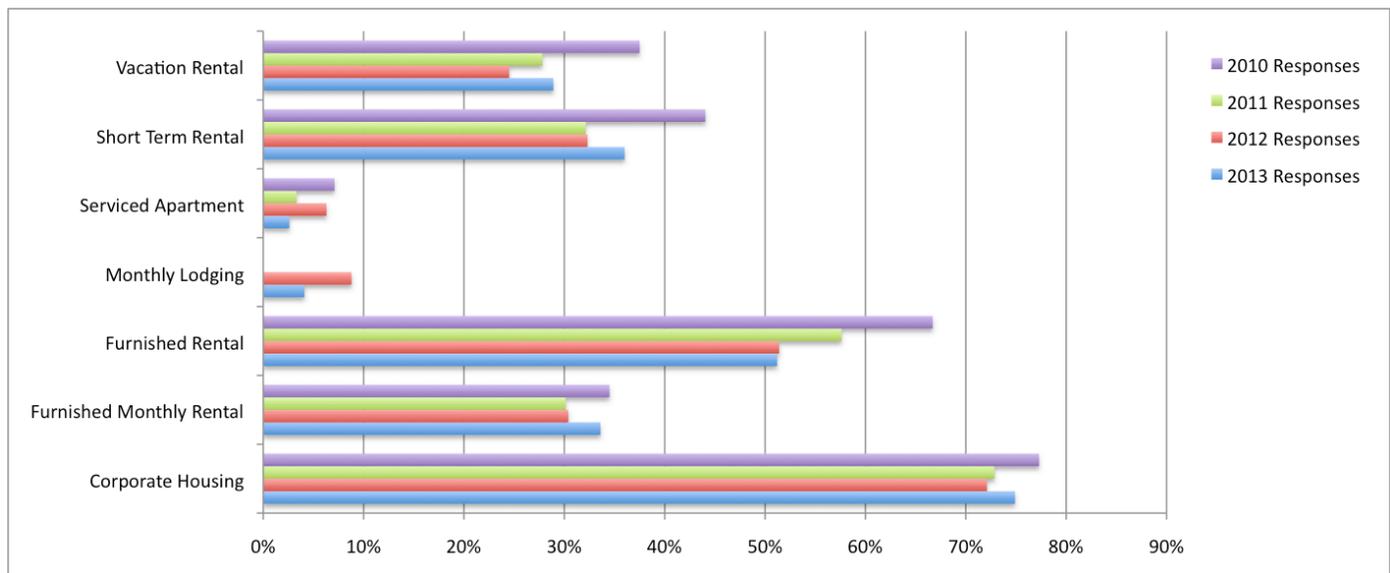
According to survey results, 75% of respondents say they list their rentals as “**corporate housing**,” followed by 51% who say they list their properties as “**furnished rentals**” – similar to previous years.

This year, 29% of respondents say they refer to their properties as “vacation rentals,” up 4% over 2012. This is a reversal of a previous trend we had been watching. Last year we noted that the most interesting trend to emerge was the two-year, 13% drop in those who referred to their properties as “vacation rentals.” We attributed this drop to the increase in regulation and taxation of the less than 30-day rental segment. Assuming no new major policy or tax laws are passed, we now expect this number to stay flat.

How do you refer to your rental property? (Check all that apply*)

* More than one option could be chosen; thus % is the % of respondents, not the % of the whole

Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Corporate Housing	75%	72%	73%	77%
Furnished Monthly Rental	34%	30%	30%	35%
Furnished Rental	51%	51%	58%	67%
Monthly Lodging	4%	9%	n/a	n/a
Serviced Apartment	3%	6%	3%	7%
Short Term Rental	36%	32%	32%	44%
Vacation Rental	29%	25%	28%	38%





Outlook & Profitability

Outlook for 2014: Predictions for the Future

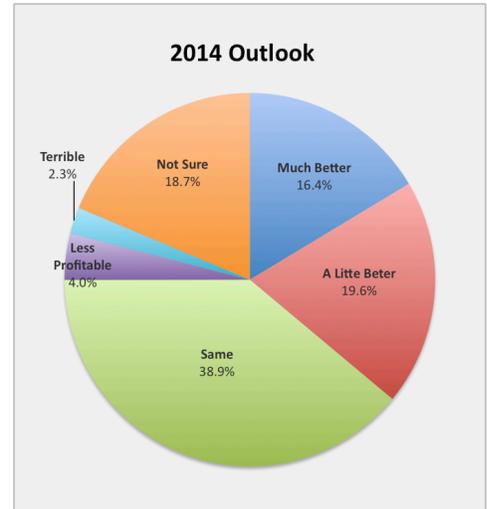
According to respondents, the outlook for 2014 is good. In fact, the number of respondents who say the future looks “much better than last year” rose to 16.4%, up more than 4%.

More good news... 36% say they predict that 2014 will be either much better or a little better than 2013 – consistent with 2012 numbers.

Only 6.3% say they believe 2014 will be less profitable – down from 10% of respondents who believed that 2013 would be less profitable.

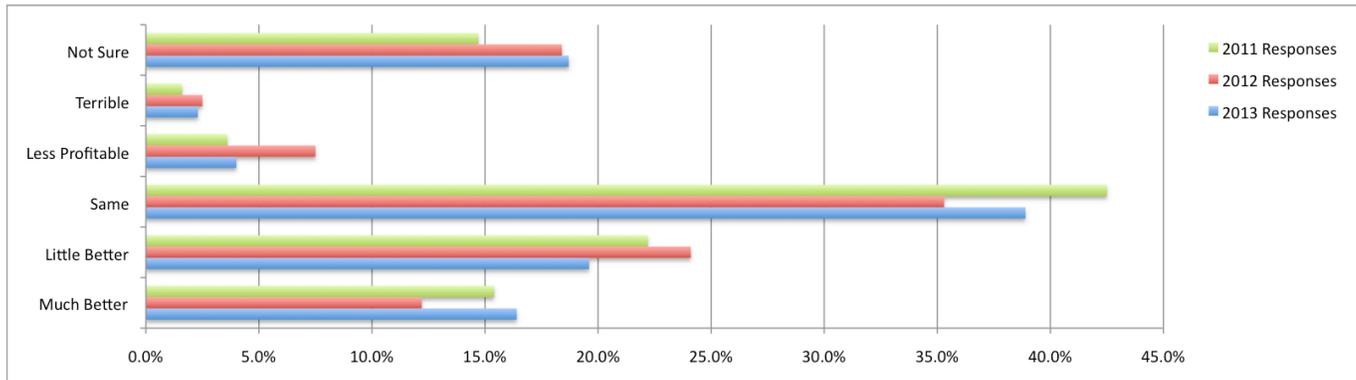
Those who say they are “not sure” about the future stayed the same.

Survey note: In 2010 and 2009, we asked individual property owners about past trends. In contrast, starting with our 2011 survey, we asked survey respondents to share their predictions for the future.



2014 Outlook: In terms of your corporate rental property, my outlook is?

Answer Options	2013 Responses	2012 Responses	2011 Responses
2014 looks much better than 2013	16.4%	12.2%	15.4%
2014 looks a little better than 2013	19.6%	24.1%	22.2%
2014 looks the same as 2013	38.9%	35.3%	42.5%
2014 looks less profitable than 2013	4.0%	7.5%	3.6%
2014 looks terrible	2.3%	2.5%	1.6%
Not sure	18.7%	18.4%	14.7%



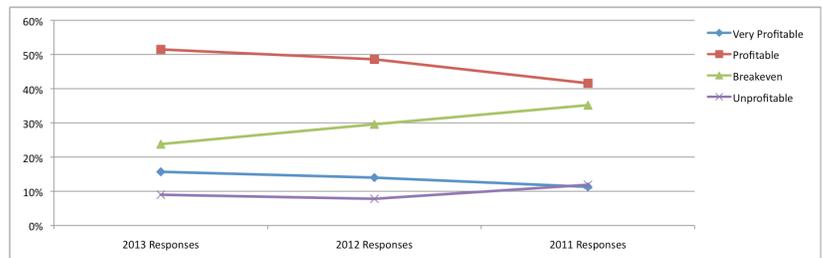
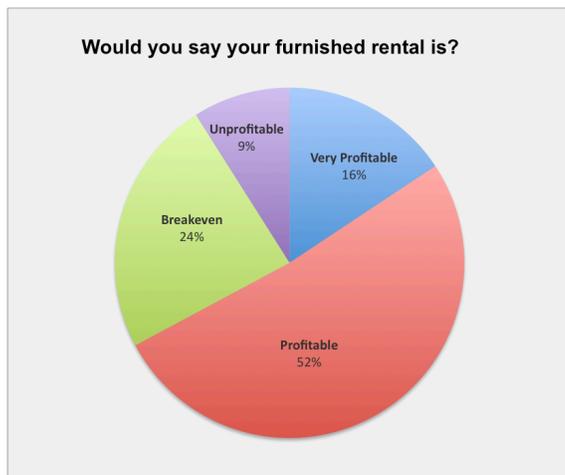


Profitability

Successful corporate housing property owners tell us this “By Owner” Corporate Housing Annual Report provides useful industry information, trends and new ideas that allow them to increase the annual returns they get from their rental properties.

If you are new to corporate housing rentals, you may want to know what other corporate housing property owners think about profitability. Great news, 91% of respondents report their properties are profitable or breakeven. In today’s uncertain world of real estate and underwater mortgages, corporate housing may be the **best kept real estate secret** out there!

Overall, positive responses are on the rise with fewer respondents reporting that they only breakeven. In fact, over the last three years, there has been a huge 11% drop in property owners who say they just breakeven with their rentals.



Would you say your furnished rental is...?			
Answer Options	2013 Responses	2012 Responses	2011 Responses
Very Profitable	16%	14%	11%
Profitable	52%	49%	42%
Breakeven	24%	30%	35%
Unprofitable	9%	8%	12%

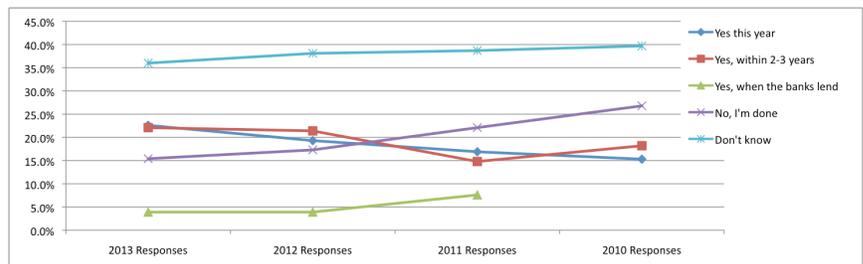
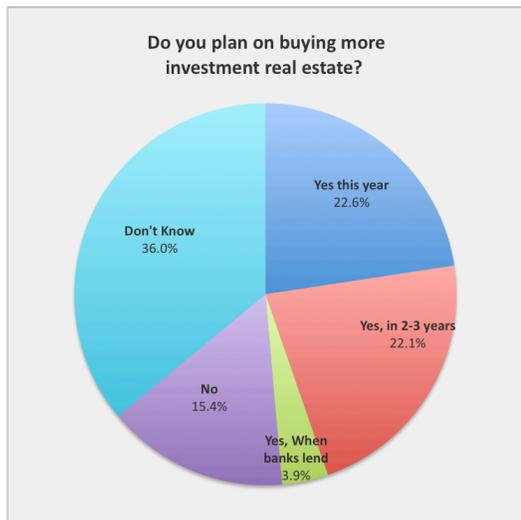
Investment Real Estate Trends: Plans to Buy More?

As the economy stabilizes and the real estate market becomes more predictable, we want to know if property owners see future opportunities in investment real estate... or if they are completely finished with real estate investing.

For the fourth year in a row, there are more “Yes, I plan on buying more real estate” responses (44.7%) than “No, I’m done with real estate” responses (15.4%). The biggest variation in this question over the last four years is the steady decrease in the “No, I’m done” responses. Those responses dropped from 26.8% in 2010 to only 15.4% in 2013.

The “undecided” group continues to hold steady with only a slight decrease this year over the last four years. Watching this trend in future years will help us properly understand the real estate recovery, as well as plan for possible downturns. In previous years, we assumed the undecided would change to their answers to “Yes” as the real estate market improved. However, this number has held consistent, while more “No” responses have changed to “Yes.”

In the past, some economists said they believed there is a correlation between the slow pace of the real estate recovery and people feeling stifled by banks that do not want to lend money at low interest rates. With this in mind, we added a question in 2011 to see if people felt hindered by the banks. Today we can confidently say that the banks have less influence on respondents investing in real estate. For the second year in a row, we had exactly the same number of respondents – 3.9% – who will invest when the banks decide to lend.



Do you plan on buying more investment real estate?				
Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Yes, this year	22.6%	19.3%	16.9%	15.3%
Yes, within 2-3 years	22.1%	21.4%	14.8%	18.2%
Yes, when the banks lend	3.9%	3.9%	7.6%	n/a
No, I'm done	15.4%	17.3%	22.1%	26.8%
Don't know	36.0%	38.1%	38.7%	39.7%



Rental Rates

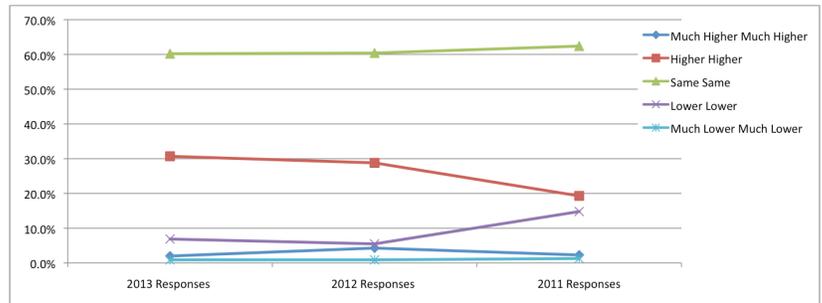
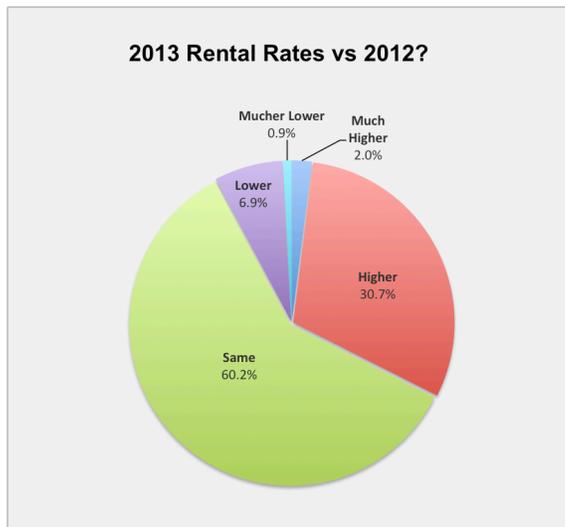
**How should I price my property?
When should I negotiate and when do I hold firm on my rates?**

**Since these are the top questions we're asked,
we've divided this topic into three sections: Variance, Actual and Discounts.**

Variance: Changes in Rates

We asked respondents to evaluate their current rental rates compared to the previous year for the exact same rental property.

- 60.2% say their **rates were identical** in 2013 and 2012, consistent with last year.
- The great news is that 32.7% report having **higher or much higher rates** in 2013 – also consistent with last year.
- In 2013, only 7.8% report having lower rates than the previous year. This percentage is up slightly over 2012, but it's a **big and positive contrast** to the 2011 annual report in which 16.1% said they had “lower” or “much lower” rates than the previous year.

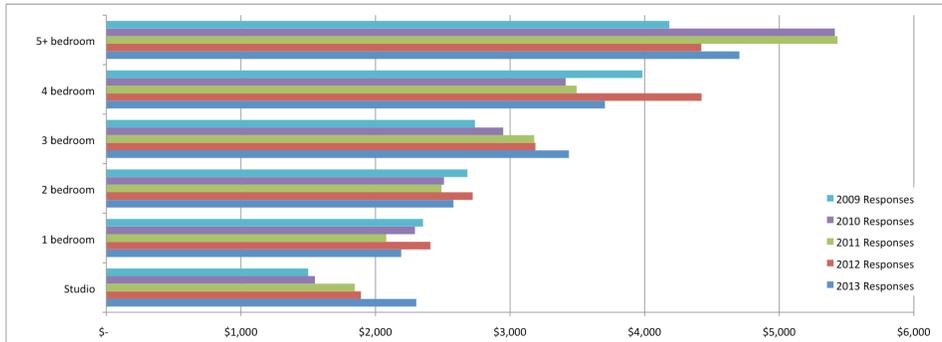


My 2013 rental rates vs the previous year 2012 rental rates?			
Answer Options	2013 Responses	2012 Responses	2011 Responses
Much Higher	2.0%	4.3%	2.3%
Higher	30.7%	28.8%	19.3%
Same	60.2%	60.4%	62.4%
Lower	6.9%	5.5%	14.8%
Much Lower	0.9%	0.9%	1.3%

Actual Rental Rates

We also collected rental rates for month-to-month rentals based on the number of bedrooms in a rental property. Of all the data in this report, these rates vary the most. Compared to our 2012 survey results, 2013 rental rates were both up and down, depending on the number of bedrooms.

The largest increase in rates was for studio rentals, which generally is an **indicator of increased demand**.



2013 Month to Month Rental Rates - What did you charge?

Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Studio	\$2,303	\$1,892	\$1,846	\$1,550	\$1,500
1 bedroom	\$2,191	\$2,408	\$2,080	\$2,293	\$2,353
2 bedroom	\$2,579	\$2,722	\$2,490	\$2,509	\$2,683
3 bedroom	\$3,437	\$3,188	\$3,179	\$2,949	\$2,739
4 bedroom	\$3,705	\$4,423	\$3,495	\$3,413	\$3,983
5+ bedroom	\$4,704	\$4,421	\$5,433	\$5,413	\$4,183

2013 Month to Month Rental Rates - What did you charge?

Answer Options	2013 Total Responses	2012 Total Responses	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5+ Bedrooms
\$499 or Less	1%	1%			1%			
\$500 - \$999	3%	2%		4%	1%			
\$1000 - \$1499	11%	9%	14%	21%	8%	6%	4%	
\$1500 - \$1999	17%	16%	29%	17%	18%	14%	14%	9%
\$2000 - \$2499	22%	19%	21%	27%	26%	10%	14%	18%
\$2500 - \$2999	19%	20%	14%	14%	26%	23%	14%	18%
\$3000 - \$3999	16%	19%	21%	15%	14%	21%	29%	9%
\$4000 - \$4999	4%	7%		2%	3%	6%	7%	18%
\$5000 - \$5999	4%	3%			3%	14%	4%	9%
\$6000 - \$6999	2%	2%			1%	4%	7%	18%
\$7000 - \$7999	1%	0%				4%		
\$8000 - \$8999	0%	1%						
\$9000 - \$9999	0%	0%						
\$10,000 +	1%	1%					7%	

Rental Discounts

In previous annual surveys, we have asked respondents if they offered multiple rental rates, depending on the length of stay of the renter. Traditionally, property owners have a specific discount formula they apply for longer leases of 3 months, 6 months, 9 months or a year.

To simplify this question and better understand how property owners adjust their rates, we changed this question in 2012 to read: “Do you offer a discount, and if so, how much?” This was an open-ended question about what discounts they offered renters for longer-term leases.

In 2013, we were even more specific in how we asked the question. We asked responders to choose from one of five discount ranges, and the results were significantly different than in 2012. We will continue to offer these specific choices in future surveys because we have found this to be the most accurate way to track trends.

Based on our 20 years of experience in corporate housing rentals, we believe the 2013 numbers to be more consistent with current trends.

Do you offer a discount for a longer-term lease?		
Answer Options	2013 Responses	2012 Responses
Yes	67.4%	66.1%
No	32.6%	33.9%

Percentage % reduction of rent offered for longer-term leases?		
Answer Options	2013 Responses	2012 Responses*
< 5%	43%	4%
5% - 9%	30%	22%
10% - 14%	22%	48%
15% - 19%	3%	8%
20% +	2%	17%

**In 2012, this question was asked as an “other” comment, leading to a large variance in the data. In 2013, this question was reworded to reflect specific numerical choices. We believe the 2013 responses are a better interpretation of the question and should not be specifically compared to 2012.*



Property Management Trends

Management of a Rental Property

71.7% of respondents say they do all their property management themselves, down from 80.2% in 2012 and 86.2% in 2011. Last year we hypothesized this trend was due to accidental landlords deciding they needed more professional support. This year we expect property owners will be more willing to invest in professional support as their profits rise.

In past years, respondents used the “other” category to tell us that their “condo associations” handle management of their property rentals, so we added “condo association” to the list of possible responses this year. However, only 1.7% selected this response. We will continue to watch this response in years to come.

Fewer respondents told us that “Friends and Family” handle management of their rental properties. This number has bounced up and down over the last few years. We believe the fluctuation in this answer is the result of variance, rather than a new trend.

This year there were no additional trends referenced in the “other” category.

How do you handle the management of your rental property? *(Check all that apply*)*

** More than one option could be chosen; thus % is the % of respondents, not the % of the whole*

	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Do It Myself	71.7%	80.2%	86.2%	84.6%	n/a
Property Manager	10.9%	16.7%	17.3%	17.1%	n/a
Real Estate Agent	2.7%	10.2%	4.8%	3.4%	n/a
Corporate Housing Management Company	3.6%	5.9%	n/a	n/a	n/a
Friends & Family	7.2%	11.1%	7.7%	11.4%	n/a
Condo Association	1.4%	n/a	n/a	n/a	n/a
Other (please specify)	2.4%	2.2%	n/a	n/a	n/a

Property Management Software

CHBO is frequently asked about tools that can help property owners manage their rental properties. With that in mind, we added a few questions to the 2012 survey to learn which tools property owners are currently using. We also want to be able to watch future trends.

The responses in 2013 were consistent with 2012 results. The majority of property owners (56.3%) do not use any type of property management software. 21% use basic spreadsheets, and 16.7% use accounting software, such as QuickBooks™.

What type of property management software do you use? <i>(Check all that apply*)</i>		
<i>* More than one option could be chosen; thus % is the % of respondents, not the % of the whole</i>		
	2013 Responses	2012 Responses
None – do not use any	56.3%	55.5%
Basic – such as spreadsheets	21.0%	26.8%
Accounting – such as QuickBooks™	16.7%	18.6%
Property Management – such as Yardi	1.6%	5.7%
Corporate Housing – such as Aaxsys	2.7%	6.6%
Vacation Rental – such as NAVIS®	1.6%	2.2%
Other (please specify)	6.2%	2.5%

In addition to the data above, the following software solutions were mentioned in the “Other” category:

- Airbnb
- Buildium
- Homeaway
- Kigo
- ManageMyNest.org
- Oscar
- Property Boss
- Quicken Rental Property Manager
- Rental Property Manager
- Rentoneonline.com
- RoomMaster
- Spectra
- VRBO

Rental Documents

Profitability in real estate has a lot to do with setting and meeting expectations with your renters and having the written documentation needed to confirm and support these transactions. Real estate laws and regulations are done on a state-by-state basis, and the rules apply differently if you are a real estate agent representing someone else or an individual managing your own property.

CHBO has tried to develop many useful documents that can be found on our website (available in the section called “MyCHBO”), but we have specifically stayed away from posting legal documents – such as leases – that vary on a state-by-state basis. In addition, **laws are very different** for vacation rentals that are offered for leases of less than 30 days vs. property rentals of 30 days or more.

Because we are frequently asked for lease documents, however, we thought it would be useful to learn how individual property owners handle this need.

Rental documents: Where do you get them? <i>(Check all that apply*)</i>		
<i>* More than one option could be chosen; thus % is the % of respondents, not the % of the whole</i>		
	2013 Responses	2012 Responses
None - I don't use any	3.3%	3.6%
Myself - I wrote my own	34.7%	34.3%
Internet - Found some on the Internet	35.6%	38.2%
Lawyer - Paid to have documents drafted	12.6%	15.9%
Real estate agent	20.4%	20.1%
CHBO - Used documents from MyCHBO	23.1%	24.9%
Other	9.4%	9.4%

Respondents gave the following responses for the “Other” category:

- Apartment Owners Association Membership
- Blumberg lease agreements and tenant application form
- Borrowed a lease application from the real estate industry
- Bradford Publishing
- Building provides lease
- Corporate housing management companies
- Customized versions of template documents from city
- Ezlandlord
- Local GLVAR documents since I'm a realtor
- Modified a document purchased at Office Depot
- Modified my long-term lease and merged it with a furnished short-term
- My financial planner
- NOLO books
- Oscar
- RHOL.com
- Used a document from another landlord
- Vacation rental sites



Leasing Trends

In the traditional serviced corporate housing industry, 70% of all leasing is done without a renter ever touring a specific property. With that in mind, we wanted to learn how the “by owner” corporate housing segment compares.

This year, 52.7% of respondents say they meet their clients face to face before leasing their properties. (This response is up from 46.3% in 2012). Meanwhile, 34.8% say they provide tours to potential tenants prior to renting their properties.

Leasing? <i>(Check all that apply*)</i>	2013 Responses	2012 Responses
Generally I meet all potential renters face to face	52.7%	46.3%
Email is the primary way I communicate with potential renters	74.5%	70.5%
Phone is the primary way I communicate with potential renters	36.5%	37.6%
Most potential renters TOUR the property before they rent	34.8%	44.1%



Properties

Property Size / Room Type = Number of Bedrooms

An essential difference between the standard serviced corporate housing industry and the “by owner” segment is the size of property that is rented – and more specifically, the number of bedrooms.

Properties rented by private owners are generally larger in both overall size and bedroom count than the typical, business-to-business lodging options that full-service, corporate housing companies provide.

As you can see in the chart below, 29.2% of private owners say they offer rental properties that include three bedrooms or more (approximately the same amount as over the last few years). 12.3% say they offer rental properties with four bedrooms or more. These types of lodging options are **virtually non-existent** among the full-service corporate housing companies.

We believe the “by owner” corporate housing segment will continue to grow to meet the demands of renters who want larger rental properties that are not typically offered by traditional corporate housing businesses.

Property size - Number of bedrooms?						
Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses	CHPA Industry
0 Studio	4.3%	2.3%	3.0%	2.0%	2.0%	8%
1 bedroom	28.8%	27.9%	24.0%	28.0%	24.0%	49%
2 bedrooms	37.7%	36.4%	41.0%	39.0%	38.0%	37%
3 bedrooms	16.9%	19.0%	19.0%	16.0%	21.0%	6%
4 bedrooms	8.6%	9.2%	10.0%	10.0%	12.0%	0%
5+ bedrooms	3.7%	5.2%	3.0%	6.0%	3.0%	0%

*CHPA - Corporate Housing Industry Report; reflects traditional corporate housing through larger, full-service property management companies.

Property Type

Most “typical” serviced corporate housing consists of furnished one-bedroom apartments. However, to meet the increasingly diverse needs of the traveling public, it’s essential that a wider range of property types be readily available for those in need of extended stay lodging.

One of the essential characteristics of the “by owner” corporate housing lodging segment is that it includes diverse property types, sizes and styles.

This is dramatically depicted in the following results: 28% of the properties accounted for in this survey are **single-family homes**. This type of property is traditionally not found through corporate housing companies.

In an effort to be more specific and use the most common terminology possible, we replaced the phrase, “garden style condominium,” with “low-rise condominium” in our 2010 survey. We believe this adjustment in wording accounts for the jump in that response from 2009 to 2010. Over the last four years, the percentage for “low-rise condominium” has stayed approximately the same.



Property Type - In real estate terms how would you describe your property?

	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
High-rise condominium	13%	15%	13%	11%	15%
Low-rise condominium *	24%	23%	23%	23%	13%
Loft-style condominium	6%	5%	3%	4%	9%
Flat	4%	3%	3%	2%	3%
Apartment	12%	12%	8%	15%	11%
Townhouse	9%	11%	12%	11%	10%
Duplex	4%	5%	5%	3%	6%
House	28%	25%	32%	30%	34%

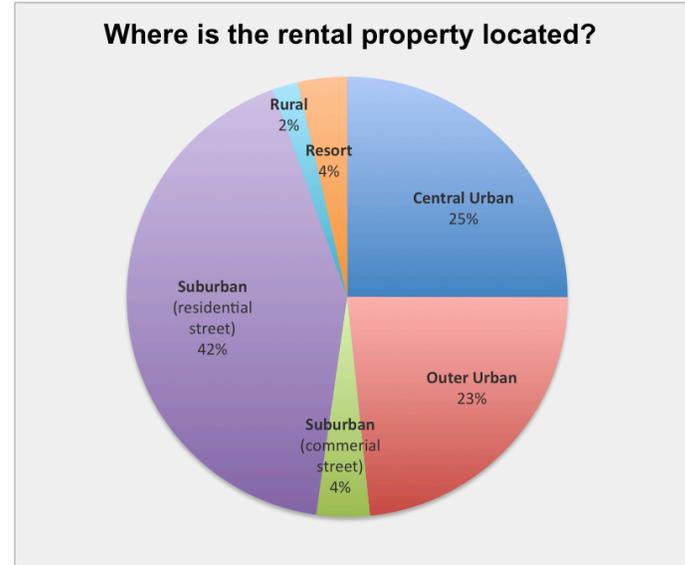
* In 2009, low-rise condominium was referred to as “garden style condominium.”

Property Location

Furnished monthly housing is needed everywhere, from business districts to residential areas.

46% of the “by owner” respondents say their corporate rental properties are located in suburban areas, while 48% say their properties are located in urban, business districts. This is consistent with previous years’ results.

The range in locations reflects demand, as well as supply.



Where is the rental property located?					
Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Central urban (high-rise business district)	25%	23%	20%	20%	16%
Outer urban (low-rise business district)	23%	27%	22%	24%	19%
Suburban on a commercial street	4%	7%	5%	4%	4%
Suburban on a residential street	42%	35%	43%	41%	36%
Rural	2%	3%	4%	3%	5%
Resort	4%	5%	7%	7%	13%
Industrial district	n/a	n/a	0%	1%	0%
Small Town	n/a	n/a	n/a	n/a	7%



What Is Included in Your Furnished Rental?

When it comes to how you furnish your rental, it’s all about setting and meeting your tenants’ expectations. There isn’t a right or wrong answer about what must be included in a furnished rental. With that said, it’s helpful to understand what other property owners are offering, so you can ensure your property is competitive with the market.

The **keys to having a successful, furnished rental** are to properly communicate what is included in your rental and to establish value in your rental rate.

Tenants need to be able to properly evaluate similar properties and rates when choosing a rental property. This is why CHBO created the CHBO Complete™ designation on its website. CHBO Complete™ certifies that a property includes everything that corporate housing renters expect to find in a quality furnished rental with all the utilities, Internet and cable included in one monthly rental rate. It’s a way to give tenants the opportunity to make educated and correct decisions.

How is your property furnished?*				
Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses
CHBO Complete – Furnished with Utilities Included	87%	86%	87%	57%
Furnished but No Utilities	6%	8%	6%	40%
Some Furnishings	3%	4%	3%	2%
Unfurnished	4%	2%	4%	1%

** In our 2011 survey, this question was reworded to help eliminate ambiguity, and the results were significant. CHBO Complete™ properties increased from 57% to 87%. The previous designation of “Fully Furnished” was changed to “Furnished but No Utilities.” This category dropped from 40% to 6%. We believe the revised wording better reflects reality.*



What's Included?

As for which items property owners include in their furnished rentals, respondents could choose **all** answers that applied, resulting in a total percentage that is higher than 100%.

Starting in our 2012 survey, we consolidated parking into two categories ("Parking – Free" and "Parking – For a Fee"), rather than breaking the responses into "Secure" and "Covered." In 2012 we also added some new response options, such as "Transit and Toll Passes" and "Community Activity Pass."

"Other" was also available as an answer to this question. With this answer in 2013, respondents shared items such as: Apple TV, TIVO, Copier/Scanner/Printer, and Commuter Bicycle.

If you would like more guidance and details on what to include in your furnished rental, go to the CHBO website and visit the property manual section in the *CHBO Handbook*.

	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Fully Furnished Kitchen	91.2%	87.3%	78.7%	85.1%	93.4%
Bed Linens	88.4%	84.5%	76.8%	82.9%	91.1%
TV	88.4%	85.1%	75.2%	81.7%	n/a
Towels	85.2%	82.3%	75.8%	83.4%	91.9%
Electricity	84.4%	79.8%	72.6%	75.4%	86.3%
High Speed Internet Access (HSIA)	79.3%	72.0%	72.6%	72.6%	73.5%
Washer/Dryer in Unit	78.1%	76.7%	70.7%	76.6%	84.7%
Parking – Free	75.9%	73.6%	82.5%	94.3%	57.3%
Cable Basic	63.9%	61.8%	49.4%	52.6%	54.7%
CHBO Complete	61.4%	61.2%	n/a	n/a	n/a
Property Manual	45.2%	45.3%	41.7%	n/a	n/a
Cable Expanded with Premium Channels	43.5%	40.1%	35.0%	38.3%	48.1%
Stereo	41.8%	39.4%	42.0%	44.6%	53.4%
BBQ	38.9%	39.8%	n/a	n/a	n/a
Phone	37.2%	39.1%	41.4%	49.1%	n/a
Maid Service – Fee	35.2%	37.3%	34.1%	44.0%	48.3%
Welcome Gift	27.8%	24.5%	27.4%	30.3%	37.4%
I-Pod Doc	19.0%	18.6%	15.9%	15.4%	17.8%
Community Activity Pass	12.5%	16.5%	n/a	n/a	n/a
Maid Service – Included	12.5%	16.1%	11.5%	16.0%	12.2%
Parking – For a Fee	7.7%	9.9%	5.4%	9.1%	n/a
Other (please specify)	7.1%	9.0%	n/a	n/a	n/a
Transit Pass	0.6%	2.2%	n/a	n/a	n/a
Toll Pass	0.0%	0.0%	n/a	n/a	n/a



Tenants

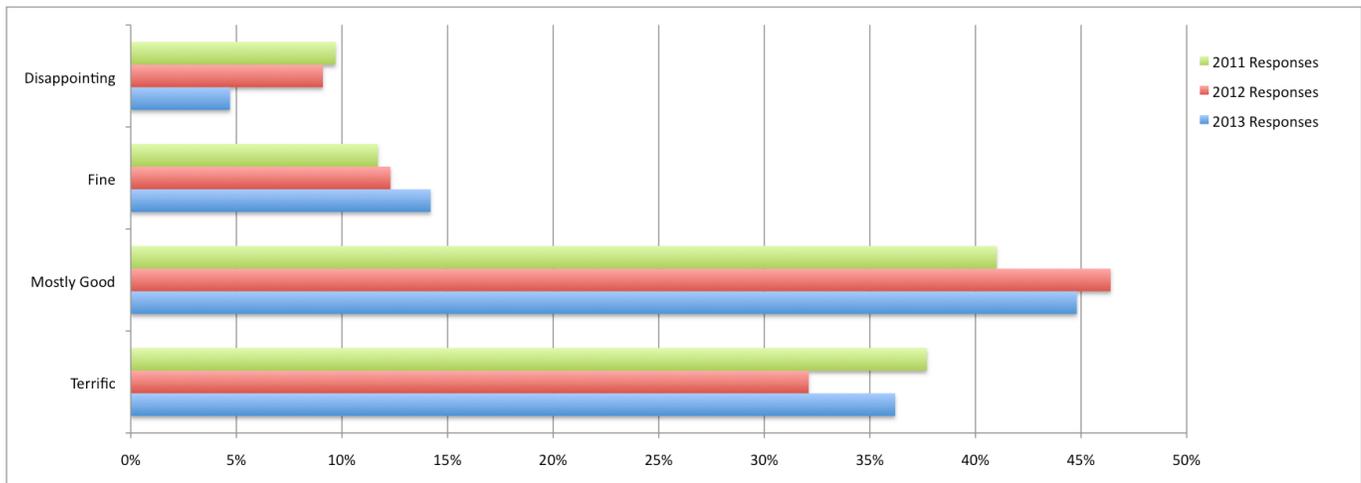


Experiences with Corporate Housing Tenants

In general, CHBO’s experience has always been that corporate housing tenants are LPD (“less pain per dollar”) than tenants of vacation rentals. We asked respondents to tell us about their experiences with corporate housing tenants.

In 2013, more than 95% of respondents say they had positive experiences with their corporate housing tenants. This percentage is slightly higher than previous years.

My experience with corporate housing tenants has been?			
Answer Options	2013 Responses	2012 Responses	2011 Responses
Terrific	36%	32%	38%
Mostly Good	45%	46%	41%
Fine	14%	12%	12%
Disappointing	5%	9%	10%



Renter Types

The corporate housing renter pool went through some changes in 2013 – including a 9% increase in business travelers. We also had an 8% jump in vacation renters and a 7% increase in people renting due to home remodeling. The latter reflects our current economy, in which many people are choosing to upgrade their current homes, rather than purchasing something new.

In 2011 and 2012, respondents noted a decrease in renters due to relocation stays. According to the ERC (Employee Relocation Council), there has been a rebound in new hire relocations, but there hasn't been a return to the high volume of employees relocating within a company. Last year we predicted that relocations would increase in 2013, but we only saw a 1% growth. We continue to predict this number will increase for 2014.

With the reduction in military spending, we predicted a decrease in military tenants in 2013, and in fact, military tenants were down by 5%.

Trends that appeared in the “Other” category included: international shopping and interns (generally students working in corporations who need local housing).

For this survey question, we asked respondents to check every type of tenant they had during the year. As a result, the sum of the percentages is more than 100%.

Renter type – Industry or reason someone rented your property in 2013? (Check all that apply*)					
<i>* More than one option could be chosen; thus % is the % of respondents, not the % of the whole</i>					
	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Business Assignment	76%	67%	70%	70%	68%
Relocation	44%	43%	53%	63%	48%
Vacation	34%	26%	33%	37%	35%
Family	31%	30%	24%	n/a	19%
Temporary - Home Remodel	30%	23%	n/a	n/a	n/a
Healthcare Professional/Traveling Nurse	23%	18%	20%	n/a	18%
Education	21%	17%	16%	18%	15%
Divorce	17%	17%	17%	15%	16%
Medical Treatment	16%	15%	17%	19%	17%
Snow Bird	13%	11%	15%	18%	17%
Insurance Claim	12%	15%	11%	10%	10%
Movie/Entertainment	12%	11%	11%	15%	11%
Special Event	11%	13%	13%	19%	19%
Professional Athlete	11%	11%	10%	9%	9%
Seasonal Worker	9%	10%	7%	7%	8%
Military	8%	13%	14%	14%	10%
Other	7%	7%	13%	18%	17%
Politics	4%	5%	5%	3%	4%



Lengths of Stay

We asked the tenant “length of stay” question in multiple ways to ensure we received accurate data.

To better understand the **length of stay trends**, we asked: “How long did your last tenant stay?” and “On average, how long do your tenants stay?” By asking these questions in different ways, we were able to validate the data and understand the nuances.

In 2013, 34% say their tenants stayed an average of three months, and 31% of tenants say their tenants stayed for six months or longer. As a point of comparison, the “serviced” corporate housing industry reports its average length of stay as 88 days (approximately three months), according to its last annual report.

Tenant's length of stay – How long did your LAST tenant stay?					
Answer Options	2013 Responses	2012 Responses	2011* Responses	2010* Responses	2009* Responses
Nightly	3%	2%	3%	4%	3%
Weekly	9%	10%	8%	10%	12%
Monthly	19%	26%	13%	8%	10%
3 Months	31%	27%	44%	45%	39%
6 Months	14%	15%	19%	22%	15%
9 Months	7%	8%	n/a	n/a	n/a
Year or longer	18%	13%	13%	12%	21%

Tenant's length of stay – On AVERAGE, how long do your tenants stay?					
Answer Options	2013 Responses	2012 Responses	2011* Responses	2010* Responses	2009* Responses
Nightly	3%	2%	4%	7%	3%
Weekly	13%	10%	8%	9%	15%
Monthly	19%	25%	9%	9%	10%
3 Months	34%	36%	55%	55%	42%
6 Months	15%	14%	14%	11%	15%
9 Months	4%	4%	n/a	n/a	n/a
Year or longer	12%	9%	11%	9%	16%

* To clarify the answers to this question, the wording was changed in 2012. Original response options were: Multiple Months (greater than 4.3 weeks, but less than 6 months) and Multiple Months (greater than 6 months, but less than 1 year).

Minimum Length of Stay

Given the current business and economic climate, longer stays are common. We believe this trend correlates with the increase in consulting and project contracts. Businesses are still trying to grow without hiring full-time employees; though, we expect full-time hiring to increase in 2014. In addition, people who are going through relocations are staying in temporary housing longer, as they take time to assess the current real estate market.

We found that 27% of properties **could** be rented for less than one month. However, on average, 84% of properties **were rented** for one month or more (based on the findings from the previous page). In fact, 65% of the 2013 respondents say their properties typically rented for multiple months.

Length of stay - Minimum time you are willing to rent your property for?				
	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Nightly	10%	8%	12%	15%
Weekly	17%	18%	18%	21%
Monthly	43%	46%	62%	55%
3 Months	15%	18%	n/a	56%
6 Months	9%	7%	n/a	n/a
9 Months	0%	0%	n/a	n/a
Year or longer	5%	3%	7%	8%

Starting in 2012, as the result of city legislation against less-than-30-day stays, we added a question about who sets the limits on the minimum length of stay allowed. For example, both New York City and Chicago now prohibit the rental of a private residence for less than 30 days. (It's worth noting that there was no additional major legislation passed restricting furnished rentals in 2013).

In this survey, only 7% reported having their city regulate their minimum length of stay. 20% say they are regulated by the rules of the community or the building in which their properties are located. The majority of the "Other" responses are variations of the "building regulates the length of stay" response, such as the HOA.

Who sets the minimum length of stay?		
Answer Options	2013 Responses	2012 Responses
I decide	70%	65%
Building - rules of the building	20%	22%
City - laws of the city	7%	8%
Other	3%	5%

Security Deposits

How do you protect your property from potential loss? How do you entice a company or tenant to rent your property when a deposit is required, when these travelers can stay in hotel housing without having to pay those types of fees? It's essential to understand what the industry standards are and how to protect yourself without losing a great potential renter.

According to the Corporate Housing Providers Association (CHPA) Industry Survey, some full-service, corporate housing companies do not charge security deposits. If they do, the average fee is \$721.

We have found that offering Accidental Rental Damage Insurance (ARDI) is **one of the newest trends** in the “by owner” community. As such, in 2012, we started asking whether property owners were replacing cash security deposits with ARDI. ARDI is a flat fee of approximately \$70. The tenant pays this fee, and coverage is offered for up to \$3,000 in accidental damage, as long as it is properly reported.

Do you charge a refundable security deposit?					
	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
No Kind of Deposit	7.6%	10.6%	10%	16%	8%
No Deposit – Accidental Rental Damage Insurance / ARDI	8.4%	7.9%	n/a	n/a	n/a
\$100 - \$499	12.1%	14.6%	22%	22%	35%
\$500 - \$1000	35.7%	35.0%	26%	24%	19%
1 Month Rent	31.7%	29.2%	31%	34%	6%*
More than 1 Month Rent	4.5%	2.7%	11%	5%	3%

*In 2009, a response option for \$1000 - \$3000 was also offered; it had a 28% response.

Insurance & ARDI

The general trend among full-service, corporate housing companies is to require Letters of Responsibility (LORs) from preferred clients, as well as security deposit waiver programs or damage insurance in place of an actual deposit.

With this in mind, we added a question about travel and damage insurance to the survey starting in 2011. We believe offering this type of insurance is a growing trend, and we will continue to monitor it.

The number of respondents who answered, “No, they don’t offer travel or damage insurance,” decreased substantially from 2011 to 2012, but held fairly steady from 2012 to 2013 at 69%. We believe this number will decrease in years to come, as more property owners offer some type of insurance.

Do you offer Travel or ARDI / Damage Insurance?			
	2013 Responses	2012 Responses	2011 Responses
Yes Both	5.0%	3.8%	2.6%
Yes only Travel Insurance	1.1%	5.9%	2.6%
Yes only ARDI / Damage Insurance	10.1%	8.1%	1.6%
No	69.2%	66.3%	81.1%
No - Don't Know How	14.6%	15.9%	12.2%



Credit & Background Checks

This is an interesting topic as more people have bad credit because they've gone through bankruptcy or foreclosure on a previous property. In today's environment, credit reports must be used to see the bigger picture about a prospective tenant. In looking at a renter who has poor credit, you need to ask more questions to understand if the potential tenant is likely to be a repetitive credit offender or if it's just a one-time occurrence.

In 2013, 32% of respondents say "yes," they always run credit checks on potential tenants – **an all-time high number**. Likewise, 37% say "no," they never run reports or they don't know how, which is consistent with previous years.

Starting in 2011, we divided the credit check and background check question into two separate questions. There is a significant difference between conducting a credit check and a background check. With that said, we found very little variance between the two topics, which surprised us. We expected credit checks to be higher than background checks; yet for all statistical variances, they appear to be the same.

We have been watching an **emerging trend** in which HOAs (or the rules of the building/community in which a property is located) require these types of checks, and we looked for that trend in the 2012 and 2013 surveys. We thought this trend would increase the number of respondents saying they always run credit checks and/or background checks. However, beyond slight increases, we have not seen a significant jump in the "yes, always" numbers.

Do you run credit checks on potential tenants?*				
Answer Options	2013 Responses	2012 Responses	2011 Responses	2010* Responses
Yes, Always	32%	28%	26%	26%
Sometimes	31%	36%	36%	36%
No - Never	32%	30%	30%	32%
No - Don't Know How	5%	6%	8%	6%

Do you run background checks on potential tenants?			
Answer Options	2013 Responses	2012 Responses	2011 Responses
Yes Always	29%	22%	23%
Sometimes	34%	38%	33%
No - Never	31%	31%	34%
No - Don't Know How	5%	9%	9%

* In 2010, the question was asked differently and combined both credit and background checks.



Credit Cards

An **important trend** in today's digital world is the ability and willingness of property owners to accept credit cards. Approximately 60% of respondents say they accept some form of credit card payment from their renters.

This year PayPal regained its top spot as the most popular credit solution by a small margin. Last year, Visa/MasterCard was slightly more popular.

Property owners say they enjoy the security options that credit card companies offer to protect their users from fraud. When you combine this security with the convenience of credit cards, many believe the fees involved are worth it. Tenants prefer to pay by credit card because it also protects them. It gives them the ability to dispute a charge if the property is not acceptable or if it is not as advertised.

Please note: CHBO provides credit card resources on its website and has established an easy solution through ECom Merchant Solution. ECom Merchant Solution provides discounted processing rates for those associated with CHBO.

Do you accept credit cards for payment? (Check all that apply*)
 * More than one option could be chosen; thus % is the % of respondents, not the % of the whole

	2013 Responses	2012 Responses	2012 Responses	2012 Responses
Yes - MasterCard & Visa	35%	34%	31%	38%
Yes - American Express	20%	20%	18%	22%
Yes - PayPal	36%	33%	32%	40%
Yes - Ecom	3%	4%	n/a	n/a
No - Never	40%	35%	40%	35%
No - Don't Know How	6%	9%	8%	9%



Pets

Pet Trends and Fees

Many long-term business travelers are arriving at rental properties with pets. Allowing pets in your property can give you a competitive advantage, higher rental return, and higher occupancy if managed properly. However, when pets “go bad,” they can cause extensive damage. To preserve the quality of your rental, it’s critical to have a pet policy in place and take the time to qualify each pet.

Starting in 2012, we expanded the pet questions, so we could better understand what kind of impact being pet friendly made on your rental success, if any. 67.3% of respondents say they take pets because it gets their properties rented. If you currently do not take pets and your property is not rented, you may want to revisit your pet policy.

According to the CHPA Industry Survey, the **average pet fee** for full-service, corporate housing companies is \$304, and the **average pet deposit** is \$307. For the “by owner” survey, the average, non-refundable, one-time pet fee is only \$204. (This fee is generally applied to a special departure cleaning needed to eliminate hair and odors). The average pet refundable deposit is \$343 – quite a bit higher than the full-service industry.

This year, in the question about pet fees, we added an option for pet insurance. Respondents say they charge a \$20 insurance fee on average. We will expand on this option in future surveys to better understand this trend.

Do you accept pets? *(Check all that apply*)*
** More than one option could be chosen; thus % is the % of respondents, not the % of the whole*

	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
No, we do not accept ANY pets	57%	52%	50%	53%	n/a
Yes, we accept cats	22%	28%	29%	25%	20%
Yes, we accept dogs under 35lbs	34%	35%	36%	39%	31%
Yes, we accept dogs over 35lbs	14%	18%	22%	20%	11%

Why do you accept pets? *(Check all that apply*)*
** More than one option could be chosen; thus % is the % of respondents, not the % of the whole*

	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Gets the property rented	67.3%	62%	68.9%	74%
Everyone has one	25.5%	27%	24.4%	20%
I love animals	40.6%	32.5%	27.4%	24%
Why not?	24.8%	20.9%	34.1%	24%

What do you charge in pet fees?				
	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Pet Deposit Amount \$	\$343	\$344	\$342	\$346
Rent - Pet Increase \$	\$132	\$147	\$57	\$39
Non-refundable Pet Fee \$	\$204	\$253	\$144	\$175
Pet Insurance / ARDI \$	\$20	n/a	n/a	n/a

How many days in 2013 was your property rented with a pet?		
	2013 Responses	2012 Responses
0 Days	55.3%	42.7%
1 - 30 Days	12.7%	12.3%
31 - 89 Days	16.2%	20.4%
90 - 179 Days	5.5%	12.3%
180 - 365 Days	10.3%	12.3%

In 2013, was your property damaged by a pet?		
	2013 Responses	2012 Responses
Yes, a lot	4%	9.8%
Yes, a little	14.2%	16.5%
No	81.8%	73.7%



Marketing

Marketing Trends

The key to annual rental revenue success is high occupancy, which can only be achieved with quick turnover between tenants and effectively lining up the new tenant before the previous one departs.

That's where marketing plays a significant role. Getting a property rented is about having the right property at the right price **and** being able to connect with the right tenant. There is never one, perfect place to find a renter, and as the economy and business trends change, where you find those right tenants will also change. Marketing means creating the correct **formula** to connect with individuals and businesses on a local, national, and international basis.

Tip: Before you even look at new places to market your property, it's essential to make sure your property listing is accurate and well worded, and you have fabulous photos to make it easy to rent your property sight unseen.

Respondents who say they have had **professional photos** taken of their rental property jumped 10% in 2013, from 62% up to 72%. We believe having amazing photos is one of the most important investments you can make and will increase the profitability of your real estate rental.

We also saw a 12% increase in the number of respondents who use **social media** as a source to find tenants.

Annually how much do you spend to market your rental?			
Answer Options	2013 Responses	2012 Responses	2011 Responses
\$499 or less	63%	57%	63%
\$500 - \$999	23%	25%	24%
\$1000 - \$1999	8%	12%	10%
\$2000 - \$2999	1%	3%	1%
\$3000 or more	5%	4%	2%

How satisfied are you with the results of your marketing?				
Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Always rented	51%	40%	40%	32%
Need a few more tenants	43%	51%	54%	59%
Help, I can't get it rented	6%	9%	6%	9%

Marketing? <i>(Check all that apply*)</i>		
<i>* More than one option could be chosen; thus % is the % of respondents, not the % of the whole</i>		
	2013 Responses	2012 Responses
Yes, I have professional photos of my property	72%	62%
Yes, I have a virtual tour of my property	18%	23%
Yes, I have a website specific to my property	37%	40%
Yes, I used a professional decorator to furnish my property	21%	21%
Yes, I have found renters through social media	29%	17%



Marketing Resources

Knowing where other people are marketing their properties will give you additional ideas for where you should list your rental.

In 2013, Craigslist and vacation rental websites both had 6% increases in usage after seeing declines since 2010. Meanwhile, newspapers hit an all-time low of 3%.

How do you market your furnished rental? (Check all that apply*)
** More than one option could be chosen; thus % is the % of respondents, not the % of the whole*

	2013 Responses	2012 Responses	2011 Responses	2010 Responses	2009 Responses
CHBO Basic Listing	67%	64%	68%	80%	55%
Craigslist	50%	44%	46%	55%	67%
Vacation Rental Website	28%	22%	24%	31%	**
CHBO Premium Listing	17%	21%	20%	5%	n/a
Real Estate Agent	17%	16%	14%	16%	*
Facebook	16%	17%	17%	19%	14%
Referrals/Commission	14%	16%	15%	21%	12%
Property Specific Website	13%	13%	14%	16%	32%
Marketing to Prior Tenants	10%	11%	11%	14%	19%
Other Paid Internet Site	10%	15%	19%	28%	41.3%**
Management Company	9%	10%	7%	6%	15%
Real Estate MLS Service	8%	8%	10%	8%	19.2%*
LinkedIn	7%	11%	6%	8%	n/a
Printed Brochure	7%	9%	4%	9%	12%
Fliers/Bulleting Boards	7%	8%	5%	6%	9%
CHBO Power Owner	5%	8%	7%	9%	n/a
Window/Yard Sign	5%	4%	5%	6%	11%
Online Virtual Tour	4%	7%	6%	5%	6%
Sales Calls	4%	8%	5%	8%	7%
Other Social Media	4%	3%	3%	5%	7%
Newspaper	3%	5%	4%	6%	11%
YouTube	3%	3%	3%	4%	3%
Twitter	3%	4%	4%	5%	n/a
Rental Magazine	2%	3%	0%	2%	7%
Pinterest	1%	3%	n/a	n/a	n/a

* In 2009, Real Estate Agent and MLS were combined in one category.

** In 2009, only "Other Website" was asked. In 2010, we were more specific about the website.



Marketing Results

Starting in 2012, we took the question about where owners market their properties and compared it to actual results and the quality of renters. We wanted to find out: Which marketing sources offer the **best return on investment**?

Respondents find they receive the most qualified leads and the most renters from Internet marketing, followed by real estate agents. In 2013, both “Sales Calls” and “Virtual Tours” had significant declines in use and as sources of qualified leads, which may be a reflection of the new social media economy.

How do you market your furnished rental? <i>(Check all that apply)</i>						
Qualified leads? I get qualified leads from the following sources... <i>(Check all that apply)</i>						
Get most of my renters from... <i>(Select only one option)</i>						
	2013 Marketing RESOURCES	2012 Marketing RESOURCES	2013 QUALIFIED Leads	2012 QUALIFIED Leads	2013 MOST Renters	2012 MOST Renters
CHBO Basic Listing	67%	64%	61%	58%	32%	37%
Craigslist	50%	44%	41%	36%	19%	14%
Vacation Rental Website	28%	22%	27%	21%	20%	13%
CHBO Premium Listing	17%	21%	16%	18%	8%	9%
Real Estate Agent	17%	16%	17%	18%	3%	3%
Facebook	16%	17%	8%	11%	0%	1%
Referrals/Commission	14%	16%	13%	14%	2%	3%
Property Specific Website	13%	13%	9%	8%	2%	2%
Marketing to Prior Tenants	10%	11%	8%	9%	0%	1%
Other Paid Internet Site	10%	15%	8%	11%	3%	4%
Management Company	9%	10%	8%	10%	1%	2%
Real Estate MLS Service	8%	8%	6%	6%	2%	0%
LinkedIn	7%	11%	2%	4%	0%	1%
Printed Brochure	7%	9%	4%	6%	1%	0%
Fliers/Bulleting Boards	7%	8%	3%	3%	1%	0%
CHBO Power Owner	5%	8%	5%	7%	2%	2%
Window/Yard Sign	5%	4%	3%	3%	1%	1%
Online Virtual Tour	4%	7%	1%	5%	1%	1%
Sales Calls	4%	8%	2%	6%	0%	1%
Other Social Media	4%	3%	3%	2%	1%	1%
Newspaper	3%	5%	2%	4%	0%	2%
YouTube	3%	3%	2%	4%	0%	0%
Twitter	3%	4%	2%	2%	0%	0%
Rental Magazine	2%	3%	2%	2%	0%	0%
Pinterest	1%	3%	1%	1%	0%	1%



Internet Reservations

In 2013, we again asked how the “by owner” segment feels about real-time booking reservations, in which the property is leased through a computer website and the property owner has **no interaction** with the tenant. At an all-time high, 25% of respondents (up 9% over last year) said “Yes” they had rented their property through an Internet booking engine. This may be a sign of the times as new Internet services are emerging that make it easier for leasing. (These tools aren’t just for hotel leases anymore!) Most respondents reported having a positive experience using these services.

Still, the majority, 48%, say “no,” they would never use a real-time booking website. They just wouldn’t rent their property without talking to the tenant first.

We will expand this question next year, so we can explore the difference between travel booking sites and vacation rental sites that now offer booking or leasing services for a percentage fee.

Would you or have you rented your property through a website in real time?

Answer Options	2013 Responses	2012 Responses	2011 Responses	2010 Responses
Yes, I’ve rented my property through an internet booking engine	25%	16%	20%	12%
Maybe, I have thought about listing my property on these sites	13%	19%	15%	29%
No, I’d never rent my property without talking to the tenant first	48%	53%	48%	49%
? I have no idea what you are asking	14%	13%	17%	10%



CHBO Services

Because CHBO was designed to be both a marketing platform and an educational website, we wanted to better understand which products and services CHBO offers that get used the most. More than 35% of respondents use CHBO to list their properties.

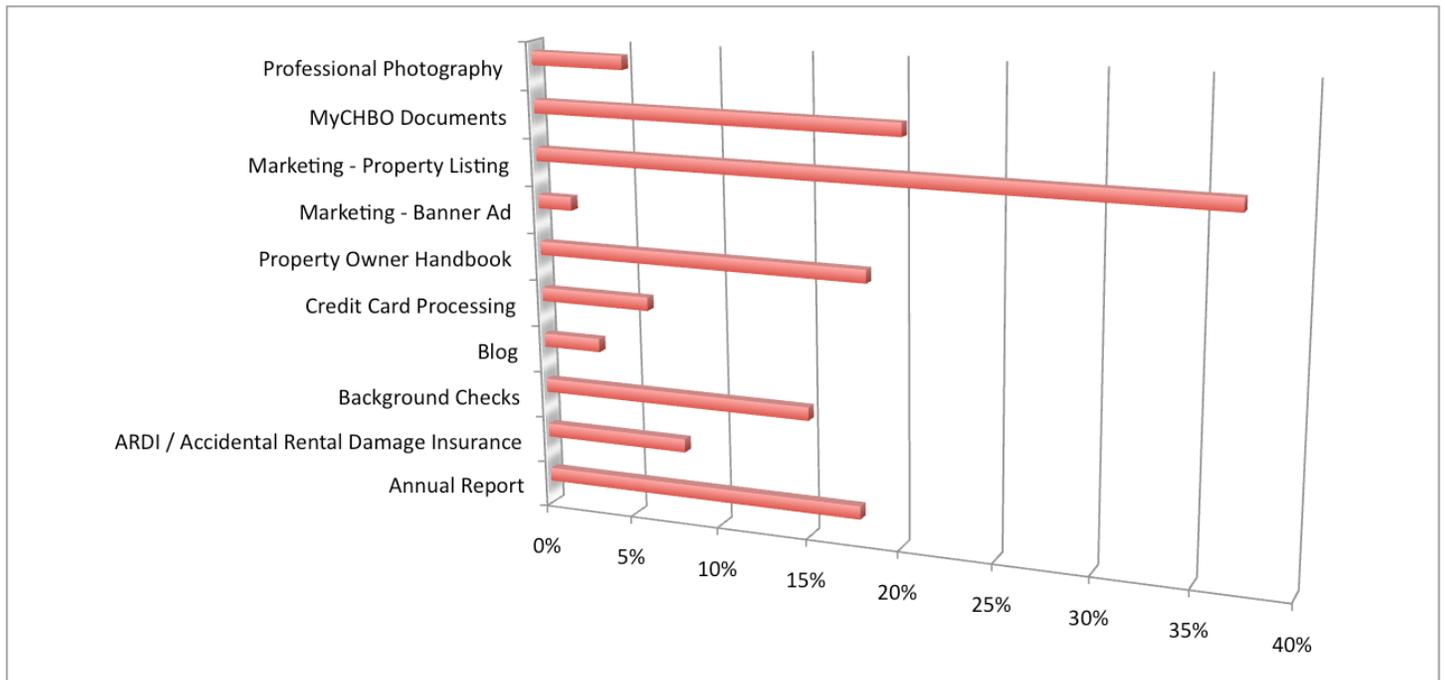
CHBO is dedicated to continuous improvement, and we always appreciate your feedback on what works, what is useful, and what you need more of. Please feel free to call, email or connect with us through social media at any time.

CHBO is a community of both property owners and tenants, and as we work together, we achieve more.

Now available in print format on Amazon.com:

- *The Corporate Housing Handbook*
- *The 2013 "By Owner" Annual Corporate Housing Report*
- *The 2012 "By Owner" Annual Report*
- *Idiot's Guide: Making Money with Rental Properties*

CHBO? I use the following services provided by CHBO...





Appendix A: Key Industry Findings

The Corporate Housing Providers Association (CHPA) 2013 Industry Report

Source: The Highland Group

Please note, the 2013 Industry Report is the most up-to-date information for CHPA. The 2014 Corporate Housing Industry Report will not be released until later this year.

Industry Summary

The “serviced” corporate housing industry was a \$2.66 billion dollar industry in the United States in 2012 — up from \$2.63 billion in 2011. This increase in corporate housing revenue was significantly higher than the increase in overall hotel room revenue, which rose 4.2% in 2012 according to Smith Travel Research (STR).

Inventory

The “serviced” corporate housing market in the United States was estimated at a total of 62,659 units on an average day in 2012 — a decline of 3,000 units from 2011.

Daily Rates

The overall average daily rate for “serviced” corporate housing in the United States increased to \$131 in 2012 — up from \$123 in 2011. In comparison, this was significantly stronger than the overall hotel average rate, which only increased 4.2% according to STR. Over the same period, the extended stay hotel lodging segment posted a 3.7% decrease in average rate.

Length of Stay

The average stay in a U.S. corporate housing unit was 88 days in 2012, up from 86 in 2011.

Report

This report is conducted annually by the Corporate Housing Providers Association (CHPA) and features both general industry information and specific market data for dozens of U.S. and Canadian cities. The report can be purchased directly from the CHPA at www.CHPAonline.org.

Appendix B: CHBO in the News, 2013

Capitalizing on 'Stealth Lodging' Niche - Published: February 2013 By: Steve Bergsman, *inman news*

After Todd Hunter and his partner acquired a West Hollywood, Calif., property with a guesthouse in the back, they had to decide what to do with the extra living space. The most obvious choice was to turn it into a rental, but a neighbor mentioned Corporate Housing by Owner, a website that connects private homeowners with people seeking short-term rentals such as traveling executives or actors.

"We priced it out both ways, as an unfurnished rental and as a fully furnished monthly with higher-end design and appliances," Hunter said. "We live in a place people want to come to, so we decided to try to go the corporate housing route. If it didn't work, we figured we could always take out the furniture and make it a full rental."

The space was nicely decorated, professional photographs were taken, and the property was posted on Corporate Housing by Owner's website on a Wednesday. That afternoon, Hunter got his first query. A second followed the next day. Hunter decided to go with the first query from a mother and daughter who were coming to Los Angeles on a job hunt. They were moved in by the next Saturday. The rental's listing price of \$2,800 a month was much higher than what a standard rental at less than \$2,000 a month would have brought in, Hunter said.

"We might have been a bit lucky, posted on Wednesday and a move-in by Saturday," Hunter said, "but we were still very pleased."

Kimberly Smith, co-founder and CEO of Corporate Housing by Owner (CHBO), calls corporate housing "stealth lodging" because few people are aware of it until they need the services, even though it produces \$2.5 billion to \$2.9 billion a year in gross rents.

While anyone, including a mother and daughter looking for employment in a new city, can use short-term residential housing, the business is called corporate housing because residences in the programs are most frequently used by executives and other business people on temporary assignment in another city or going through a corporate relocation.

Some of the many users of corporate housing include visiting nurses, baseball players in spring training, Cirque du Soleil performers on an extended performance schedule in one city, and snowbirds.

From an ownership point of view, corporate housing was always a kind of corporate business in that it was generally dominated by big firms, many of which were major apartment owners and managers. For example, a company like Equity Residential, the largest apartment owner in the country, boasted a corporate housing division that owned 3,000 apartments. The division was eventually sold off.

If you, as an owner of a residence, either condo or single-family, were interested in using it as corporate housing, it was very difficult to get that message out to potential renters. That was until Smith and friends developed CHBO.

"CHBO is a platform where individual owners can connect directly with tenants," Smith explained. "What makes us different from, say, a Craigslist, is that we have developed relations with the Employee Relations Council, with insurance companies, and with people who deal with housing needs on a regular basis. So, you are not just sticking a rental property out there in the universe by itself."

CHBO allows a homeowner with a rental to have a repetitive, rental relationship with a New York businessman, even though the homeowner might live in a private home in suburban Atlanta or a high-rise in Los Angeles.

"The other thing about CHBO is that we took everything that we could think of that might be needed by renters or homeowners and added it to the website," Smith said. "There is, for example, a 55-page booklet that tells you what you need: How many forks does a typical business traveler expect? What do I do with the mail, etc.? In addition, we run an annual survey that produces a report so those interested in the business can, for example, see how long tenants generally rent."



Corporate housing today consists of about 80,000 residential properties across the country, and if you throw extended-stay hotels into the mix, that's another 300,000 rental units.

Typical corporate housing is like a commodity product, Smith said. "One company goes and leases a bunch of apartments. The company either rents or buys furniture and then leases out the apartments to the consumer for shorter periods of time (than an apartment rental)."

That's the known factor, as the 80,000 properties represent the established or company-serviced part of the industry, which is designed around apartments. There is no data on the private residences, but Smith, who knows the industry better than almost anyone, guesses there are another 50,000 private residences that produce about \$1 billion in gross rent revenue.

In a typical corporate housing lease, clients stay 80 days. Established companies report that clients stay, on average, 100 days. "About 14 percent of the people who are booking their property through CHBO are doing so for a year or longer," Smith said.

Smith, a political science major with a specialty in Asian studies, through an internship ended up at a corporate housing company in San Francisco. She stayed for four years and then went to AvenueWest Corporate Housing in Denver.

In 2006, Smith and partners launched CHBO. AvenueWest wasn't truly an expandable concept, she said. "It was impossible to have a property management company in every state, especially when it was targeting high-end executives in high-end real estate." Smith sensed there was a need for individual homeowners in the market, or, as she said, the "by-owner segment," and there was a need for other tenants not being served by companies targeting the high-end corporate market.

"I knew there were tenants out there not being serviced," she said. "If your house burns down (or is washed away in a Hurricane called Sandy!), you don't have the resources to find a home to rent. Well, there may be someone out there who has an empty house because he had to relocate. There just needed to be a platform to facilitate the two getting together."

Steve Bergsman is a freelance writer in Arizona and author of several books. His latest book, "The Death of Johnny Ace," is now available for sale on Amazon.



Appendix C: The Benefits and Tools of CHBO

Effective Marketing for Your Property Listing

- **CHBO Complete™ program and seal:** You can use these guidelines to ensure your rental meets basic standards for furnished corporate housing. The seal is a desirable distinction of completeness that sets your property listing apart from other property rentals.
- **Power Owner seal:** If you have multiple property listings posted on CHBO, the “Power Owner” seal appears on your listings. This seal is a great way to generate repeat rentals with corporate users who like renting from you.
- **Housing Request:** Busy corporate housing coordinators love CHBO because they can complete one easy-to-use *Housing Request* form and connect with interested property owners and managers throughout a specific geographic area.
- **Multiple websites - FREE Service:** CHBO feeds your property listing to more than a dozen of our partner websites, including multiple, CHBO topic-specific websites.
- **Property listing analysis:** A CHBO Property Specialist reviews each property listing and helps you get the most from your marketing dollars.
- **Marketing exposure:** CHBO actively markets to corporate housing coordinators, traveling executives and other business travelers who regularly need corporate housing and who are already registered with CHBO.
- **Listing upgrades:** Need to get your property rented today? CHBO offers a variety of ways to upgrade your listing to increase its exposure on the CHBO website on an as-needed basis.
- **Photos:** Display up to 33 photos of your property.

Advanced Search Tool

CHBO’s advanced search feature is more powerful than ever. In addition to searching for a property by location or property ID number, potential tenants can also find your property by:

- Rental term (nightly, weekly, monthly)
- Mile radius
- Rental rate (\$\$)
- Bedroom count
- Furnished or unfurnished status
- CHBO Complete™
- Keywords (another reason for you to pump up those keywords!)
- Pet friendly (or not!)
- Move-in now (if your property is available today)
- Map view
- Property type (apartment, house, etc.)

Get Your Property to the Top of Search Results

A CHBO member’s property soars to the top of the search results every time he or she logs into his or her CHBO account. Just by logging in daily, a property is placed at the top of the search listings. This change is designed to encourage members to update their availability calendars regularly, ensuring that tenants searching for properties see the most up-to-date listings first and have a higher quality experience on CHBO.

To learn more, visit www.MyCHBO.com or call (877) 333-2426.