

2012 “By Owner” 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, 2013

Dear Property Owners,

Welcome to 2013! In the last year, a lot has changed in the corporate housing and residential rental world. We've experienced:

- Corporate housing mergers and acquisitions.
- New laws regulating and prohibiting vacation rentals.
- Identity challenges in the corporate housing industry.
- A still uncertain economic climate.

I believe we will continue to see more of these changes in the months to come.

To help you **navigate these changes with confidence**, we're excited to share our 2012 Annual Report—a summary of the results from our annual “By Owner” Corporate Housing Survey. This is the fourth year of our survey and annual report. In the pages to follow, you'll be able to draw upon the latest data, as well as comparisons and trends from recent years.

Input from Hundreds of Property Owners

I want to thank all of the property owners who took the time to complete the “By Owner” Corporate Housing Survey late last year. Once again, we had hundreds of people respond to our survey questions! The survey was made available to anyone who owned or managed a furnished monthly residential rental in 2012—not just to property owners who market their properties through the CHBO website.

The CHBO Annual Report is different than other property management annual reports. It **reflects findings from individual property owners**, 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.

Industry Trends and Changes to Watch in 2013

Here are some of the key industry trends that may have an impact on you in the year to come...

- **Mergers and acquisitions.** In today's new economy, many large corporations are returning to their core products. In line with this trend, there were two noteworthy changes in the corporate housing industry last year. National Corporate Housing acquired Equity Corporate Housing from Equity Residential, and Oakwood bought ExecuStay from Marriott. Both National and Oakwood are dedicated corporate housing companies, whereas Equity and Marriott are focused on other areas of real estate and hospitality.

What does this trend mean for you? My belief is that this consolidation is a huge opportunity for individual property owners. Corporate housing renters who have been extremely loyal to a particular brand, such as Marriott, will now be looking for new rental options—including the diverse lodging options that come from individual owners.



- **Vacation rental regulations and taxes.** Many cities and states have established legislation regulating the under 30-day vacation rental industry. What's driving the rules and regulations? It's a combination of factors, from the need to offer short-term renters greater safety to the desire to lower disruptions in buildings housing many private residences. In addition, the IRS is systematically going after vacation rental property owners for taxes in high profile ways.

What does this trend mean for you? We will continue to see local governments implement new rules on vacation rentals in the months to come. These regulations should be of vital interest to all property owners. As more limitations are placed on rentals of 30 days or less, offering monthly furnished rentals is becoming one of the only legally viable options for individual owners to generate rental income on their properties.

- **Corporate housing identity challenges.** Corporate housing is a critical "product" in the larger, extended stay lodging segment. As an industry, we need to understand that corporate housing is no longer just for traditional business travelers. There are many individuals and families seeking long-term housing, and we need to educate these renters on how corporate housing is an attractive extended stay option. Consider this: There are more than 600,000 relocations in the U.S. defense industry each year, and there are more than 200,000 traveling nurses! These individuals are already familiar with extended stay lodging. If we embrace what they already know, there will be a much shorter learning curve in educating them about corporate housing.

What does this trend mean for you? While corporate housing is an important piece of the extended stay market, stick to your standards of what makes an ideal monthly renter for ***your*** property. Don't settle for quick money from renters who may be a better fit for a basic, extended stay hotel. If you aren't getting the qualified renters you think you should be getting (and they're out there, as you can see in the numbers above), you need to re-evaluate your marketing plan.

How to Learn More

If you have questions about this year's survey findings or trends, please call (877) 333-2426 and speak with a CHBO Property Specialist.

To participate in next year's survey, visit **www.CorporateHousingbyOwner.com** in November 2013.

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.

Sincerely,

Kimberly Smith, CCHP
Chief Executive Officer
CHBO

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Executive Summary

Survey Respondents

Responses were received from property owners across the United States (36 states and the District of Columbia), Canada, and Panama. The highest response rate came from property owners in California, followed by Colorado.

The top reason for being a corporate housing landlord continues to be the long-term investment (50%). That's up from 47% in 2011, but it's still below the peak of 55% in 2009.

Outlook for 2013

On a positive note, 36% of respondents predict that 2013 will be better and more profitable than 2012—a similar percentage to 2011. However, 10% of respondents believe that 2013 will be less profitable, which is a notable increase from the 5.2% who had this outlook in 2011. In addition, those who are “not sure” about the future rose from 14.7% in 2011 to 18.4% in 2012.

Profitability

Despite the cautious outlook described above, 92% of respondents report that their properties were profitable or breakeven in 2012. Overall, the responses were nearly same from 2011 to 2012, with property owners noting a slight increase in profitability in 2012.

Rental Rates and Discounts

60.4% of respondents say they offered the same rental rates in 2012 as they did in 2011. The great news is that 33.1% reported that they did raise their rates in 2012, and only 6.4% of respondents lowered their rates in 2012. These results are significant jumps from 2011 when 16.1% people reported lowering their rates.

Compared to our 2011 survey results, the largest increases in rental rates were for 1 bedroom, 2 bedroom, and 4 bedroom properties. The rates included later in this report are at their highest numbers since we first started collecting this data. 66% of respondents say they offer discounts for longer-term leases. Nearly half of the respondents say they offer rental rate discounts of 10% to 14% for longer-term stays.

Corporate Housing Terminology

72% of respondents list their rentals as “corporate housing,” followed by 51% who list their properties as a “furnished rental.” The most interesting trend that has emerged in the last two years is a 13% drop in those who refer to their properties as “vacation rentals.” This is most likely due to the increase in regulation and taxation of the less than 30-day rental segment, and it's a trend we will continue to monitor.

Property Management

80% of respondents say they do all their property management themselves. This is a decrease from the last two years. In the last year, we have seen an increase in the number of respondents seeking support from friends and family, as well as from real estate agents.

New! Property Management Software

The majority of respondents (55%) say they do not use any form of property management software to manage their rental property. 26% use basic spreadsheets, followed by 18% who use accounting software, such as QuickBooks™.

New! Rental Documents

We asked respondents, where did you get your rental documents (such as leases)? The most (38%) say they found their documents on the Internet, followed by 34% who say they wrote their own documents. Only 16% say they paid an attorney to have their documents drafted.

New! Leasing Trends



2012 Annual Report

Based on our experience full-service, corporate housing companies, renters tour properties in advance only 30% of the time. In contrast, in the “by owner” corporate housing segment, property owners say they provide tours to renters 44% of the time. 71% of respondents say email is the primary way they communicate with their potential renters. 46% of property owners say they meet all potential renters face-to-face.

Investment Real Estate Trends

We asked respondents, do you plan on buying more investment real estate? For the third year in a row, there are more “Yes” responses (40%) than “No” responses (17%). Over the last three years, we’ve seen a steady decrease in the “No, I’m done with real estate” response.

Property Size / Number of Bedrooms

The highest percentage of “by owner” rentals continue to be two-bedrooms (36%); though, this is a 5% decrease from 2011. 33% 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 (51%). 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 are the largest percentage of “by owner” properties (25%) accounted for in this survey, followed closely by low-rise condominiums (23%).

Property Locations

The highest numbers of private corporate rentals are in suburban areas on residential streets (35%), followed by outer urban areas (27%) and central urban areas (23%).

Inclusions in a Furnished Rental

While the majority of private owners offer tenants a fully stocked kitchen (87.3%—up almost 10% over 2011), TV (85.1%), bed linens (84.5%) and towels (82.3%), there is much greater variation—and opportunity for competitive advantage – in the technology, maid services and perks that are available in each rental property. For the first time, we asked owners whether they offer a “Community Activity Pass” to renters, and 16.1% say they did.

Corporate Housing Tenants

Corporate housing tenants continue to be relatively “painless” tenants. In 2012, more than 90% of respondents say they had a positive experience with their corporate housing tenants. This percentage is consistent with the results from 2011.

Types of Renters

In 2012, the top three reasons for rentals were: business assignments (67%), relocations (43%), and family (33%). In general, the corporate housing renter pool remains consistent. There was a decrease in the number of people renting due to relocations, snow birds, and vacations. This year we added a new renter category: “temporary lodging due to a home remodel.” 23% of respondents say they had that type of renter during the year.

Length of Stay

63% of respondents say their tenants stayed an average or three months or more.

26% of respondents say they are willing to rent their properties for time periods of less than one month—down from 30% in 2011. This year, as the result of city legislation against less than 30 day stays (such as in New York City and Chicago), we added a question about who is setting limits on the minimum length of stay allowed. Only 8% of respondents say their city regulates their minimum length of stay. 22% say they are regulated by the rules of the community or the building in which the property is located.

Security Deposits and Insurance

82% of “by owner” landlords say they require some form of a refundable security deposit in 2012—down from 89% in 2011. In a growing trend, 8% of respondents say they require Accidental Rental Damage Insurance (ARDI) as an alternative to a security deposit.

Credit and Background Checks

In 2012, 28% of respondents say “yes,” they always run credit checks on potential tenants—a number that appears to be holding steady with previous years’ results. A larger amount, 30%, say “no,” they never run reports, which also is consistent with previous years.

Credit Cards

Approximately three out of five of respondents say they accept some form of credit card payment from their renters. 2012 is the first year that Visa/MasterCard is more popular as a credit card option (at 34%) than PayPal (at 33%).

Pets and Pet Security Deposits

Many long-term business travelers are arriving with pets. 48% of survey respondents say they accept some type of pet. Of those who accept pets, 62% 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 2012, the average, non-refundable, one-time pet fee property owners charged was \$253. The average pet refundable deposit is \$344.

Marketing Trends, Resources and Results

In 2012, 44% of respondents say they spent \$500 or more on their annual marketing efforts—up from 37% in 2011. 40% of “by owner” landlords say their property was always rented, while the remaining 60% say they needed more tenants.

63% say they had professional photos taken of their properties. In addition, 21% say they had used a professional decorator to furnish their properties. We believe these numbers will go up as the “by owner” industry matures. More individual owners are seeing property management as a viable income opportunity that requires polished marketing.

The majority of “by owner” landlords say they use the Internet to promote their properties. 64% of respondents say they use CHBO’s basic listing service, followed by Craigslist (44%). Craigslist has been steadily trending down in popularity since 2009; though, it is still a prominent marketing vehicle for many property owners. Respondents find they receive the most qualified leads and the most renters from Internet marketing, followed by real estate agents.

Internet Reservations

In 2012, 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. 16% of respondents say they have used one of these programs (down from 20% in 2011). However, the majority, 53%, 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.

Survey Respondents: About the “By Owner” Corporate Housing Segment

Location

Hundreds of survey responses were received from the United States (including 36 states and the District of Columbia), Canada, and Panama.

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

1. California (22.5% of respondents)
2. Colorado (9.0%)
3. Texas (6.9%)
4. Illinois (6.0%)
5. Georgia (5.4%)

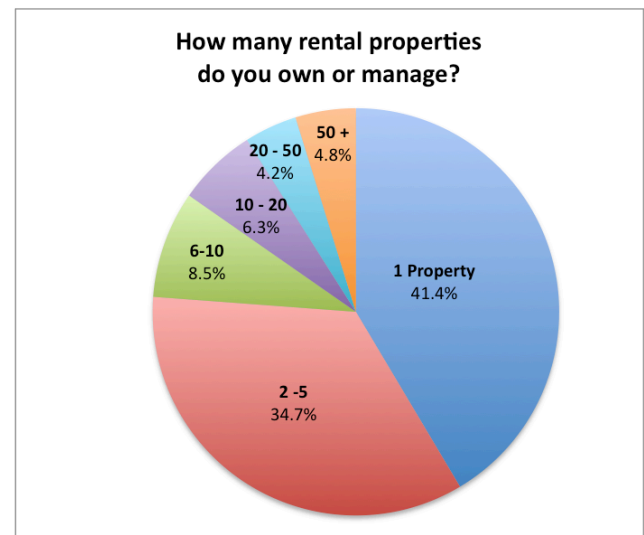
Number of Properties

41% of respondents say they have one rental property—down from 46% in 2011. Meanwhile, 35% report they have two to five properties; this is almost identical to 2011.

Perhaps the most interesting trend to note is that over the last three years, the numbers have generally stayed the same. From 2010 to 2011, we see 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 a three-year period are almost the same.

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?				
	2012 Responses	2011 Responses	2010 Responses	2009 Responses
1 unit	41%	46%	40%	n/a
2-5 units	35%	34%	40%	n/a
6-10 units	9%	9%	11%	n/a
10-20 units	6%	5%	3%	n/a
20-50 units	4%	3%	3%	n/a
50+ units	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 continues to grow.

The number of respondents who say they have been furnished landlords for five years or more is 8% higher in 2012 than in 2011, up to a total of 33%.

67% of respondents say they have been furnished landlords for four years or less.

New landlords took the biggest drop on the survey. Only 22% of respondents report being landlords for less than a year. That's down from 31% in 2011. This is a continuous decrease from 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.

How Many Years Have You Been a Furnished Landlord?			
	2012 Responses	2011 Responses	2010 Responses
1 Year	22%	31%	33%
2 Years	19%	15%	14%
3 Years	14%	15%	19%
4 Years	12%	14%	9%
5-9 Years	23%	16%	23%
10+ Years	11%	8%	n/a

Reason for Being a Corporate Housing Landlord

Understanding who is a corporate housing landlord can help you better understand how you fit into this industry.

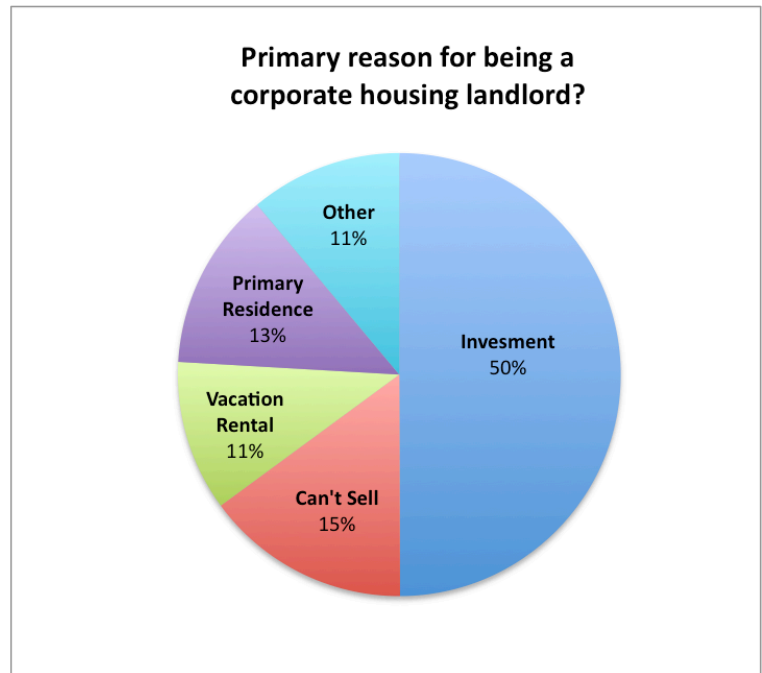
50% of this year's respondents say they are landlords for investment purposes. That's up from 47% in 2011, but it's still below the peak of 55% in 2009.

To give you some historical perspective, our assumption following the 2009 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 2010 survey, and 9% of respondents noted that they were renting their primary residence.

In 2011, the number of respondents who were renting their primary residence peaked at 15%—with a decrease to 13% in 2012.

In addition, a number of the people who answered "other reason" in 2012 mention they rent their primary residence while they relocate for a new job, downsize for lower monthly expenses or while they undertake extended travel. We will continue to explore this category in future reports.

It's worth noting that the "can't sell" percentage held steady in 2010 and 2011, but in 2012, it decreased slightly to 15%—the same number as in 2009. We expect this percentage to decrease in future years as the real estate market improves.



What Is Your Primary Reason for Being a Corporate Housing Landlord?

	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Investment property Optimize revenue from a long-term investment property	50%	47%	49%	55%
Can't sell Offset costs while waiting for the residential market to improve	15%	17%	17%	15%
Vacation rental Offset costs of owning a vacation home	11%	14%	12%	17%
Primary residence Offset costs of former residence not being used	13%	15%	9%	n/a
Other reason	11%	7%	14%	14%

Outlook for 2013

Predictions for the Future

In 2010 and 2009, we asked individual property owners about past trends. In contrast, in our 2011 and 2012 surveys, we ask survey respondents to share their **predictions for the future**.

Great news... 36.3% say they predict that 2013 will be better and more profitable than 2012. This is only slightly lower than the 37.6% who say they had a positive outlook in 2011.

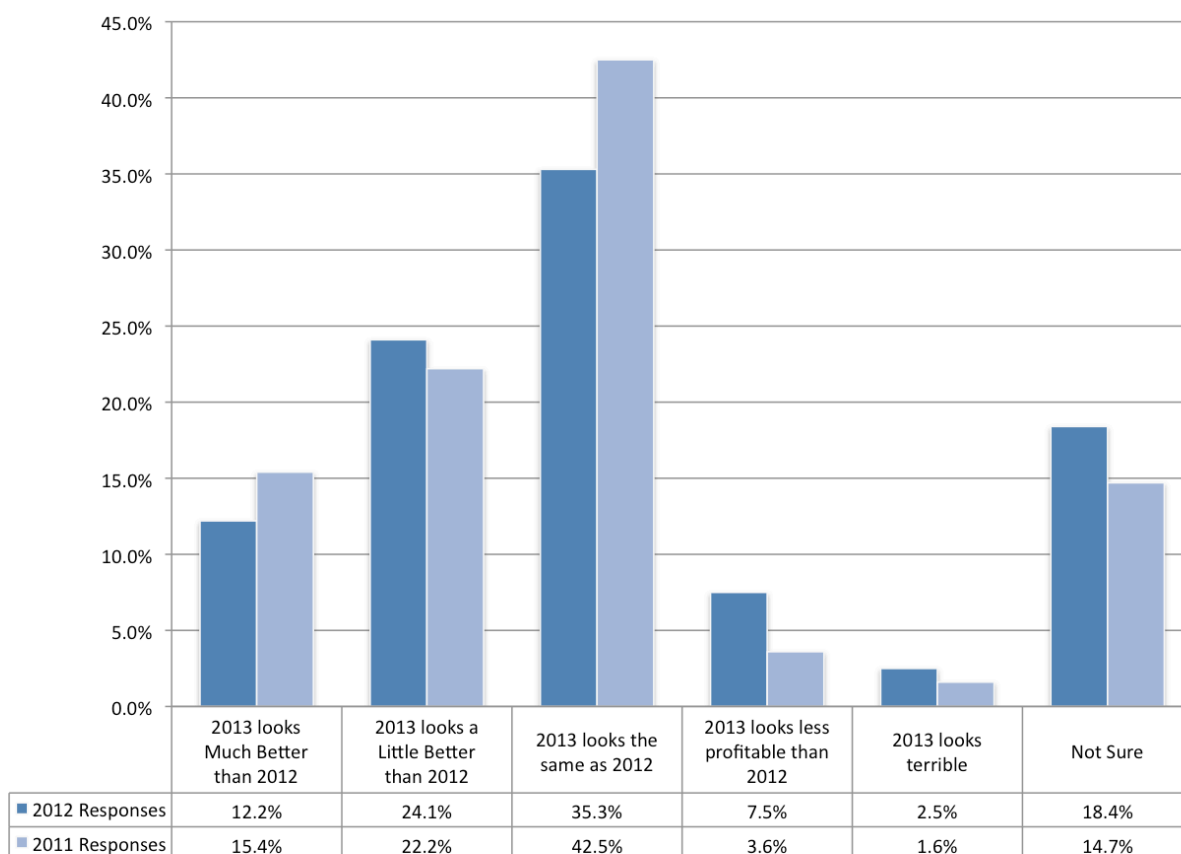
However, 10% of respondents say they believe that 2013 will be less profitable, which is a notable increase from the 5.2% who had this outlook in 2011. In addition, those who say they are "not sure" about the future rose from 14.7% to 18.4%.

2013 Outlook:

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

■ 2012 Responses

■ 2011 Responses



Profitability

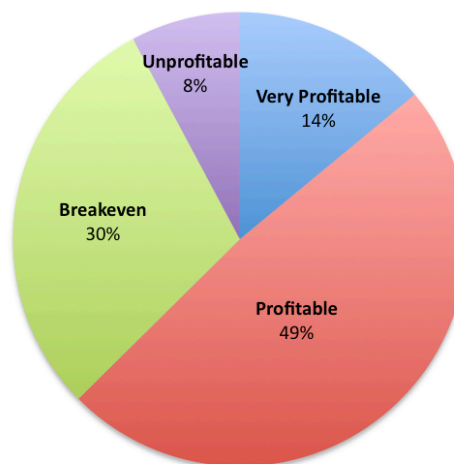
The “By Owner” Corporate Housing Survey and the 2012 Annual Report are designed to help property owners educate themselves and ultimately, increase their profits.

As such, we included a survey question in 2012 to better understand the profitability of corporate housing rentals for individual owners.

92% 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, the responses are nearly same from 2011 to 2012, with property owners noting a slight increase in profitability in 2012.

Would you say your furnished rental is?



Would You Say Your Furnished Rental Is...?

	2012 Responses	2011 Responses
Very Profitable	14%	11%
Profitable	49%	42%
Breakeven	30%	35%
Unprofitable	8%	12%

Rental Rates

The three most common questions that property owners ask the CHBO Property Specialists are:

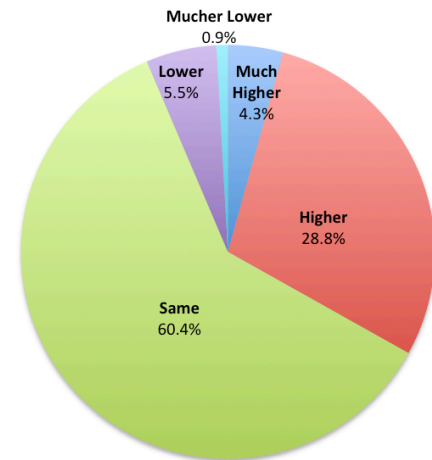
1. How should I price my property?
2. When should I negotiate?
3. When should I hold firm on the price?

Changes in Rates

We asked respondents to evaluate their 2012 rates compared to 2011 for the exact same rental property.

- 60.4% say their rates were identical in 2012 and 2011, consistent with 62.4% from the year before.
- The great news is that 33.1% report having higher or much higher rates in 2012—up from 21.6% who responded this way in 2011.
- In 2012, only 6.4% report having lower rates than the previous year—a big contrast to the 16.1% who said they had “lower” or “much lower” rates than the previous year in 2011.

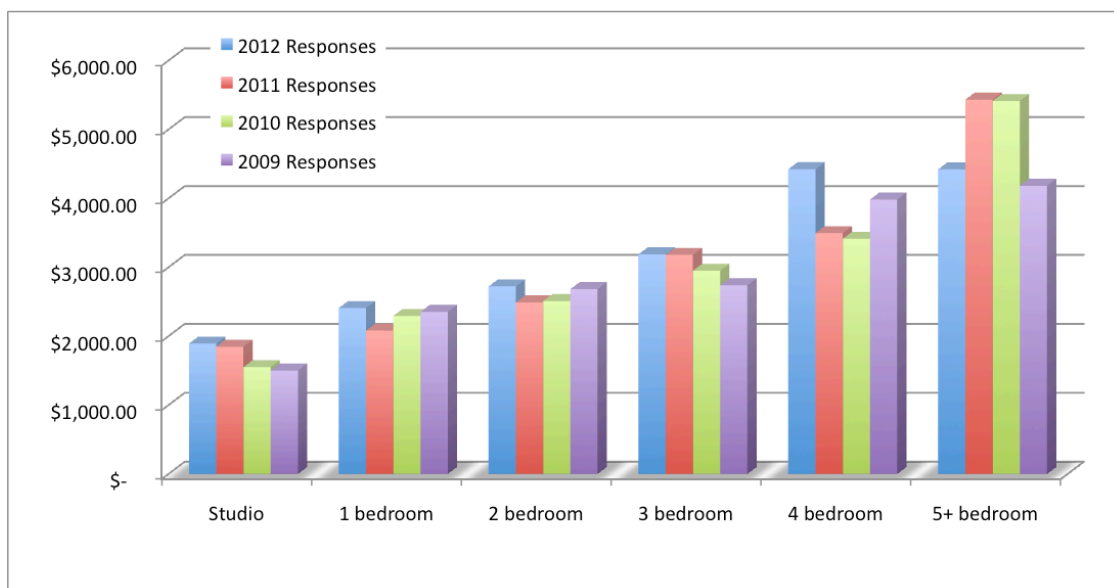
2012 Rental Rates vs 2011?



In 2010, the results were evenly split between lower and higher rates.

My 2012 Rental Rates vs. My Rates in the Previous Year?

	2012 Responses	2011 Responses
Much Higher	4.3%	2.3%
Higher	28.8%	19.3%
Same	60.4%	62.4%
Lower	5.5%	14.8%
Much Lower	0.9%	1.3%



Specific Rental Rates

We also collected specific rental rates. Compared to our 2011 survey results, 2012 rental rates generally increased for one-month rentals—with the exception of 5 bedroom properties. This may just be a reflection of the smaller sample size and not a new trend, but it's something we will watch.

The largest increases in rates are for 1 bedroom, 2 bedroom, and 4 bedroom properties. These rental rates are at their highest rates since we first started collecting data.

2012 Month to Month Rental Rates: What Did You Charge?				
	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Studio	\$1,892	\$1,846	\$1,550	\$1,500
1 bedroom	\$2,408	\$2,080	\$2,293	\$2,353
2 bedroom	\$2,722	\$2,490	\$2,509	\$2,683
3 bedroom	\$3,188	\$3,179	\$2,949	\$2,739
4 bedroom	\$4,423	\$3,495	\$3,413	\$3,983
5+ bedroom	\$4,421	\$5,433	\$5,413	\$4,183

2012 Month to Month Rental Rates: What Did You Charge?							
	2012 Total Responses	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5+ Bedroom
\$499 or Less per month	1%			1%			
\$500 - \$999	2%		1%	3%			
\$1000 - \$1499	9%	43%	7%	6%	12%	4%	6%
\$1500 - \$1999	16%		20%	23%	12%		
\$2000 - \$2499	19%	43%	31%	17%	7%	12%	6%
\$2500 - \$2999	20%	14%	21%	21%	18%	15%	31%
\$3000 - \$3999	19%		16%	18%	25%	27%	12%
\$4000 - \$4999	7%		1%	5%	16%	15%	6%
\$5000 - \$5999	3%		1%	4%	4%	8%	6%
\$6000 - \$6999	2%			1%	2%	4%	13%
\$7000 - \$7999	0%					4%	
\$8000 - \$8999	1%				4%	4%	
\$9000 - \$9999	0%			1%			
\$10,000 or more per month	1%					8%	13%

Rental Discounts

In previous surveys, we have asked whether you have multiple rental rates, depending on the length of stay of your 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 achieve their rates, we asked property owners, “Do you offer a discount, and if so, how much?”

The larger discounts of 20% or more seem to generally apply to properties that would also be rented as vacation rentals. In other words, these properties have very high rental rates during the high season, and yet the owners are willing to take longer-term, monthly renters, at much lower rates during the off season.

Do You Offer a Discount for a Longer Term Lease? *NEW Question in 2012*

	2012 Responses
Yes	66.1%
No	33.9%

% of Discount Offered? *NEW Question in 2012*

	2012 Responses
< 5%	4%
5% - 9%	22%
10% - 14%	48%
15% - 19%	8%
20% +	17%



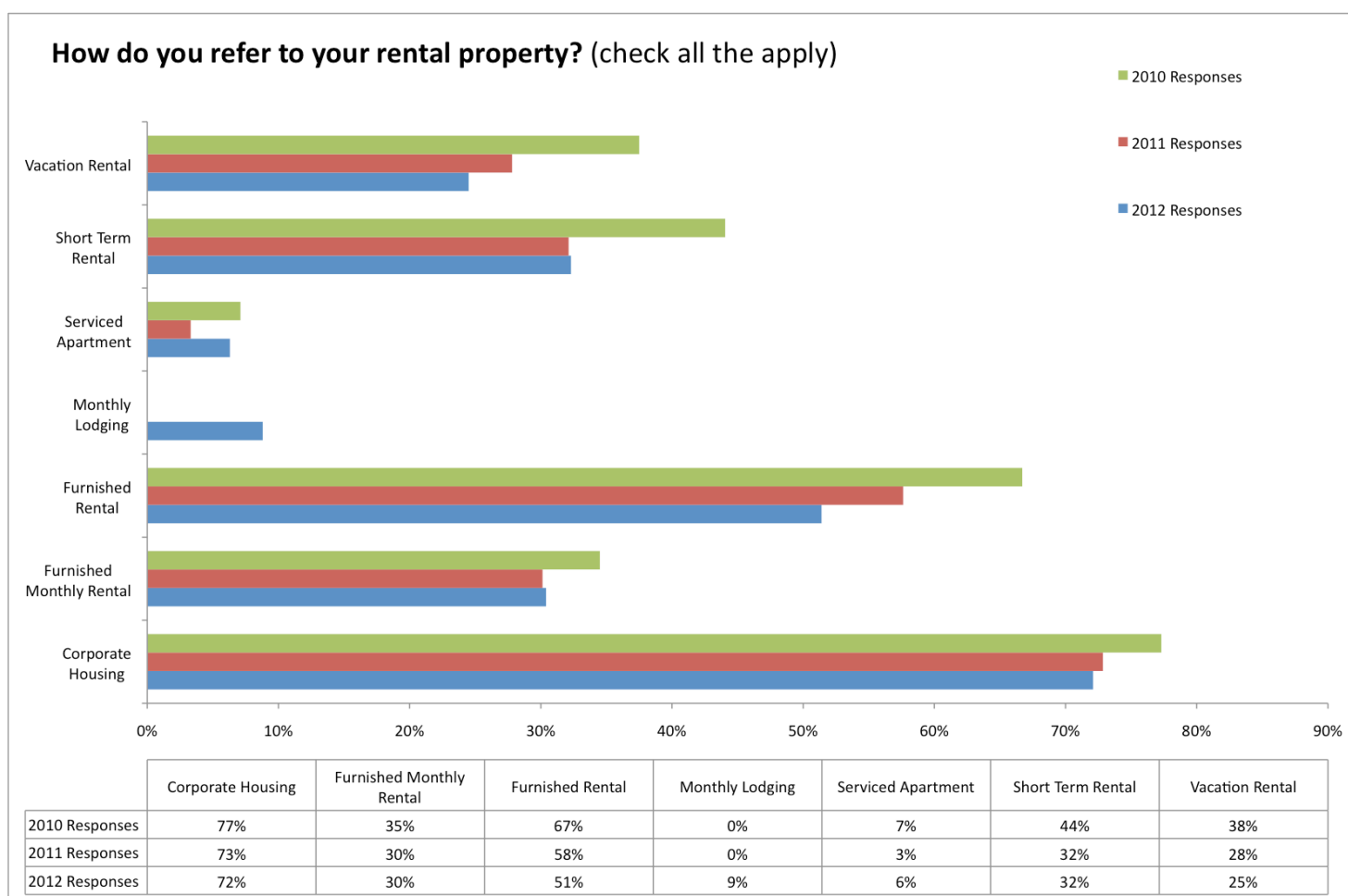
Corporate Housing Industry: What's in a Name? Corporate Housing?

As the corporate housing industry struggles to define its place in the lodging industry, it's important to be in tune with the terminology property owners use when promoting their furnished monthly rentals.

Is "corporate housing" the right name for furnished monthly housing?

According to survey results, 72% of respondents say they list their rentals as "corporate housing," followed by 51% who say they list their properties as a "furnished rental."

The most interesting trend to emerge is the two-year, 13% drop in those who refer to their properties as "vacation rentals." This is most likely due to the increase in regulation and taxation of the less than 30-day rental segment, and it's a trend we will continue to monitor.



Property Management

Management of a Rental Property

80% of respondents say they do all their property management themselves. This is a decrease from the last two years and possibly a trend as accidental landlords decide they need some professional support.

In 2012, more respondents say they rely on their friends and family to manage their properties than in 2011, but this percentage is consistent with 2010, so it may just be the result of variance, rather than a new trend.

Last year we asked, “If the real estate market and economic environment stabilize within the next few years, will owners be more willing to pay for professional support?” Over the last two years, we have seen an increase in the number of respondents seeking support from real estate agents. But it’s worth noting that the use of property managers has stayed approximately the same.

This year we added two new responses to the survey so we could learn more about additional management options owners may be using. The new responses included:

- Corporate housing management companies (real estate brokerages that specialize in furnished corporate housing management, such as AvenueWest Corporate Housing)
- Other

The most interesting “Other” response was “condo association.” This will be an interesting trend to watch as more condo associations become actively involved in property management.

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*

	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Do It Myself	80%	86%	85%	n/a
Property Manager	17%	17%	17%	n/a
Real Estate Agent	10%	5%	3%	n/a
Corporate Housing Management Company	6%	n/a	n/a	n/a
Friends & Family	11%	8%	11%	n/a
Other	2%	n/a	n/a	n/a



Property Management Software NEW Question in 2012

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.

What Type of Property Management Software Do You Use? *(Check all that apply*)*

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

	2012 Responses
None – Do not use any	55%
Basic – such as spreadsheets	26%
Accounting – such as QuickBooks™	18%
Property Management – such as Yardi	5%
Corporate Housing – such as Aaxsys	6%
Vacation Rental – such as NAVIS®	2%
Other (please specify)	2%

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

- Rental Property Manager
- Buildium
- Oscar
- Spectra
- Quicken Rental Property Manager
- Rentoneonline.com
- Property Boss



Rental Documents *NEW Question in 2012*

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 dealing with your own property.

CHBO has tried to develop many useful documents that can be found on our website (available in MyCHBO), but we have specifically stayed away from legal documents—such as leases—that vary on a state-by-state basis. However, we are frequently asked for lease documents. With that in mind, we thought it would be useful to learn how individual property owners handle this need.

Please be aware that 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.

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>	
	2012 Responses
None — I don't use any	4%
Myself — I wrote my own	34%
Internet — Found some on the Internet	38%
Lawyer — Paid to have documents drafted	16%
Real Estate Agent	20%
CHBO — Used documents from MyCHBO	25%
Other (please specify)	9%

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

- Borrowed a lease application from the real estate industry
- Vacation rental sites
- Used a document from another landlord
- Apartment Owners Association Membership
- Blumberg lease agreements and tenant application form
- Corporate housing management companies
- Oscar
- Building provides lease
- My financial planner
- NOLO books
- 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
- RHOL.com
- Ezlandlord
- Bradford Publishing
- Customized versions of template documents from city

Leasing Trends NEW Question in 2012

Property tours, emails, phone calls... These are examples of ways that landlords connect with potential clients.

In traditional serviced corporate housing, 70% of all leasing is done without a renter touring a specific property, so we wanted to learn how the “by owner” corporate housing segment compared.

46% of respondents say they meet their clients face to face prior to leasing their properties, and 44% say they give potential tenants tours prior to renting the property.

Leasing? <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>	
	2012 Responses
Generally, I meet all potential renters face to face	46%
Email is the primary way I communicate with potential renters	71%
Phone is the primary way I communicate with potential renters	38%
Most potential renters TOUR the property before they rent	44%
Most potential renters DO NOT tour the property before they rent	26%

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 additional real estate investing.

For the third year in a row, there are more “Yes” responses (40%) than “No” responses (17%) as far as those who plan to buy more investment real estate in the coming year. The biggest variation in this question over the last three years is the steady decrease in the “No, I’m done with real estate” responses—from 27% in 2010, to 22% in 2011, to 17% in 2012.

The undecided have held steady with only a slight 1% decrease per year over the last three years. Watching this trend in future years will help us properly understand the real estate recovery, as well as plan for possible downturns.

Some economists say they believe 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. In 2012, 4% of respondents say they would buy now if the banks would lend them the money—a large drop from 8% in 2011.

Do You Plan on Buying More Investment Real Estate?			
	2012 Responses	2011 Responses	2010 Responses
Yes this year	19%	17%	15%
Yes, within the next 2-3 years	21%	15%	18%
Yes, when the banks start lending	4%	8%	n/a
No, I'm done with real estate	17%	22%	27%
I don't know	38%	39%	40%

Property Size / Room Type = Number of Bedrooms

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

Properties run 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, 33% of private owners say they offer rental properties that include three bedrooms or more (approximately the same over the last few years). 14% say they offer rental properties with four bedrooms or more. These are flexible lodging options that are virtually non-existent among the full-service 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?

	2012 Responses	2011 Responses	2010 Responses	2009 Responses	CHPA* Industry
0 Studio	2%	3%	2%	2%	7%
1 bedroom	28%	24%	28%	24%	51%
2 bedrooms	36%	41%	39%	38%	36%
3 bedrooms	19%	19%	16%	21%	5%
4 bedrooms	9%	10%	10%	12%	n/a
5+ bedrooms	5%	3%	6%	3%	n/a

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

Property Type

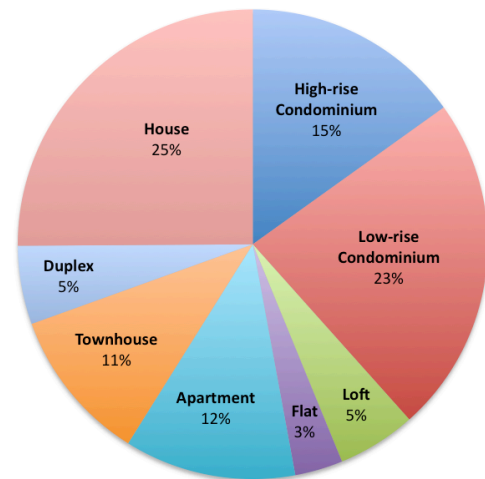
Most “typical” serviced corporate housing consists of furnished, one-bedroom apartments. However, to meet the increasingly diverse needs of the traveling public, it’s essential that a wider range of property types be readily available.

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: 25% 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 following 2009. Over the last three years, the percentage for “low-rise condominium” has stayed the same at 23%.

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



Property Type: In Real Estate Terms, How Would You Describe Your Property?

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

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

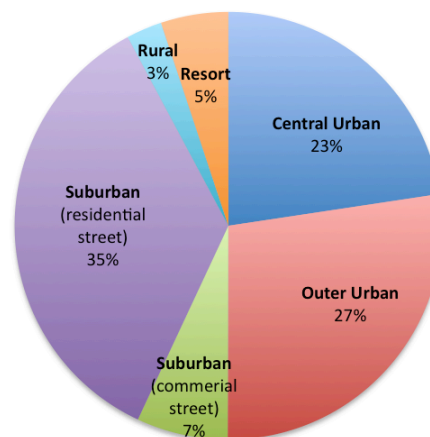
Property Location

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

42% of the “by owner” respondents say their corporate rental properties are located in suburban areas, while 50% 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?



Where Is the Rental Property Located?

	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Central urban (high-rise business district)	23%	20%	20%	16%
Outer urban (low-rise business district)	27%	22%	24%	19%
Suburban on a commercial street	7%	5%	4%	4%
Suburban on a residential street	35%	43%	41%	36%
Rural	3%	4%	3%	5%
Resort	5%	7%	7%	13%
Industrial district	n/a	0%	1%	0%
Small town	n/a	n/a	n/a	7%

What Is Included in Your Furnished Rental?

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 renters expect to find in a quality furnished rental. It's a way to give tenants the opportunity to make educated and correct decisions.

In 2011, 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 "Fully Furnished but No Utilities." This category dropped from 40% to 6%. We believe the new wording better reflects reality.

How Is Your Property Furnished?			
	2012 Responses	2011 Responses	2010 Responses
CHBO Complete: Fully Furnished with Utilities Included	86%	87%	57%
Furnished but No Utilities	8%	6%	40%
Some Furnishings	4%	3%	2%
Unfurnished	2%	4%	1%

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%.

To simplify options this year, we consolidated parking into two categories ("Parking – Free" and "Parking – For a Fee"), rather than breaking the responses into "Secure" and "Covered." "Other" was also available as an answer to this question.

This year we also added some new response options—such as "Transit and Toll Passes" and "Community Activity Pass." While "Transit and Toll Passes" received almost no responses, "Community Activity Pass" received a 16.5% response.

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

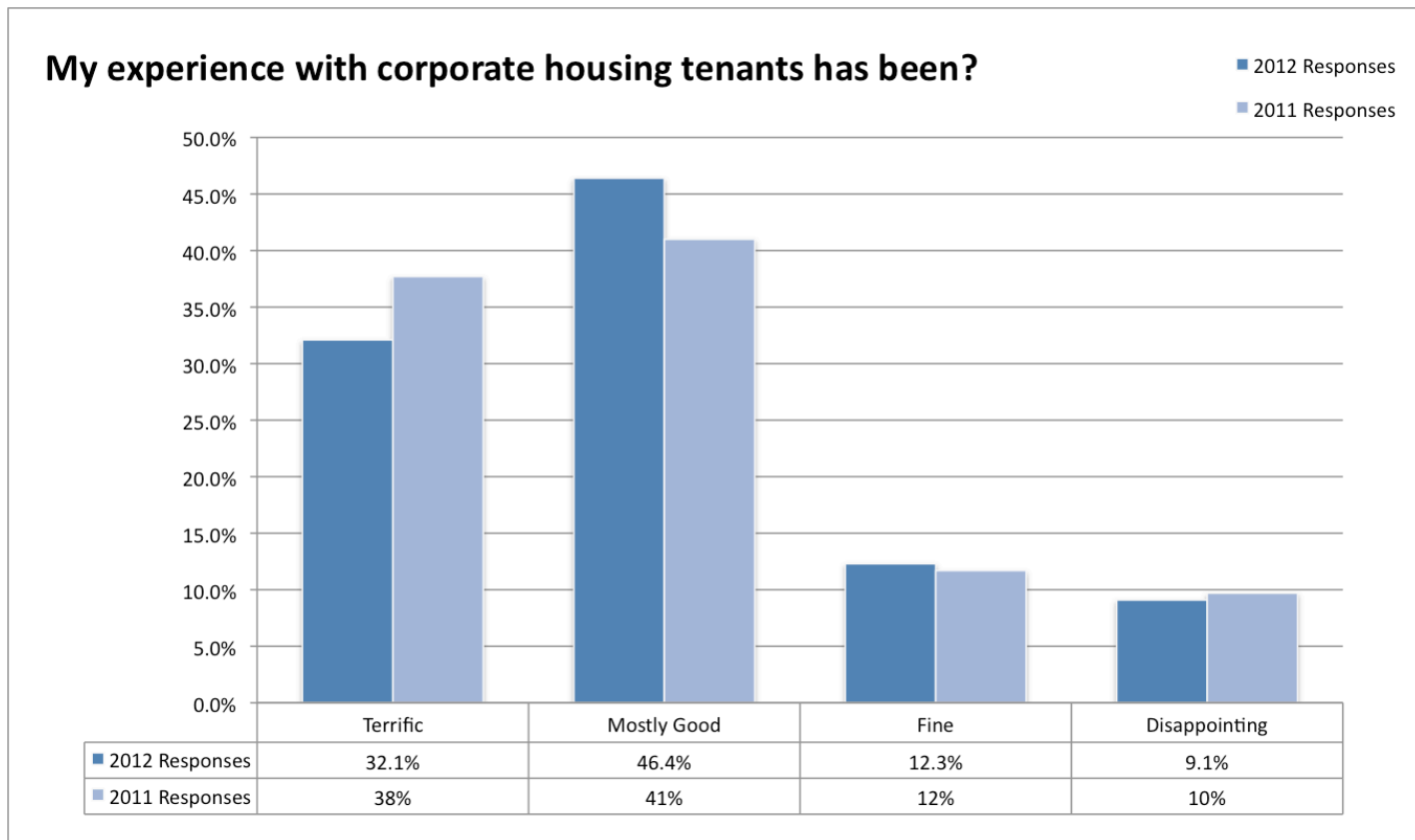
What Do You Include in Your Furnished Rental? <i>(Check all that apply*)</i>				
	2012	2011	2010	2009
	Responses	Responses	Responses	Responses
Fully Furnished Kitchen	87.3%	78.7%	85.1%	93.4%
TV	85.1%	75.2%	81.7%	n/a
Bed Linens	84.5%	76.8%	82.9%	91.1%
Towels	82.3%	75.8%	83.4%	91.9%
Electricity	79.8%	72.6%	75.4%	86.3%
Washer/Dryer in Unit	76.7%	70.7%	76.6%	84.7%
Parking - Free	73.6%	82.5%	94.3%	57.3%
HSIA-High Speed Internet	72.0%	72.6%	72.6%	73.5%
Cable Basic	61.8%	49.4%	52.6%	54.7%
CHBO Complete	61.2%	n/a	n/a	n/a
Property Manual	45.3%	41.7%	n/a	n/a
Cable - Expanded with Premium Channels	40.1%	35.0%	38.3%	48.1%
BBQ	39.8%	n/a	n/a	n/a
Stereo	39.4%	42.0%	44.6%	53.4%
Phone	39.1%	41.4%	49.1%	n/a
Maid Service – For a Fee	37.3%	34.1%	44.0%	48.3%
Welcome Gift	24.5%	27.4%	30.3%	37.4%
I-Pod Dock	18.6%	15.9%	15.4%	17.8%
Community Activity Pass	16.5%	n/a	n/a	n/a
Maid Service - Included	16.1%	11.5%	16.0%	12.2%
Parking - For a Fee	9.9%	5.4%	9.1%	n/a
Transit Pass	2.2%	n/a	n/a	n/a
Toll Pass	0.0%	n/a	n/a	n/a



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 2012, more than 90% of respondents say they had a positive experience with their corporate housing tenants. This percentage is consistent with the results from 2011.





Renter Types

In general, the corporate housing renter pool remains consistent in 2012. There were a few slight changes:

- In 2011 and 2012, respondents note 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. We will watch and see if this number increases in 2013.
- While there was an increase in family renters, there was a decrease in snow bird and vacation renters.
- This year we added "Temporary - Home Remodel" as a renter category, and 23% of respondents say they had this type of renter.

With the proposed decrease in military spending, we will watch to see if military renters decrease in the future—a renter category that has been consistent over the years.

No new trends appeared in the "Other" category.

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 2012? *(Check all that apply*)*

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

	2012 Responses	2011 Responses	2010 Responses	2009 Responses
Business Assignment	67%	70%	70%	68%
Divorce	17%	17%	15%	16%
Education	17%	16%	18%	15%
Family	30%	24%	n/a	19%
Healthcare Professional/Traveling Nurse	18%	20%	n/a	18%
Insurance Claim	15%	11%	10%	10%
Medical Treatment	15%	17%	19%	17%
Military	13%	14%	14%	10%
Movie/Entertainment Business	11%	11%	15%	11%
Politics	5%	5%	3%	4%
Professional Athlete	11%	10%	9%	9%
Relocation	43%	53%	63%	48%
Seasonal Worker	10%	7%	7%	8%
Snow Bird	11%	15%	18%	17%
Special Event	13%	13%	19%	19%
Temporary - Home Remodel	23%	n/a	n/a	n/a
Vacation	26%	33%	37%	35%
Other (please specify)	7%	13%	18%	17%

Lengths of Stay

Average Length of Stay

We asked the “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. Survey choices included: nightly, weekly, monthly (including multiple months), and annually.

We believe these choices better reflect the way tenants request properties, as well as the way properties are categorized within the lodging industry.

We found that 27% of the properties **could** be rented for less than one month. However, on average, 90% of the properties **were rented** for one month or more. In fact, 63% of the 2012 respondents say their properties typically rented for multiple months.

As a point of comparison, the “serviced” corporate housing industry reports its average length of stay as 86 days, according to its last annual report.

Tenant's Length of Stay? How Long Did Your LAST Tenant Stay?				
	2012 Responses	2011* Responses	2010* Responses	2009* Responses
Nightly	2%	3%	4%	3%
Weekly	10%	8%	10%	12%
Monthly	26%	13%	8%	10%
3 Months	27%	44%	45%	39%
6 Months	15%	19%	22%	15%
9 Months	8%	n/a	n/a	n/a
Year or longer	13%	13%	12%	21%

Tenant's Length of Stay? On AVERAGE, How Long Do Your Tenants Stay?				
	2012 Responses	2011* Responses	2010* Responses	2009* Responses
Nightly	2%	4%	7%	3%
Weekly	10%	8%	9%	15%
Monthly	25%	9%	9%	10%
3 Months	36%	55%	55%	42%
6 Months	14%	14%	11%	15%
9 Months	4%	n/a	n/a	n/a
Year or longer	9%	11%	9%	16%

**To clarify the accuracy of 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 trying to grow without hiring full-time employees. In addition, people who are relocating say they are staying in temporary housing longer as they take time to assess the current real estate market.

What Is the Minimum Time You Are Willing to Rent Your Property for?

	2012 Responses	2011 Responses	2010 Responses
Nightly	8%	12%	15%
Weekly	18%	18%	21%
Monthly	46%	62%	55%
3 Months	18%	n/a	56%
6 Months	7%	n/a	n/a
9 Months	0%	n/a	n/a
Year or longer	3%	7%	8%

This year, as the result of city legislation against less than 30 day stays, we added a question about who is setting 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. This appears to be a trend that is spreading across the country, and one we will need to watch.)

In this survey, only 8% report having their city regulate their minimum length of stay. 22% say they are regulated by the rules of the community or the building in which the property is located. The majority of the 5% "Other" responses are variations of the "building regulates" response, such as the HOA.

Who Sets the Minimum Length of Stay? *NEW Question in 2012*

	2012 Responses
I decide	65%
Building - rules of the building	22%
City - laws of the city	8%
Other (please specify)	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 requiring Accidental Rental Damage Insurance (ARDI) is one of the newest trends in the “by owner” community. As such, in 2012, we asked 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?				
	2012 Responses	2011 Responses	2010 Responses	2009 Responses
No Kind of Deposit	11%	10%	16%	8%
No Deposit - I require Accidental Rental Damage Insurance (ARDI)	8%	n/a	n/a	n/a
\$100 - \$499	15%	22%	22%	35%
\$500 - \$1000	35%	26%	24%	19%
1 Month Rent	29%	31%	34%	34%*
More than 1 Month Rent	3%	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 for 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 deposit insurance to the survey 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 don't offer travel or damage insurance decreased dramatically from 2011 to 2012. We believe this number will continue to fall.

Do You Offer Travel or ARDI / Damage Insurance?		
	2012 Responses	2011 Responses
Yes, Both	4%	3%
Yes, Only Travel Insurance	6%	3%
Yes, Only ARDI / Damage Insurance	8%	2%
No	66%	81%
No - Don't Know How	16%	12%

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 it's just a one-time occurrence.

In 2012, 28% of respondents say "yes," they always run credit checks on potential tenants—a number that appears to be holding steady with previous years' results. A larger amount, 30%, say "no," they never run reports, which also 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 a conducting a credit check and a background check. 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 started to see 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 explore that trend in the 2012 survey. While the response is minimal, we expect to see the percentage grow in the years to come.

Do You Run Credit Checks on Potential Tenants?			
	2012 Responses	2011 Responses	2010* Responses
Yes Always	28%	26%	26%
Sometimes	36%	36%	36%
No - Never	30%	30%	32%
No - Don't Know How	6%	8%	6%
Does your building or HOA require these checks? <i>NEW in 2012</i>	2%	n/a	n/a

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

Do You Run Background Checks on Potential Tenants?		
	2012 Responses	2011 Responses
Yes Always	22%	23%
Sometimes	38%	33%
No - Never	31%	34%
No - Don't Know How	9%	9%
Does your building or HOA require these checks? <i>NEW in 2012</i>	1%	n/a

Credit Cards

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

This is the first year that Visa/MasterCard is more popular as a credit card option (at 34%) than PayPal (at 33%). In the past, PayPal has been the most popular credit solution.

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 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? <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>			
	2012 Responses	2011 Responses	2010 Responses
Yes – MasterCard & Visa	34%	31%	38%
Yes – American Express	20%	18%	22%
Yes – PayPal	33%	32%	40%
Yes – Ecom Merchant Solution <i>NEW in 2012</i>	4%	n/a	n/a
No – Never	35%	40%	35%
No – Don't Know How	9%	8%	9%

Pets and Pet Security Deposits

More 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.

This year we expanded the pet questions, so we could better understand what kind of impact being pet friendly made on your rental success, if any. 62% 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 \$305, and the average pet deposit is \$258. For the “by owner” survey, the average, non-refundable, one-time pet fee is **\$253**. (This fee is generally applied to a special departure cleaning needed to eliminate hair and odors.) The average pet refundable deposit is **\$344**.

Do You Accept Pets? <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>				
	2012	2011	2010	2009
	Responses	Responses	Responses	Responses
No, we do not accept ANY pets	52%	50%	53%	n/a
Yes, we accept cats	28%	29%	25%	20%
Yes, we accept dogs under 35 lbs	35%	36%	39%	31%
Yes, we accept dogs over 35 lbs	18%	22%	20%	11%

Why Do You Accept Pets? <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>			
	2012	2011	2010
	Responses	Responses	Responses
Gets the property rented	62.0%	68.9%	74%
Everyone has one	27.0%	24.4%	20%
I love animals	32.5%	27.4%	24%
Why not	20.9%	34.1%	24%

Pet Fees?			
	2012	2011	2010
	Responses	Responses	Responses
Pet Deposit Amount \$	\$344	\$342	\$346
Rent - Pet Increase \$	\$147	\$57	\$39
Non-refundable Pet Fee \$	\$253	\$144	\$175

How Many Days in 2012 Was Your Property Rented with a Pet?

NEW Question in 2012

	2012 Responses
0 Days	43%
1 - 30 Days	12%
31 - 89 Days	20%
90 - 179 Days	12%
180 - 365 Days	12%

In 2012, Was Your Property Damaged by a Pet?

NEW Question in 2012

	2012 Responses
Yes, a lot	10%
Yes, a little	17%
No	74%

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 is 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.

Annually, How Much Do You Spend to Market Your Rental?

	2012 Responses	2011 Responses
\$499 or less	57%	63%
\$500 - \$999	25%	24%
\$1000 - \$1999	12%	10%
\$2000 - \$2999	3%	1%
\$3000 or more	4%	2%

How Satisfied Are You with the Results of Your Marketing?

	2012 Responses	2011 Responses	2010 Responses
Always rented	40%	40%	32%
Need a few more tenants	51%	54%	59%
Help! I can't get it rented	9%	6%	9%

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. This year we added some general marketing questions to give us a better idea of resources property owners are using. For example, 17% of respondents say they had found renters through social media resources, and 62% say they have taken professional photos of their property.

We were surprised to see that 21% of respondents say they had used a professional decorator to furnish their property. This supports the idea that even the "by owner" corporate housing lodging segment treats their corporate housing rental as a business—and not just as an afterthought.

Marketing? **NEW Question in 2012** (Check all that apply*)

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

	2012 Responses
Yes, I have professional photos of my property	62%
Yes, I have a virtual tour of my property	23%
Yes, I have a website specific to my property	40%
Yes, I used a professional decorator to furnish my property	21%
Yes, I have found renters through social media	17%

Marketing Resources

Most marketing efforts **decreased** between 2010 and 2011 and began to **increase** again in 2012, which is consistent with the general economic trends we are seeing. In 2012's survey, we again added questions to better understand how property owners feel about their marketing efforts and what they spend. We also added questions about the quality and quantity of leads received.

Knowing where other people are marketing their properties will give you additional ideas for where you should list your rental. In future reports, we will take a closer look at the effectiveness of these marketing resources, including which resource gets the most leads, the most *qualified* leads, and the highest conversion rates.

Craigslist has seen the largest decline as a marketing vehicle in the history of this report from 67% to 44%. This may be a reaction to *quality* vs. *quantity* of leads and the increase of rental scams that result from high-profile, free sites. Pinterest is the new social media trend, and 3% say they use Pinterest to market their properties.

How Do You Market Your Furnished Rental? <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>				
	2012 Responses	2011 Responses	2010 Responses	2009 Responses
CHBO Basic Listing	64%	68%	80%	55%
CHBO Power Owner	8%	7%	9%	n/a
CHBO Premium Listing	21%	20%	5%	n/a
Craigslist	44%	46%	55%	67%
Facebook	17%	17%	19%	14%
Fliers/Bulletin Boards	8%	5%	6%	9%
LinkedIn	11%	6%	8%	n/a
Management Company	10%	7%	6%	15%
Marketing to Prior Tenants	11%	11%	14%	19%
Newspaper	5%	4%	6%	11%
Online Virtual Tour	7%	6%	5%	6%
Pinterest	3%	n/a	n/a	n/a
Printed Brochure	9%	4%	9%	12%
Property Specific Website	13%	14%	16%	32%
Real Estate Agent	16%	14%	16%	*
Real Estate MLS Service	8%	10%	8%	19%*
Referrals/Commission	16%	15%	21%	12%
Rental Magazine	3%	0%	2%	7%
Sales Calls	8%	5%	8%	7%
Twitter	4%	4%	5%	n/a
Vacation Rental Website	22%	24%	31%	**
Window/Yard Sign	4%	5%	6%	11%
YouTube	3%	3%	4%	3%
Other Paid Internet Sites	15%	19%	28%	41%**
Other Social Media	3%	3%	5%	7%

* 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

In 2012, we took the question about where owners market their properties and compared it to actual results and the quality of renters.

How Do You Market Your Furnished Rental? <i>(Check all that apply)</i>			
Qualified Leads? I Get Qualified Leads from the Following Sources <i>NEW Question in 2012 (Check all that apply)</i>			
I Get Most of My Renters from... <i>(Select only one option)</i>			
	2012 Marketing RESOURCES	2012 QUALIFIED Leads	2012 MOST Renters
CHBO Basic Listing	64%	58%	37%
CHBO Power Owner	8%	7%	2%
CHBO Premium Listing	21%	18%	9%
Craigslist	44%	36%	14%
Facebook	17%	11%	1%
Fliers/Bulletin Boards	8%	3%	0%
LinkedIn	11%	4%	1%
Management Company	10%	10%	2%
Marketing to Prior Tenants	11%	9%	1%
Newspaper	5%	4%	2%
Online Virtual Tour	7%	5%	1%
Pinterest	3%	1%	1%
Printed Brochure	9%	6%	0%
Property Specific Website	13%	8%	2%
Real Estate Agent	16%	18%	3%
Real Estate MLS Service	8%	6%	0%
Referrals/Commission	16%	14%	3%
Rental Magazine	3%	2%	0%
Sales Calls	8%	6%	1%
Twitter	4%	2%	0%
Vacation Rental Website	22%	21%	13%
Window/Yard Sign	4%	3%	1%
YouTube	3%	4%	0%
Other Paid Internet Sites	15%	11%	4%
Other Social Media	3%	2%	1%

Internet Reservations

In 2012, we again ask 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. 16% of respondents say they have used one of these programs (down from 20% in 2011).

We saw a 4% increase in the “maybe” respondents, which may reflect the “maybes” actually trying it.

However, the majority, 53%, say “no,” they would never use a real-time booking website. They just wouldn’t rent their property without talking to the tenant first.

Would You or Have You Rented Your Property through a Website in Real Time?

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

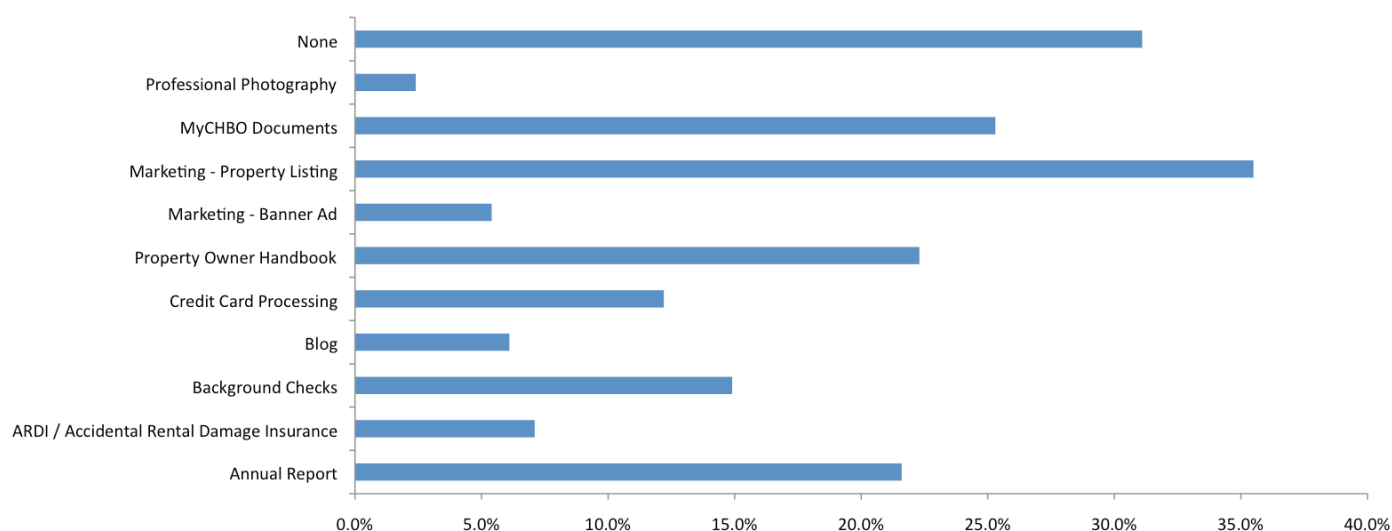


CHBO Services

Since 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.

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.

CHBO? I use the following services provided by CHBO





Appendix A:

Key Findings from the Corporate Housing Providers Association (CHPA) 2011 Industry Report

Source: The Highland Group

Please note, the 2011 Industry Report is the most up-to-date information for the CHPA. Its 2012 numbers will not be released until later this year.

Industry Summary

The “serviced” corporate housing industry was a \$2.49 billion dollar industry in the United States in 2011—up from 2.46 2010. This increase in corporate housing revenue was slightly higher than the increase in overall hotel room revenue, which rose 9% in 2011 according to Smith Travel Research (STR).

Inventory

The “serviced” corporate housing market in the United States was estimated at a total of 62,204 units on an average day in 2011—up 3.2% from 2010.

Daily Rates

The overall average daily rate for “serviced” corporate housing in the United States was \$124 in 2011, up from \$116 in 2010. In comparison, this was significantly stronger than the overall hotel average rate, which only increased 3.7% according to STR. It was also higher than upscale, extended-stay hotels, which reported a 4.3% increase in their average daily rate in 2011 compared to the prior year.

Length of Stay

The average stay in a U.S. corporate housing unit was 86 days in 2011, up from 83 in 2010.

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: Corporate Housing in the News, 2012

Home On the Job: Corporate Housing Offers Short-Term Options

Published: January 2012

By: John Morrell, *Costco Connection Magazine*

Excerpt:

Did you move recently? Can't sell your home? You may have considered renting your property; however, finding traditional renters who want long-term leases is often as difficult as putting a house up for sale.

That's how Kimberly Smith got her business started in 2005. "I was working with companies to help them find corporate housing for traveling employees," she explains. "People would tell me they couldn't find a buyer for their own home and ask if I knew someone who wanted to rent it. I decided there had to be a way to connect these individual homeowners with corporate housing clients and we went from there."

Her Denver-based CorporateHousingByOwner.com (www.MyCHBO.com) has picked up on the trend toward short-term living.

"Corporate housing is a \$2.5 billion industry in the U.S., but it's traditionally flown under the radar," says Smith. "When most people think about renting out their home they'd prefer to do so with a tenant who signs a long-term lease, but there can be a lot of competition for those renters. However, there's often a market for homes and condos that are available on a month-to-month basis or short-term lease."

Smith points out that there are countless well-paid professionals such as traveling nurses, business consultants, university professors and others who seek out short-term housing. She says, "These are people who need a place for one or more months that's more comfortable and cost effective than a long stay at a hotel."

Read the full article at: <http://www.costcoconnection.com/connection/201201#pg33>



Appendix C: New Tools at CHBO & Benefits of Posting on CHBO

New Tools at CHBO in 2012

In 2012, the CHBO team introduced several new tools to make you more successful in renting and managing your corporate rental. Some of the new features include:

Link to Social Media Sites

CHBO has made it possible for its members to share their properties' social networking sites (Facebook, Twitter and Virtual Tour pages) with people who visit their listings. This added feature comes at NO additional cost to members. CHBO says this effort will help its members increase their exposure online—as it provides an additional, free marketing vehicle. Plus, visitors to a CHBO listing have come to expect to see social media icons, so having them available will add credibility to each listing too.

Improved Advanced Search Tool

CHBO has added a new and improved search feature, making it more advanced and powerful than ever. Tenants searching for a property can now search not just by location or property ID number but also by:

- Rental Term (nightly, weekly, monthly)
- Mile Radius
- Rental Rate (\$\$)
- Bedroom Count
- Furnished or Unfurnished
- CHBO Complete™
- Keywords (another reason for you to pump up those keywords!)
- Pet Friendly (or not!)
- Move-In Now (property is available today!)
- Map View
- Property Type (apartment, house, etc.)

New Affiliate Program

Any individual or business with a website can set up an affiliate account and receive a commission for referring new members to CHBO. The program is ideal for individuals and companies that are already referring their clients to CHBO, such as corporate housing companies, Realtors®, and real estate bloggers. Members can create an affiliate link through <https://www.shareasale.com/newsignup.cfm>.

When someone follows the provided affiliate link, cookies track the visitor and notify CHBO if a purchase is made. If a purchase is made, the affiliate gets a 15% commission on the total sale. An affiliate receives, on average, \$40 per sale. To qualify as a CHBO affiliate, an individual must register an account at the link above, and he or she also must operate at least one website. Once an account is approved, the individual will have access to CHBO banner ads and other creative resources to help him/her send referrals to CHBO.

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 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.



Resort Lock® Partnership

In an effort to add convenience to the rental process for members, CHBO, along with partner, Resort Lock®, is giving property owners the ability to provide their guests with temporary access codes that have start and end dates as programmed by an individual from anywhere in the world. This partnership helps CHBO members to more easily manage guest keys and eliminate hassles associated with early check-ins or late check-outs.

Refer a Friend: \$50 Credit for Both!

When a CHBO member refers CHBO to a friend AND the friend signs-up to list his or her property on CHBO, CHBO rewards both the referrer and the new CHBO member with a \$50 credit. Each individual can use the credit towards his or her next purchase at CHBO. A credit can be applied to any future purchase—including making upgrades to a CHBO listing (such as additional photos, highlighted listing, etc.) or to renewing a listing with CHBO.

Benefits of Posting on CHBO

Creating Your Property Listing

- **Online availability calendar:** You can use the calendar to quickly and easily show prospective renters when your property is available for rent.
- **Flexible rates display:** You can easily show different rates for peak and off-season rentals. You can also provide discounts for long-term stays.
- **Digital maps:** Your listing includes a link to a digital map of your property's location to give prospective renters a better idea of your location.
- **Renter reviews:** Your renters can write reviews about their experiences renting your property. Corporations love to rent from experienced property owners.
- **Links to other resources:** You can include links to additional websites from your listing, such as Facebook, Twitter, YouTube, a virtual tour website, photo hosting website, or a website about the unit or property. [Do you want to add social media sites here too?]

Marketing 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.
- **Photos:** Display up to 18 photos of your property.
- **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.
- **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.
- **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.

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