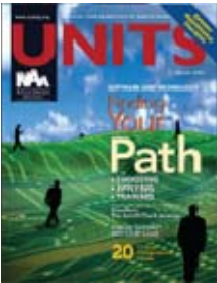


SEPTEMBER 2007: As a busy summer winds down, we're catching our breath and are excited to tell you what to expect from On-Site.com in the months to come.



Should you rent to an applicant with a foreclosure?



They're back.

Renters-turned-homeowners are now returning to the rental market in the wake of a mortgage meltdown. Having defaulted on a home loan, these consumers – their traditional credit record ruined by the foreclosure – are flooding managers with applications, leaving you wondering what kind of residents they will be.

So, how should apartment management companies evaluate them?

On-Site has responded with a solution that allows you to welcome this opportunity, meet Fair Housing guidelines and maintain consistent policy control.

Using an optional feature, On-Site.com highlights a mortgage default and automatically classifies the applicant as a “conditional approval” – depending on your settings, this can mean a higher security deposit, special lease terms or other means of added protection for the owner.

WARNINGS

Special Condition: Mortgage Foreclosure Found

On-Site.com identified a mortgage foreclosure on this report. The score for this applicant does not consider this foreclosure and the overall score has been limited according to your policies.

In fact, the National Apartment Association asked us to write all about it in Units Magazine. The article “Homeless Homeowners” appears in the May issue, and notes these tips:

- **Conditional Approval.** Develop “conditional approval” programs that incentivize good behavior but are carefully monitored.
- **Built-in Forms.** Use built-in form generation to ensure compliance with “adverse action” laws and consistent application of policies.
- **Marketing Know-How.** Market the programs to appeal to former homeowners. The flexibility and other benefits of renting should not be undervalued.
- **Alternative Suggestions.** Consider alternative programs such as collecting a larger security deposit, required guarantors or surety bonds. Policy rules should be automated as part of the screening process.

Contact us to activate this built-in feature for selected communities in your portfolio.



Introducing . . . Lease & turnover optimizer

Are you stuck with too many vacancies moving into the new month? Does scheduling move-outs make a mess of your plans to market empty units? How many times have you started a lease on a holiday?

Most communities schedule leases to start on the first and end on the last day of the month. Yet that's rarely convenient for the resident... and often not the most profitable for the community.

Thanks to our new optimization tool, you can see how many lease starts and expirations are already scheduled so you can make a smarter choice of dates. Plus, "black out dates" prevent your staff from scheduling move on holidays or other important events.

Research shows that spreading out your move-outs throughout the month (rather than bunching them up at the end) could result in **1.5% more gross rental income**. That's over ten times the cost of our screening services!

For example, let's assume:

- You manage 100 units
- Each rents for \$1000/month (or \$250/week)
- You have six turnovers per month
- You can "turn" two units in a week
- It takes one week to rent a vacant, "ready" unit

If all six leases are up at the end of the April, you have six vacant apartments to make ready at the same time. That's:

- Two ready on May 8, and are rented May 15 = 4 weeks of lost rent
- Two more ready on May 15, and are rented on May 22 = 6 weeks of lost rent
- Two more ready on May 22, and are rented on June 1 = 8 weeks of lost rent

That's a loss of rent of 18 weeks.

Now, if those six vacant apartments were spread out every two weeks (rather than all at once), you would have

- Two ready on May 8, and rented May 15 = 4 weeks of lost rent
- Two rented through May 7, ready on May 15, and rented on May 22 = 4 weeks of lost rent
- Two rented through May 15, ready on May 22, and rented on June 1 = 4 weeks of lost rent

That's a loss of rent of 12 weeks, or one whole month's less than the traditional procedure. Over the course of a year, that savings is the equivalent of having an extra apartment's worth of rent!

How might this smart idea work for your portfolio? Contact your local representative to add this built-in feature right away. Remember: **your** great ideas become On-Site.com.

The screenshot shows a software interface for lease management. The 'Lease Information' section includes fields for Tenants (Fred Flintstone, Wilma Flinstone), Property (Hilltop), Unit (A001), Agreement Start (9/28/2005), Agreement Length (6 month), Agreement End (3/30/2006), Rent, and Deposit. A calendar for May 2007 is displayed, with the 29th, 30th, and 31st highlighted in yellow. Below the calendar is a 'Lease Expirations' summary: Apr:1 | May:2 | Jun:0. The interface also features a 'Referred By' field, a 'Continue >>' button, and a 'Done' button at the bottom.

