



The Management Group Case Study

The Company: The Management Group (TMG)

Overview: TMG Eliminates Pet Restrictions, Experiences 80% Renewal Rate Among Pet Owners

Challenge | Finding an Alternative to Standard Pet Restrictions

The Management Group (TMG), an Atlanta-based multifamily property management firm, had ambitions of becoming one of the most pet-inclusive operators in the Southeast United States. Doing so involved a few bold moves. By eliminating breed and weight restrictions, adopting innovative pet technology resources, and elevating pet-friendliness to its full potential, TMG's revamp of pet policies has led to a tremendous 80% renewal rate among pet-owning residents.

Like many management companies, TMG had a standard set of pet policies including breed and weight restrictions. It became increasingly apparent that the Atlanta-based firm could benefit from a more modern approach. This was especially evident as more and more residents attempted to bring dogs in under the guise of an assistance animal, many of which were on TMG's restricted list.

When we would say, 'I'm sorry, that's not an assistance animal,' they would provide a fake certificate that we knew was available on the internet for \$25," said Jamin Harkness, partner and Executive Vice President of TMG. "We finally started scratching our heads and asking ourselves why we even had this rule and thought it must be due to our insurance requirements. In actuality, our provider had best practices recommendations, but no restricted breed list."

At that point, TMG realized that a more relevant pet policy was not only needed, but also attainable from a legal standpoint.

Solution, Part 1 | Eliminating Restrictions by Implementing New Pet- Tech Resources

Harkness and his team were eager to eliminate breed and weight restrictions, but knew it wasn't as simple as changing a few lines in the lease agreement.

"If we were going to move forward with the determination to make everything wide open, we needed to know how we could do this responsibly with owner buy-in," Harkness said.

TMG identified two resources in PetScreening, an online risk assessment tool, and PooPrints, which utilizes DNA profiling of pet waste to support eliminating restrictions responsibly and with owner endorsement.

THE RESULTS ARE IN

80%

increase in renewal rate

30%

increase in pet residency

\$160,000

more NOI

Solution, Part 2 | Making Community Amenities More Welcoming for Pets

With a solution for no breed or weight restrictions in place, TMG aimed to further cultivate the pet-friendly experience.

"For us, it doesn't end on day one when we say we love and welcome your pets," Harkness said. "In fact, it's just the beginning."

- Pets are invited on prospect tours to see if Spot likes the new digs.
- We keep treat jars and toys in the office and encourage residents to bring their pets in any time.
- We do at least five or six pet functions per year.
- We bring in pet photographers, we bring in a dog trainer, we do splash pads for pets, and so much more.

"The addition of our pet amenities happened both gradually and organically," said Harkness. "We simply listened to our residents and the reactions were overwhelming. Our bark parks are now used more than most of our pools, and residents have gotten to know each other better. Groups meet regularly every evening to run their pets and share a few margaritas. It's amazing what pets have been able to do for our resident interaction and sense of community."

Results | Boosted Renewal Rates, Wider Prospect Reach, Increased Efficiencies

"For us, anything above a 50% renewal rate is great," Harkness said. "And that's a pretty standard renewal rate for the industry. So, when I get 80%, it's amazing."

Harkness continues, "In the three years since changing our pet policy, we've seen our pet residency rise from 40% of units to 70% of units. Think about it: at a property with 250 units, that means 175 of those units house a pet. It also means that, at an 80% versus 50% renewal rate, we are seeing a minimum of 52.5 more units per year renewing. When I factor in our average vacancy loss and turn costs, that's over \$160,000 more NOI than what we were achieving previously."

Additionally, removing pet restrictions has allowed TMG to access more potential renters, giving them a distinct competitive advantage. "I have example after example of renters who visited one of our comp properties, then ended up renting from us because we were the one who would accept their pet," Harkness added. "Not only have we realized the growth of a happier, longer-tenured renter pool and enjoyed increased revenue, we've created a greater sense of community at our properties and helped people and pets stay together. That's a win-win no matter how you slice it."