

entrata

Hubbell Realty Company

CASE STUDY

LOCATION:

Des Moines, Iowa

COMMUNITIES/UNITS MANAGED:

6,461 apartment homes

PORTFOLIO:

Developed, Owned and Managed

PRODUCT:

Entrata® Pricing™

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THE CHALLENGE

FINDING A PLATFORM FOR PROACTIVE PRICING

In a multifamily world becoming increasingly streamlined, Hubbell Realty Company saw an opportunity to improve processes. The Iowa-based development and management firm wanted a proactive approach to pricing, but its existing software platform was a bit too clunky.

Unable to receive intuitive pricing insights from the fragmented software, Hubbell relied on a longstanding approach based upon spreadsheets and data from previous quarters. This reactive approach to pricing contributed to timing issues for new residents in addition to renewals.

“We didn’t really have control over what was being published and priced for renewals,” said Chris Corbin, project manager for Hubbell. “We would give instructions like, ‘OK, bump them 5%’ or ‘bump them X dollars out a year.’ But there was no formal process to control what was actually sent out as a renewal offer.”

Inconsistencies in the processes were compounded by a lack of visibility and control at the corporate level. It also prevented Hubbell from appointing an associate to oversee and manage pricing. This confluence of factors made it clear a cutting-edge pricing platform was needed.

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THE SOLUTION

ADOPTING ENTRATA PRICING FOR FLEXIBILITY AND CONTROL

The Hubbell team not only wanted to enhance its pricing measures. It also wanted to avoid disparate systems and adopt something of a one-stop shop. As such, Hubbell opted for the single-stack Entrata Pricing platform and has already implemented it at over half of its properties (53 of 68).

The move, which coincided with an overall migration to Entrata, was designed to empower regional managers to publish pricing weekly based on the platform's high-powered analytics. The fully integrated pricing tool also was added to provide increased visibility into metrics such as last executed lease, days vacant and competitor data. This added context allows Hubbell to make informed decisions with regard to built-in premiums, how to recapture vacancy costs and additional pricing measures.

"Having that data right there when they are publishing the new rates is extremely helpful," Corbin said. "For me, from an audit perspective, I like the ability to run a report to see how often we are overriding suggested optimized pricing and what the price difference is. And I will have a conversation with the regionals to understand what is going on."

The ability to be proactive in such situations was not feasible with the previous system, which didn't offer the types of immediate insights that allowed for quick pivots. The tech behind Entrata Pricing serves as a connective force, Corbin said, in that it spurs frequent conversations between regional and property managers surrounding pricing.



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THE RESULTS

EFFECTIVE AND EFFICIENT PRICING THAT BOOSTS ROI

The efficiency of the single-stack platform was among the most notable benefits of Entrata Pricing, but hardly the only one. It also allowed Hubbell to reduce administrative costs stemming from multiple platforms and lean on the expertise of a pricing consultant to keep pace with day-to-day pricing variances.

“Before, it was: ‘Let’s analyze all of our rates for all of our floor plans, let’s go through this, long arduous process,’” Corbin said. “Then, let’s get it over to a guy and he’s going to take some time to do it, and then those are our new rates for the year maybe or a couple of months. ... Entrata Pricing has allowed us to reduce vacancy—and give our team members power to do that easily—and build the framework to increase rates.”

As a result, Hubbell improved ROI on base rents across the portfolio by an average of 1.4% leading to a 359% ROI on base + amenity rents. At the same time, the company saw reduced vacancy. Additionally, the average lease term among Hubbell residents has increased by two months and the company has been able to lower turn costs in the process.

The streamlined weekly pricing processes and customized parameters have simultaneously empowered Hubbell team members and heightened their accountability. It has also eliminated much of the need for many of the tedious manual tasks surrounding pricing and given them some of their valuable time back to focus on high-level initiatives.

“I think it’s given them a tool to create a sense of urgency for prospects,” Corbin said. “The message is: This price could change tomorrow—if you want to lock this in, here’s the quote and you have 48 hours to apply. From there we will do a lease.”

In addition to recalibrating rents and limiting vacancy in a post-pandemic world, Hubbell also can contribute feedback pertaining to the ongoing innovation of the pricing tool and benefit from the added features and enhancements.

ROI With Entrata Pricing:
Base + Amenity Rent

359%



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