

The Resident is NOT The Problem!

**"How To Handle Resident *Problems*
And *Problem Residents*"**

Presented to:

Indiana Apartment Association

Tuesday, October 9, 2018

Presented By:

Rick Ellis, CAM, CPM



Rick Ellis, CAM, CPM

EllisConsulting.com

6230 N. Beltline Road, Suite 318

Irving, Texas 75063

(972) 256-7500

rick.ellis@ellisconsulting.com

www.ellisconsulting.com

Meet Rick Ellis, CAM, CPM ELLIS Consulting Group, Inc.



Rick Ellis is a noted consultant and speaker who has served the apartment industry for more than 38 years. His property management career began as an on-site assistant manager/leasing consultant with additional responsibilities as groundskeeper on the weekends! By the age of 28, Rick directed a portfolio of over 5,000 apartment units located primarily in the southwest United States. As Vice President of property management, he took the fast-growing management division of a major 1980s syndication group from its infancy to a mature, effective management company.

Seeing a need for "executive-level" property management operations and marketing consulting, Rick formed **ELLIS Consulting Group** (formerly EPMS) in 1984. For more than 34 years, **ELLIS** has provided an array of services to the apartment industry including special problem consulting, market comparable studies, feasibility studies, and his company's unique "Marketing Observations and Recommendations" reports. The company also specializes in "off-site property management," under the name ELLIS HomeSource with a portfolio of more than 320 single-family homes, duplexes, condos, and small clusters of residential units. ELLIS HomeSource is one of the first off-site management companies to earn the prestigious AMO (Accredited Management Organization) designation from the Institute of Real Estate Management.

Speaking and training come natural to Rick. Not only does he always have plenty to say, his "first" career as a minister for the Church of Christ allowed him the opportunity to develop his unique, personable, and warm speaking style. Rick's seminar topics include everything from his popular "LEASEMAKERS" Comprehensive Leasing Program, to "Big League Marketing on a Little League Budget," and his "Economics of Apartment Management" series that focuses on increasing NOI (Net Operating Income). His fundamental approach to property management training is simple and straightforward . . . "People are Important! Once the people are ready and properly prepared, everything else falls into place. You will see Rick's articles in a number of industry publications throughout the country. A monthly newsletter, *ON-SITE Insights*, he wrote and published for the apartment on-site folks of a major Dallas-based family of REIT's, was twice awarded first place in IREM's national employee newsletter contest.

Rick holds the CPM, Certified Property Manager, designation and his management company, holds the AMO, *Accredited Management Organization*, designation from the Institute of Real Estate Management (operating under ELLIS HomeSource.) Rick earned a B.S. in 1977 and a MA in 1979 from Abilene Christian University. He holds a Texas Real Estate Broker License and is an Eagle Scout.

Rick lives in Coppell, TX, with wife, Diane, and their Cavalier Spaniels, Marley, Bree, and Belle.. They live just minutes from the ELLIS Companies world headquarters in Irving. Rick has two sons, J.R. (28) who sells apartments for Marcus & Millichap in Austin and Phillip (25) who lives in Madrid and teaches English at a low income public elementary school. Rick and Diane are active through church, country dancing, movies, travel, and discussions about religion and politics! The Ellis family enjoys working out, racquetball, sporting events, music, and hanging out at Starbucks. Life is good. They feel blessed!

Rick Ellis, CPM
ELLIS Consulting Group, Inc.
6230 N. Beltline Road, Suite 318
Irving, TX 75063
809191-re



972-256-7500
rick.ellis@ellisconsulting.com
www.ellisconsulting.com

The

RESIDENT

is Not a Problem

They are the Reason

We Exist!

Apartment Management: A “People” Business!

So, Who is the #1 “People”
in this Business?

Our Most Important Customer:

1. _____
2. _____
3. _____

And What is Our #1 Priority in Terms of
This Most Important “People?”

(_____)

WHAT IS A RESIDENT?

☺ **A Resident** is the most important person ever in this office . . . in person, on the telephone, via the Internet or by mail.

☺ **A Resident** is not dependent on us . . . we are dependent on them.

☺ **A Resident** is not an interruption of our work . . . they are the purpose of it. We are not doing a favor by serving them . . . they are doing us a favor by giving us the opportunity to do so.

☺ **A Resident** is not someone to argue or match wits with. Nobody ever won an argument with a Resident.

☺ **A Resident** is a person who brings us their wants. It is our job to handle these profitably for them and ourselves.

“Resident” *Problems* or “*Problem*” Residents ... Know the Difference!

“Resident *Problems*”

1. Slow response to Service Requests - Second Requests
2. Uncompleted Service Requests - Call Backs
3. Noisy or Misbehaving Neighbors
4. Crime - Theft, Vandalism, Physical Violence
5. Conflict with the On-site Staff
6. Convenience Problems
7. ANYTHING a Resident "perceives" as a problem

A RESIDENT is NEVER a "problem" because they give grief or inconvenience to the on-site staff. The Resident with a Problem is why the on-site staff exists! The Resident only becomes a problem when one or more of the three items below come into play.

“*Problem* Residents”

1. The Resident does not pay their rent.
2. The Resident damages the property.
3. The Resident is a Bad Neighbor - causing problems for the other Residents in your community.

3 Essential Rules Of Resident Service

1. The Resident is Always Right!
2. When the Resident is Wrong,
See Rule #1
3. The Resident Talks (and Talks,
and Talks, and Talks) - We Listen

***"Problems are not stop signs . . .
they are guidelines."***

~ Robert Schuller

GETTING INTO THE RIGHT MIND FRAME

To Effectively Handle Resident Problems and Problem Residents

"My life is in the hands of any fool who makes me lose my temper."

Joseph Hunter

1. "COPE" - Instead of Hating, Quitting, or Copping Out

- Coping: To contend on equal terms.

2. DON'T TAKE IT PERSONALLY

- They are not "attacking" you . . . you're just the filter.

3. KEEP YOUR COOL

- If you are right, there's no reason to lose your temper. If you're wrong, you can't afford to lose it.

"People who fight fire with fire usually end up with ashes."

~ Abigail Van Buren

4. LISTEN WITH EMPATHY

- *"BE KIND . . . Everyone you meet is fighting a tough battle."*

- Make every Resident's problem special and important.

5. DON'T EXPECT TO WIN THEM ALL

- No matter how patient, helpful, and understanding you are, a small percentage of irate Residents cannot be satisfied.

- Some Residents are just plain "angry" and get their satisfaction from giving others "hell."

- Last resort: "If we are going to continue to do business, it has to be a good deal for both of us."

6. IT'S YOUR CHOICE! YOU CAN REACT DEFENSIVE OR HELPFULLY

- Reacting to angry Residents with a defensive attitude is only asking for more abuse.

- We teach others how to treat us with our own behavior.

- If Residents are continually mistreating you, chances are you are "cooperating" with the treatment.

**CHOOSE TO BE HELPFUL, KIND, EMPATHETIC,
AND SOLUTIONS ORIENTED!**

Creative Tips For Dealing With Resident Problems

1. **TREAT PEOPLE RIGHT** - Always be Friendly, Enthusiastic, and Professional (FEP).
2. **EACH PROBLEM IS SPECIAL** - Although a problem may be routine for you - one you solve many times each day - it is special and unique to the Resident. Treat it that way.
3. **DON'T TRY TO CHANGE THE RESIDENT** - Accept people for what they are. The only person you can change is you.
4. **KEEP AN OPEN MIND** - Don't use "ALREADY - ALWAYS" listening. That means you ALREADY know what the other person is going to say because they ALWAYS say it, so we LISTEN to what's going on in our head instead of what the Resident is REALLY SAYING.
5. **KEEP ALL PROMISES** - Be careful what you say, and always DO WHAT YOU SAY YOU'RE GOING TO DO!
6. **RESTATE THE PROBLEM** - This shows the Resident you are really listening and helps to eliminate errors.
 - ✓ "Let me make sure I understand what you're saying . . . "
 - ✓ "Let me see if I got this correctly . . . "
7. **ASK "How Would You Like Me to Solve This Problem?"** - The Resident may have an easy, cheap solution. Most people want less than we think they do, so get their ideas first.
 - "Do you have any ideas how we might resolve this?"
8. **DON'T TELL THE RESIDENT "YOU HAVE TO"** - No one likes to be told they "have to" do anything. Besides, the Resident doesn't "have to" obey the lease or pay rent. He can choose to do otherwise. Create an atmosphere of cooperation and get the Resident to "sign on" a solution that will benefit him.
9. **DON'T HIDE BEHIND COMPANY POLICY** - Effective Resident service requires you to do the right thing . . . not to do things right. Sometimes the right thing is not what policy says.
10. **REMEMBER; YOU ARE "SELLING"** - Every encounter with the Resident is a reselling of your community. You are selling the Resident to pay their rent, follow the community guidelines, be considerate of their neighbors, etc. Most important, you are selling this Resident on renewing their lease!
11. **THANK THE RESIDENT** - Say THANKS to the Resident for their "complaint" - even if you have to bite your tongue.

Handling an Irate Resident on the Phone

1. **REMAIN CALM** . . . pleasant, concerned, and sincere. Treat this angry Resident as friendly and genuinely as you did the day you first leased them the apartment.
2. **LISTEN** . . . do not interrupt. An irate Resident is full of the poison of anger and frustration. Let them get it out of their system. Then they will feel better and be more open to your suggestions. Remember, the "abuse" will not be so painful if you don't take it personally.
 - ✓ Indicate that you are taking notes so you can clearly understand.
 - ✓ Probe for additional information. Get all the facts. Ask questions.
 - ✓ Make sure to get the phone numbers and address. Email address too!
3. **CREATE "RELATIONSHIP"**
 - ✓ Use the Resident's Name - This will diffuse the heated situation. Their name is the sweetest word to the Resident's ears.
 - ✓ Empathize and Apologize - Let the Resident know you are concerned about their problem. Apologize for the "misunderstanding."
 - ✓ Don't be Judgmental - Regardless of what you think is right, the goal is to make the Resident happy so they will stay longer.
 - ✓ Don't Argue - You can never win an argument with a Resident. If you win, you lose!
 - ✓ If the Resident screams, respond by lowering your voice. Never yell back. That's like pouring gas on a fire!
4. **SEEK SOLUTIONS**
 - ✓ Ask the Resident what they would like you to do.
 - ✓ Assure the Resident the situation will be resolved in a satisfactory manner.
 - ✓ Let the Resident know specifically what you can do and what you cannot do.
 - ✓ Explore options. Come up with a plan that will be agreeable to both parties.
 - ✓ Be prepared to invest in the Resident to buy back satisfaction
5. **REVIEW MUTUAL UNDERSTANDING**
 - ✓ Confirm agreements and the "next" steps.
 - ✓ Verify phone numbers, address, details of problem, actions you will take, etc.
 - ✓ Give the Resident your name, position, phone number, email, etc.
 - ✓ Give the Resident a general time frame for getting back to them.
6. **FOLLOW-UP**
 - ✓ Sincerely thank the Resident for their call.
 - ✓ Take immediate action. **DO IT NOW!**
 - ✓ Email or text a quick note to the Resident confirming what you'll do.
 - ✓ Follow-up personally with Resident at the appropriate time.

Use this uncomfortable situation as an opportunity to reaffirm to the Resident your concern about their happiness and satisfaction. Properly handling this irate Resident could be the single deciding factor in his decision to renew his lease.

***Nothing You Can Do Is More Important Than Winning Back an Unhappy Resident
And Solving His Problems So They Will Not Happen Again.***

Rick Ellis, CPM
ELLIS Consulting Group, Inc.
6230 N. Beltline Road, Suite 318
Irving, TX 75063
809191-re



972-256-7500
rick.ellis@ellisconsulting.com
www.ellisconsulting.com

I HAVE A CHOICE!

1. **EVERY DAY IT IS MY DECISION!**
 Happy or Sad! Contented or Dissatisfied! Interested or Bored!
 In the Zone or Zoned out? On track or Derailed? Full of life or just full of it?
2. **MY CHOICE HAS NOTHING TO DO WITH MY FEELINGS!**
 Feelings just happen . . . they aren't right or wrong.
3. **I CAN'T CONTROL MY FEELINGS, BUT I CAN CONTROL MY ACTIONS!**
 I choose how I will allow my feelings to affect my actions. My feelings must not control my actions.
4. **I CAN'T CONTROL HOW OTHERS ACT NOR HOW I FEEL ABOUT THEIR ACTIONS: BUT I CAN CONTROL HOW I REACT TO THEIR ACTIONS.**
 React first with my head, then with my heart. It takes years of maturity and much wisdom to be able to react with my heart alone!
5. **ACT MY WAY INTO A BETTER WAY OF FEELING!**
 Act happy, pleasant, satisfied, hopeful, positive, and GUARANTEED, I will FEEL better.
 Act the way you want to feel and soon you'll feel the way you want to act!

I CHOOSE HOW I AM TREATING OTHERS AND MYSELF.

I CAN CHOOSE TO TREAT PEOPLE RIGHT.

Thermometer or Thermostat

A principle to help me practice choosing!

*** THERMOMETER**
 I allow others or the situation to control me; I merely reflect the temperature of a given situation!

OR

*** THERMOSTAT**
 I set the temperature with my presence by bringing situations to a comfortable level.

HOT / COLD

COMFORTABLE

