

Klingbeil Capital Management Uses FacilGo® To Document Renovations and Improve ROI

Company Overview

Klingbeil Capital Management

Founded in 1959, Klingbeil Capital Management (KCM) pioneered the community concept in apartment living and was one of the first companies to offer the lifestyle conveniences that make apartment living desirable. Klingbeil believes that a connected, attentive and inclusive atmosphere is vital. Their mission is to make it easy for residents to find a high-quality home, where they can enjoy exemplary service and amenities in a convenient location. Klingbeil's motto is "Love where you live."

One of the ways that KCM balances the delivery of a great residential living experience with strong returns for investors is through renovation innovation. The KCM team brings exceptional talent in construction, renovation, design, and market repositioning and that has fueled KCM's success in renovation projects over the years.

The Challenge

Maintaining Accurate Information about Every Apartment

The KCM Construction and Renovation Team visually transforms properties by performing full interior and exterior rehabilitations, including modernizing unit interiors with new finish packages, upgraded appliances, washer/dryer additions and floorplan conversions. However, with so many units under renovation simultaneously, one of the main challenges faced by the KCM team was keeping track of exactly what amenities were available in each unit after a renovation. This information is critical because it enables the Property Management team, who is responsible for marketing and leasing, to create accurate listings and to ensure that prospective residents see only available units that fit their requirements. It also allows KCM property management staff to be more efficient when showing properties and the KCM leasing team to fine-tune rental rates based on amenities.

"With FacilGo, we've been able to execute inspections on all of our renovations immediately after they're completed. With FacilGo we have accurate information about the finishes, appliances and amenities that are specific to each apartment home. Without this accurate information we wouldn't be able to market our product and maximize the return on our renovation spend."

Louise Santana, SVP Asset Management & IT Klingbeil Capital Management, Ltd.

The Solution: FacilGo Renovations

The Klingbeil Capital Management executive team determined that a manual approach was no longer sufficient to support their scale and that it needed a modern software system to automate renovation inspections that would enable them to capture a detailed floorplan and all amenities offered in every unit. After reviewing multiple solutions on the market, they selected and deployed the FacilGo Renovations Solution.

The FacilGo Renovations Solution is a mobile and web-based application that allows for monitoring of renovation execution (project management), calculations of return on investment (ROI), procurement of products and services as well as pre- and post-renovation inspections. It is the only solution on the market that supports the planning and execution of the renovation supporting actual vs. pro-forma data analysis.

KCM had numerous reasons for selecting the FacilGo Renovations solution:

- FacilGo was easy to use with an intuitive smartphone app that can work not only while fully connected to the internet but also poorly connected or even completely offline.
- FacilGo provides accurate amenity information including post-renovation pictures to streamline listing creation and ensure accuracy in order to quickly lease units for the maximum rent possible
- Unlike other offerings on the market, FacilGo did not force Klingbeil to procure renovation supplies through the FacilGo application. While the FacilGo Marketplace does provide access to a product and service supplier network, customers are not required to utilize the functionality if they have preferred procurement processes.

Particularly important to KCM was the post-renovation inspection functionality which allows them to document new floorplans, finishes, appliances and amenities in each unit. Once a renovation is complete, the local KCM property staff member walks the unit to take photos of the finishes and document the amenities in the apartment. This data is then pushed into the accounting system to support amenity based pricing calculations.

How Klingbeil Benefits from the use of FacilGo Renovations

According to the KCM team, the biggest improvement in the KCM process is the ability to fine-tune their amenity-based pricing. With FacilGo, KCM can precisely document the finished product end state and then flow all of the features of that apartment into the property management and accounting system to optimize pricing.

The accuracy of this information is important to Klingbeil for several reasons:

- It delivers a positive experience for prospects – there is nothing worse than a prospect spending time to look at a property that claimed wood floors in the kitchen when in fact the flooring is actually tile.
- By the same token, it improves the efficiency of property management staff by ensuring that they are spending their time showing units where the prospect has already vetted the details online and has a high level of interest.
- With accurate listing info, Klingbeil can optimize rents, time to revenue and, ultimately, net operating income (NOI).

According to the KCM team, having the ability to store and archive images of the unit renovations creates a permanent record of the features and condition of the units. This archive of information creates efficiencies in many areas, including marketing, pricing, resident move-in and move-out inspections, and more.

The Bottom Line

Klingbeil is leveraging FacilGo to improve staff efficiency, enhance the experience for prospective residents, optimize pricing for every renovated unit, and ultimately, maximize NOI and ROI for their investors.