

Market Research

In order to provide a helpful recommendation to Zaragon Place for their improvement, we found it necessary to evaluate the competitors in the market to ascertain what they do well. To do this, we took two approaches. First, we looked into apartment buildings that took a similar approach to Zaragon Place; that is, we looked at large, high-rise apartment buildings with great location and/or high-quality apartments. For us, these apartments were University Towers and Sterling 411 Lofts.

Second, we looked at some of the primary housing companies in Ann Arbor that own and manage various small-scale apartment buildings and houses across campus. Because there are countless of these companies in Ann Arbor, we narrowed our research to those companies that own over 15 properties with at least 1 of these properties in a comparative location to the Diag with respect to Zaragon Place. These housing companies are Prime Student Housing, CMB Management, Arch Realty, Campus Realty, Varsity Management, and Dan's Houses.

In researching the aforementioned properties and companies, we looked into how they approach each of the key characteristics of housing in Ann Arbor. After discussion, we determined these key characteristics were parking, utilities, rent payments, amenities, and pricing. Below is our analysis based on this framework.

Competitive Analysis

Other Large Apartment Buildings

University Towers (www.universitytowers-mi.com)

A. Webpage – Immediately on their front page, University Towers stresses their strengths of value and location, as they are conveniently located at the corner of South University and South Forest, calling their self “The Intelligent Choice...” They put the idea of value into quantitative proof by stating you can save over \$6000 per year by living there. Further, they tell that their rates include heat, water, and furniture. The website allows the potential tenant to become more comfortable by offering testimonials on the website as well as listing their awards in the past (i.e. Michigan Daily “Best Apartment”). Their lease, rules and regulations, and roommate match forms are all listed on their website. Finally, recognizing the diversity of their tenants, University Towers has a “Student Resources” tab on the website, listing various student organizations (e.g. Taiwanese Student Organization) and useful links for the tenants’ convenience and comfort.

B. Building Rules and Qualities – Even though they are not viewed as having high quality living, University Towers combats this by offering several leasing specials and amenities. Their building offers a rooftop swimming pool, a TV lounge, a study lounge, an exercise room, a laundry room, a piano, a pool table, and a ping-pong table. Also, they offer monthly continental breakfasts, lobby vending machines, and a 24-hour lobby attendant. Tenants must pay a holding fee and a processing fee upon their signing of a lease. There is a \$20-30 late fee for late rent and \$25 fee for dishonored checks. As a part of their roommate match process, they advertise a Single Liability Lease.

C. Recommendations – A “Useful Links” tab on a website gives the tenant much more convenience, especially if they are new to the area. If the Zaragon Place website could add this, it could help the tenants to feel more comfortable with the area as well as offer more of a community feel. Also, offering some testimonials from residents allows a potential tenant to become more comfortable. Because Zaragon Place has a high frequency of good resident experiences, this could be an easy but effective addition to the website. Adding some kind of community resource such as a lounge or a pool table would allow the residents to unite to form a more community feel. Finally, showing a lease and some rules of Zaragon Place on the website will allow one on their apartment search to become more familiar with policies and living experiences in the building.

Sterling 411 Lofts (www.sterlinghousing.com)

A. Webpage – The main page of the website focuses primarily on pictures of the apartment with very few words. As you scroll down, there is a small description of the site. They advertise their building as “Modern Living, Your Way,” focusing on “style, comfort, and quality.” There is a “Why Sterling 411 Lofts” tab that emphasizes the good location of their building, 2 blocks from central campus, and that their building was designed for college students and not general tenants. Also, they dedicate a large portion of their site to talk about how their building is very “green” and how this will save residents money on rent and utilities. They mention many times the AATA bus stop directly in front of their building. The site has a “Resident Area” that moves away from advertising and more toward community, offering a calendar of events and useful links and phone numbers for area attractions.

B. Building Rules and Qualities – Stressing the community feel of their building, they offer a 10th floor sky-lounge which has a pool table, fitness center, study room, TV, and laundry room. Rent can be paid to through their office or online at www.rentpayment.com for the tenants’ convenience. Utilities, including electricity, water, gas, A/C, TV, and Internet, are all included in a flat rate (\$129 per person for 1, 2, and 3 bedrooms and \$99 per person for 4 bedrooms). Also, flat-screen TVs are available in each bedroom for an additional charge of \$20. The staff is available 24 hours every day for any problems. Offer specials for renting such as \$0 application fee and the choice of a \$0 security deposit or \$300 Visa gift card with signing.

C. Recommendations – The convenience of paying rent online is a secure time-saver that many residents would value. This would be an easy switch for Zaragon Place to make but at the same time a very effective tool to keep residents happy. The more information present on a website, the more comfortable it makes a potential tenant in looking. If Zaragon Place could add more in depth descriptions about their services, features, and policies on their site, it would attract more residents. Further, making the site more operational for residents to find out about community activities within the building and submit maintenance requests would allow Zaragon Place to be more effective internally. Offering utilities as a flat monthly rate would also make residents more comfortable in knowing exactly how much they will be paying each month for rent and utilities and could end up making Zaragon Place more money. Finally, offering specials such as gift cards to Replenish or Revive could help in lowering the vacancies in Zaragon Place.