

Revenue Management Using Rental Rate-Push

SiteLink 12/01

What Is Rental Rate-Push?

SiteLink users can enhance occupancy levels and revenues by adjusting rental rates according to the staleness of inventory. When occupancy is high, rates should be increased, and when they are low then rates should be decreased. Either way, income benefits from higher rates or higher occupancy.

When Should Rate-Push Be Used?

Rate-push is a strategy that is normally applied to facilities with stabilized occupancy rates. When occupancy is low, special promotions are more commonly used than rate-push strategies.

How Does Rate-Push Work in SiteLink?

During move-in, SiteLink prompts (or “pushes”) the site manager to change the rental rate from its standard rate. Push-rates are shown along with standard rent on the SiteLink Move-In screen, and the user can pick one or the other, as shown below.

If the site manager needs to quote a price, the SiteLink Price List Report gives both standard and push rental rates, along with availability. This report, shown on the next page, can be printed daily to reflect changing rental push-rates.

The screenshot displays the 'New Rental of Unit A01 [Training]' window. It features a table of unit inventory with the following data:

Unit Type	Unit	Size	Rent	PushRent	Power	Climate	Inside	Alarm	Floor
RV Parking	R002	15x20	\$125.00						1
RV Parking	R003	15x20	\$125.00						1
RV Parking	R004	15x20	\$125.00						1
Self Storage	100	9.5x20	\$50.00						1
Self Storage	101	10x20	\$50.00						1
Self Storage	102	10x20	\$50.00						1
Self Storage	103	10x20	\$50.00						1
Self Storage	104	10x20	\$50.00						1
Self Storage	105	10x20	\$50.00						1
Self Storage	106	10x20	\$50.00						1
Self Storage	107	10x20	\$50.00						1
Self Storage	108	10x20	\$50.00						1
Self Storage	109	10x20	\$50.00						1
Self Storage	A01	5x5	\$43.00	\$38.70					1
Self Storage	A04	5x5	\$43.00	\$38.70					1
Self Storage	B03	5x10	\$65.00		Y	Y			1
Self Storage	B04	5x10	\$65.00		Y	Y			1
Self Storage	B05	5x10	\$65.00		Y	Y			1

Summary Panel (Unit A01):

- Std Monthly Rent: \$43.00
- Tenant's Rent: \$43.00
- Start: 11/29/01
- End: 11/30/01
- Amount: \$2.87
- Start: 12/01/01
- End: 12/31/01
- Amount: \$43.00
- Rate: \$43.00

Tenant Move-In: 11/29/2001

Total Charges Due: \$55.87

When users view unit inventory during move-in, SiteLink can show the Push-Rent that is calculated from the criteria setup from the Rate Push Schedule screen (next page).

Price List & Availability

For Thursday Nov 29, 2001

AAA Self Storage 1500 Palmetto Drive Raleigh, NC 27615

Type: RV Parking		Monthly				Weekly			Total	Occ	Vac
Size	SQFT	PushRate	Std Rent	Tax	Total Rent	Wkly Rent	Tax	Total Rent			
15x20	300		\$125.00	\$0.00	\$125.00	\$28.85	\$0.00	\$28.85	4	1	3
SubTot 1									4	1	3

Type: Self Storage		Monthly				Weekly			Total	Occ	Vac
Size	SQFT	PushRate	Std Rent	Tax	Total Rent	Wkly Rent	Tax	Total Rent			
5x5	25	\$38.70	\$43.00	\$0.00	\$43.00	\$9.92	\$0.00	\$9.92	4	2	2
5.5x5	27.5	\$47.30	\$43.00	\$0.00	\$43.00	\$9.92	\$0.00	\$9.92	1	1	0
5x10	50		\$45.00	\$0.00	\$45.00	\$10.38	\$0.00	\$10.38	1	1	0
5x10	50		\$65.00	\$0.00	\$65.00	\$15.00	\$0.00	\$15.00	4	1	3
9.5x20	190		\$50.00	\$0.00	\$50.00	\$11.54	\$0.00	\$11.54	1	0	1
10x20	200		\$50.00	\$0.00	\$50.00	\$11.54	\$0.00	\$11.54	9	0	9
SubTot 6									20	5	15

Total	7								24	6	18
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How Do I Setup Rate-Push?

The push rate is a percentage change from a unit's default standard rent following seven occupancy bands, as shown below. The percentage change in rent is adjusted to reflect length of time units have remained at that level of occupancy. Negative % changes in the matrix correspond to rate decreases, while a positive % increases the rental rate.

Rent-push is applied according to occupancy by size and unit type. For example, a 10x20 "Self-Storage" unit is tracked separately from a 10x20 "RV Parking" unit.

Adaptive Rent Change

Rate-Push Schedule
Enter a % rate changes for new rental rates that the site manager will be prompted to use when a tenant moves-in. 0% means the default Std Rent is used, and a negative % is a rate decrease.

Custom Push Schedule		Days At Occupancy Level						
Band	% Occupancy	0-30	31-60	61-90	91-120	121-180	>180	
1	95	100.0	0%	2%	3%	5%	7%	10%
2	87.5	94.5	0%	0%	0%	0%	0%	0%
3	85	87	0%	0%	0%	-3%	-3%	-3%
4	80	84.5	0%	0%	0%	-5%	-5%	-5%
5	75	79.5	0%	0%	0%	0%	-8%	-10%
6	50	74.5	0%	0%	0%	0%	0%	-10%
7	0	49.5	0%	0%	0%	0%	0%	0%

What is Rental Rate Push?
Occupancy rates and revenues can be enhanced by changing rental rates according to the "staleness" of inventory. When occupancy is high, rates are increased, and when they are low then rates are decreased. Normally, the site manager is prompted to change the rate when moving-in a tenant.

When Should Rate-Push Be Used?
Rate-push is a strategy that is normally applied to facilities with stabilized occupancy rates. When occupancy is low, special promotions are more commonly used than rate-push strategies.

How Does It Work?
When a tenant moves-in the operator is prompted to change the rental rate from its standard rate. The percentage change from a unit's default standard rent is defined by a matrix of occupancy bands for each unit type and the customer band.

Select Plan

 None (always use Std Rent)
 Use Default Rate-Push Matrix
 Use Custom Rate-Push Matrix