



## **Joel Nelson - New property management products drive cost, efficiency benefits for Ascentia**

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Until fairly recently, operating a residential land lease business was fairly straightforward: Move people in, collect rent, cross them off the ledger when they leave, and generate some basic reports. None of this required much in the way of technology investment. However, residential property management has been increasingly characterized in recent years by growing competition, increasing pressure on owners and managers to lower operational costs and more stringent owner/director oversight. Companies with outdated technology found their resources inadequate for meeting the new demands, and inefficiencies drained money and staff time.

Such was the scenario faced by Littleton, Colorado-based Ascentia (formerly known as Colorado Real Estate & Investment Co.), which develops and manages land lease communities in eight states. "In common with other land lease community operators, we reached a stage where we needed dynamic new technology that could generate more sophisticated reports on financial issues and key performance indicators, not just record rent rolls and collections," said David Barnhill, Ascentia's director of accounting.

In 2009 Ascentia undertook a thorough examination of its property management and accounting system. "We realized that it was pretty antiquated. To stay competitive we needed to better leverage guest card information, and our owners wanted deeper insight into our financials. In addition, we were spending more than we should processing invoices and recovering utility expenses. Clearly we needed to change," Barnhill said.

By 2010 Ascentia was seeking a new property management and accounting platform that would deliver the level of sophistication it needed. After winnowing an initial slate of 20 software providers to six finalists, Ascentia adopted Yardi Voyager that August. The impact was immediate. "Voyager has been a catalyst for major changes to our organization, both in the field and in the corporate office," Barnhill said. "Easy access to real-time information created a new degree of transparency. We now have analytics on such key performance indicators as delinquencies and occupancies, move-ins and move-outs, and guest card applications. We can create account trees, and we have a clearer understanding now of how many prospects visiting our properties end up signing leases, and we don't have to scramble to find lease expiration data."

Barnhill continued, "Instead of creating a six-inch-thick paper report, we can show our owners all the figures on a screen and immediately drill down to source information. We can enforce our move-in, move-out, guest card and collections policies uniformly, and we can easily reference original documents stored in Voyager. All of this has given our executives a comfort level they didn't previously have.

"The platform helps position us well to grow the company into new business lines, including apartments, offices and other commercial real estate properties, as well as expand our land lease

community holdings. The scalability it gives us is a huge part of enabling our growth."

In another step efficiency-minded step, Ascentia added Yardi PAYscan to Yardi Voyager to automate the accounts payable approval process. "Our old system just spat out checks after we had shuffled reams of paper invoices and approval sheets between our field offices and corporate headquarters. Now, with automated workflow and electronic processing, we complete our invoice processing 40% faster, with virtually no paper," Barnhill said.

Whereas Ascentia previously paid around \$500,000 in annual IT service fees, "Voyager and PAYscan are a small fraction of that," according to Barnhill. "Along with saving money, we have gained 16% in revenue due to more secure processes, including better tracking and accounting of all rent revenue. In addition, Voyager provides a marketing advantage for us as a third-party fee manager; potential clients are reassured knowing we have an outstanding reporting system. We can recruit additional business without adding accounting staff, which wasn't possible with our old system."

"Voyager does so much that our previous system didn't handle, it was almost overwhelming at first. But our people in the field have the same ready access to information as the corporate office, and centralizing data entry at Corporate relieves them of much of that task so they can focus on leasing. The Yardi products really have blown up everything we do, in a positive way."

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