



TAKING A STRATEGIC APPROACH TO TENANT RETENTION AMID THE PANDEMIC

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BRANCBURG, NJ, June 18, 2020 — The mass layoffs, furloughs, and cessation of almost all economic activity brought on by COVID-19 have caused deep financial strain on all Americans. As the operator of over 2,000 residential rental units spread across 22 communities in New Jersey and Pennsylvania we've experienced firsthand how the pandemic has impacted our tenants. Both New Jersey and Pennsylvania have seen a more than a 400% increase in unemployment claims in 2020 compared to 2019. Financial uncertainty and in many cases loss of total income has strained bank accounts leaving many unable to pay their bills including their rent.

Family -owned and operated for more than 50 years; we know the critical role that home plays in providing security. The stress and uncertainty of the pandemic has amplified the need for this security. To assist our tenants during this unprecedented time, we implemented a retention and relief strategy to make it possible for them to remain in their homes and apartment rentals while ensuring we had the resources in place to continue to provide our signature high-level residential property management services across our leasing portfolio.

Our tenant assistance efforts began with informing each of our residential tenants that they could apply their security deposit toward part or all of their April rent. As tenants have at least one month's rent in their security deposit, we knew that this initiative would bridge the immediate financial gulf for many, allowing them to pay the month's rent without further draining their financial resources during the crisis. For tenants that chose this option, we've worked with them to create payment plans to ensure that the security deposit is paid back over the course of tenants' leases protecting both the tenant and our company. We also waived all late payment penalties during the month of April to make sure residents could still pay their rent even if it was past the traditional due date to help lessen the burden.

Many leases were also set to expire during the pandemic which provided another opportunity for us to not only retain our tenants but to be able to provide some additional relief. Over a ten-day period at the start of the renewal month, we provided any tenant signing a new 12-month lease the opportunity to lock in their current rent with no increases until June 2021. This resulted in a significant number of renewals allowing us to increase retention rates while providing us with a more accurate analysis of potential vacancy issues informing our leasing strategies to increase occupancy where needed.

Throughout the pandemic we've proudly remained an active part of residential communities. To spread positivity and help those in need, we started a social media campaign encouraging our residents to share drawings of rainbows for us to share across our social media accounts. For every rainbow we received, we made a donation to local area food banks. Through this initiative and the participation of tenants, we have donated 2,400 meals to our local communities and provided direct assistance to those in need.



Through our retention and relief strategy we've been able to provide our tenants with a sense of security during highly uncertain times by being able to remain in their homes. Our strategy has ensured that organizationally we are able to properly maintain our resources across our portfolio to position us for continued growth and success post-pandemic. In the long-term, our efforts will further cement our relationships with our tenants building a stronger sense of community.

About Larken Associates

Larken Associates is a regional leader in commercial real estate and residential building, development and management. Leveraging over 50 years of experience, they are dedicated to bringing great spaces to live and work to life through a long-term ownership strategy and full suite of in-house capabilities. With a diverse commercial portfolio consisting of nearly three million square feet and 800 tenants across office, industrial, retail and mixed-use and approximately 2,000 owned and/or managed residential units across 22 unique communities, Larken Associates' is deeply committed to the communities in which they work as well as the tenants and residents who call their buildings home.

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