

SPECIAL ISSUE INTRODUCTION
MULTIFAMILY HOUSING

Rosemary Carucci Goss and Carla C. Earhart

THE EVOLUTION OF RESIDENTIAL PROPERTY MANAGEMENT: FROM CARETAKER TO INCOME MAXIMIZATION MANAGERS

Rosemary Carucci Goss and Howard L. Campbell

The professional management of residential rental real estate in the United States had its true beginning during the Great Depression; however, the evolution began much earlier and continues today. This article addressed the evolving role of rental housing resulting from economic, demographic, social, and political changes. Using this historical framework, the authors traced the evolution of the role of the property manager from “caretaker” to “emerging professional manager” to “sales and marketing manager” to the “income maximization manager” of today.

ASSESSING THE NEED: THE MULTIFAMILY HOUSING INDUSTRY, THE UNIVERSITIES, AND THE NEXT GENERATION OF PROPERTY MANAGERS

Andrew T. Carswell and Deborah R. Phillips

Residential property management (RPM) is an academic program offered increasingly more in today’s colleges and universities. Due to the nascence of these programs, there has been no research performed on their overall effectiveness. This case study analyzed the results from surveys provided to both RPM students prospectively entering the multifamily work force and executives within established property management firms. The student survey examined variables that best prove successful in generating interest in RPM classes or in choosing RPM as a desired field of study. The executive survey determined which types of firms would most support the hiring of university-trained students. In addition, the executive survey provided insights on the types of subject matter for RPM personnel, which is helpful as RPM programs continue to develop. The overall results suggested that RPM programs have more appeal to males, housing-related majors, and those with a positive impression from their own property managers. In addition, exposure to the RPM class created a significant improvement in one’s impression of the industry. Meanwhile, multifamily executives with large numbers of employees per community supported a university-educated community manager, with pay significantly higher than those without a college degree. Industry suggestions regarding curriculum topics varied across regions.

LOCATION PREFERENCES OF MULTIFAMILY HOUSING RESIDENTS

Hyun-Jeong Lee, Julia O. Beamish, and Rosemary Carucci Goss

Choosing the location of one’s home is an important decision not only for homeowners but for renters as well. The purpose of this study was to identify demographic and lifestyle influences on location preferences of multifamily housing residents. Two research hypotheses were tested using a modified model of influences on housing choice: (a) there are relationships between demographic and lifestyle characteristics and preferences for an ideal apartment home location, and (b) there are relationships between the location preference and specific apartment home and community feature preferences. Mail surveys were conducted with residents of high-end multifamily housing communities in Charlotte, North Carolina, and data from 202 usable responses were analyzed. As a result, both research hypotheses were supported. Major findings were as follows: (a) some individual demographic and lifestyle characteristics or combinations of these were found to have influences on location preferences; (b) when lifestyle characteristics were combined with demographic characteristics, location preferences were best explained; and (c) location preference had significant relationships with preferences for some specific parking, security, and exercise features, and the relationships were consistent with common expectations of the locations. Apartment developers, owners, and managers have identified lifestyle factors as important to attracting residents. This research provided empirical validity to that practice.

AN ECONOMIC MODEL OF ASYMMETRIC INFORMATION, DISSATISFACTION, AND RESIDENT TURNOVER IN RENTED MULTIFAMILY HOUSING

Russell N. James III

This article presented an original economic model of the apartment rental market where service expenditures are invisible to prospective residents (but highly important to current residents), while recruiting expenditures are highly visible to prospective residents (but often inconsequential to current residents). In a competitive market, the model predicts that managers will necessarily favor observable recruiting expenditures, even though such an approach generates greater resident dissatisfaction and turnover, while simultaneously increasing operational costs for the industry as a whole. Evidence drawn from both the 2005 American Housing Survey and the operational expenses of 705,178 unsubsidized apartment units in 71 metropolitan areas appeared consistent with the model. Consumer advocacy and legislative approaches to addressing the issue of asymmetric information among prospective residents were discussed, including a proposal of tax incentives for long-term residency.

DETERMINANTS OF ENERGY SAVING PRACTICES OF LIMITED INCOME MULTIFAMILY HOUSING RESIDENTS

Hyun-Jeong Lee and JoAnn Emmel

The purpose of this study was to identify energy cost burdens and energy saving practices of limited income Virginia households, focusing on multifamily housing residents. There were three research objectives: (a) to identify demographic and housing characteristics of limited income multifamily housing residents; (b) to identify perceived energy cost burdens and energy saving efforts of limited income multifamily housing residents; and (c) to identify determinants of perceived energy cost burdens, energy saving efforts, and interest in additional energy saving information of limited income multifamily housing residents. In Spring 2005, a one-page questionnaire was administered to participants of Virginia Extension nutrition programs and 823 usable responses were collected. The major findings were as follows: (a) compared with single-family housing residents, multifamily housing residents tended to perceive fewer energy cost burdens, engage in more daily energy saving behaviors, and inquire less about future energy savings; (b) being headed by a single adult, the existence of a child at home, and dwelling location were significant determinants of perceived energy cost burdens and energy saving efforts; (c) perceived energy cost burdens were found to have significant positive influences on inquiry for future energy savings; and (d) perceived energy cost burdens and inquiry for future energy savings showed significant negative correlations with interest in further energy saving information. The researchers recommended the development and implementation of energy saving education that is applicable for the situations of multifamily housing residents with limited incomes.

HOME SWEET APARTMENT: A TEXT ANALYSIS OF SATISFACTION AND DISSATISFACTION WITH APARTMENT HOMES

Russell N. James III and Andrew T. Carswell

Achieving renter satisfaction is critical for residential property managers who desire to reduce the costs of high turnover. While previous research on renter satisfaction has focused on the use of multiple-choice surveys, this study analyzed the text of 464,280 open-ended comments posted from January 1, 2000, to January 1, 2007, on ApartmentRatings.com©, the nation's largest apartment ratings Web site. Cross-tabulation and ordered logistic analysis of a word frequency coding scheme indicated that several of the most important issues related to residential satisfaction fell into the categories of safety and sanitation. While safety has long been recognized as a critical component of residential satisfaction, issues of sanitation appear uniquely salient for residents of rented apartment housing. The implication for property managers is that a focus on the core issues revealed in this analysis of resident comments may help to achieve greater resident satisfaction and, thereby, reduce resident turnover.

THE COMMUNITY NETWORKS CENTER AND SOCIAL SUPPORT IN MULTIFAMILY LOW-INCOME COMMUNITIES: A CASE STUDY IN KOREA

Suk-Kyung Kim and Jaechoon Lee

As contemporary society has moved into the digital age, community centers on housing estates throughout the world have begun to evolve to computer-based learning centers. This facility is now becoming prevalent globally, and accordingly there are neighborhood networks centers in the U.S. Similar community networks centers have been

designed in subsidized multifamily housing communities in Korea since 2001, based on the recommendation of the Korean government to expand Internet access to the entire population. This study focused on residents' evaluations of the effects of a newly designed space—a community networks center in a low-income multifamily housing community. The research explored the role and benefits of the community networks center in terms of social support. The subject community was located in Suwon, Korea. Self-administered questionnaires and interviews were conducted, along with observation. The results showed that the existence of this center provided residents with satisfaction that they were receiving social support. The community networks center also functioned as an educational center for the residents. The findings suggested appropriate educational programs, systematic management and design considerations, and collaborations between government and non-governmental organizations for increasing support for community networks centers in low-income communities.

THE LOW INCOME HOUSING TAX CREDIT AND INNER-CITY REVITALIZATION

Marc T. Smith and Anne R. Williamson

Inner-city revitalization is a complex challenge requiring multiple strategies for success. Successful revitalization efforts must include quality housing opportunities for lower-income households. The federal Low Income Housing Tax Credit (LIHTC) program, established as part of the Tax Reform Act of 1986, is a policy tool that has the potential to contribute to inner-city revitalization. Program implementation is very complex, however, and many community-based organizations may be unable to participate due to lack of capacity. This article examined the structure of the LIHTC program and the extent to which it has been a part of inner-city revitalization efforts since the program's inception. It also explored the implications of the LIHTC's structure for continuing to contribute to inner-city revitalization through the participation of community-based housing organizations. Finally, recommendations were made for enhancing the effectiveness of the LIHTC in promoting quality housing opportunities in inner-city neighborhoods through the participation of community-based organizations.

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