

HUMANOID EXPENSE REDUCTION & VALUE UPLIFT

Villas at Turtle Creek (420 Units)

Leasing Management Expense Reduction + Community Operations Automation

Project Context

- Portfolio Model: Rogers 420 Units
- Baseline Expense Ratio: 30%
- Objective: Reduce operating expenses through leasing management automation and humanoid-enabled community workflows

1) LEASING MANAGEMENT EXPENSE REDUCTION (HEADER FOCUS)

Primary Leasing Cost Levers

- AI leasing assistant for first response, qualification, and follow-up sequencing
- Automated tour scheduling and self-guided tour support
- CRM-driven nurture campaigns for no-tour and no-lease prospects
- Centralized virtual leasing support to reduce onsite labor load
- AI-assisted renewal and resident communication workflows

Realistic Leasing/Management Cost Impact

- Near-term (Hybrid): 20-30% reduction in leasing/admin labor intensity
- Scaled Hybrid: 30-40% reduction with centralized support model
- Advanced Autonomous: 40-50% reduction in repetitive leasing/admin tasks

Expected Leasing Outcomes

- Faster prospect response time
- Higher prospect-to-tour conversion
- Lower no-show and no-follow-up leakage
- Better consistency in renewal and retention workflows

2) COMMUNITY EXPENSE REDUCTION TARGETS

Cuttable Categories (Typical)

- Leasing/admin payroll support: 20-40%
- Turn/make-ready and cleaning workflows: 15-30%
- Grounds/lawn/janitorial repetitive routes: 20-35%
- Maintenance dispatch inefficiency: 10-20%
- After-hours resident service handling: 20-50%

Lower-Elasticity Categories (minimal automation impact)

- Taxes
- Insurance (short-term)
- Debt service
- Core legal/compliance overhead

3) NEW EXPENSE-RATIO SCENARIOS

Baseline

- Expense Ratio: 30%
- NOI Margin: 70%

Scenario A — Hybrid Operations

- Expense Ratio: 26%
- NOI Margin: 74%

Scenario B — Advanced Hybrid/Autonomous

- Expense Ratio: 24%
- NOI Margin: 76%

Scenario C — Best-Case Mature Autonomous

- Expense Ratio: 23%
- NOI Margin: 77%

4) NOI UPLIFT ESTIMATE (ANNUAL)

Assumed Annual EGI: ~\$7.56M

Baseline (30%): NOI ~\$5.29M

- Scenario A (26%): NOI ~\$5.59M | Uplift ~\$0.30M
- Scenario B (24%): NOI ~\$5.75M | Uplift ~\$0.45M
- Scenario C (23%): NOI ~\$5.82M | Uplift ~\$0.53M

5) VALUE UPLIFT ESTIMATE (CAP RATE METHOD)

Value Change = NOI Increase / Cap Rate

At 6.0% Cap

- +\$0.30M NOI -> +\$5.0M value
- +\$0.45M NOI -> +\$7.5M value
- +\$0.53M NOI -> +\$8.8M value

At 5.5% Cap

- +\$0.30M NOI -> +\$5.5M value
- +\$0.45M NOI -> +\$8.2M value
- +\$0.53M NOI -> +\$9.6M value

At 6.5% Cap

- +\$0.30M NOI -> +\$4.6M value
- +\$0.45M NOI -> +\$6.9M value
- +\$0.53M NOI -> +\$8.1M value

6) EXECUTIVE RECOMMENDATION

Underwriting Presentation Stack

1. Base Case: 30% expense ratio
2. Hybrid Case: 26% expense ratio
3. Autonomous Case: 24% expense ratio

Reason

- This framing is credible for lenders/investors, shows disciplined upside, and avoids overpromising a full cost reset.

Decision Trigger

- Advance from 26% to 24% only after measured leasing conversion improvement, stable service quality, and verified operational reliability.

Note

- Figures are planning-level estimates for strategic underwriting discussions, not a formal appraisal opinion.