

## Fluctuating market, steady staff

By Rick Penn

### *Temporary Staffing Solutions Support the Growing Apartment Market*

Where the “American Dream” has long been defined as owning a house with a yard and a garage, it may come as a surprise to many that there is a growing number of residents who choose to realize their dreams in apartments. In fact, the most recent census revealed that of the 30.6 percent of U.S. households that are occupied by renters, 22.5 million of those households represent multifamily (apartment) structures. The number continues to grow, accounting for about 2 percent of the Gross Domestic Product, putting the apartment housing industry on nearly the same level as utilities and transportation. This growth in demand for apartment housing has spurred a need for qualified management, administrative and support staff for those properties, with a predicted 738,000 jobs available by the year 2010, according to national housing statistics. The question that begs to be asked is how those positions will get filled in order to support continuing growth of the apartment market.

That question can be answered in several different ways, the first of which would clearly be to advertise open jobs, interview and hire individuals to fill those jobs, train those individuals and hope the effort pays off. Unfortunately, with so many apartment job opportunities available (1,000-1,250 new apartment jobs created each year in Texas alone<sup>1</sup>) with competitive salaries in so many markets across the nation, it can be difficult for properties to find and keep good employees, leading many companies to opt for a more creative approach—something apartment industry experts refer to as “just in time” workforce, or in layman’s terms, temporary staff.

There are several benefits to using temporary staff, the first of which is that temporary staffing solutions are very flexible. An open position at a property or company can be filled by a qualified individual in a matter of minutes or hours for nearly any period of

time, whether it be days, weeks or months. Likewise, temporary staffing provides flexibility if a position is no longer required at a property, meaning the individual can be placed at another location or in another position when needed. In light of the average employee turnover rate of 35.1 percent in the apartment industry<sup>2</sup>, temporary staffing is an economic, reliable resource for peak periods without properties having to support permanent employees.

An article in the San Antonio Business Journal further supports this theory, stating that companies using flexible work force have an advantage over companies who are committed to permanent staff in that flexible staff allows a company’s fixed costs to become variable costs, thereby enabling employers to engage or release staff as the need increases or decreases without a negative impact on the bottom line. It enables smaller properties to maintain staff levels they might otherwise not be able to support and allows larger properties to effectively manage turnover without the hassles and costs of constantly hiring and training new staff.

Temporary staffing also provides other advantages besides just flexibility and availability. Staffing companies specialize in recruiting, screening and training employees based on their skills, so they are more experienced in the hiring process than companies who only recruit or hire occasionally. Staffing companies must also be familiar with and comply with federal, state, and local hiring and employment practices, which helps reduce the burden of their clients having to keep up with changing legislation.

Another benefit to staffing companies is that they match candidates’ skills to job duties, and many staffing firms specialize in serving the apartment market. Apartment properties have the advantage of partnering with staffing companies that screen and train individuals specifically for apartment management, leasing, administrative, and support positions, such as housekeeping, make-ready and maintenance. The value of being able to fill an open position at a moment’s notice is increased exponentially

when that individual is qualified and has already been trained for that position.

The qualitative advantages of using temporary staff to support the growing apartment market are clear. However, the quantitative benefits may be harder to see in the short-term. Temporary staff typically cost more per hour than would a permanent, salaried employee. However, there are several other factors to weigh, including the cost of advertising an open position, the cost of time involved in reviewing resumes, calling candidates, interviewing, and training, and the cost of the individual’s salary compared to his or her productivity (for instance, how many leases he or she sells). Furthermore, the employer must be able to comply with best practices in interviewing and hiring in order to avoid any liability or legal issues. And worst case, if the employee does not stay employed for a long enough period of time, the employer cannot recoup all those hiring costs, resulting in a hit to the bottom line. In these terms of dollars and sense, it makes the most sense to spend the dollars on a trained, pre-screened, prepared individual who may cost a bit more per hour but will cost much less in the long run.

As the American population continues to grow and continues to dream, the demand for multifamily housing and apartments will rise, creating thousands of new jobs. Temporary staffing allows apartment properties to maintain staff levels during peak times as well as slow periods with qualified, “just in time” staff and without the commitment of hiring permanent employees. ✦

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<sup>1</sup> Source: U.S. Census Bureau

<sup>2</sup> Source: 2005 National Apartment Survey Report on On-Site Positions, sponsored by the National Multi Housing Council