



CASE STUDY

# Analysis Shows Millions in Potential Savings for Property Management Company

OVERVIEW

Each year a large multifamily owner was leaving millions on the table due to its limited screening processes. In fact, 44% of the company's evictions could have been avoided, according to TransUnion's analysis.

CHALLENGE

The company relied on a generic scoring model for screening applicants for its portfolio of 70 communities comprising 16,000 units across five western states. The generic score provided only general creditworthiness as a reliability metric. As a result, the company was unable to effectively screen applicants by differentiating good renters from those with a higher risk of skips or evictions.

Without a detailed picture of an applicant's credit profile or industry-specific data, it was impossible to accurately predict outcomes, ultimately yielding a negative impact on net operating income (NOI).

SOLUTION

To identify specific eviction concerns across geographies, TransUnion analyzed the management company's applicants and current residents using TruVision™ Resident Score, our proprietary scoring model built specifically for the rental industry.

Driven by machine learning, TruVision is designed to predict the likelihood an individual will be evicted or skip on their lease. TruVision delivers up to 16% performance improvement over generic credit scores in use today. The client, however, was wary to believe that claim at face value,

as they had heard many such claims before.

To make the case, TransUnion used the management company's actual data from the prior 24 months. Each individual applicant's record was retroactively rescored using TruVision's unique methodology.

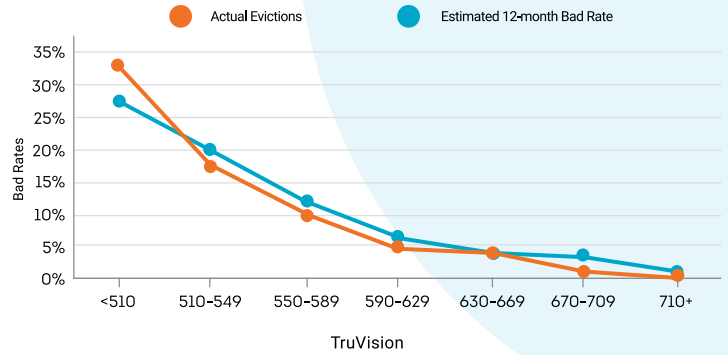
To ensure the most accurate comparison, the TruVision team completed its analysis using a side-by-side comparison. The results uncovered many red flags and losses from their existing generic screening solution.

## RESULTS

TransUnion predicted the likelihood an individual would be evicted or skip on their lease.

After completion of the analysis, TruVision predicted the actual eviction rate of the property management company to within 0.4%.

Figure 1: Comparison of historical evictions and TruVision predicted outcomes for prior residents



## KEY TAKEAWAYS



**44%**  
Evictions that could have been avoided



**\$1.27M**  
Amount that could have been saved



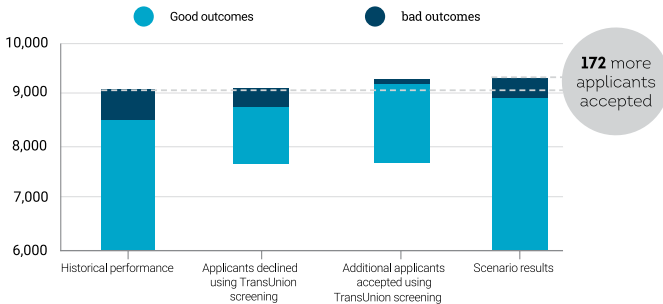
**172**  
Additional applicants that would have been accepted

Additionally, by analyzing annual vacancy rates, eviction and skip costs, along with future expected eviction rates, TransUnion uncovered a staggering \$1.27 million opportunity – reducing the company’s overall portfolio eviction rate from 6.5% to 3.6%

The analysis showed that the company could substantially reduce evictions, save them millions and dramatically improve its NOI by:

- Accepting lower-risk, higher-value renters that the management company initially denied
- Rejecting renters with high risk of eviction that the company initially accepted

Figure 2: Impact of using TruVision for screening criteria



## WITH TRUVISION, YOU UNDERSTAND THE WHOLE PICTURE, NOT JUST A PIECE OF IT.

Using nontraditional and trended data, TruVision factors in attributes that add context and depth, such as phone information, account utilization, past due amounts and other early predictors of renter behavior.

### TRUVISION

Incorporates data on **2.7 MILLION** multifamily renters

Analyzes comprehensive **1,500+ ATTRIBUTES** collected on individuals

**16%** Performance improvement over generic credit score

**VALIDATED BY** national eviction database and rental payment history

To learn how we use predictive analytics to help you score applicants and make important rental decisions based on solid, more complete data, visit:

[transunion.com/solution/truvision](https://transunion.com/solution/truvision)

