MX Maintenance Summit **2026**

The Maintenance Effect.

How service quality drives renewals and revenue

RAY HESPEN • PAUL RHODES

Brought to you by PROPERTY**MELD**

// YOUR SPEAKERS

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// MX MAINTENANCE SUMMIT 2026

What you'll learn.

01 One of the biggest metrics to sustainable profitability is untapped, and controllable.

02 How we know this is true, and how we arrived here.

03 How some operators have actually moved the needle.

04 What the investor reaction will be.

05 What you can do to get started, from simple to complex.

// PART ONE

How owners and investors make money.

// THE OWNER'S P&L

Is this controllable?

Every line on this statement is fixed, negotiated, or set by the market. One of them is not.

→ REPAIR & MAINTENANCE

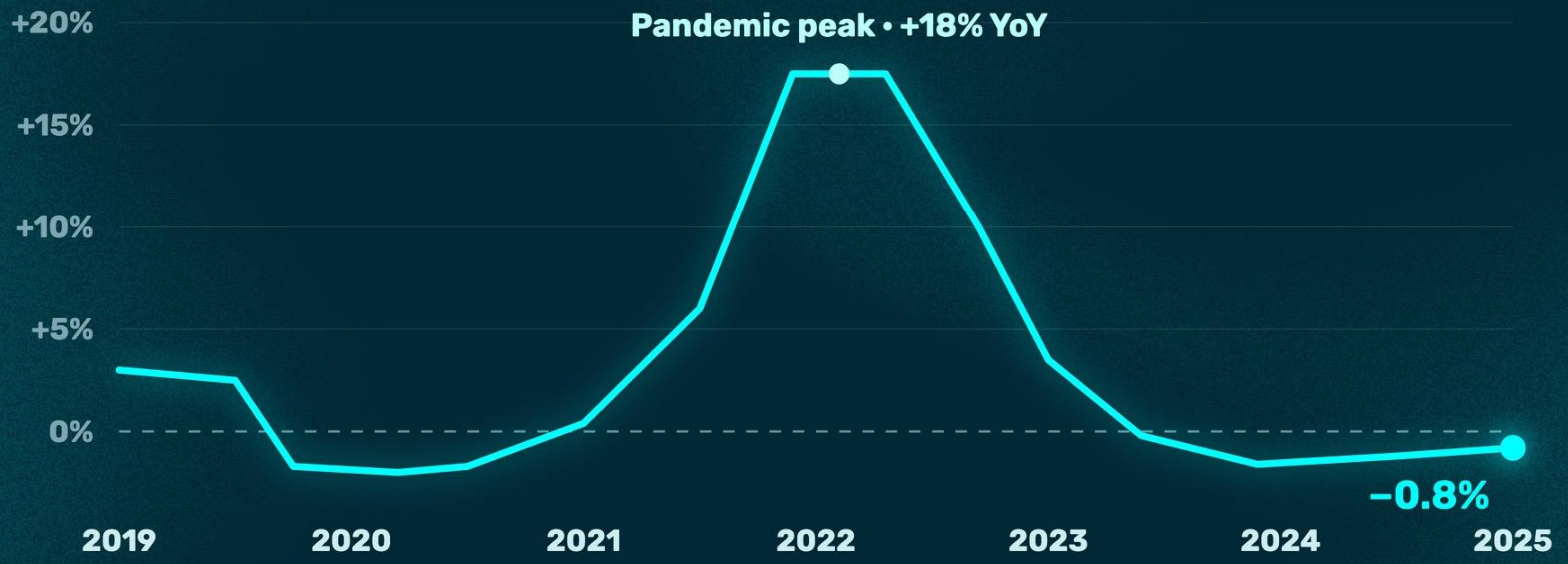
AVG FOR TOP 100 MSAS • 2021 UNDERWRITING	ANNUAL
Rent	$21,828
Vacancy	$1,091
Revenue	**$20,736**
Property Taxes	$3,335
Repair & Maintenance	**$2,755**
Insurance	$1,533
Leasing Costs	$2,204
HOA	$187
Total Expenses	**$10,014**
Net Operating Income (NOI)	**$10,722**

// CONTEXT

..we cut expenses by **DOING A BETTER JOB FIRST?**

Rent growth has flatlined.

Year-over-year rent growth • United States • 2019–2025



Source: Apartment List • National Rent Estimates • apartmentlist.com/research

// OUR INDUSTRY IN 2 GRAPHICS • 2 OF 2

Maintenance costs are outpacing CPI.

Average HVAC repair cost (L3M) vs. consumer price index • Jan 2019 → May 2025

AVG HVAC REPAIR (L3M) CPI Property Meld internal data • invoice average for HVAC work orders, rolling 3-month.

// THE PROOF

What if we RENEWED MORE Residents?

Retention data shows that investors care deeply about how the property is performing.

DATA

// PART TWO

The impact property management has.

// PM LEVERS TO ADDRESS

Two of the biggest levers operators can pull.

01 $$$

Improve renewal rates.

Massive financial loss every time a renter leaves a unit — turnover costs, cash-to-cash gap, marketing spend, rent compression from a changing market.

TOTAL COST PER TURNOVER

> $5,000

02 $

Optimize maintenance cost.

So many decisions are instinctual, not optimized — leaving plenty of waste in the process.

- Repair / replace decisions
- Vendor selection & scoring
- Technician optimization
- Parts & trip avoidance

// RESEARCH • 110K+ FIRST-YEAR LEASES

We can alter renewals.

A maintenance operation that runs well means $$$$

TIER 1 • EXTREME FIRST-90-DAY IMPACT

REPAIR CATEGORY	FIRST-90-DAY GAP	IMPACT DESCRIPTION
Air Conditioner	**+98.5% churn**	Nearly double the early-residency climate control problems
Water Heater	**+93.7% churn**	Essential hot water service failures during adjustment period
Toilet	**+90.2% churn**	Bathroom functionality issues in critical first quarter

Analysis of the 10 statistically significant repair categories reveals dramatic differences in first-90-day occurrence rates between churned and renewed residents.

// RESEARCH • 110K+ FIRST-YEAR LEASES

The Make Ready takes on new IMPORTANCE!

Stop only tracking speed of completion… **TRACK QUALITY!!!!**

// FIX WHAT YOU FIND

Inspection at 6 months.

Walk the unit halfway through the lease. Everything you catch there is a renewal conversation you never have to rescue.

// 1ST YEAR SERVICE ISSUES VS LEASE CHURN

More issues, more churn.

Lease churn % by count of first-year service issues

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// WHAT INVESTORS REALLY CARE ABOUT

Investors care about maintenance.

They care about NOI without saying "Maintenance."

Correlation to resident satisfaction.

Vacancy, leasing costs — every line item moves when residents are happy.

Correlation to maintenance spend.

The single most controllable line on the entire P&L.

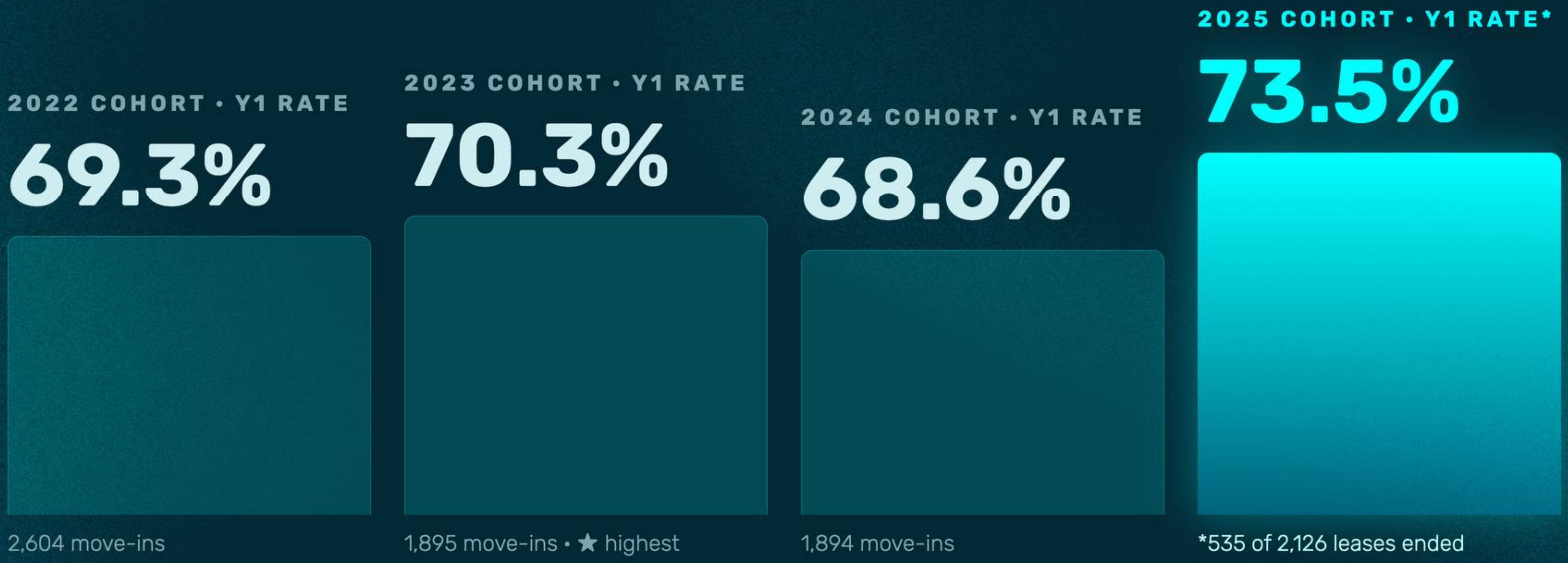
// A/B TEST • QUALITY OF INTAKE

When intake gets better, every metric follows.

SPEED OF REPAIR	AVG VENDED INVOICE	RESIDENT SATISFACTION	TRIPS TO PROPERTY
-20.9%	**-18.8%**	**+6.1%**	**-4.4%**
improvement	reduced	improvement	less
→ drives resident renewals	→ drives cost savings	→ drives resident renewals	→ drives cost savings

// YEAR 1 RENEWAL RATE • BY MOVE-IN COHORT

Stable at 69–70%. Until now.



⚡ MELD ADOPTED • OCT 2024

// FINANCIAL IMPACT OF RENEWAL IMPROVEMENT

$1,263 / unit / year. Per door.

PER UNIT • PER YEAR

$1,263.20

DRIVEN BY 70% → 74% RENEWAL

Turnover cost avoided
$563.20

Rent loss avoided
$700.00

Model assumptions: $1,800/mo rent • $2,500 turnover cost • 45 days rent loss • $400 leasing fee

INVESTOR SAVINGS BY PORTFOLIO SIZE

At $1,263.20 per unit per year

UNITS	ANNUAL	3-YEAR	5-YEAR
1 unit	$1,263	$3,790	$6,316
5 units	$6,316	$18,948	$31,580
20 units	$25,264	$75,792	$126,320
100 units	**$126,320**	**$378,960**	**$631,600**

Assumptions: $1,800/mo avg rent • $2,500 turnover • 45-day rent loss ($2,700) • $400 leasing = $5,600 total cost/turnover • 4pp improvement (70%→74%) • $5,600 × 4% × units = annual savings.

// PART THREE

Getting started.

// WHEN SHOULD I START MANAGING THIS WAY?

"

The best time to plant a tree was 20 years ago.
The second best time is **now**.

— CHINESE PROVERB

// PROCESS TO AN NOI BUSINESS

Move from here to there?

1

Garner Visibility

Having an understanding of health in the maintenance organization.

↑ SOME ARE HERE

2

Goal-driven KPI

Introduce metrics as part of an organization. Staff meetings and company meetings.

↑ SOME ARE HERE

3

Align KPIs to Renewals

Company focus on renewals and cost avoidance metrics. Bonus and comp alignment.

4

Integrate into Sales & Retention

Sales and monthly updates including how you're altering returns.

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// THANK YOU

Questions?

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