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The Ultimate Guide to Turn Season Utility Management

5 Student Housing Solutions for Reducing Utility Expenses

Table of contents.

Introduction and Market Overview 03

Utility Management Challenges During Turn Season 11

5 Ways to Optimize Utilities Through the Turn 14

Conclusion 25

Student Housing Industry Trends & Challenges

Understanding the current state of purpose-built student accommodation (PBSA) in the United States requires looking at trends in pre-leasing rates, rent prices, and student enrollment. Despite healthy demand for student housing in the US over the past few years, pre-leasing rates have started to slow. The looming enrollment cliff adds to concerns about occupancy for upcoming academic terms, spelling trouble for demand and future competition in the space. The volatility of utility costs and other operational expenses further complicates the situation, presenting both new and ongoing concerns for student housing.

In this ebook, we explore today's market trends for a clearer view of the current challenges and opportunities in student housing. With these insights, you'll understand why maintaining smooth and effective turnover processes is a crucial step towards saving on-site resources and maximizing profitability.

This guide explores how to achieve these outcomes by focusing on one crucial aspect of operations: utility management. Read further to learn why streamlining utilities is a vital piece of the turn season puzzle, and discover how five utility management optimizations can positively impact revenue, conserve team resources, and enhance the resident experience. Our aim with this ebook is to equip you with the knowledge to secure long-term success at your portfolio by first addressing gaps in your utility operations during turn season.

Student Housing Market Dynamics

As student housing faces new challenges, it's essential to understand the market's impact on your portfolio's operations. This section dives into market dynamics such as slowing demand and rising costs, highlighting the need for airtight property operations. With competition projecting to heat up and costs remaining volatile, fine-tuning your business' workflows is critical to navigating these concerns and securing long-term portfolio success. Below, we'll explore what we're seeing in the industry today.

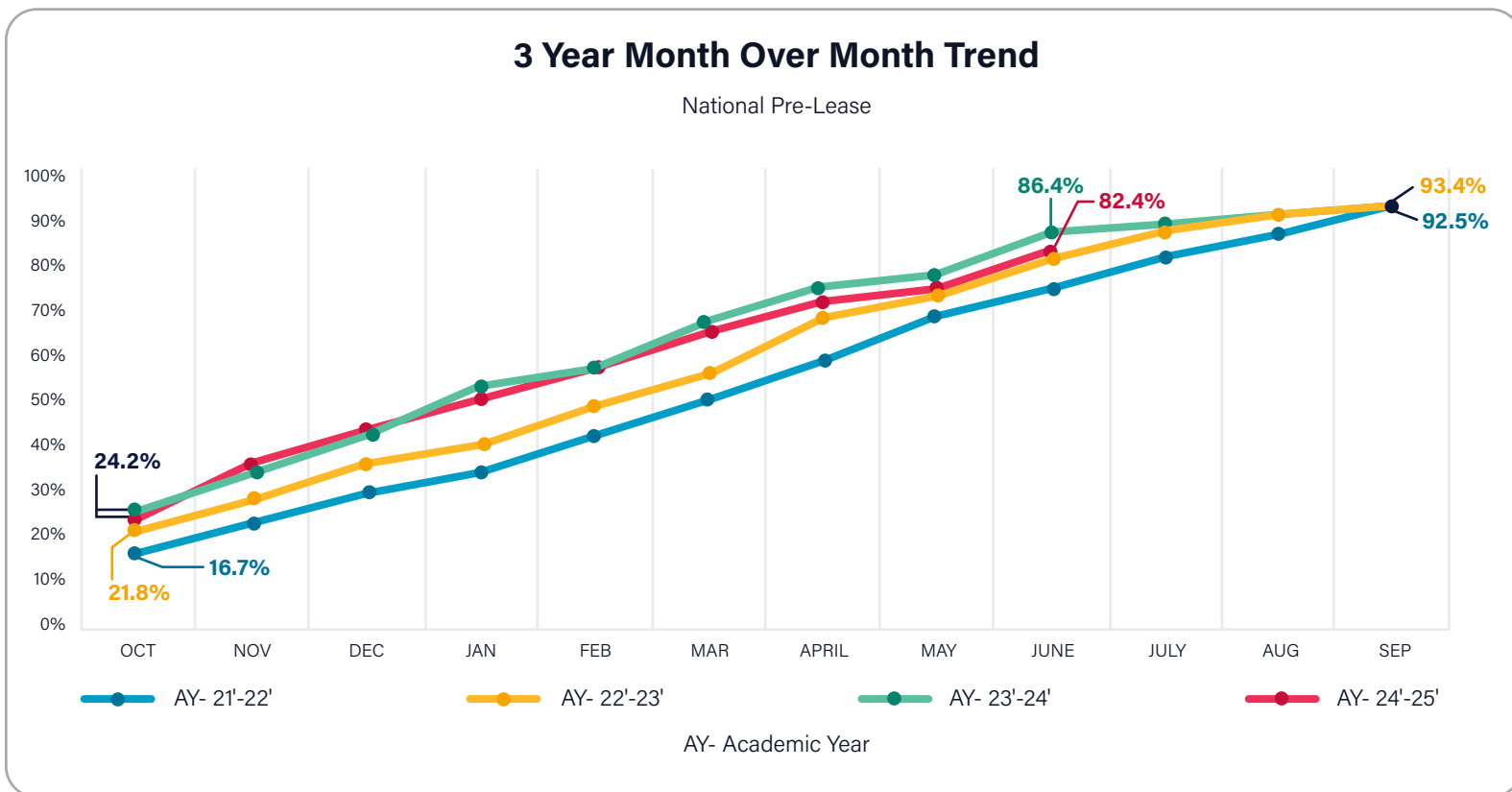


Student Housing Industry Challenges

- ✓ Slowing pre-leasing rates for purpose-built student housing in the US and the looming "enrollment cliff" forecast less demand and more competition.
- ✓ Volatile material and maintenance costs compounded by labor shortages will impact budgets and operations for upcoming turn seasons.

Pre-Leasing Struggles and Demographic Trends Spell Slowing Demand

To understand the current landscape of student housing, it's important to examine the latest market data and projections. When looking at industry demand, student housing experts closely monitor factors like rent growth, demographic trends, and occupancy rates. According to [College House](#), despite rising rates per bed as of May 2024, there is a year-over-year decline in national pre-leasing rates. Where the past three academic years (from AY '21-'22 through AY '23-'24) saw YOY increases in pre-leasing, the 2024-2025 academic year has shown a gradual drop compared to the year prior. By June of 2024, this academic year's pre-lease occupancy has nearly decreased to 2022-2023 numbers.



Source: [College House](#)

To amplify concerns for demand in coming years, [The New York Times](#) has pointed out demographic shifts that forecast an oncoming decline in undergraduate populations starting in 2025, referred to as the "enrollment cliff." [According to Axios](#), the drop in birth rate after 2008 projects a drought in school enrollments. Institutions are preparing for this dry spell by cutting budgets, with "colleges, primarily small liberal arts schools in the Midwest, Northeast, and California, closing." With some college areas already oversaturated with student housing and other rental options, this spells trouble for future demand.



Rising Expenses Threaten Net Operating Income (NOI)

In addition to slowing demand, student housing faces pronounced challenges in operation due to volatile costs and labor shortages. [Student Housing Insight's](#) episode 'Turn Talk 2024' highlights a year-over-year increase in labor costs, with one in four properties being short-handed and many more expressing concerns about hiring and retention. From a global perspective, [PBSA News](#) reports that rising utility costs and interest rates also impact Purpose-Built Student Accommodation (PBSA) operations, creating further pressure on student housing operators. Additional property expenses also continue to fluctuate, according to Student Housing Insight. Insurance costs are seeing an approximate 18% rise from 2022 to 2023 due to weather-related concerns and maintenance expenses are increasing by about 14.2% over the same period.



Turn Season Strains Resources

Given current market dynamics, now is a critical time for student housing operators to fine-tune turn season operations. Volatile utility costs and rising expenses underscore the need for efficiency and cost control. Slowing pre-leasing rates and the upcoming enrollment cliff require a proactive approach to occupancy efforts and operational efficiency, especially during turnover periods when operators are stretched to their limits.

Our recommendation: streamline utility management. Efficient utility operations effectively cut unnecessary expenses, save on-site resources, and even enhance the resident experience. These efforts are critical during turn season, when high-volume turnover amplifies stress and drains resources. By improving how utilities are managed – from automating processes to minimizing costs – operators become better equipped to easily handle the chaos of turn season while also building NOI and boosting the bottom line.

Outcomes of Utility Management During Turn Season	
Mismanaged Operations	Efficient Operations
Increased operational costs from manual utility processing.	Reduced operating expenses, maintaining a healthy NOI.
Strain on staff time and resources.	Freed up staff time for other critical turnover tasks.
Higher risk of billing inaccuracies.	Fewer errors and disputes.
Regulatory risks and potential fines.	Ensured regulatory compliance.
Missed opportunities for cost recovery.	Increased cost recovery.

Mismanaged Utilities Drain Turn Season Profits

Improving utility management, especially during turn season, is crucial for reducing costs, reclaiming expenses, and enhancing the resident experience. Paying close attention to utility accounts payable (AP) and billing is particularly important during this busy period. As one of your largest operating expenses, efficient utility management isn't just a small part of operations—it directly impacts your property's NOI. Mismanagement during this high-pressure time can result in significant revenue losses, strain on staff and resources, and potential penalties for non-compliance, especially if handled manually.

By refining utility management processes, operators can protect revenue and identify opportunities to recover costs. This helps to maximize profits and minimize unnecessary expenses. Automating utility processes also lightens the operational load by allowing staff to focus on other critical tasks during turn season.

Properties reduce the chances of errors and disputes by allowing programs to handle complex utility calculations. Accurate utility billing ensures compliance with regulations and reduces the risk of fines.

From an operational standpoint, tightening your utility processes during turn season improves efficiency, accelerates billing cycles, and reduces administrative workload. This drives your portfolio towards better financial outcomes, positioning you for sustained success in today's complicated student housing market.



Utility Management Challenges During Turn Season

Managing utilities during turn season is demanding, requiring careful preparation and significant time investment. This area calls for close attention due to the high student turnover and the complexity of allocating utility usage and billing. An efficient utility strategy is crucial to avoid inaccuracies, disputes, and unnecessary expenses. And, without automation tools and best practice services, manually handling utilities in-house can quickly become overwhelming. There are three main challenges that student housing operators encounter when managing utilities during turn season:

- 1 Utility management neglect, resulting from strained staff time and resources.
- 2 Errors in utility usage and billing calculations – opening the door for disputes.
- 3 Failures in monitoring and curbing improper utility usage, leading to lost revenue.



Staff Strain Leads To Utility Neglect

One major challenge during turn season is the strain placed on staff, which can lead to neglected utility management. Student housing properties, especially those that meter each unit separately or use Ratio Utility Billing Systems (RUBs), face the daunting task of handling hundreds to thousands of utility invoices. Dividing these costs fairly among units and beds is complex and time-consuming, demanding considerable operator bandwidth. As student housing operators gear up for turn season well in advance, maintaining rigorous utility management practices becomes increasingly difficult. When turn season arrives and staff are occupied with turning over apartments, utilities can often be overlooked or hastily managed.

Inaccuracies & Disputes Result In Lost Revenue

Inefficient utility management during turn season can result in inaccuracies, disputes, and financial losses. Limited staff capacity coupled with the intricacies of utility billing can lead to errors when collecting utility charges during mass move-out. These mistakes may result in missed revenue opportunities and financial losses. Moreover, errors in utility expenses recorded in the ledger can also trigger penalties and disputes between students, guarantors, and operators, straining relationships and adding to administrative burdens.

Unauthorized Utility Usage Costs You Money

Another challenge of manual management is curbing unauthorized utility usage during the busy move-in phase. Matching utility consumption with student occupancy data requires dedicated time and expertise. However, limited staff capacity during turn season makes it difficult to accurately match usage with occupancy. When unauthorized consumption slips through the cracks during high volume turnover, the property may end up covering utilities charges incurred by residents. Another consequence of ineffective management is the potential for calculation errors. For example, if performing RUBS calculations manually, a staff member may transpose a number or apply the incorrect formula, resulting in inaccurate charges or billing delays.





5 Ways to Optimize Utility Management Through Turn Season & Beyond!

Managing utilities during turn season can be challenging, with numerous priorities vying for attention. Fortunately, many utility operations can be automated, simplifying the process. Automating utility management frees up staff time and reduces the potential for manual errors. Additionally, it protects net operating income by recouping costs and eliminating expenses like late fees. Here are five automation solutions to help you manage your property's utilities more efficiently during turn season.

1

Remove Guesswork From Utility Charges with a Move-Out Calculator

Billing Method	Manual Management Obstacle	Solution
Submetered Units	On-site staff are challenged with processing hundreds to thousands of utility invoices per property during high-volume turnover.	Mass move-out automation software accurately and equitably calculates final utility charges for large groups of students before move-out, maximizing recoupment while leaving little room for errors and disputes.
Ratio Utility Billing System (RUBS)	Usage across the entire property is lumped into one invoice per utility, making it difficult to calculate usage per resident equitably.	

Move-out automation software eliminates the confusion in allocating utilities for groups of students, making the turnover process swift, seamless, and efficient. A billed-by-unit apartment receives hundreds to thousands of utility invoices per month. This volume exacerbates the chaos of managing utilities during turn season. Properties that base utility allocations off of Ratio Utility Billing (RUBS) face a different problem. With one single monthly invoice received per utility to cover the entire property, operators are tasked with dividing those charges across renters. With student housing's unique by-the-bed leasing – and multiple independent renters occupying one single unit – the challenge to allocate utility charges equitably and efficiently becomes a Herculean task during high turnover.

No matter the method, utilities can be fairly and efficiently allocated when operators take advantage of move-out automation software. Move-out calculators are designed to handle final utility calculations for large groups of students. By removing manual management, automation tools result in significant time savings for your staff. This allows them to redirect their efforts toward other essential turn season tasks such as unit turnover, tenant communication, and lease management. Automation calculators also prevent delays in the billing process and help properties avoid absorbing costs or incurring late fees due to inaccuracies. By digitizing these calculations, properties can save staff time, lower the risk of disputes through balanced allocations, and protect their financial interests by recouping utility costs.



2

Automate Billing to Simplify and Enhance the Collections Process

Goals	Manual Management Obstacle	Solution
Staff Time/Efficiency	Operators divide their attention across competing priorities during turn season, leaving less time to effectively manage utility billing.	Automation software removes the manual lift from staff and ensures accurate and timely utility billing during heavy turnovers.
Student Satisfaction	Unclear utility charges lead to questions and disputes from renters and guarantors.	Itemized monthly statements and convenient pay portals increase transparency and ease-of-use.
Maximized Recoupment	Student housing properties risk significant financial losses when inaccurate billing leads to unclaimed utility expenses.	Automated software identifies areas of recoupment that could be missed during manual management and chaotic turns, protecting NOI.

Automated utility billing transforms the collections process for operators manually managing student charges during turn season. This specialized software simplifies the entire lifecycle of utility billing, from allocating charges based on usage data to notifying renters promptly about due payments as they're moving out. By handling these tasks, automated billing alleviates the administrative burden on staff, freeing them from the tedious work of manually preparing and distributing utility bills.

For students and their guarantors, automated billing provides convenience and transparency. Residents can review their utility costs and payment details through an intuitive pay screen or online portal, reducing the need for frequent visits to on-site offices. This accessibility improves the resident experience and facilitates quicker resolution of billing inquiries or discrepancies, enhancing tenant satisfaction.

Automation tools also minimize the risk of utility billing delays that often result from manual processes. Student housing operators can avoid financial losses associated with vacant unit costs and unclaimed utility expenses by ensuring timely and accurate billing. This proactive approach safeguards the property's revenue and fosters a smoother workflow, ensuring that all utility costs are promptly recouped without unnecessary delays or disputes. Some software solutions can even estimate final utility charges based off of your property's historic data. This ensures you are prepared for turn season utility billing far in advance.

An additional advantage of automated billing is its ability to consolidate lease charges and utility costs into a single, itemized invoice. This consolidation promotes transparency by clearly outlining all charges related to residency, reducing confusion and potential disputes over billing discrepancies. This approach encourages on-time payments by presenting a comprehensive overview of expenses and cultivates a positive relationship between students, guarantors, and operators.

3

Match Unit Occupancy With Usage Data to Stop Paying for Residents' Utility Expenses

Goals	Manual Management Obstacle	Solution
Accurate Utility Allocations	Manually matching utility usage with occupancy data is time-consuming and prone to human error.	Vacant Cost Recovery (VCR) tools auto-track utility usage and occupancy data, ensuring accurate allocations without manual effort.
Revenue Recovery	Operators may overlook unclaimed utility charges during busy turns, leading to more lost revenue.	All utility charges are accurately captured and billed, leaving no utilities unclaimed and maximizing revenue recovery.
Fewer Disputes	Billing discrepancies from manual management may result in disputes and dissatisfaction among tenants.	Billing discrepancies are minimized, reducing disputes and enhancing renter and guarantor satisfaction.

'Vacant Cost Recovery' (VCR) tools offer critical capabilities in matching unit occupancy with utility costs, ensuring accurate billing for student residents as soon as they move in. This software effectively calculates and correlates unit occupancies with utility expenses, guaranteeing that students are billed fairly for the utilities they consume during their entire stay. This accuracy is pivotal for student housing properties during turn season, where the potential loss of revenue due to improperly charged utilities can amount to significant financial expenses.

Without a robust VCR service, properties risk absorbing substantial added costs associated with vacant units or utilities that remain uncharged. These expenses quickly accumulate when gone unnoticed and impact the property's financial health, particularly during turn season when operational scrutiny might not be at its highest. By implementing VCR software, property owners and operators can ensure that every resident covers their rightful share of utility costs, safeguarding against revenue losses and maintaining financial stability.

VCR tools also provide operational support by automating complex calculations and reducing the likelihood of billing errors. This automation enhances billing accuracy and streamlines administrative tasks, allowing staff to focus on other critical aspects of managing off-campus properties during demanding turn seasons.

By leveraging these tools, owners and operators can effectively align unit occupancy with utility expenses, ensuring fair billing and mitigating financial risks associated with uncharged utilities or vacant units. This strategic use of software not only optimizes cost-to-expense ratios during turn season, but also contributes to year-round financial health and tenant satisfaction.

4

Leverage Utility Usage Trends to Cut Costs and Gain Efficiencies

Goals	Manual Management Obstacle	Solution
Accurate Usage Tracking	High turnover increases the likelihood of errors or neglect in manual data collection.	Utility intelligence systems ensure accurate utility tracking, resulting in effective insights-driven decision-making.
Identify Anomalies & Patterns	Ineffective data collection leads to operators missing critical utility usage anomalies, trends, and patterns that can result in added costs.	Auto-collected usage data proactively notifies operators to anomalies and patterns, allowing them to rectify issues before they turn costly.

Utility intelligence solutions track usage trends across your property and provide crucial insights on financial performance over time. Sophisticated analytics software may even provide learnings beyond utility usage and expenses such as insights into recoupment rates, anomaly notifications, and areas for strategic improvement. This capability is invaluable during turn seasons when every efficiency gained can significantly impact the bottom line.

Automated data analytics in utility management offers advantages that manual methods cannot achieve. By automating data collection and analysis, these systems save time and provide actionable intelligence that drives efficient operations and effective cost management. This allows owners and operators to gain a comprehensive view of their expenses and recoupment rates over time, enabling them to make informed decisions and strategic adjustments to maximize cost recovery and lower expenses.

Usage-tracking data systems also play a pivotal role in identifying utility usage anomalies. Smart sensors or submeter alerts can detect malfunctions so you can rectify any issues before they get too costly. These systems promptly alert operators to unusual patterns or excessive consumption, enabling proactive measures to preemptively address major problems that can result in waste and added costs.

Integrating data systems and analytics into utility management practices gives student housing operators the insights needed to optimize utility expenses, enhance recoupment rates, and improve overall turn season preparedness. By leveraging automated tools for data-driven decision-making, operators can maximize efficiency and profitability without the manual management of data collection.



5

Avoid Fees & Penalties by Ensuring Regulatory Compliance

Goals	Manual Management Obstacle	Solution
Regulatory Compliance	Staying updated with ever-changing local, state, and federal utility billing regulations is time-consuming and challenging.	Regulatory compliance support allows operators to enjoy updates and guidance on utility billing regulations, ensuring portfolio-wide compliance.
Minimize Penalties	Manual processes during busy turns increase the likelihood of human error.	Automated processes adhere to strict regulatory requirements, ensuring compliance and minimizing penalties.

Accurate utility billing is crucial for properties to maintain compliance and operational integrity while avoiding costly penalties. Automation tools not only streamline operations but also ensure that utility management practices adhere to strict regulatory requirements, including local regulations and tenant billing guidelines.

Some automation software partners also offer supplementary services that further support compliance, such as a team of experts to monitor your practice. Select vendors may provide access to a team of experts who specialize in navigating regulatory compliance. These teams offer valuable insights and guidance on adhering to evolving requirements, ensuring owners stay ahead of compliance issues and regulatory changes. This collaborative approach between automation tools and regulatory expertise strengthens the overall governance framework of utility management.

By enhancing utility accuracy through automation tools and regulatory support, operators enjoy a more efficient workflow and less risk of legal challenges or billing disputes with students or parents during intense periods like turn season. This also reduces the administrative burden of upholding compliance through manual utility management, leaving staff free to spend more time on other critical aspects of turnover.

Adopting automation tools and leveraging regulatory expertise enhances the accuracy and efficiency of utility billing processes and fortifies regulatory compliance efforts. Owners and operators can easily uphold regulatory standards, mitigate financial risks, and cultivate positive relationships with residents and regulatory authorities. Ultimately, it safeguards against penalties and positions properties for long-term operational success and sustainability, even during the demanding turn season.





Reduce Expenses & Free Up Staff with Zego Utility For Student Housing

Student housing owners and operators - are you ready to simplify your turn season utility operations? Check out Zego's comprehensive suite of [utility management solutions](#) designed specifically for the unique challenges of student housing. Our integrated approach not only automates but enhances critical workflows, allowing owners and operators to focus on turn season priorities while maintaining positive resident and guarantor experiences.

Zego's Utility Expense Management solution removes the entire burden of handling utility accounts payable from your team. We receive the bills on your behalf, audit them for accuracy, and pay charges on time so you don't have to worry about errors, compliance, or penalties. With our robust Vacant Cost Recovery (VCR) services, we match unit occupancy to utility usage, ensuring that each student tenant's consumption is accounted for. You can rest assured your portfolio's utility expenses are scrutinized and recovered efficiently, maximizing profits and minimizing risk of lost revenue.

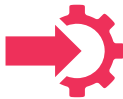
How Zego Utility Expense Management Works



We retrieve each property's utility invoices directly from your providers.



We audit all invoices for accuracy, and errors are resolved with the utility provider.



We pay your invoices on time and in full and integrate the invoice details with your accounting software.

Zego's Student Utility Billing solution allocates charges to groups of students ahead of time, with operators able to run final utility allocations weeks in advance of move-out. Student Utility Billing also makes adjustments for by-the-bed allocations equitably and easily using custom move-out calculators. Our mass move-out calculator automatically calculates final utility charges for groups of fifty or more students, posts to your ledger, and generates the bill for you, saving your team turnover time and confusion.

How Zego Utility Billing Works



We obtain your utility invoices from your providers.



We calculate resident charges based on your chosen method (RUBS or submetering).



We send your residents itemized statements for utilities, rent, and any other monthly property charges.



Resident payments are automatically integrated with your accounting software.

Zego's Utility Intelligence platform provides clear insights into utility usage, recoupment rates, and portfolio trends, all viewable from a user-friendly dashboard. Automated alerts about anomalies such as high submeter usage enable operators to make informed pivots during busy turn seasons, while detailed trend reports empower owners to make data-driven decisions that impact long-term business growth.

Discover how our automation solutions can alleviate the stress of managing utilities during turn season. Zego's platform provides the tools and support needed to guide student housing owners and operators through the busiest turns, helping teams mitigate operational road bumps, boost resident satisfaction, and protect utility revenue streams. Get started today!





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Zego is a property management automation company that simplifies cumbersome yet critical workflows for managers and associations. Our modern platform accelerates NOI growth and mitigates risk, helping clients to scale resources, build trust, and make data-backed decisions. From payments and utility management to resident engagement, Zego's automated workflows seamlessly integrate with leading property management systems giving users real-time and accurate information at their fingertips.

Since its inception in 2003, Zego (a Global Payments company) has evolved from a leading payments provider to a comprehensive property management automation platform. With more than 350 employees, Zego serves 7,000 residential real estate companies and over 15 million units nationwide. Learn more about what makes Zego one of the best workflow automation platforms for property management at gozego.com.

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