

HAPPYCO



The Grand Cherry Hill, Cherry Hill, NJ

Harbor Group Management Slashes Due Diligence Inspection Times

Harbor Group Management provides a comprehensive property management platform to maximize asset value and achieve each owner's strategic goals. To dramatically speed up due diligence walks, improve data accuracy and automate unit reporting, Harbor Group turned to HappyCo. Since implementing HappyCo's Due Diligence software, Harbor Group has reduced time to inspect a unit from 5 minutes to 45 to 90 seconds and eliminated additional labor required from two inspectors to one. In addition, Harbor has lowered acquisition bids and realized substantial returns.

Why Paper-based Inspections Fail the Due Diligence Process

Harbor Group Management previously performed due diligence walks for its clients using clipboards and printed spreadsheets, but each walk took two employees five minutes per unit for a total of ten minutes labor; and once inspections were completed, preparing the reports for owners required substantial data entry. Another critical issue with these traditional inspection methods was the lack of integrated digital photos. To ensure management could later match photos to specific units, inspectors were required to take a photo of each unit's number at the inspection start. If the inspector forgot to take a photo of the unit number prior to entering, they'd have to re-enter that unit and retake photos. Often these units are occupied, so residents are disturbed twice instead of once by inspectors — causing resident dissatisfaction.

Harbor Group also explored using tablets with a mobile version of Excel. While that method cut down on data entry at the end of the walk, it increased inspection times substantially. "The inspector would have to put an 'X' or a number in a cell in Excel and it was time consuming. Plus there was no ability to integrate photos, so matching against unit continued to be a big problem. It proved an equally inefficient method when compared to paper forms," said Zach Baker, Senior Manager, Technical Services at Harbor Group.

↓ **2 to 1**
INSPECTORS
PER UNIT

23
PROPERTIES WALKED

↓ **5.6X**
FASTER UNIT
INSPECTIONS

42,500
MINUTES SAVED
ON LABOR

↓ **8.5**
MINUTES SAVED
PER UNIT

5000
UNITS INSPECTED



Harbor Group Management

Harbor Group Management is an award-winning property management firm overseeing multifamily and commercial properties throughout the US. Harbor Group has been helping multifamily businesses maximize value and achieve strategic goals for 30 years, and is one of the largest owners and managers of multifamily properties with more than 27,000 apartment units.

"It's hard to quantify just how valuable the HappyCo Due Diligence software has been for us, but it's significant. With the automated unit reports including inline photos, it's much easier to present property and unit issues confidently to the seller. A great example is a recent acquisition, where we reduced the purchase price significantly due to issues with the HVAC setup. This would have been a much more difficult negotiation process previously, but with HappyCo it was easy, and there's several cases where we've seen a substantial return."



Zach Baker
Senior Manager of
Technical Services



Mobile Inspections Reduces Inspection Times and Automates Reporting

Harbor Group Management adopted HappyCo starting in 2015, making them one of the first companies to use HappyCo's due diligence software. "We're proud to be a partner and to have helped develop the product. The HappyCo team has been incredibly responsive and has consistently applied our feedback to make the software one of the best products on the market," said Baker. "It's incredibly easy to use, so training our staff was really fast and straightforward."

After implementing, Harbor Group realized a dramatic uptick in efficiency and accuracy. "Prior to using HappyCo for our Due Diligence walks, it was taking our teams on average 5 minutes to inspect a single unit and it required two people — one to inspect while the other person recorded everything using a clipboard. Now, we only need one person and it takes on average just 45 to 90 seconds per inspection. So the time savings is phenomenal, which is really critical when it comes to acquisitions."

Previously, compiling the report following the inspection could take most of a day. "A typical 300-unit property could take 3 hours to transfer information over from paper to digital," said Baker. Now, with HappyCo's Unit Inspection Matrix export to Excel, reporting takes half the time according to Baker.

Another dramatic improvement came in the integrated photos feature. Harbor Group no longer has to manually append photos to unit reports for the seller — with automated unit reporting, HappyCo automatically generates unit inspection reports as PDFs in a unified package, complete with ratings, photos and comments. "It's hard to quantify just how valuable the HappyCo Due Diligence software has been for us, but it's significant," said Baker. "With the automated unit reports including inline photos, it's much easier to present property and unit issues confidently to the seller. A great example is a recent acquisition, where we reduced the purchase price significantly due to issues with the HVAC setup. This would have been a much more difficult negotiation process previously, but with HappyCo it was easy, and there's several cases where we've seen a substantial return."

Today, Harbor staff have inspected 5,000 units across 23 properties using HappyCo. With the results realized from Due Diligence, Harbor Group is looking for other ways to improve their ROI with HappyCo. "We've been starting to talk about operations as well, quarterly maintenance & preventative maintenance, and are looking to add those HappyCo products in the near future," said Baker.

"Prior to using HappyCo for our Due Diligence walks, it was taking our teams on average 5 minutes to inspect a single unit and it required two people — one to inspect while the other person recorded everything using a clipboard. Now, we only need one person and it takes on average just 45 to 90 seconds per inspection. So the time savings is phenomenal, which is really critical when it comes to acquisitions."



Zach Baker
Senior Manager of
Technical Services

WWW.HAPPY.CO
CALL 888.666.1855

1000 Van Ness Avenue
San Francisco, CA 94109 United States
sales@happy.co

Key Challenges

- Slow due diligence inspection process required two employees and 5 minutes per unit
- Haphazard photograph collection and tracking
- Time-consuming report generation could take a full workday
- Incomplete reporting leading to higher bids and inaccurate budgets on new acquisitions

HappyCo Solutions

- Easy-to-use mobile inspection platform for faster walks and standardized data
- Inline photography to automatically link images to individual unit inspections
- Automated unit reporting and Unit Inspection Matrix export to speed report generation and improve data reliability for capital budgets and bids

Successful Outcomes

- Inspection times 5.6X faster at 45 – 90 seconds per unit with only one inspector required
- Robust reporting and photographic evidence improve bidding, resulting in substantial returns for acquisitions and higher accuracy for capital budgets