

Business Report:

The following report is directed to Star Rez's Leadership and contains strategies aimed at maximizing occupancy rates and achieve continues growth in 2024 and the upcoming years.

After analyzing Star Rez's accommodation behavior for the past six years, specific trends were revealed, which describe the periodicity of the company's guest flow. The lowest room occupancy happens towards the end of the spring, right before the summer. Boosted by the fact that Academic Year contracts expire right before the summer and students are enforced to sign distinct contracts for the summer. Summer is also the time with the highest occupation, due perhaps to an additional influx of seasonal customers, such as exchange students. The only exception for this comment was the summers of 2020 and 2021, periods in which students were unable to reside at Star Rez's facilities due to the COVID-19 pandemic. This event also affected the overall room occupancy causing it to drop significantly in 2020, nevertheless, an increasing yearly recovery has been observed allowing 2023 to almost reach pre-pandemic occupancy levels and creating an expectation of continuous growth for the upcoming years.

Throughout its operational years, Star Rez has experienced various business cycles with certain months standing out as the lowest months in terms of room occupation. Generally, the final spring months, spanning from May to June, tend to be typically low for Star Rez due to the contract cycle explained earlier. Showing average occupancy rates of 42.3% and 33.6%, when compared to the yearly average of 58.2% it is evident these months represent opportunity areas for Star Rez.

Compared with the previous years, the occupation rate in 2023 has been positive, with an occupation rate of 70.1%, performing above the yearly average of 58.2%, indicating a successful period for the company. In 2023 the academic year presented higher values compared with pre-pandemic years, however, the overall occupation rate is lower than in said years. The situation can be explained by the summer and fall seasons which demonstrate lower rates, pointing to opportunities for growth in these seasons.

The months of May and August witnessed the days with the highest unoccupied room rates. On May 21st of 2022, there were 681 unoccupied rooms and on August 18th of 2019, there were 717 unoccupied rooms. On the 21st of April, the first day of the summer of 2023, the occupancy rate was 77.8%, marking the beginning of one of the busiest seasons for Star Rez, and one of the periods with the most growth potential since the summer occupancy level has not reached the pre-pandemic levels.

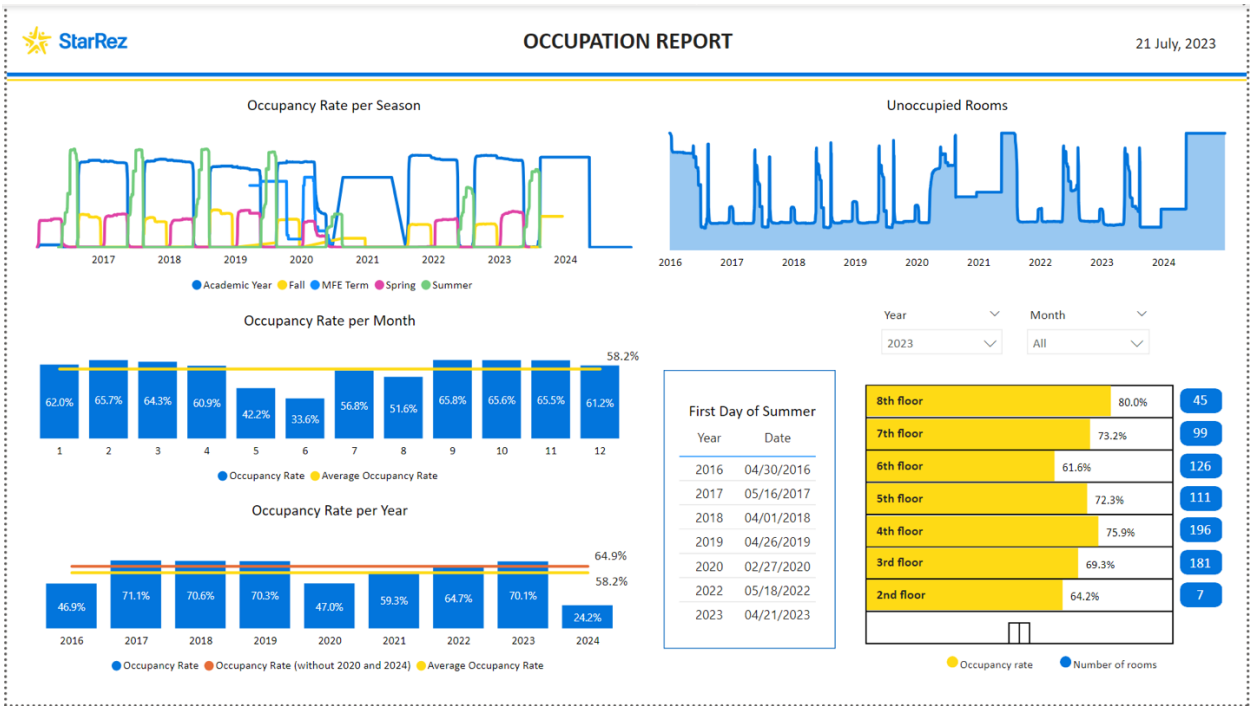
Looking ahead to the future, to boost sales and ensure that 2024 levels of occupancy continue the increasing trend and reach the pre-pandemic levels the following sales and asset maximization strategies are recommended. As a point on the sales strategy, a deeper analysis should be conducted to identify the reasons behind the higher summer occupancy and use these successful elements to boost sales and attract more people during the other seasons. Another element to consider in this strategy is the potential re-distribution of the students throughout the building. The actual occupation levels could allow Star Rez to reserve the floors that contain a fewer room capacity, such as floors 2 and 8, and rent them to academic staff, occasional or short-stay students, and external customers. It will be important to take into consideration the balance between profitability and ethics, Star Rez must be ensured that non-student residents will not disrupt the academic environment or safety of current students by conducting surveys for students' approval of the idea and sophisticated admission processes for said new clients.

As for the asset maximization strategy, the company could make use of the patterns that were found regarding the days with the highest unoccupied room rates and try to capitalize on these quieter periods. This is by strategically implementing training for new staff and maintenance activities. With the continuous increase of the occupancy levels since 2020 and the potential new customers, the sales strategy will raise the need to hire additional staff and prepare the necessary supplies to meet the needs of the new market.

Lastly, to enhance this type of analysis, Star Rez could provide an official calendar including the specifications for each term's start and end dates. As well as a list with the actual number of rooms per floor, and additional information about the residents, such as if they are local students, or exchange students, to understand seasonal trends and apply strategies to increase occupancy.

By implementing segmentation strategies, optimizing its assets, foreseeing future needs, and ensuring data quality, Star Rez will be able to increase revenue and its buildings' occupation rates.

Dashboard:



Proposed Schema:

