

CHPA Certified Corporate Housing Professional Certification



Study Guide



Corporate Housing Providers Association Certification Study Guide

Table of Contents

Examination Outline	3
CHPA Industry Terms	6
Recommended Reference Articles	12
Additional References	13
Practice Exam	15
Answers	17

Examination Philosophy

The CCHP certification exemplifies competence and professionalism in the corporate housing industry. To become CCHP certified, candidates must pass a 100 question, multiple-choice exam. The exam draws on practical application and operational knowledge of the corporate housing industry in three areas: Operational, Financial Management, and Sales and Marketing. The knowledge and skill bases for the questions on the multiple-choice examination were derived from the actual practice of corporate housing professionals. A successful candidate will draw on personal experience, industry terminology, association webinar/educational offerings and reference articles to prepare for and pass the exam.

The Corporate Housing Providers Association (CHPA) is the only trade association dedicated to the corporate housing industry. CHPA offers the only corporate housing certification, the Certified Corporate Housing Professional (CCHP). As the industry continually evolves, members gain insight and resources on how to stay competitive through their involvement with CHPA. CHPA offers networking, educational and informational opportunities to corporate housing providers around the world.

EXAMINATION OUTLINE

Operations (37% of Examination)

- 1) Candidates should possess an overall understanding of Corporate Housing business strategy, goals in working with vendors, communities, municipalities and associations to ensure the overall health of the business. Specific knowledge and skills in:
 - A) Business strategy, projections and goals of the company
 - B) Current activities relating to communities and associations
 - C) Strategic sales planning including marketing, advertising and promotions.

- 2) Candidates must demonstrate the ability to manage the flow of all product and inventory compared to the needs dictated by supply and demand. Specific knowledge and skills in:
 - A) Standard leasing practices and interpreting apartment community lease documents
 - B) Company financial goals – applying “demand to supply”
 - C) Communicating information to sales and operations effectively

- 3) Candidates should be able to communicate the vision and ethics statement of the corporate housing provider to all associates, guests and vendors to ensure fulfillment. Specific knowledge of:
 - A) The Corporate Housing Association Code of Ethics
 - B) Knowledge of Mission and Vision statements and their importance to an organization

- 4) Candidates should have experience with an organized data system for fiduciary responsibilities that are compliant within the organization. Specific knowledge of:
 - A) Personal computer functions
 - B) Company utilized software packages
 - C) Company record keeping systems

- 5) Candidates must demonstrate an understanding of how to manage guest services from arrival to departure to minimize vacancy through guest placement and lease management. Specific knowledge of:
 - A) Daily schedules
 - B) Customer service standards
 - C) Apartment inventory (e.g. furniture, house wares, utilities, etc)
 - D) Housekeeping procedures(e.g. weekly or bi-weekly housekeeping, turn cleans, final cleans etc)
 - E) Apartment set-up and tear down procedures
 - F) Resident arrival and departure procedures
 - G) Fair Housing
 - H) Emergency response procedures

- 6) Candidates must have familiarity with employee Human Resources policy and legal requirements. Specific knowledge of:
 - A) Legal hiring requirements
 - B) Company hiring guidelines
 - C) Company training procedures

Financial Management (26% of Examination)

- 1) Candidates must have the ability to interpret financial statements to determine the health of the business. Specific knowledge of:
 - A) Interpreting profit/loss statements
 - B) Daily financial reports
 - C) Budgeting process
 - D) Inventory control

- 2) Candidates should be able to demonstrate the ability to prepare financial reports. Specific knowledge of:
 - A) Future expense projections
 - B) Future Revenue projections
 - C) Historical revenue data
 - D) Historical expense data
 - E) Acceptable accounting principles
 - F) Strategic business goals

- 3) Candidates must show an understanding of cash flow management by monitoring payables/receivables to ensure business viability. Specific knowledge of:
 - A) Accounts receivable process
 - B) Accounts payable process
 - C) Standard collection system
 - D) Inventory management
 - E) Auditing information for accuracy
 - F) Posting money into correct accounts

Marketing and Sales (37% of Examination)

- 1) Candidates should have an understanding of how to create market visibility through multimedia advertising to maximize financial management goals. Specific knowledge of:
 - A) Market awareness
 - B) Communicating and projecting corporate image
 - C) Market trends
 - D) Fair Housing Laws
 - E) Comparing competitive bids

- 2) Candidate should have experience in developing and implementing a strategic sales plan to increase revenue and generate new business. Specific knowledge of:
 - A) Business development
 - B) Client retention
 - C) Standard operating procedures
 - D) Market awareness
 - E) Trends
 - F) Budgets

- 3) Candidates must demonstrate the ability to implement financial budgets and reports by using historical and forecasted data to increase profitability. Specific knowledge of:
 - A) Sales goals
 - B) Accounting principles
 - C) Corporate systems

- 4) Candidates must understand how to execute overall projections, strategies and goals in working with business components to implement and parallel corporate vision. Specific knowledge of:
 - A) Performance levels
 - B) Accounting
 - C) Inventory
 - D) Sales
 - E) Information technology
 - F) Fiduciary responsibilities
 - G) Market awareness

- 5) Candidates must be familiar with cultivating relationships between the corporation and the business components for enhanced corporate visibility. Specific knowledge of:
 - A) Business components
 - B) Vision
 - C) Market awareness
 - D) Corporate culture

- 6) Candidates should have experience in implementing and monitoring corporate policies to maintain integrity of the internal corporate environment. Specific knowledge of:
 - A) Corporate philosophy
 - B) Legal issues
 - C) Corporate systems
 - D) Standard operating procedures
 - E) Ethics



CHPA Industry Terms Standard Definitions/Terminology

Corporate Housing - Corporate housing industry is a segment of the lodging industry that provides products, services and support of furnished, temporary housing.

Corporate Housing Provider - A corporate housing provider is a business that receives direct compensation for providing corporate housing, as defined.

Number of Units - The number of units is the average number of available apartments in inventory, by market, for the month. Included in this number are:

- Units with a lease start date before the end of the period.
- Units with a lease drop date during the month and after the end of the period.
- Lease start date and lease drop date are the key dates, not the setup, lease end and tear down dates.
- If a lease end date is shown but not the drop date, the unit is considered to be available, even though the lease end date may have already passed.

The average number of units is calculated by summing the total number of units in inventory each day of the month and dividing by the number of days in the month.

$$\frac{(\# \text{ units Day 1}) + (\# \text{ units Day 2}) + (\# \text{ units Day n})}{n}$$

Where n = the number of days in the month.

Occupancy % - Occupancy percentage is calculated by dividing the number of occupied unit nights for the month by the total number of available unit nights for the month. The following definitions are used:

- Occupied unit – is a unit that is rented to a guest or client is considered occupied if there is a signed active lease for it during the dates being reported. This includes all signed leases at full rate, discounted rate or having a complimentary rate code. The number of guests or reservations assigned to the apartment during the month is not considered.

- Available unit – a unit that is leased from a landlord is considered available if it is on lease during the dates being reported.
- Units on Out-Of-Order status are included in the available apartment count.
- A unit may not have more than 100% occupancy during a month.

KEY INDICATORS

ADR (Average Daily Rate) - The average daily rate is calculated by dividing the total month's rental revenue by the total number of occupied unit nights for the month. The following definitions are used:

- Occupied unit – a unit that is rented to a guest or client is considered occupied if there is a signed lease for it during the dates being reported. This includes all reservations at full rate, discounted rate or having a complimentary rate code. The number of guests or reservations assigned to the unit during the month is not considered.
- Rental revenue – the revenue charged to the guest for unit rent. The rental revenue is the rate charged each guest times the number of nights the guest stayed in the unit during the month.
- Rental revenue is shown in local currency (US \$, Canadian \$, UK £)

Gross Profit - Gross profit is calculated by subtracting all direct expenses from the total revenue billed for the month. Total revenue includes all sources of revenue, including long distance telephone calls and any other extra charge posted to a guest or client account.

- Total revenue is calculated by adding all charges billed for each unit during the month. This includes all rental revenue, telephone revenue, revenue from extra services, etc. This also includes any fees paid by guests, including early departure, pet cleaning, etc. However, deposits are not to be included in this number.
- Direct expenses include apartment rent paid to landlords, furniture rental, operating stock expense, housekeeping labor, housekeeping supplies, and utility expense (including electric, gas, water and sewage, local telephone, cable television). In addition, unit repairs and maintenance, and other fees (referral fees and commissions, parking expenses, key expense, auxiliary warehouse rent expense, consumable expense, welcome bag expense, etc) are included in this figure.

Gross Profit% - The gross profit percentage (%) is calculated by subtracting direct expenses from the total revenue, then dividing number by the total revenue.

$$\frac{(\text{Total Revenue} - \text{Direct Expenses})}{\text{Total Revenue}}$$

Net Profit - The Net Profit is calculated by subtracting Total Expenses (including overhead) from Total Revenue

$$\text{Total Revenue} - \text{Total Expenses}$$

Net Profit % - The Net Profit percentage is calculated by dividing the Net Profit by Total Revenue.

$$\frac{(\text{Total Revenue} - \text{Total Expenses})}{\text{Total Revenue}}$$

Net Profit Variance - The net profit variance is calculated by subtracting the budgeted net profit from the actual net profit, then dividing that amount by the budgeted net profit.

$$\frac{(\text{Actual Net Profit} - \text{Budgeted Net Profit})}{\text{Budgeted Net Profit}}$$

Occupant – The individual or family that is occupying the unit.

Client – The contact that is securing/negotiating the lease on behalf of the occupant.

Wholesaling – The process of a corporate housing company renting a corporate apartment from another corporate housing company.

3rd Party Client- A business (example: a relocation consulting company) that facilitates all or part of corporate transferees relocation. They are the go between the client corporation (the transferee's employer) and the corporate housing company.

Turn Clean- The housekeeping procedure that is performed between occupants.

Final cleans – The housekeeping procedure that is performed once the corporate housing company removes all of the furnishings and is preparing to return the unit back to the property management company.

Apartment set-up – The process that includes all of the steps required to transform a vacant unit to a corporate apartment including securing the unit with a lease, setting up utilities, delivery of furniture and housewares.

Turnover - The process of preparing an apartment between occupants.

Close out procedures – The process that includes all of the steps required to transform a corporate apartment to a vacant unit including: giving the required notice to vacate, removal of all furniture and housewares, as well as disconnecting all of the utilities.

Unit inventory management – The process of managing unit inventory to minimize vacancy loss.

Vendors – Companies that provide goods and services to corporate housing providers.

Fair housing – A federal law, passed in 1968 and subsequent amendments, that protects the 7 protected classes against discrimination in regards to access to housing. The seven protected classes are: race, national origin, color, religion, familial status, handicap and sex.

RevPar - Revenue per available unit. RevPar is calculated as “Gross Revenue divided by number of units rented.” It is a component of rate and occupancy.

$$\frac{\text{Gross Revenue}}{(\text{Total units Day 1} + \text{Total units Day 2} + \text{Total Units Day } n)}$$

Where n = the number of days in the month

Master community lease – An agreement with a community that encompasses one or multiple units.

Client master agreement – An agreement with a client that encompasses one or multiple units combined with a reservation confirmation.

Reservation Confirmation – The document used in conjunction with a client master agreement that lists the specifics regarding a particular occupant’s stay (including arrival/departure dates, apartment address, etc.)

Lease Agreement - The lease document that is signed between the corporate housing provider and the property, as well as between the corporate housing provider and the client.

Lease Matrix - A report that illustrates lease expiration dates. Also known as a lease expiration report.

Deposit - A deposit that is paid to the property to be applied towards damages beyond normal wear and tear. Corporate housing companies may also require a refundable deposit to be used in the event of damages from their clients.

Pet Deposit - A deposit that is paid to the property to be applied towards damages as a result of the pet. Pet deposits may be non refundable or refundable.

Pet Rent - Additional rent due to the property on a monthly basis as long as a pet is in the apartment.

SODA (Statement of Deposit Account) - A written accounting of the status of a deposit once a unit is vacated. Any charges as a result of damages or unpaid rent are itemized.

PTE (Permission to Enter) – Written permission from the occupant or lessee authorizing others to enter an apartment. Also called a key release.

Vacancy Loss – The period in which the corporate apartment is set up and no rental income is recognized.

Work Orders - A request to the property to complete maintenance in the unit or common area of the community. May also be called a maintenance request.

Notice to Vacate - A written notice to inform of intent to vacate the unit. Could be completed by the client to give notice to the corporate housing company or completed by the corporate housing company to give notice to the apartment community.

RFP - (Request for Proposal) A formal document used to procure services or goods, which may or may not include pricing. An RFP can include: scope of work, service level agreements, length of agreement, company backgrounds, audited financial statements and references.

RFQ - (Request for Quotation) A formal document used to procure services or goods, which includes pricing.

RFI - (Request for Information) A formal document requesting general information on a company and/or its services.

TDY - (Temporary Duty Year) Government employee on assignment at more or more locations, away from the permanent duty station (PDS), under orders providing for further assignment, or pending further assignment, to return to the old PDS or to proceed to a new PDS.

Long Distance Block - A process that prohibits access to long distance services on the telephone.

Utility Allowance - The maximum amount budgeted for utilities in a corporate unit. A utility expense larger than the utility allowance may result in additional expense for the client or occupant.

Property Profile - Description of the property and amenities.

Credit card authorization form - A written authorization giving the corporate housing company permission to charge a credit card, from the person responsible for payment, including rent, deposits, damages, or utilities. The authorization may be recurring or one time.

Quality Assurance – (QA) The process of inspecting a unit prior to guest move-in to ensure that unit is ready.

Branding - The process of creating and maintaining a consistent image of a product or service

Service Level Agreement – An agreement used to ensure the performance of service providers.

Bi-Weekly Service Rotation – A service that occurs on a routine basis every other week.

Bi-Monthly Service Rotation – A service that occurs on a routine basis every other month.

Referral Fee – A sum received by the referring party for a lead that results in a booked reservation or the completion of a transaction.

Mirroring a Lease - The policy in which the individual who is receiving the product must sign or is obligated in writing to the same length of lease that the service provider is required to commit in order to obtain or solidify the transaction.

Intranet – An internal website that is only accessible by employees of the host company.

Outsourcing – To obtain goods and/or services from a supplier outside of your current company's primary function.

Benefit Period – A specified duration of time in which the client agrees to cover charges of goods and/or services provided by a supplier.

Lump Sum Relocation Coverage – A relocation package that provides an employee with a specific dollar amount to cover the relocation needs of the employee and their family that they are free to use at their discretion.



CHPA Recommended Reading in Preparation for the CCHP Examination

CHPA Member Article

"Working with Federal Agencies," By Jay Lightfoot, CCHP, July 2008

<http://www.chpaonline.org/news/2008/July2008NL.pdf>

MOBILITY Magazine Articles Courtesy of Worldwide ERC

"The Rental Economy in Europe," By Robert Fletcher, June 2009

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0609-fletcher.aspx>

"A Guide to Higher-housing Cost Policy," By Kate Kelley-Dilts, SCRP, GMS, January 2005

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0105kelley-dilts.aspx>

"Expatriate Housing: Successfully Reducing Your Housing Costs," By Michael Shore, April 2009

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0409-shore.aspx>

"TrendSpotting: Properties Excluded from Homesale Programs," *2009 Worldwide ERC® Benchmarking Survey*, August 2009

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0809-trendspotting.aspx>

"Corporate Housing Myths Debunked," By Kimberly Smith, CCHP, April 2009

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0409-smith.aspx>

"Diverse Choices for Temporary Corporate Housing," By Julie Pendleton and Andrea Schroeder, CRP, December 2004

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/1204pendleton.aspx>

"It's a Hotel, It's an Apartment, It's Corporate Housing—Part 1," By Gavin Dunaway, August 2007

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0807dunaway.aspx>

"It's a Hotel, It's an Apartment, It's Corporate Housing—Part 2," By Gavin Dunaway, September 2007

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0907dunaway.aspx>

"It's a Hotel, It's an Apartment, It's Corporate Housing—Part 3," By Gavin Dunaway, October 2007

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/1007dunaway.aspx>

"Deciding Between Hotels and Corporate Housing," By Dave Caple, CCHP, July 2006

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0706caple.aspx>

"Housing Trends That Affect Relocation," By Ginny Logan, CRP, GMS, and Lynne James, CRP, GMS, May 2005

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/0505logan.aspx>

"A New Lease on Life for Corporate Housing," By Frank Mauck, November 2004

<http://www.worldwideerc.org/Resources/MOBILITYarticles/Pages/1104mauck.aspx>



How to Prepare for the CCHP Exam Resources for use in preparation of the CCHP Certification Exam

Accounting Terminology:

http://www.nysscpa.org/prof_library/guide.htm

Fair Housing Laws:

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability). To learn more about fair housing, please go to

<http://www.hud.gov/offices/fheo/FHLaws/index.cfm>.

Freedom of Information Act:

www.infoprivacylaw.com

Websites:

- Worldwide Employee Relocation Council (ERC) – www.erc.org
 - Worldwide ERC® is the workforce mobility association for professionals who oversee, manage, or support U.S. domestic and international employee transfer. The organization was founded in 1964 to help members overcome the challenges of workforce mobility.
- National Business Travel Association (NBTA) – www.nbta.org
 - NBTA is the source for critical information on the business travel industry. NBTA connects the business travel world and promotes the value of business travel management.
- Corporate Housing Providers Association (CHPA) – www.chpaonline.org
 - CHPA provides networking, education, certification, and information sharing so that members can grow their business and expand their reach through an international network of partners.

CHPA Best Practices:

CHPA has created a library of best practices based on actual corporate housing provider business practices and experts in the field. These resources are available on the CHPA website and can be used in preparation for the CCHP exam. Please go to www.chpaonline.org/members_only/bestpractices.php

CHPA Recorded Webinars:

The CHPA webinar series of recorded webinars is archived on the CHPA website. This webinar series was specifically created to assist in preparation for the CCHP exam and recertification of the designation. Please go to www.chpaonline.org/webinars to review the recordings.

Freedom of Information Act:

All federal agencies are required under the Freedom of Information Act (FOIA) to disclose records requested in writing by any person. However, agencies may withhold information pursuant to nine exemptions and three exclusions contained in the statute. The FOIA applies only to federal agencies and does not create a right of access to records held by Congress, the courts, or by state or local government agencies. Each state has its own public access laws that should be consulted for access to state and local records. More information regarding FOIA can be found at

http://www.pueblo.gsa.gov/cic_text/fed_prog/foia/foia.htm.



PRACTICE EXAM

These sample questions have been selected to assist you in preparing for the CCHP Examination.

- 1) When a debt has been registered with the court in a bankruptcy case, you **MUST**:
 - A) Process the account as a bad-debt write off and remove it from your receivables.
 - B) Keep calling the customer for payment.
 - C) Leave the amount due on your receivables until auditors tell you to remove it.
 - D) Garnish the customer's wages for the amount due.

- 2) When a corporate relocation policy gives a transferee an allowance / budget that covers corporate housing, meals during the corporate housing stay, and car rental for one month in the new city, this allowance is known as a/an:
 - A) Temporary living allowance
 - B) Temporary housing allowance
 - C) Homefinding allowance
 - D) Extended travel allowance

- 3) Which of the following acts makes it illegal for a landlord to discriminate based on a person's race, sex, national origin, color-creed or religion?
 - A) The Americans Disability Act of 1990
 - B) The Random Kindness Act of 2001
 - C) The Federal Fair Housing Act of 1998
 - D) The Federal Fair Housing Act of 1968

- 4) When making a purchase, **MOST** customers will make their decision based on the:
 - A) Features of the product offered.
 - B) Function of the product.
 - C) Benefit of the product offered.
 - D) Form of the product.

- 5) How does Corporate Housing industry measure occupancy?
 - A) Available days/nights divided by occupied days/nights
 - B) Occupied days/nights divided by available days/nights
 - C) Available day/nights divided by lease term
 - D) Lease term divided by available days/nights

- 6) A profit and loss statement is also known as which of the following?
 - A) Income statement
 - B) Financial statement
 - C) Balance sheet
 - D) Analysis sheet

- 7) Which term refers to the process of calling on new prospective clients?
- A) Prospecting
 - B) Presenting
 - C) Closing the sale
 - D) Lead Generation
- 8) The Government Services Administration regulates a program known as FPLP. This is an acronym for:
- A) Federal Premier Lodging Program
 - B) Federal Premium Lodging Provider
 - C) Federal Provider of Long-term Properties
 - D) Federal Property Leasing Partner
- 9) In which year was the Title VIII of the civil rights act, also known as the fair housing act, amended?
- A) 1964
 - B) 1968
 - C) 1973
 - D) 1988
- 10) HUD is the acronym for:
- A) US Department of Housing Under Demolition
 - B) Historically Underutilized Demographics
 - C) US Department of Housing and Urban Development
 - D) US Housing Development Urban Authority
- 11) The PRIMARY purpose of a telephone prospecting call is to:
- A) Secure an in-person appointment after qualifying for need.
 - B) Inform decision maker of your companies full features and benefits.
 - C) Replace an in-person meeting with the decision maker if possible.
 - D) Book a reservation.
- 12) Which of the following is one of the five stages to the product life cycle?
- A) Rebirth
 - B) Decline
 - C) Restructuring
 - D) Discounted Prices

- 13) What are the two sources of “value” to a customer?
- A) Lower cost and differentiation
 - B) Lower quality and higher volume
 - C) Higher cost and better service
 - D) Used products and wholesale prices
- 14) When a corporate relocation policy gives a transferee an allowance / budget that covers corporate housing, meals during the corporate housing stay, and car rental for one month in the new city, this allowance is known as a(n):
- A) Temporary housing allowance
 - B) Temporary living allowance
 - C) Home finding allowance
 - D) Extended travel allowance
- 15) Compared to corporate housing for business purposes, insurance housing is generally characterized by the following?
- A) Shorter average length of stay
 - B) Requiring insurance addendum to lease agreement
 - C) Payment in weekly installments
 - D) Greater demand for private homes vs. apartments