

How to Fill Your Vacancies Faster – Part II **by Roger Best**

Last month in Part I of this series, we examined how to make the front and common areas of the building more appealing to prospective tenants. This month we will look beyond those aspects to apartment interiors, the resident manager and rental incentives. We have rented thousands of apartments in recent years, and we know very well what works and what does not!

Inside, your vacancies should be spotless. We almost always repaint our vacant apartments; it makes them so much brighter and fresher in appearance. If the floor covering is more than a few years old or showing wear, replace it. It is not necessary to use expensive grades of carpet and linoleum. Lesser grades will do just fine if you shop carefully. The important thing is that they look good and are appropriate for the type of building in which you install them. This way, your budget can stand more frequent replacements which will help you rent your apartments faster. It is hard to beat a vacancy where everything is nice and new!

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Window treatments are often a great place to make a difference. Many people prefer miniblinds to the old traditional draperies. If you have not tried this yet, convert your next vacancy to miniblinds and see what happens. What we do with older properties that have window and ceiling moldings is paint them in a complimentary contrasting color and install matching miniblinds (choose the blinds first, then match the paint). Whatever you do, make sure those windows are super clean inside and out. The windows should also open and close smoothly and completely, and they should latch properly.

Light fixtures are another focal point that can make a big difference for a few dollars. Nice light fixtures really stand out in an empty unfurnished apartment. Take advantage of that and make the whole place look richer with some stylish lighting. An inexpensive ceiling fan here and there will also make a substantial impression on most prospects.

Do not overlook the more permanent components either, such as cabinets and built-ins. One of the best ways to prosper is to upgrade your vacancies as much as possible and get top dollar for them. You never know how long the next tenant will stay, so do as much as you can when you have the chance. Upgrade where you can; where you cannot, clean like crazy.

Appliances and plumbing fixtures should sparkle. If these items are becoming obsolete, they should be replaced. Modern features will rent your apartments sooner. Shower doors or curtains often need attention sooner than other items; replacing these might give your bathrooms a fresh start.

What about the closet space? Usually there is nothing you can do to increase it, but modernizing it can make it more efficient and appealing. Shoe racks, shelving, double poles and drawers will make that closet space far more useful. Linen closets and medicine cabinets are very important too, yet many apartments do not have them. Quite often they can be added very economically.

OK, you get the picture. Expensive? Possibly, depending on how much improvement you need. But it is probably more expensive to ignore these needs and let your vacancies sit longer and ultimately rent for less than they could. Try to figure which upgrades would be most cost-effective. Where will your dollars go furthest? Here is where your knowledge of the local competition comes in. Do everything they do, and then do a little bit more. Remember, provide the best value and let everyone know about it!

What happens if all that does not work? If your product is better than the competition and your units still are not renting, look to your resident manager. Ask what feedback he is receiving from the prospects and why they are not renting your units. Maybe there is something you have overlooked. Have your manager keep a traffic log of prospects that look at apartments and those who rent. This way, you know how much traffic you are getting and how many actually rent. You should rent to about 10% of the lookers. Also, find out from where the prospects are coming so you can evaluate the effectiveness of your advertising.

Your resident manager is the most important single factor in the success of your property; he can make or break the building. Is he presentable? Is he professional? Is he a good salesperson? Does he believe in your product? How does he come across to the prospects? The best way to find out is to have a friend whom your manager does not know go look at one of your vacancies and report back to you. You cannot do this yourself because your presence will affect your manager's presentation. Once you find out about your manager's weaknesses, you can begin working to correct them. If your manager's faults are significant and cannot be corrected, you must replace him. Your building will reflect the caliber of your resident manager; you cannot afford a poor one.

We all hear a lot about incentives these days. Much of the competition, especially new construction, is offering free rent, free trips, and all sorts of move-in gifts, etc. It is sometimes tough to beat those deals. But if you have had your units for a while, chances are that you can, and should, charge less rent than the new kids on the block. Your apartments might be larger or have more closet space. Often, depending on when they were built, they may have substantially more outdoor amenities. In your advertising, be sure to feature what you can offer that your competition cannot.

If you need to offer incentives to your prospects, here are some you might want to try. Microwave ovens are quite attractive to most apartment dwellers and can be had for less than \$100 apiece at local discount stores. Other electronic conveniences are also popular, such as telephones, televisions and even DVD players. These items are available in various price ranges to suit your needs. A good set of towels that match your bathroom decor will appeal to certain tastes, while others may find the lure of a hundred lottery tickets irresistible. You might offer to pay the utilities for the first six months or year. If you use your imagination, you can develop all sorts of possibilities. Be creative!

Many owners simply slash the security deposit. This is usually the first incentive employed because it attracts prospects without costing the owner anything. At least not anything you can put your finger on. However, this technique should be used with caution, as it does tend to reduce the overall quality of your prospects. Sometimes this will prove more costly in the long run in terms of more delinquent rents and problem tenants. Reducing the security deposit can be a productive incentive, though, if your tenant screening systems are comprehensive enough.

Hopefully, some of the above advice will help you increase your rents and your occupancy rates. The aggressive application of these techniques has worked very well for our company. Implement the ideas that make sense to you, and you will be on your way to a more profitable operation.

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