

How to Fill Your Vacancies Faster – Part I

by Roger Best

Our management company has kept vacancies down around 2% for a good many of its properties over the last few months. With industry vacancy levels at record highs this year, that is performance our clients love! The secret to achieving success in today's rental market is to examine every aspect of your rental product and offer a better value than your competition.

Before you can beat the competition you must know exactly what they are doing. So, do some comparison shopping. Select several similar buildings in the same neighborhood as your building and go see their vacancies. If you know the owners or managers personally, offer to swap ideas and information. However, if you are a stranger, pretend you are looking for an apartment. This way you will see how the manager performs with an actual prospect.

Pay particular attention to the front of each building you visit. How is it landscaped? How well is the landscaping maintained? How is the paint job? Is it fresh and modern or fading and dated? What about signs? Are the signs and banners sharp and appealing or showing their age and suggesting a general lack of attention? First impressions are hard to overcome. The building that makes a good one will rent much easier than the building that exhibits obvious deferred maintenance.

The actual entrance to the building is a key focal point as well. Mailboxes and directories should be neat and well-kept. Common area lighting, carpeting, paint, stairs, walkways, elevator interiors and courtyard landscaping should all be assessed by your eagle eye as you journey to the target vacancy. Remember now, view these things as if you were a prospective tenant, not a sympathetic landlord. Especially note those factors that are in better shape as compared to your building; these are the areas on which you should concentrate.

Inside the units check to see how the carpets, linoleum, window treatments, painting and fixtures compare with your vacancies. Carefully note any unusual or extra features that may give the competition an edge. Be sure to compare cupboard and closet space, appliances, layout and price as if you were actually going to live there.

Check all the common amenities such as courtyard, pool, sauna, Jacuzzi, recreation room, game room, laundry area, elevator, parking, etc. Even if your building does not have these amenities, you need to assess them for pricing information.

When you have finished each inspection, make complete notes of the good and bad points. Once you have seen a few other buildings it will be easier to view your own property more objectively; so go back to your building and do the same inspection tour. Make a list of everything that could stand improvement. Be ruthless—significant profits may result. The trick is to make your improvements cost-effective.

There is no substitute for experience when it comes to knowing what is cost-effective and what is not. Here are some of the things we look for.

Start with your building's curb appeal. If your building has landscaping, it should be fresh and vibrant. Regular landscape maintenance is generally not enough. Old plantings should be replaced with new, young and colorful choices. Bright, well-groomed floral designs will do more to bring in the public than a hundred signs and banners.

Of course, you need signs as well and they, too, should be fresh and appealing. Change your banners as soon as they begin to show wear. If you use a permanent sign in front of your building (which is always a good idea) have it repainted on a regular basis. After all, these are the focal points of your onsite marketing effort!

Let us not forget the building exterior itself. It is too easy to bypass this one, especially if you are at the property frequently. For many reasons, not the least of which is expense, one tends to overlook the need to paint a building until it is long overdue. None of these other measures are going to help much if your building needs a good paint job. If painting the whole building is not feasible, at least do the facade. Unfortunately, in some areas, no discussion of exterior painting would be complete without some mention of local street art. The rule about graffiti is simple—all graffiti should be covered within 24 hours after its appearance. Period. No exceptions.

Focus on the pathways to your vacancies. It will not matter how nice the apartment is inside if the prospect is turned off before he even gets there. Do whatever you can to spruce up (or cover up) any deficiencies along the route that you and your prospects must follow.

If your building has a lobby, it should be clean, attractive and bright. The decor should be tasteful, with modern color schemes. Mailboxes and directories are a good place to start. I see a lot of properties that would improve their first impressions greatly just by upgrading these two relatively inexpensive areas.

Depending upon the age and style of your building, it may or may not have lobby furniture. If it does not, then consider installing some. It often does a lot to make your prospects feel more comfortable and welcome. Your tenants may not use the furniture much, but I would bet that they appreciate the homey atmosphere it provides. If you already have lobby furniture, it may be time to update it. Artwork on the walls and some potted plants will help to complete the effect.

Elevators and corridors should also be clean and bright. Quite often the floor coverings in these areas can be improved. In the corridors where it's appropriate, potted plants and paintings on the walls are a nice touch too.

The laundry room is a place where many a rental is lost. A neglected laundry room flashes a loud warning to a prospective tenant. Laundry rooms become untidy very quickly with normal tenant use and should be cleaned on a daily basis. If you have an appointment to show a vacancy, check the laundry room five minutes before the prospect is due to arrive.

Be sure that the room is pleasantly painted, well lit, and safe. You might be able to improve your laundry room with the addition of some hanger racks and tables for folding clothes. Ask your coin laundry company if they will install these amenities for you at no charge.

All common areas should be carefully examined. In a soft rental market, you cannot afford to defer your common area maintenance. If you do, your increasing vacancy factor will steadily erode your ability to catch up with your maintenance needs. Stay ahead of the competition!

There is no need for you to suffer with high vacancies if you or your management company are diligent in addressing the problem. It is true that maintaining a low vacancy level requires much time, effort and expertise constantly. If your property is not getting its share, you may want to consider switching to a capable, professional management company. Now, more than ever, proficient management is the key to the highest attainable profits.

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