

MRLANDLORD.COM Tips on Management Customizing Your Home Keeps Tenants Longer

by Jeffrey Taylor

When I go to speak to real estate associations sometimes my reputation precedes me. “That’s the guy who talks about adding extras and upgrades to your properties for more cash flow.” After speaking for nearly 20 years and publishing the Mr. Landlord newsletter for 22, I’ve played a big part in revolutionizing the way thousands of rental owners market their rental homes.

I am the guy who suggests doing surveys of your customers each year to see what your customers would like added to their properties (i.e. computer system, ceiling fan, storage space) and be willing to pay you extra for them. Some people ask, “Why mess around with offering upgrades?” Sure, my goal is to get one out of every two customers to want a custom home that includes a couple of upgrades of their choice and therefore generate an extra \$40 to \$45 in monthly income. I get more than other owners who offer the same size house but limit their offering to basically four walls and a floor. If you have attended one of my seminars, you may have heard me use the analogy, why sell a guy a hamburger, when you can also sell him fries and a drink to go with it.

But wait folks! If you think that the only reason I strongly encourage landlords to offer upgrades is just so they can get more money, not so!

There is a second major reason (and perhaps the more important) for using the “custom” home upgrade strategy. When I offer upgrades to rental homes, my number one objective in doing so is to get my customers to “perceive”, “feel”, and “think” that they are not just getting a standard rental home. I even start to introduce this concept when I first meet a rental applicant. When applicants first look at my property, I inform them that what they first see is a standard rental home or apartment, but that I offer upgrades to all new residents that they can choose from, so that they can move into a custom home with the items, upgrades, and/or services that best meet the needs of their family. I want my customers to believe that what I have to offer and what they will move into is a custom home, not just a standard home available anywhere.

Why is this “custom” home concept so important? Because if a resident thinks that all they are moving into is a standard home, a year from now (or sooner), there is little or no incentive to stay in your property longer. If your home or apartment is just a standard home, the resident can just as easily find another standard home or apartment. However, if your residents believe that they are residing in a custom home with upgrades they personally requested or approved, then they are much less likely to move. In fact, residents who believe they are moving into a custom rental home versus a standard home, will stay twice as long before finally moving on.

Folks, many of you are missing out on benefiting from this powerful concept even though you currently offer upgrades of some type in your property (perhaps a ceiling fan or motion lights). The problem is you are not communicating to residents that these are upgrades and that the home is no longer just a standard home.

Anytime you have added extras of any kind to your rental, try the following strategy when the property becomes vacant and you are showing it to prospective residents.

Inform applicants that the home used to be a standard rental home, but that you customized the home by adding one or two upgrades (i.e. ceiling fan). Ask applicants if

they would like you to “keep” the previously added upgrades for an additional small monthly amount above the standard rental price. Folks, this is a no-brainer for most applicants. They say, “Sure - keep'em.”

Yes, you have just added to your cash flow (very easily mind you) but equally if not more important, you got your resident to think of the home as a custom home. I trust you are catching the power of this concept. If you and I as rental property owners, both own rental homes in the same town, on the same street and even the same type home, chances are great that my residents will stay twice as long as yours, simply because I have effectively communicated and offered my residents a custom home instead of just another standard rental that any Tom, Dick or Harry landlord can offer. Jeffrey Taylor, C.P.L. - Stay in control and make the most of the assets God has given you!

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