

MRLANDLORD.COM Tips on Management

Do You Want Better Than Average Residents?

By Jeffrey Taylor, "Mr. Landlord"

Why do some landlords end up with just average residents (and unfortunately some attract lower than average)? Obviously, there may be many reasons. I want to focus on what I believe is a key reason why some landlords get average, so-so paying, so-so property caring residents. I would argue that often it's the landlord's fault for the residents he gets. Quite simply - if your property is average - it will attract average residents! On the surface, that theory sounds logical, but what does that mean in the real world? If you have an average looking rental, do you just start fixing up and adding to your property based on what you think looks above average? And how much money do you spend on upgrades and how far do you go on improvements? I will address these questions in this article, so you will know how to determine what improvements or upgrades to offer to get ideal residents.

I often suggest at MrLandlord.com seminars to offer residents the option of having upgrades of the resident's choice added to their home, customized to meet their needs and likes. I encourage landlords to conduct a survey with their customers to find out what upgrades or service they may want included as part of the rental package. I want you to follow me clearly, however, on how this works, because my survey strategy has been fine-tuned over the years so that my survey not only helps me increase my income, but it also actually helps me get ideal residents, not just average ones.

To get my property attractive to ideal residents, I do NOT simply start fixing up or adding upgrades based on what I think is appealing. I also do NOT have to guess what or how much to offer in order to attract ideal residents.

Here's how I now use my survey strategy. I ask all my customers what they would like added to their properties and be willing to pay extra for however, like most businesses, some of my customers are ideal (i.e., spend more, use my services for a longer period) and some are just average (often late, complain, create headaches). Well now, which group do you think I want more of? The ideal residents of course.

So when I look at my survey results, I am most interested in what upgrades appeal to the ideal residents. I then want to determine if my ideal customers fall into particular profiles that I can identify (avoiding profiles that could be considered illegal discrimination, such as race or sex). Now, when I prepare vacant rentals or offer upgrades to prospective customers, I promote those improvements or options that appeal to my ideal profiles, because I want to attract more of them. Why should I fix-up or offer upgrades that my average residents want? That will only attract more average residents.

All right, let's talk real world examples of using the survey strategy. Say, you like the idea of offering your customers a survey of possible upgrades you can offer. You start making a list of possible upgrades that would be cost-effective for you to offer. (As a rule of thumb, you want to cover the initial cost of any upgrade you offer, from the additional rent you charge, within three to six months). On your survey you include 10 to 20 upgrade choices with items such as, Color T.V. w/remote, stereo system, grab bars for the bathroom, and choice of garden plants. The first two items mentioned are extremely popular offerings at rental stores.

As a rental owner, I have previously determined that for me (emphasize for

me) a couple of my ideal customer profiles have been older residents and people who like to keep the property looking attractive. And from previous surveys, it can be determined that older residents most often pick the grab bar choice, and those who like keeping their home attractive, tend to pick the garden plants.

On the other hand, let' look at what average or even less than average, residents tend to select. My findings indicate that residents who have a harder time paying rent are much more likely to select color T.V. with remote. Maybe because they spend too much time in front of T.V. putting forth little effort.

And the residents who generate more complaints from neighbors are more likely to choose the stereo system. Therefore, as I look at my survey results, even though T.V. and stereo may be popular choices among some residents, you can bet that when preparing my rental for prospective residents, I will NOT be quick to offer those items. Instead I will promote the grab bars and garden plants because I'm looking to attract profiles of residents that are ideal for me and not average or less than average.

Understand, my ideal profiles may be different than yours. But that's not what is important here. Please do not miss the awesome marketing and resident retention concept that is being shared. Make sure you find out what appeals to whoever YOU determine are your ideal customer profiles (and yes, this is absolutely something that you should take time to do). And find out what they would be willing to pay extra for. Then offer custom home packages that include those items or options.

Do not just fix up your property based on what you think is appealing. Don't take offense, but if you limit your properties to what you think, you are greatly limiting your profit potential. And do not just offer items, making your home an average home because some of your average residents like those upgrades. Remember: Average homes attract average residents. If those upgrades attract the wrong types of residents, who cause you frustrations, you will actually lose money in the long run, not gain. But if you offer upgrades that appeal to your ideal customers, you will turn your home into an ideal home for the types of residents you want. You will much more likely fill your vacancies faster, again with the type of residents you want. You will increase your income and they will stay longer. Everybody will be happy! Jeffrey Taylor, C.P.L. - Stay in control and make the most of the assets God has given you!

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