

ASK DR. CASH FLOW

How to Lower Your Turn-Over Costs

by Nick Sidoti, R.A.M.

Q. Dear Nick: I seem to be spending an awful lot of money at turnover time. When my tenants leave, the apartments are not in rentable condition due to nail holes in the walls, and tape marks. They usually need to be repainted. Even though I give my tenants cleaning and move-out instructions there is still damage that they have caused inadvertently. Do you have any ideas?

A. Dear Frustrated: There are two things that can be done to ensure that you get an apartment back in good condition. You are doing one of them already by giving the tenants cleaning instructions at move-out time. The part that you are missing is giving them care and maintenance guidelines when they move in.

For example, to save wear and tear on your walls, you may want to include some of the following in your care and maintenance instructions.

Walls:

- No tape allowed.
- Use only poster putty if you are hanging posters.
- Only nail type picture hangers are allowed, and only one per wall. (You may want to provide them with the kind that you want them to use, when they move in.)
- No dartboards allowed.
- No bouncing balls of any type on walls or floors. (I think the college students like to bring the miniature basketball hoops and use the wall as a backboard while they shoot hoops with a tennis ball.)
- No tape on the woodwork.
- No plastic allowed on windows.

Follow this format for each component of the rental and spell out exactly what you expect, and what you don't allow as far as cleaning and maintenance of the unit.

Plumbing Including:

Toilets - Shower stalls

Sinks - Showers - Tubs - Drain

Other areas that you may wish to cover are:

- Floors Ceilings
- Carpeting Woodwork
- Windows Doors & Locks
- Screens Cabinets
- Appliances Kitchen Sink
- Countertops Lawns

You may also want to cover what you *do* allow. Discuss your policy on painting, wallpapering, and making alterations. Warn them about the repainting fee they will be expected to pay if the apartment needs repainting within a specific amount of time, say one year.

Stress how much you will need to charge them if you need to repaint the rental. It has been my experience that tenants take better care of wallpapered walls and paneling because they perceive it to be more costly to repair. They have a more casual attitude about walls that can be painted. You need to educate them about how costly repainting will be.

P.S. Don't forget, another costly aspect of needing to repaint at turnover time is the loss of a month's rent because the unit wasn't in rentable condition, Minimize this loss by getting the tenant to leave a little early in exchange for a partial rebate of the rent.

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