

MRLANDLORD.COM Tips on Management

by Jeffrey Taylor

Ask Questions on the Application That Will Help You Recover Money if Necessary

Your key concern with questions asked on the application should not just be getting responses to determine if an applicant is qualified now. You must also ask questions that will help you recover all money due should the now-qualified applicant have financial difficulty later. Therefore always ask for a Social Security number and a complete name. Don't stop there. Ask for maiden name or other last names they have used or that may show up on a credit report. Do not feel odd in asking. Terrible credit may not show up simply because you failed to get a full or correct name.

If you get a judgment later in a name that's not complete or correct, it's doing no credit damage as far as your resident is concerned. Therefore, he or she has no incentive to pay off. Ask if parents or another relative will be willing to help with payments in case of financial hardship. Also, with so many foreclosures currently occurring, ask applicants if they currently rent or own? If they do own, who is the mortgage with? Many landlords have discovered homes to buy cheap by asking these questions.

12 Screening Criteria for Dog Owners

1. Dogs must pass an interview that shows they have a reliable temperament and good manners and that their owner can control them. Applicants will be rejected if their dog growls or glares.
2. Dogs will be rejected if they have any history of biting or attacks on humans or attacks on other animals.
3. Applicants will be rejected for misrepresentation of the breed of their dog.
4. Dogs must have proof of current rabies vaccination and proof of neutering.
5. No puppies allowed. Dogs must be 12 months of age or older.
6. Applicants will be rejected if they say they will get rid of their dog in order to be accepted to rent the house.
7. Applicants will be rejected if they claim their dog is never allowed in the house, or they will chain the dog in the yard.
8. Applicants can be rejected for not having their pet under control, turning their dog loose without a leash, and or being unable to control the pet.
9. Applicants will be rejected if their dog appears to be dirty or badly cared for.
10. Applicants can be rejected if they do not know what they are going to do with their pet when they are not at home. The pet owner must have a plan for caring for the pet.
11. Applicants must be able to provide a veterinary reference for their dog. Applicant will be rejected if the pet has never received any veterinary care.
12. Applicant will be rejected if the pet does not have a good landlord reference that indicates there have been no complaints of excessive barking or of damage done by the dog or of the dog threatening humans.

Know What Applicants Really Want

Everybody knows that the amount of the rent we charge for our rentals is the most important financial consideration in the minds of our prospects, right? Nope. According to a study by Rob Foelinger's consulting firm, and who authored this tip, it has been conclusively shown that the number one monetary concern in the heads of applicants is actually the amount of the first month's check the resident is going to have to write in order to move into the apartment, rather than just the rent itself.

You know the check I am referring to, the one jam-packed with all the various deposits and fees and other up-front costs in addition to the rent itself. When the prospects call you back after visiting your rental and asks "How much did you say your security deposit is?" or "How much were your application fees?" they are doing the math themselves and computing the first month's cash outlay.

For most rentals, especially at older, modestly-priced properties, such a high first month's cash outlay often proves to be a hidden, yet devastating, marketing disadvantage.

The first step in dealing with this reality is to analyze how your first month's required cash outlay compares to that of your competitors. You are likely to be absolutely astounded by the range of outlays required in your market area. For example, in one area of one city, despite the fact that the various rents were quite comparable, the required first month's check for a small one bedroom apartment ranged from a low of \$640 to a stratospheric \$1,575, a whopping difference of \$945! Almost a thousand dollars difference in initial move-in costs for comparably-priced rentals! Understandably, the property charging the \$1,575 was experiencing lots of difficulty leasing their rentals and had no idea why.

Can you see how you can cause yourself big problems in leasing homes and apartments by requiring a first month's cash outlay that is not competitive with the rest of your market? Remember this: It does not matter what your rent amount is if the prospect cannot afford the first month's required cash outlay. Further, does it make any difference if all your competitors are offering a free month's rent to be taken at the end of the lease, if their first month's check requirements are prohibitively high? I believe this is the sort of truly relevant information that you should be routinely discussing with all your prospects.

If you are like many landlords, you are probably obsessed about your rent amounts when you would be wise to pay a lot more attention to cash outlay requirements.

Here's how you compete much more effectively. Rather than doing what everybody else is doing, which is trying to collect as much move-in cash as possible to pack away in the 'cover your assets' account, all you need to do is adjust your first month's cash outlay requirement to be more competitive and then incorporate a discussion of the amount of the first month's cash outlay into your sales presentations. Utilize a chart entitled "First Month's Check" during your sales presentations that list the amounts charged by your property in comparison to what others may charge. When you do this you will finally be talking about the real number one financial issue in the minds of your prospects and they will be delighted by and impressed with your perceptiveness.

To take this strategy one step further, if your cash outlay totals, say \$984 on a particular rental, ask each and every prospect a very important question. The question is "Are you interested in keeping the amount of your first month's check under \$1,000?" As you can readily imagine, the answer is invariably a resounding "YES!" So, what if your "First Month's Rent chart," which you've discussed with the prospect shows that four of

your toughest competitors may require more than \$1,000 to move in? Can you see how you have helped the prospect eliminate these four competitors from their rental search? And you have done so even though your actual rent amount might be considerably higher than those four unenlightened competitors.

It is astonishing what substantial improvements you can make in leasing effectiveness by figuring out what is really important in the minds of applicants and then helping them compare and see the real important differences with your rental.

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