

MRLANDLORD.COM Tips on Management

Turn Lemons into Lemonade

By Jeffrey Taylor

Priority #1 - Fill The Vacancy!

This year, always remember priority number one is **fill the vacancy** (with qualified residents). Many landlords start the year focused on how to cut costs like maintenance and repairs and somehow forget or don't realize they are losing a lot more money throughout the year from vacancies and uncollected rents (from no-pays and evictions).

While cutting your costs is helpful, you should focus first on making sure you are always generating the maximum income possible, because that way, you will have far more money to make improvements to your properties that will add even more to your income. And maximum income allows you to handle more "bumps" in the road during the year. So if you are making any new year resolutions, I'd suggest one of them to be - To Fill All Vacancies With Quality Residents Within 72 Hours but No longer than 7 days!

You Can Reinvent The Wheel!

Turn lemons into lemonade in 2009. Sometimes the best way to make money is to improve the property you already have and raise the rent on it. For example, I had one little two bedroom house I wanted to sell because the living room was too small and you had to go through a bedroom to get to the bathroom. I bought it as part of a package deal and couldn't keep a tenant in it. Since I couldn't sell it, I decided to remodel it.

I enclosed the front porch and removed the wall between the living room and the front porch changing a 9 x 12 living room into a 12 x 18 living room. Then I changed the wall in the bedroom making a hallway so that there was a door to the bedroom and one to the bath. No more going through the bedroom. The remodel cost me about \$3,000 in materials. We did the work. A property that I couldn't keep rented for \$450 now gets me \$650. The key point here is to look at your rental properties and consider repositioning how the property is viewed by your potential residents. Change the way prospective residents see your properties and it could greatly affect your cash flow!

Study Your Competition

Read the local classifieds (and craigslist.com) at least once a week to see what your competition is offering. I do this so that when I talk with prospective residents I know what I can offer that others are not and so that I can separate my rentals from my competition.

For example, last year when no one else was advertising "No Application Fee", I did, and my phone was ringing off the hook. Now, there are several ads in my area that offer no application fee. By reading the classifieds and craigslist.com, I also learn what aspects of my rentals may be perceived as better than what my competition is offering (whether it be deposit requirements, the rental amount, resident rewards program or maintenance guarantee). Whatever you offer, in a competitive market, you've got to be able to offer or promote "something" that makes you have value or stand-out over your competition.

Another tip. When was the last time, you visited another rental in your area to learn what your competition is "really" offering?

Copy the Rent Checks

If you have not done so lately, the beginning of the year is a good time to make copies of the front of all rent checks you receive and put in your resident rental files. By doing so you will have updated bank information on your residents, which may have changed since they first filled out their original rental application. This updated information may come in handy if you later have to garnish their bank account in the future.

Look Again!

2009 can be your best year ever. I took control of more rentals in 2008 than in any previous year and I'm expecting great things in 2009. If, by chance, things are not looking good for you right now as you look at the year ahead, I would encourage you to LOOK AGAIN. And keep looking AND learning, because there are and there will be a multitude of opportunities that will appear all around you this year.

The question and challenge for you is whether you are learning how to spot them and are actually looking for them. Make sure to attend all the association meetings this year.

More millionaires were born during the great depression of the 1930's than in any prior decade. So if you have not seen a great opportunity lately, look again, and keep looking!

These tips are shared on MrLandlord.com website and in the Mr. Landlord newsletter from Jeffrey Taylor, founder of MrLandlord.com, website contributors and real estate authors featured on the site. To receive a free sample of the Mr. Landlord newsletter, call 1-800-950-2250 or visit their informative website at MrLandlord.com, and learn how you can receive a free landlording book.