

MRLANDLORD.COM Tips on Management **by Jeffrey Taylor**

Use a Limousine to Fill Vacancies

One Michigan rental owner said one of the most popular strategies to fill vacancies was to use a Limousine. The owner bought a limousine no longer in use at a big discount. Then he advertised the fact, the limousine was an exclusive bonus perk available to those who rent his properties. Residents could “hire” out the limousine for practically nothing (just the minimum cost of paying a low hourly fee to the driver). Prior to the “limousine” advertising, the owner had a 20% vacancy rate. Now the owner has a waiting list.

Ever Thought of Buying a Used U-Haul?

A Missouri landlord bought an out-of-service U-haul truck to offer as an extra perk to rental applicants and new residents. The used truck was bought for just a few thousand dollars. When applicants are applying, the landlord makes mention of the fact that he can offer them free moving assistance with a truck. This perk definitely gives the landlord an edge over his competition. Obviously the truck also comes in handy for general maintenance use in the landlord's normal rental operation, transporting carpet, appliances, etc when needed. And if a resident goes sour, the truck can be used to assist in helping a problem resident get moved out of the property so that it can be more quickly turned around and ready for the next resident. Depending on the circumstances, the move-out assistance however, may or may not be offered for free.

Offer Dog Run as a Service Upgrade

A Southern California rental owner shared what he offers pet-owning residents as a service upgrade. He offers to put up a fenced in Dog Run. His dog-owning applicants love the idea and are willing to pay an extra \$45 per month for this upgrade. Residents who desire this added service upgrade sign an additional service agreement which permits the owner to increase his income even in a rent-controlled area. The landlord also loves the added benefit that with the addition of the Dog-Run, there is less wear and tear and less property destruction to the property by the dogs that are now in a fenced area.

Google Them!

When screening rental applicants, consider using both Google.com and MySpace.com. To do so, start by asking for email addresses on the rental application. Sometimes a red flag can be raised by the email address that some applicants use. For example: hotmama@escortservices.com or pothead@xxx.com. Google not only the email address, but also google the applicant's name and phone number.

In regard to MySpace, you want to see if applicants have a MySpace account. More and more rental applicants have one, as many as one third to half or more depending on your target market, especially if you rent to those in their 20s. By checking MySpace, you can often learn interesting tidbits about the applicant's lifestyle, hobbies, pets, work and more. To search MySpace, go their home page, click the Search link which will allow you to search by name or email address. Google and MySpace are just two more tools that a landlord can take advantage of using when screening rental applicants.

Stress Importance of On-Time Payments

Explain your rent collection policy to all new residents before they move in. Have this policy in writing, and stress the seriousness of prompt payment. Remind new residents that late payments may affect their credit rating. Have the new resident circle and initial the lease section that says rent due on the first. Because many owners offer grace periods, residents may think rent is due on the fifth. Consider, if your state permits, not providing a grace period. "Rent is due on the first with a \$XX late charge on the second." Sounds tough, but it works! But you must enforce late charges. Threatening late charges but never enforcing them only causes more delinquency. The residents will see you as all "bark" and no "bite." If you clearly communicate the rent collection policy before move-in and reinforce your conversation by giving new residents the policy in writing, then they will believe and expect you to enforce the policy.

Move Quickly on Delinquencies

All residents who have not paid by the first must be sent notification on the second. If the resident says, "It's in the mail," ask for a substitute check and return the mailed check when it arrives. Again, the key is acting immediately. Demonstrate an expectation to every resident that you know they will pay rent on time. When a resident is late, be understanding, but make it clear to the resident "We want the rent, and we want it now." Do not accept excuses nor negotiate with the resident to catch up next Friday. One possible option for stimulating payment of rent is the "emergency contact". Hopefully, your rental application gives you permission to contact all "emergency" references in case of non-payment. If so, notify the resident's emergency contact if rent is not paid on time.

Yes, our residents sometimes have legitimate financial problems. Job lay offs, car troubles, or medical emergencies can really put some of your great residents in a financial bind. Yet, your obligation to your family is to collect ALL the rent remains. The ethical thing for you to do is aggressively go after full payment and late charges. Your response to the delinquent resident should be, "Sorry you were laid off from your job, but your rent is due now. Let me suggest the following options." 1) Ask for a loan from family or friends. 2) Use a credit card for a cash advance, 3) Take money out of savings or retirement fund, 4) Contact your church or some other agency to see if you can get help.

If a residents pays, but pays a couple of days late, remind the resident of the actual due date and asses appropriate charges if they were not included. Say something like, "We really appreciate your rent, but since it was paid after the due date, the following amount is now immediately due to avoid eviction proceedings. Thank you!"

Be aware of all residents who are delinquent. Do not harass or embarrass the delinquent resident, but be firm with your policies. Do not entertain options that do not include the resident paying the rent ASAP. If you negotiate and let the resident off easy, the real loser is you! And never use the eviction as an empty threat or a mere collection strategy. When you start to evict, go through with the process.

These tips are from excerpts and tips shared on MrLandlord.com website and in the Mr. Landlord newsletter. To receive a free sample of the newsletter, call 1-800-950-2250 or visit their informative website at MrLandlord.com and register to win a free landlording book.