

MRLANDLORD.COM TIPS ON MANAGEMENT

Don't Blame the Economy

by Jeffrey Taylor

It's easy right now for landlords to blame the economy for extended vacancies and many landlords are now expecting vacancies to last longer. I would strongly suggest that landlords NOT "expect" a rental to be vacant longer in these tough economic times. Why not? Because most people take action at the speed and level of their expectation. If you expect a vacancy to last longer, you will probably move at a slower and less determined pace to get it rented. That's human nature.

However, if your expectation is to fill the vacancy within 72 hours, you will more likely take more effective action to accomplish what you expect. Put another way, you tend to accomplish what you expect to accomplish. And sadly, countless numbers of landlords across the country right now are losing thousands of dollars every month with vacancies because they don't expect to fill their vacancies faster.

I'm not simply talking about positive thinking. I am convinced that if a landlord makes filling vacancies their number one priority and takes certain action steps, they can fill any vacancy with 72 hours, (definitely no longer than seven days) no matter the economy.

Collect Rent Automatically!

Landlords need to consider getting as many of their residents as possible on some type of automatic rent payment plan. When economic times are tight, my experience has been that those who have rent being paid automatically (without them having to think about it) have a much longer payment success rate.

There are many direct rent deposit and automatic bank draft services offered through various banks, also on MrLandlord.com and elsewhere. Whatever service you consider to get rents paid automatically, I just want to encourage you to DO so.

Direct rent deposits or automatic drafts makes life so much easier for the landlord without worrying every month when (or if) the rent is coming in or listening to the excuses of why it's not there. ***Auto Rent collection is the wave of the future, and you know what, many residents actually PREFER it.*** While some of you are wondering whether you should try it, your competition is attracting and even targeting the qualified applicants who prefer it.

One landlord, who took this advice, shared a story recently: "Our business has become so much more efficient since we REQUIRE all residents to pay by an automatic rent payment plan. We explain this to prospective residents even before we show a rental. We tell them that our rents are collected electronically and if this is okay with them. Many are so happy and want to pay this way. Remember, many people are paying their other bills online anyway so why not rent. We even had an incident where one of our residents got into a little bit of trouble and was in jail for the weekend and of course it was the first

of the month. Guess what, we still got our rent paid on time. Her boss bailed her out and her rent was paid on time."

Positive Way to Get Rents on Time

I've been having an "ON-TIME" DRAWING for a \$25 gift certificate or \$25 off the rent. Started in January, and it seems to be working! One tenant asked me yesterday, "Did I win this month?", and I had to tell her that the winner hadn't been picked yet (I have some rents due on the 15th of the month).

We only have about 15 units, but about three of the ones who couldn't seem to get the rent to me on time are now doing so--it is even coming in early! I figure that with 15 units, EVERYBODY will win so much that it will be a BIG reinforcing tool. If you've ever studied psychology, you'll know what I mean. It is a small price to pay for getting the rents in on time as well as creating good will!

\$3,800 for Asking

I just thought I'd share how I made close to \$4,000 today because I know some landlords think that some costs just aren't negotiable. I have all my properties bundled under a master insurance policy which is coming up for renewal. Last year it cost me \$28,700. Every year they increase the coverage amounts due to inflation. I told them this year that property values were way down and I wanted all my coverage amounts to be the same. They came back with a renewal at the same cost as last year.

So once I got their "first offer", I went back again and told them that in today's economy they should be grateful to have a customer like me who pays my premiums on time and doesn't make claims. I told them that offering me the same premium price certainly didn't send the message that they wanted to keep my business. A little while later I got a new quote for \$24,900. Although insurance may not be as flexible everywhere in the country right now, the point is, almost anything can be negotiated!

These tips are shared on MrLandlord.com website and in the Mr. Landlord newsletter from website contributors, Jeffrey Taylor (founder) 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.