

ASK DOCTOR CASH FLOW

Are You Experiencing High Vacancies?

by Nick Sidoti, R.A.M.

Question: I am experiencing very high vacancies right now. I take phone inquiries and make appointments, but no one shows up. I find this very frustrating. How do you deal with no shows?

The first part of filling vacancies is advertising. You must be doing a good job of that because you say your phone is ringing. You didn't tell us how you go about making appointments and showing units, so I will give you a general answer.

Many a lonely landlord has been seen standing in front of their rental unit waiting for prospects to show up. I do have a theory on why they don't show up. My theory is that the tenants are kidnapped by the tenant fairy on their way to see your unit.

On the serious side, one thing you can do to increase your show-up rate is to really hook them on the phone when they call to inquire about the apartment. Make them feel that they want to see it immediately. Tell them that the apartment won't last; it is to their advantage to see it first (or today, or at their scheduled time). Really sell the sizzle. Tell them how lucky they are that it isn't already rented. Ask them when they have appointments to see other units. The chance of them showing to see yours is higher if you make your appointment first on their list. Many no shows are no shows because they have already rented an apartment and are just too rude to let you know.

You may also let them know that you have to go out of your way to meet them so you would appreciate it if they would let you know if they can't make it. You and I consider this common courtesy, but an amazing number of tenants never think about it.

Have the tenant call up to confirm the appointment a half hour before the scheduled time. This will allow you to go about your business and only go to show the apartment if the prospective tenant intends to show up.

Another idea is to stop showing your rentals. I have been having very good luck having tenants and neighbors show my rentals for me. I make it a win/win arrangement. They get paid \$50 if I rent the apartment to someone they showed it to, so I win because I no longer have to drive to the apartments to show it. I am able to give the prospects a much wider range of choices on when they come to look at the rental. This eliminates the "Can I see it now?" and "No, I have another appointment" problem. I especially like using this method in conjunction with a lock box. By putting the keys in the lock box, I can use more than one neighbor or tenant to do the showings. They may actually start competing for the \$50 rental job.

CAUTION: The persons who you choose to show your rentals need to understand that their job is only to show the unit. They are not to make commitments, statements or promises. You don't want to get sued for discrimination because of what someone else

said or did and you don't want to have to live up to someone else's promises. Train them that their response always should be "You'll have to ask the landlord, I only show the apartment."

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