

New Ways to Fill Your Vacancies

by Wright Thurston

As the saying goes, "Happiness is a positive cash flow." Empty rental units do not produce positive cash flows. What vacancies do produce are sleepless nights, gray hairs, and negative cash flows. Since no one I know invests in real estate for these reasons, you need to have strategies in place that will give you an advantage in terms of filling your vacancies. When your properties are full, you feel better because you have more income.

At some time, you're going to have vacancies. If you want to be successful, you're going to need to get those vacancies filled. There are a lot of tried and true ways to accomplish this. But there are also more unique ways to fill those vacancies. Here are some of the more creative ways I have used.

Support your local sheriff

My wife and I are always looking for opportunities to increase the cash flow value of our rental units. We once purchased a duplex and realized that this duplex would become more valuable with the passage of time. But we were impatient investors. We wanted more positive cash flow and we wanted it now, not several years from now.

We checked with the local planning and zoning department and discovered that we could legally change this property into a three or four unit building. Since we were short on cash, we simply bought a small refrigerator and a hot plate and, by adding these two items, we created a small studio apartment out of the downstairs area of one of the two units.

The first person who responded to our newspaper ad and rented our newly created unit was a young police officer. At first, we didn't realize the significance of this. We now know that one of the greatest blessings a property owner can ever enjoy is to have a police car sitting outside of their property all night long.

So if you should ever find yourself with an empty rental unit, contact your local law enforcement agencies and offer any of their employees incentives (like rent discounts) if they will move into your unit. Do what is necessary to make your units attractive to them, even if that means customizing the apartment or lowering the rent some more. Your primary objective is to get a lot of police officers and their cars hanging around your units.

Discounts for managers

Many of the apartments we acquire are mismanaged. This usually means that the existing tenants and the condition of the property itself are not in great shape. Fixing and improving the units will not change the image and the public's perception of the building until you upgrade the quality of people living there. As you advertise for "new and improved" residents, also indicate that you are looking for someone with managerial skills.

Even if you have already filled the main on-site manager's slot, don't let the quality prospects get away. If they should need some additional encouragement, such as lower rent, make them assistant managers. People like authoritative titles. Make sure you mention how wonderful this "managerial position" will look on future resumes. Their responsibilities may include nothing more than paying their rent on time and assisting the full-time manager whenever necessary. If you are really successful with this approach, you may eventually have a six unit building where four tenants are "assistant managers."

Army, Navy, Air Force, Marines

If you happen to live in an area where there are military people, you'll find that people in the armed services can be some of your very best tenants. You should always contact the local military

base housing office, even as you negotiate the purchase of your next rental property. Go to base housing and let them know that you have properties and that you're interested in having military people live there.

First, you'll need to fill out the paperwork they require. Then they'll send a representative to inspect your properties to see that they meet the military's requirements. Believe me, if there are improvements to be made, they'll let you know. Once these things take place, you must follow up to make sure you have been approved under the base housing program. After that, let them know when you do have a vacancy. Since this is an area of the rental market that most people don't concentrate on, you'll be in a great position to get newly transferred personnel sent to you first.

Specialized Tenants

If you have properties that are located near universities, high schools or elementary schools, contact your local school districts. Let them know that you're interested in catering to teachers and educators. Let the school districts know that you have properties within walking distance. Just by doing this, if a question ever does come up, where a teacher is looking for an apartment, the name of your property will come to mind.

If your buildings are near a specialized institution like a hospital, or a medical and dental health facility, often these organizations will have an internal newsletter that they generate on a weekly or biweekly basis. Usually there's a free column where you can place a brief advertisement. It never hurts to let the employees know that there is a nice apartment within walking distance.

If it looks good . . .

Probably the most important area you should devote your attention to is the "drive by" factor, or the image that your properties present to the people who pass by. Statistics have shown that 55 percent of the people who rent apartments or homes do so because they liked what they saw when they drove by. Experience has shown that, of the people who do become tenants, only 15 percent were attracted by paid advertising, and that was normally newspaper advertising. This is quite different from what many people think.

All of your unique and creative vacancy filling ideas really can't help you very much if the outside of your rental unit is unattractive; if it doesn't have curb appeal. First impressions count so much. People will want to see what's on the inside, based by what they see on the outside.

Don't neglect the outside conditions. You don't get a second chance to make a first impression. Spend the money it takes in order to create the proper appearance. Make it look so inviting that people will just have to go inside. Once they walk into your units and meet you or your manager face-to-face, your chances of renting to them has improved dramatically.

Try new approaches

Too many inexperienced investors view filling vacancies as a headache and a hassle. Sure, I can think of other things I'd rather be doing. But I recognize it for the opportunity it presents. Not only can you upgrade the quality of your tenants, but you can also increase your property value simply by raising the rent. Seek creative solutions to filling your vacancies. Make things fun and more exciting by trying new approaches. Always remember that your tenants pay your rents, which pay your mortgages and expenses. And this is what creates the positive cash flow so you can enjoy your life.

Wright Thurston is one of the few people in the world who has built over a million dollar net worth in each of four totally different businesses: in real estate, by starting his own business, as a professional consultant and speaker, and in consumer direct marketing.

Financially independent at age 30, Wright became a millionaire as a result of his part-time real estate investments. By applying proven success strategies, he built a \$9,000 a month positive cash

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