

TIP OF THE MONTH:

How to Rent Your House in a Down Market

By Jim Straub, Oregon Rental Housing Association Legislative Director

I don't know about you, but I'm seeing many more vacancies in my rentals. With the down economy, more tenants are downsizing to apartments, moving in together and consolidating households or moving back in with their families, so that means more vacant units. That means you are competing with lots of other landlords to attract quality applicants. In a competitive rental market, you must be prepared in order to rent your unit quickly and limit the duration of your vacancies. Sometimes that can even mean spending a little to make money. You're losing income every day your rental is vacant, so time IS money. Here are a few things to consider when renting in competitive market:

- **Your approval process should be a well-oiled machine.**

Time is of the essence in renting your unit. Chances are that qualified applicants are looking at a number of vacant units and, if you want them to choose yours, you must process and approve their application quickly. Don't give other landlords the opportunity to rent to them first.

If you charge an application fee, you must have written application requirements. If you don't charge a fee, you are not *required* to have them in writing but, for all the many reasons we've reiterated over the years, you should. (If you are drawing a blank here, call the Helpline!) In either case, you should KNOW your screening requirements. Knowing what you are looking for will improve your processing time considerably (and cut your chances of making a fair housing mistake).

Consider using an electronic background check service. Many services, including some that are ROA members, can give you nearly instantaneous results online.

- **Be flexible and available.**

Along those lines, when you need to show a unit or approve an applicant, be available and flexible with your time. Someone wants to see your unit – how about TODAY? Approved an applicant – call them NOW before another landlord does.

- **Watch your curb appeal.**

Take care of delayed maintenance items and be sure your unit is ready to rent. Although it seems like it should go without saying, make sure it is clean, well lit, and presentable. If you're having a tough time renting your unit, maybe potential tenants are having a hard time seeing it as "home." Remember, you are looking for good

tenants who want to live there a long time and care for the property. You want them to view it as their home.

A few inexpensive touches here and there can make all the difference. Make sure there are light bulbs in all the lights – some experts even recommend soft-white bulbs to give your unit an inviting glow. Try putting a few inexpensive curtain valances in neutral colors on the windows. And look at your landscaping. Be sure the lawn is watered, mowed and the flowerbeds are weeded. I even plant a few inexpensive “color spot” flowers in units to improve their curb appeal. The lesson here is that a little bit can go a long way towards making your unit more inviting.

- Be sure you’re not priced too high – or too low

If your unit isn’t renting, the question you might ask yourself is “Is it competitively priced?” I check the Register Guard, the Eugene Weekly, and Craigslist.com to compare my prices.

Another trick of the trade, though, is to be sure it’s not priced too low. Sound counterintuitive? Consider it this way. It’s a tenants’ market out there. Smart, qualified tenants know about how much they can expect to pay for a quality rental and may look at literally hundreds of “For Rent” ads between newspaper and internet sources. If I expect to pay around \$950.00 for the type of rental I’m looking for and I see an ad for the same unit renting for \$675.00, what do I think? That it’s a dump. That it’s in a bad neighborhood. That it was a drug house. That it’s not worth my time to look at.

As surprising as it seems, I’ve had several clients come to me with properties they’ve been unable to rent and, after raising the rent substantially, I’ve rented them immediately. It’s a quality expectation issue. Americans believe that the higher something is priced, the more valuable it is. You can use this to your advantage in a tough market. Now, obviously this doesn’t apply to every rental situation, but carefully consider whether your hard-to-rent unit fits within this scenario.

- **Use the internet.**

Your potential tenants are. Advertising there is easy and will save you money. I have used Craigslist.com with good success. Cover all your bases to reach the largest possible audience.

Sometimes hard to rent units just need a few small marketing changes. A little effort and a small expenditure can go a long way towards helping you rent your property.