



Raising Rent KWIK TIPS

13 Great Ideas That Will Work!

- 1. Provide STELLAR Customer Service** – Never force a move out due to the perception of poor customer service by your residents. Unhappy residents will always resist rent increases.
- 2. Maintenance Matters!** – When it comes to GREAT service, most residents think of *Maintenance Service*. Become obsessed with providing the correct response time and thoroughness of work to all resident service requests.
- 3. Be Genuine and Authentic with Your Residents** – Create opportunities to really know and acknowledge your residents. A leading reason that residents say they moved is “Lack of Appreciation by the Onsite Office Team”! Know residents’ names, jobs, pets, and even current life situations.
- 4. Raise Rent in Odd Dollar Amounts** – We get in the habit of raising everyone \$75 or \$100...predictable rounded increments that seem simply a RENT INCREASE to our residents. They interpret a \$60 (rounded off) increase as simply a way to make more money and the residents have an adverse reaction. Instead, use odd numbers in the amount of the rent increase as well as the rental amount suggesting an adjustment to rent calculated on increased expenses and operations. Instead of a \$80 increase, make it \$83.
- 5. Raise Rents but Offer an Early Lease Discount** – Several months before the lease renewal date deliver a renewal notice that includes an early bird discount if they agree to the increase and sign the renewal immediately. This will create the feeling they are saving money rather than receiving a rent increase. It also will help to preempt their search for a new apartment home elsewhere. If you are trying for a 5% increase, you might deliver an increase notice of 8%...but there is a 3% discount if they renew within 2 weeks. You can do the same strategy with a dollar amount. If you want to increase the monthly rent \$75, deliver a \$100 increase with a \$25 discount if the renewal is agreed upon and signed within 10 days. Instead of a \$900 annual rent increase, you spin the deal as a \$300 rent savings!
- 6. Compare the “HIGH Cost of Moving” to the full rent increase** – It is very reasonable to estimate moving and relocation costs of up to \$1,500 *plus* to your resident. Show them a list of the average costs associated with moving from one apartment to another. This cost, in black and white print, will almost always trump your rent increase.

- 7 **Offset the Increase with A Renewal Incentive or Upgrade** – Raise the rent \$109 on the \$1000 a month apartment...and offer a \$300 discount on the first month of the renewal term. Better yet, offer an upgrade (ceiling fan, light kit, new counter-tops) to the apartment that would make it more desirable in the future and might be necessary if the resident moved out now.
- 8 **Dare to Compare!** – Have your homework done in advance and offer a list of all features and benefits that your community offers suggesting the resident use this sheet to compare the properties that might be options for a future relocation. Don't forget intangibles like stable onsite management, tenured and experienced maintenance team, and a predictable and conscientious owner.
- 9 **Renewal Party** – Create a festive event to invite residents to come and renew their lease. Be sure to have all touchy or controversial “issues” discussed before meeting at a public location with other residents! Nice snacks and a little wine and beer will create a more comfortable place to make a renewal commitment RIGHT NOW. Offer electronic renewals in your business office for
- 10 **Door-to-Door Approach** – Show up at the doorstep with the completed lease renewal document, including the rental increase, ready for the resident's immediate signature. Be prepared to use the Lease Renewal Guarantee if necessary. Better yet, bring your iPad or tablet so the resident can electronically renew on the spot. Easy breezy!
- 11 **Empower the Staff with Closing Options to Negotiate the Renewal** – Arm the person doing the face-to-face renewal with negotiation tools such as specials, upgrades, and even wiggle-room on the actual rent increase amount. Avoid losing the moment by having to “go back to the office to check with my manager.”
- 12 **Lease Renewal Blitz** – Gather the onsite team on a Wednesday or Thursday evening for a Lease renewal attack! Knock the doors of residents coming up for renewal showing up between 6 and 8 pm with the new lease or tablet in hand. This can be done without even any advance notice. You will often surprise them into just signing the renewal on the spot!
- 13 **Lease Renewal Guarantee** – When a resident has reluctance to renew due to past bad experiences at your property, determine the problem and ask if this is the primary reason they will not renew today. Then use the **Lease Renewal Guarantee** to assure the resident that if this problem is not addressed as agreed to in writing in the **Lease Renewal Guarantee** document, they can be released from their lease and the renewal is void. Powerful!

