

Resident Retention

You and I work in an industry which experiences major fluctuations in occupancy and those same ups and downs apply to our cash flow. When occupancy is low, we focus on leasing apartments. The pressure is really on when we have what seems to be hundreds of vacancies and only ten customers in the whole city.

Ultimately the market changes, the economy improves and we are forced to refocus our efforts. We begin to breathe easy, emit a sigh of relief, just as our owner or supervisor drives up and we see that "RR" look on their face.

Raise rents! Now we have a new type of pressure. Unhappy residents are constantly complaining about the increase in the rent on their apartment. When they come in or call to complain, our answer historically has been "don't blame us, it came from the main office!"

Not very effective, nor very comforting for the resident. Surely we can do a better job than that. HOW?

First, how was the increase presented to the resident? Is the increase letter the first time they have heard from your office the entire time they have lived there? Does your company revise and update regularly your retention and renewal program? Are the letters you use form letters filled with "dear blank" spaces?

Put yourself in your renters shoes. You probably hate the cold and impersonal effort of form letters sent to you. Technology today makes it simple to personalize every letter.

Try these suggestions:

1. Do not indicate that the increase is personal. The rent increase is truly on the apartment itself. Rather than state "your rent is going up" say "the rent on the apartment home you occupy is due a moderate increase."
2. Explain the necessity. Produce a graph or chart showing increases in costs over the past several years. Include common area utilities, water, landscape and pool care, payroll taxes, workers compensation and other insurance. Just as any other business increased costs are passed on to the consumer.
3. Do not apologize or blame the increase on others. Get sold on the necessity, talk about future improvements and

maintaining the community in the manner which they are accustomed.

4. Make your residents aware of the value of the customer service they receive. By doing this from day one your customers will not question it's worth in dollars at renewal time.

Think through the entire process, do a current rent and market study, overview your written materials and update them appropriately. Coach your entire team on the right response to resident complaints and questions. Leaving what is said up to the individual employee can be disastrous. Make a plan, stick with it and your property will experience a successful and less stressful rent increase. Handled properly, you and your staff will deal with fewer complaints, less hostility and very few move outs.

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