



HOW TO MINIMIZE VACANCY

Occasionally we hear the question from a client, “Why is it taking so long to rent my property?” Generally speaking, if your rental is priced right in a stable market and is presentable and show ready, then it should rent within a couple of weeks. One of the single biggest factors for renting a unit quickly is **price!**



Let's take a quick look at a good rule of thumb when considering a price reduction when your property is not renting in a timely manner. Before we get into this, I want to be clear that this rule doesn't apply to properties that have been vacant for 10 days because of a few denied applications etc. This rule applies to properties that have not only been vacant for 10 days, but have also not had any interest, applications, showings etc.

If a property has been vacant for 10 days and the ads are on all advertised websites, the pictures are clear and appealing, the management team has a flexible showing schedule to accommodate interested tenants and they are responsive to inquiries then reducing the rent by 10% would be advised. The ROI will increase your bottom line if leased at 90% of the asking rent as opposed to being vacant for an extended period of time trying to capture the higher rent amount.



As you know, a vacant unit means no income. Properties that are priced just right, and not the upper end of what the market threshold is, tend to attract tenants who stay for longer periods of time.

To showcase the 10 day - 10% rule and how it effects your ROI, take a look at this chart and what happens when a rental for \$1000 sits vacant throughout the course of a month.

RENT	DAYS VACANT	RENT LOSS
\$1000	7	\$225.81
\$1000	15	\$483.87
\$1000	24	\$774.19
\$1000	31	\$1000

With that said, please know that we work for you but also ask that owners trust us and our expertise. We strive to manage and make decisions as if it were our property. We wish you and your property success...happy investing!