

Standing Out From the Crowd

London landlords emphasize the positive to attract tenants

Landlords across London are working doubly hard to differentiate their buildings from those of their competitors. Successful marketing – from attracting tenants to upgrading properties – is becoming increasingly important in an economy where tenants can afford to be selective.

Bill Amos, a residential property manager with BlueStone Properties, says tenants look at apartments in two or three buildings in a neighbourhood instead of applying for the first one they see. Because tenants are selective, the presentation of a property is critical. Common areas should be clean and individual units ready for tenants to move into.

“The landlord who has units ready is going to be the winner,” Amos says.

Tenants expect quality finishes even in older buildings. Updating light fixtures, and replacing brass door handles and cabinet knobs with brushed-nickel or pewter hardware is an inexpensive way to freshen up a unit – and command a higher market rent.

Amos also recommends that landlords replace appliances with energy-efficient models, particularly if they’re paying for the utilities.

“For less than \$1,000, you can do an awful lot of upgrading. If that can produce another \$50 a month, your payback is great,” he notes.

Richard Izawa, a residential property manager with Drewlo Holdings, agrees it’s important for landlords to present a professional image and make a good first impression through their advertising and their rental agents.

A building should have strong curb appeal with driveways and walkways free of snow and clear attractive signage. Building managers should be well trained and convey the impression they take good care of their building and of residents.

“It should look like a place where you feel comfortable and secure. People, I think, look at the comfort level,” Izawa says.

A controlled entry, secure parking and adequate lighting all add to a tenant’s comfort level. Suites need to be clean, freshly painted and “rent ready,” Izawa says.

“If it’s a vacant unit, make sure there’s no reason why a prospective tenant wouldn’t want to rent it.”

Amos says landlords should know their competition and what they can charge in a particular market. Even if landlords invest a great deal of money in a renovation, they may not be able to command rents of more than \$600 a month if \$600 is the average rent in a particular neighbourhood.

BlueStone owns and manages a range of apartments, from high-end suites downtown to units in 45-year-old low-rise buildings on the outskirts of the city. Amos says landlords should target their advertising to the market that’s best suited to their product.

“You need to do your homework, especially for anyone buying a property. It’s a matter of fine-tuning your units to match the type of clientele you’re going to get. If you’re in an industrial area, you don’t want to aim your marketing at downtown office executives.”

Amos advises landlords to “build on the positives” when it comes to highlighting

the attributes of their units. Some elements that should be emphasized in older buildings include large, open-concept layouts and original hardwood flooring.

“If you’ve upgraded your units, let people know that,” he says.

Izawa believes landlords should target their particular market in their advertising and sell a lifestyle. Visiting competitors’ buildings also helps them to stay current. Above all, landlords need to establish their reputation and stand behind their product.

“Word-of-mouth advertising is so very important,” Izawa says. “You’ve got to be able to maintain the product, show it, make sure it’s secure and comfortable – all of those things are involved in terms of trying to reach the market and rent to people. It’s a whole process and it always will be.”

Sean McNally, owner of MCI Properties, agrees that marketing properties correctly helps to reduce vacancies. He showcases his units on his own website, mciproperties.com, and also advertises them through kijiji.ca.

In his advertising, he includes the rent, photographs, amenities that are located in the immediate area and “enough to answer the main questions,” while enticing prospective tenants to call for more information and visit the properties. He also concentrates on curb appeal, which is important not only for visitors touring units, but also for people who notice a well-kept building and keep it in mind if they decide to move in the future.

McNally shows residents he’s interested in keeping his properties clean and attractive, which involves hiring reliable on-site building managers. The upkeep of a building also represents the owner.

“When something doesn’t look good, I get annoyed because it reflects poorly on me,” he says.

McNally, who owns 60 units, including townhomes, low-rise apartment units, single-family homes and commercial properties, believes one of the secrets to retaining good tenants is to communicate with them. He makes himself available to residents through telephone and e-mail contact and deals with problems in a timely manner.

In the interests of retaining tenants, Amos says landlords could consider offering a discount if residents sign a one-year renewal of their lease. Landlords could also limit the amount of the annual rent increase or waive the increase altogether. It’s also wise to give existing tenants a referral bonus if they attract a new tenant to the complex.

Basic turnover costs, including painting, carpet cleaning, minor maintenance, advertising and a commission to a rental agent, add up to about \$1,500. Those costs escalate if the unit remains vacant.

“Tenant retention is a huge issue; it’s much easier to keep a resident than it is to have to turn a suite over and rent to a new resident,” Amos observes.

Izawa believes the dynamic nature of the business, from dealing with staffing issues and security to maintenance and marketing, makes property management fascinating.

“Anybody who’s involved in property management should be charged every morning; it should energize everyone,” he says. “If you’re interested in helping people – finding accommodations for them, making sure that they’re living in a nice place – whatever part you play in the industry is so stimulating and it’s different every day.”