

What's wrong with (your) renewals and rent increases?

More than you want to know.

As the founder of www.LeasingUniversity.com I get asked to help portfolios with renewals and selling rent increases all the time. You'd think that with all the billions being spent on maintaining and improving apartment communities that lease renewals and rent increases would be easy. Wrong. It's very difficult — and in my opinion — getting harder.

How come?

Big question. Lots of reasons. Lots of complex issues. Hard answers. (If the answers were easy — every resident would renew their lease and accept a reasonable rent increase year-after-year.) Not having the right leasing process and a lack of understanding and identifying what the resident wants and needs when they first sign the lease. And, a failure to stay up-to-date with what is most important to that resident leads you further apart from your resident and at a disadvantage come renewal time.

This is compounded by an overall lack of responsibility taken by property managers, leasing agents and maintenance for things that residents ask and require from us. "It's not my job," and other issues of blame (the opposite of taking responsibility) are the biggest reasons why your residents decide to sign a lease with another community and, in most cases, pay your competitor more rent than they are paying you.

Here are the 7 basic reasons why it's hard for you to get lease renewals and increase your current residents' rents (and getting more difficult) — followed by hard questions. Try to read these without squirming. How you answer and follow through on the *hard questions* will determine where your residents live next — at your property or your competitions — and how much they will agree to pay in rent.

1. **Failure to identify the residents wants and needs.** Most property managers and leasing consultants have no idea how to properly identify the “why” behind a renter’s decision to move and, they have no training or process for uncovering it. If you don’t know the real “why” behind a resident’s decision to make your community their home, you have basically no shot at explaining to them why they should stay and, pay your more for that privilege. ***Hard question:*** *Can you tell me the real reason “why” your last 3 residents decided to lease with you, what was most important to them and, why it was that important?*
2. **No principles for service are established.** Most properties and portfolios just have a bunch of loose policies — *Principles are what you live by* — *Policies are what you live with*. Example: Have you set a principle that your people are in a hurry to help? Do they answer every call to the leasing office within 3 rings no matter what? Does management and maintenance have a principle for always smiling and saying hello to everyone they pass, residents, visitors and, team members alike, every time, no exceptions? ***Hard question:*** *Can you and everyone on your team recite at least 3 principles that you live by, no exceptions?*

3. **Unwillingness to deal with uncomfortable situations** Most property managers and leasing agents are unwilling to deal with the emotional discomfort that takes place when you ask a resident about their intentions for the future or tell them that their rents will be increasing. They seek to avoid or delay these difficult conversations at all costs. When faced with things like a rent increase, residents get emotional and, most of it has nothing to do with you, your property or the rent increase. You and your people need to be trained on how to handle and welcome these uncomfortable situations if you are going to consistently get renewals and rent increases. **Hard question:** *Are you afraid or uncomfortable to proactively initiate difficult conversations with your residents about renewals and rent increases? Have you been trained with a process that makes them easy and predictable?*
4. **Poor examples set by senior property management.** You know who they are, the leaders who always seem to be inaccessible to residents and team members alike. It's easy to recognize them — they're the ones who screen calls from current residents and ask their staff to ask residents things like, "Can I tell her what your call is in reference to?" These senior managers more concerned with helping themselves than helping their residents or other associates at the community. Does your most senior property manager and regional manager make 3 outbound calls to random residents each day to let them know they care and are thinking about them? **Hard question:** *When was the last time you called a current resident to let them know you*

value them? How much day-to-day contact does your senior management have with your residents?

5. **A lack of belief in your property.** A property manager's lack of belief in their property can prevent them from getting a renewal or closing a resident on a rent increase. They don't fully believe in the property, the unit, the service or the value — to the point where they will do anything to show the value of staying and paying more to their resident. If you believe that the property is offering way more value and benefit than the cost of the rent increase than you will be committed to selling it. If not, the resident will sell you on why they should move or not have to pay the increase. ***Hard question:*** *Are you 100% sold on your community? Can you list 5 reasons right now, why your property is the best place in the world to live for the money. Can you justify your property at twice the rent?*

6. **Incorrectly handling objections.** Not properly identifying and handling objections will almost always cost you the renewal and kill your chances for selling an increase in rent. This is a purely technical issue and can easily be fixed by someone that is willing to put in the time, effort and practice of how to handle all the complaints and objections they will face in selling renewals and rent increases. You must have the correct information on handling renters' objections and a specific process that is predictable and repeatable for getting the renewal at a higher rent. ***Hard question:*** *Have you mastered the art of handling renters' objections — do you have a specific process that you*

train, drill and rehearse? Do you know how to handle every complaint, objection and excuse a renter will throw at you to sell you on why they shouldn't renew at a higher rent?

7. **Failure to realize who at your property and portfolio works in**

leasing. Anyone who talks to a resident, prospective resident, guest or visitor is in “leasing” at all times. Do you have a list of people who interact with residents, prospects, guests and visitors on a daily basis? This list includes maintenance, painting contractors, carpet cleaners, delivery drivers, accountants, people from corporate, inspectors, security patrol officers and many more. If everyone is not on the same page, you are losing renewals and making rent increases much harder. ***Hard question:*** *Are the people on the list aware of the code of conduct that you expect when they interact with, see or are seen by a resident, prospect, guest or visitor on your property? Tip: just make it easy and say any person or pet. Do the people and vendor companies on that list understand, execute and deliver service according to the principles you have established? No established principles? Go back to Reason #2.*



About the author: Matt Easton is [YouTubes King of Apartment Marketing](#). His [Leasing University](#) online training, seminars, and books have simplified how the industry leases apartments. Matt Easton is also Executive Vice President of [MultiFamily Traffic](#). His mission in life is to bring apartment communities more traffic and help property managers sign more leases. Matt has personally helped hundreds of apartment communities do billions in additional revenue.