

Retain Great Tenants Without Impacting NOI

As hundreds of new apartments hit the market, how can multifamily owners shield themselves from turnover as tenants investigate new options?

Property manager Jessica Morina cautions owners not to make rent concessions. "Dropping the rent should be the last stage of your retention strategy," she says. "Lowering rent impacts property value. Instead, consider incentives to retain your tenants."

Morina's team encourages retention efforts that also benefit the property, such as:

- Offer free carpet cleaning with renewals, which can also extend the life of the carpets.
- Tanning beds used to be a "hot" amenity, but tenants are now more interested in outdoor spaces like dog parks.
- Offer a gift card to a local restaurant for tenants. You can support neighboring businesses that foster a desirable place to live.
- Long-term tenants (5+ years) are also good candidates for light capital improvements like new appliances or flooring.
- If other incentives aren't working, offer up to a free month's rent upfront. Landlords make up the difference over time and don't have to lower market rates for units, while the tenant enjoys the perk of free rent.

Are you ready to maximize revenues and keep turnover low in your multifamily assets? Contact the Sterling Commercial Management Group at 406-290-9800.

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