

# Aksland Real Estate, Inc.

“Working With You Today...Staying With You Tomorrow”

## Ideas for pricing your rental unit



Many rental-home owners think that a higher rent will always result in more rent dollars-not true. The cost of a long vacancy can far exceed the cost of a lower rent with a shorter vacancy period. Since for every two-and-a-half weeks that a unit sits vacant, the annual revenue drops 5%, a long vacancy-due to a higher rent-can net an owner far less money.

It is imperative to make sure that the rental unit condition is not the reason why that vacancy is not renting. Lack of proper preparation contributes to longer vacancies and lesser desirable residents.

Provided that the house has been properly readied for the market, never let a vacancy sit longer than two weeks without lowering the rent. Proper vacant-unit preparation techniques include the following:

- Always make sure the walls have been completely repainted or at least appear that way.
- Touching up existing paint with the same paint can frequently accomplish this task.
- Clean is king. From the kitchen appliances and countertops to all of the fixtures in the bathrooms, it is of the utmost importance for the whole unit to look and smell clean.
- Clean all carpet and remove any odors that may exist.
- For the exterior, the lawn needs to be neatly groomed, with fresh-looking paint on exterior surfaces. Keep in mind that the outside of a rental house or apartment building is what forms a first impression for prospective renters.

We use Internet listing services to find comparable rental properties in the same area and price the unit accordingly. Recognize that the lesser amount of rent, realized from pricing the rent slightly below the market, can be easily offset by a shorter vacancy duration. This is especially important during slower times of the year and when market conditions are off.

We also, pay attention to annual lease cycles in the localized rental market. Our markets slow down during the last quarter of the year. With that knowledge, we try to tailor a lease to expire at a more favorable time of the year

The amount of the monthly rent is an important determinant for gross annual revenue, but don't overlook the negative effects of a long vacancy on the bottom line, which can easily be averted by a lower rent adjusted for market conditions.

For more information, please visit [www.ask4rentals.com](http://www.ask4rentals.com).