

HANDBOOK TO WHAT

MILLENNIAL RENTERS

WANT



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Introduction

As a landlord, you're going to wear many hats when it comes to tending to your tenants' needs. While it would be unreasonable to expect to be everything to every tenant, being adaptable is a necessity.

But don't let this stress you out. With some planning you'll be able to handle the multi-functionality being a landlord requires with ease, especially given the different needs of millennials.

So how do you become a jack-of-all-trades landlord? Get to know your potential renters, especially if they are Gen Y!

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as they couldn't afford the interest on their homes.

With the financial ruin that came with owning a home, can you blame millennials for not wanting to be homeowners?

But there are a variety of other reasons why millennials are opting to become urban dwellers.

In 2010, it was estimated that there are 62.6 million people between the ages of 20 and 34 in the United States, a fairly large demographic if you consider that most of them (37 percent) are renting.

Gen "Y-Buy?"

Times have changed. The fact is, Millennials (those born after 1983) prefer urban apartment living.

Young adults out of college no longer chase the American Dream of settling in the suburbs. They've traded the white picket fence for a conveniently located bodega that is open 24 hrs.

So why this shift to urban living? When housing prices in the United States began to decline in 2006, as a result of the bursting of the housing bubble, homeowners lost an estimated \$7 trillion in equity.

A short time later, words like "foreclosure" were a staple in news headlines all over the country. Homeowners were showing up to banks in droves handing in their house keys

Millennials prefer to live in urban condos or apartment's. Proximity to all the necessities, like pharmacies, grocery stores and banks, are important factors in deciding where they will live.

Members of Generation Y are far more likely to sign a rental agreement than buy a house as it affords them the flexibility they crave. And that's good news for you, the landlord.

What Do Renters Look For In A Property?

There are many different factors that a potential renter will take into consideration when it comes to selecting a property to call home:

- Access to public transportation
- Distance to shopping/entertainment
- Proximity to family and friends
- Cost and amenities
- Length of commute to work

Location is undoubtedly the main determinant in deciding if the property is right for a potential renter. They will give up on other amenities to be close to the 'action' of urban living.

However, location is undoubtedly one of the main reasons, if not THE reason that will help a potential renter determine if your property is right for them.

Now you know one of the reasons why urban living has become more appealing. Millennials specifically want to be where the action is. And that action is not taking place in the suburbs.

But just because they're not drooling over white picket fences, that doesn't mean they aren't privy to residential homes. Common needs for younger couples and growing families are location, access to freeways and important amenities.

As important as these things are, there are other items that rank high on the list of

what tenants are looking for in an apartment:

- **Pet friendliness:** Do you accept animals in your building? Is there a place that owners can take their pet for a walk?
- **Parking:** Do you have spaces assigned for tenants? What about visitor parking?
- **Clear and safe access:** Is there snow removal? Are the walkways kept free of debris and obstacles?
- **Proximity to amenities:** Is the grocery store, pharmacy, bank and public transit within walking distance?
- **Security:** Your tenants want to feel safe in the building. Do not skimp on security measures. Ensure all doors and windows can be locked and that said locks are functional.

Renovation Nation

Plan on making a great first impression—one that stays within budget, only involves necessary fixes, and that will get you a return on your investment. Tenants aren't seeking the Taj Mahal. In fact the three most important factors in appeal are:

- 1) cleanliness,
- 2) fresh paint, and
- 3) clean carpets and floors.

But, don't underestimate the importance of curb appeal as it sets the tone for the remainder of the showing (the outside of the building is the first thing a potential renter sees after all). Make sure exterior maintenance is done before the viewing. First impressions last.

Beyond that, it's really what is on the inside that counts. While the kitchen and bathroom might be the most scrutinized areas of any unit, there are other areas of importance to consider for renovations or upkeep:

- Open floor plans
- Storage and closet space
- Large windows
- Stainless steel appliances
- Neutral paint colors
- High-end fixtures and finishes

When it comes to renovations, look at your property with an objective eye. What works for you or your family might not be appealing to a broader range of potential young renters. Keep the upgrades neutral and mainstream. That way you will appeal to the masses.

Breaking The Sleazy Landlord Type

Let's face it, landlords aren't known to be trustworthy and dependable. But 'sleazy' does not have to be your middle name. In fact, being a well-rounded property manager or landlord will always do you justice. Needing to be tough at times is understandable (we all despise late payers). But there are tasteful ways to approach every situation.

Renters want to be able to trust their landlord. And building trust takes time, but following some simple rules might speed up the process.

It all starts with a name and a smile.

Like the bar in the famed show Cheers where "everyone knows your name," don't underestimate the importance of learning the names of those people renting from you. This doesn't mean that you have to know the most intimate details of your

renters' lives, but personalized greetings will always be appreciated over a generic hello.

A friendly smile and common courtesy goes a long way as a landlord. Remember, your tenants are your *customers*, so treat them as such. Be mindful of their needs and provide quick solutions if problems occur.

Renters' expectations can be relatively modest. While it may not be ideal to be on the receiving end of a 3:00 a.m. phone call, it is not unreasonable for renters to feel confident knowing you can be reached should an emergency arise. Of course, laying out the rules as to what constitutes an emergency is necessary if you want to have uninterrupted sleep.

Other ways to shed the sleazy landlord stereotype:

- Follow through on your promises
- Fix things in a timely manner
- Upgrade appliances regularly
- Maintain a clean building (inside and outside)
- Be proactive

Most importantly, keep the lines of communication open.

Become a Resource

You want to inspire confidence in potential tenants and have them walk away from the showing thinking, "How could we ever pass up this opportunity?"

Introduce them to other tenants who know will sing your praises, and tout the benefits of renting from you.

Know the rental market of your neighborhood, including the going rates at other properties. This will help demonstrate that you are in tune with the market and that your rental property is comparable to others in the neighborhood.

If you are lacking handyman skills or business skills, be sure that you are connected to people who do have them. While it is not necessary to know everything, being informed of where to find the answers to your tenants' questions is invaluable.

For example, having references or contacts within the insurance industry could be a great opportunity to generate referrals for those tenants who want to get renters insurance.

increases the need to develop a different mindset and understanding of their needs. These are potential renters that have the convenience of some disposable income, fewer invested commitments, and the simple desire to be close to the action. If you can appeal to this demographic, you will have committed renters for a long time.

Conclusion

Although it is impossible to fulfill every tenant's needs, you can make sure that you are an ideal landlord for potential renters.

Appealing to Gen Y and a growing younger population is not a challenge so much as it

If you need help with tenant placement, Renters Warehouse offers the best in-class Certified Tenant Match and Warranty Plan. Let us help you find the right tenant, take care of maintenance, and make sure your properties are safe and rented.

If you have any landlord or property management questions, we are also happy to answer them. Tweet at us @ProLandlord or visit our Facebook page.