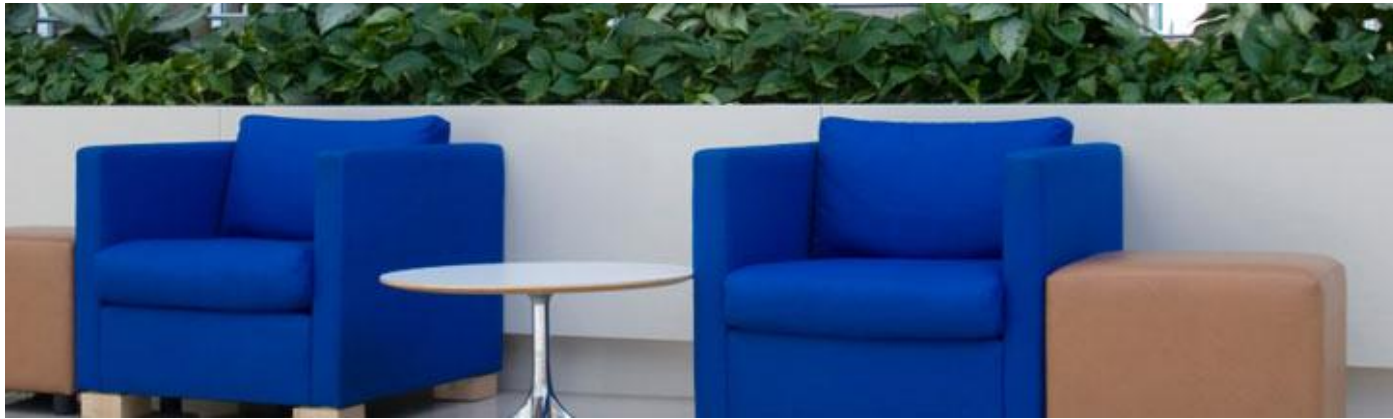




Low-Cost Innovations for Your Property



By Clare Curley

In this steady market, property managers must add new amenities to attract reliable, high-quality renters. From adding patio furniture out front to expanding common areas in the building, there are many low-cost improvements that you can make without breaking your budget.

“People are always looking at how to make their building a warmer, friendlier place,” says Frank Melo, Accredited Residential Manager®, president of Toronto-based JTM Inc., which provides property and project management and other services for co-operatives, non-profits and supportive housing providers. So how can you warm up your property with low-cost improvements? Follow our tips to learn how:

Appeal to the greener side of residents

In the higher-end market, Melo points to a growing interest in sustainable housing—units with water saving devices and energy-efficient lighting. And although some renters are attracted to the environmental benefits of such features, others will appreciate the savings that accompany them.

Melo recommends greening your property through Energy Star washers and dryers, low-flow showerheads or low-flush toilets, depending on what your budget allows. Installing more efficient light bulbs will pay back in savings within a year, he says, while the return for an on-demand hot water heater—which requires the installation of tankless units—could take eight years.

When you make upgrades, be sure to let prospective tenants know how much energy, water and money they could conserve as a result of such changes. “In one place, we replaced the boiler and are saving 35 percent on the natural gas we’re using,” says Melo. “If you pass costs on to renters, they save as well.”

Convert unused space into a multi-functioning room

When looking for areas to improve, consider unused space that could be repurposed into a party room or workout room. Depending on the current condition of your excess space, a project like this could be a big undertaking, but it doesn’t have to be cost-prohibitive.

Melo estimates it would cost \$10,000 to convert a storage space into a small gym, but you might be able to cover the cost with minimal rent hikes. In a 100-unit building, for instance, you could make up the cost in six months by raising the rent \$20 a month. Renters might figure they can ditch their gym membership and still save money each month, Melo says.

If you have a larger space available, other renters may prefer a community or party room to a gym. “If you’ve got excess space or can convert a storage room to a community space, lounge library or card room for senior housing, that’s always going to be an added bonus,” Melo says.

Harry Popiluk, FIHM, secretary and treasurer of the Institute of Housing Management (IHM) helps manage over 600 units for a non-profit, private company in Hamilton, Ont. For property managers looking to cut down the cost of furnishings at their properties, he recommends buying consignment furniture or acquiring items like chairs, artwork and white boards from a social services agency or local companies in exchange for sponsorship recognition.

However, don’t invest in any communal room unless you’re prepared to maintain it. “It’s always good to have a tenant volunteer as the room coordinator,” Popiluk adds. A shared room could require extra cleaning, upkeep, regulations and someone to monitor its use among tenants.

Brighten your exterior

First impressions stick, so be sure the first thing potential renters see is attractive and welcoming. “Always keep your property fresh and new,” says Popiluk, who recommends installing hanging baskets in front and maintaining them with artificial seasonal plants and flowers.

The upfront cost of brightening up your exterior could be up to several thousand dollars for a large apartment building when you consider labor and materials, he says, but such features can be used for years to come. For less money, you could still invest in seasonal and holiday décor for your lobby, giving prospective tenants a welcoming impression of your property.

Touch up common areas

In any building, take a little extra time and money to spruce up—particularly in common areas such as the foyer, laundry room and community room. After all, those are the first spaces that potential renters will view after they’ve seen the unit. Repaint the trim, add carpeting or simply install shelves to make the space more user-friendly.

“Those kinds of improvements always pay back,” Melo says. “Tenant retention is another way to look at it. It reduces your marketing costs and turnover costs.”

Attracting tenants doesn't have to be cost-prohibitive. Small visual touches, as well as longer-term projects, are well worth the investment if they help you attract—and keep—quality renters.