

How I Grew My Business

Chad Skally
LiveGreenApts.com

Topics

- ▶ My Story
- ▶ Purchasing
- ▶ Marketing
- ▶ Managing
- ▶ Maintenance
- ▶ Green Tips

My Story - In a NutShell

- ▶ I grew up in the business. My father started with a tri-plex that he exchanged into a 24 unit building in the 1970s. Over the next 30 years he bought and sold several multi-family properties.
- ▶ In the late 1990s I took over and purchased 2 properties from him.
- ▶ In the last 5 years I purchased another 5 properties and now manage 7 properties totaling 120 units.

Purchasing – Finding a Property

- ▶ Do-It-Yourself
 - Network – tell people what you are looking for
 - Internet – online county records have property info
 - Leg-Work – drive around and knock on doors
- ▶ Brokers
 - Have their own databases and networks of potential sellers.
 - Charge a fee to the seller and/or the buyer for their service.

Purchasing – Financing

- ▶ Contract for Deed
 - Usually the seller has no mortgage on the property.
 - + Negotiate terms, interest rate and down payment.
 - + Less paperwork and inspections.
- ▶ Bank Financing
 - Used when the seller wants all cash.
 - + Do not have to deal with the seller after closing.
 - + Predictable interest rates and terms.

Purchasing – Down Payment

- ▶ Save your cash!
- ▶ Sell a property and exchange the gain into the new property.
- ▶ Establish a line of credit against assets in your portfolio.
- ▶ Bring in investors, set up a LLC.

Marketing – Increase Calls

- ▶ Get a nice looking sign!
- ▶ Use free Internet sites.
 - University websites, craigslist, postlets, etc.
- ▶ Post fliers at nearby schools and businesses.
- ▶ Give your residents a referral bonus and let them know when you have an available unit.
- ▶ Advertise in neighborhood newspapers.

Marketing – Increase Showings

- ▶ Answer the phone!
 - 8am to 8pm
 - Most prospective residents will not leave a message and will just call the next property on their list.
- ▶ If you get stuck in phone tag, keep calling.
- ▶ Keep a list of prospective residents.
- ▶ Be flexible with showings.
 - Cater to the prospective resident's schedule.

Marketing – Increase Leases Signed

- ▶ Have applications on your website.
- ▶ Have a fax number.
- ▶ Walk through the unit prior to showing it.
 - Straighten out a dirty unit (or contact the current resident to have them clean their unit).
 - Spray an air freshener if it smells.
 - Stage an empty unit.
 - Complete as many maintenance items as possible before showing the unit.
- ▶ Be flexible with payment of the deposit.

Marketing – Your Message

- ▶ Let prospective residents know about your company, your message, how you differentiate from your neighbors:
 - small family business,
 - well maintained units,
 - “green” practices,
 - owner owned and operated,
 - in business X number of years,
 - experienced staff, etc.

Marketing – Your Own Website

- ▶ Information for prospective residents:
 - application,
 - available apartments email list,
 - lease terms,
 - property info,
 - current availabilities,
 - floor plans,
 - pictures,
 - your message, etc.

Marketing – Your Own Website

- ▶ Information for current residents:
 - maintenance submission form,
 - upcoming local events list,
 - snow plow information,
 - online rent payment,
 - proper notice guidelines,
 - renters literature like lead paint pamphlet,
 - referral bonus coupon, etc.

Managing – Reduce Turns

- ▶ Make the property feel like the resident's home ... because it is.
 - Allow variations of paint on the walls.
 - Allow pets, as long as the owner is responsible.
 - Let them know about block clubs or building club events.
- ▶ Complete maintenance requests in a timely manner.
- ▶ Communicate with your residents.

Managing – Communicate

- ▶ Communicate with your Residents:
 - Respond to messages right away.
 - Keep residents updated on maintenance projects.
 - If you have many units, send out a quarterly newsletter with seasonal tips and local events.
 - Offer referral bonuses and let residents know about units you have available.
 - Give residents a holiday gift.

Managing – Accounts

- ▶ Have a separate business bank account.
- ▶ Have a separate business credit card.
- ▶ Track your income and expenses on your computer:
 - Quicken/Quickbooks
 - Spreadsheet Software (Excel/Access)
 - Specialty Rental Software (rentmanager)

Maintenance – Preventative

- ▶ Walk through all your units at least every 6 months to check:
 - the condition of the unit
 - smoke detectors
 - other issues like plumbing leaks
- ▶ Inspect your roofs, boilers, furnaces, & water heaters at least once a year.
- ▶ Be as versed as possible in maintenance issues so you can reduce the chances of being over charged on repairs.

Maintenance – Supplies

- ▶ Check out various stores – Home Depot, Menards, hdsupplysolutions.com
- ▶ Use standard products:
 - all the same faucets,
 - same type of locks (with many units set up a master key system),
 - same toilets,
 - same appliances,
 - same light fixtures,
 - standard paint colors, etc.

Maintenance – Logs

- ▶ Have a list of emergency contacts for various projects: electricians, plumbers, drain cleaners, heating issues.
- ▶ Keep track of maintenance repairs in your units; dates appliances where installed, dates apartment was painted, etc.
- ▶ Have a list of all your residents and their emergency contact information easily accessible.

Green Tips – Background

- ▶ I have college degrees in Ecosystem Management and Forestry and 5 years of experience working for the DNR.
- ▶ I took that knowledge to make my properties more eco-friendly.
- ▶ Most of my properties were built in the 1920s so I have limits on the “green” things I can do.
- ▶ For more details on my green initiatives go to: LiveGreenApts.com.

Green Tips

Green Tip		Payback
Native Plants	Remove grass and install mulch and clumps of native plants. No water, no mowing, weed 3 times per year.	1-3 yrs
Solar Electric Solar Hot Water	Install panels to pre-heat your water or to create electricity; less pollution.	3-20 yrs (depends on use & rebates)
Electronic Rent Collection	Use your bank's ACH system to collect rent. Less trips to the bank, less checks received late or lost in the mail.	Priceless
Water	Use low flow devices & check for drips.	1-3 yrs
Heat Controls	Install newer heat controls with outdoor resets and occupied times.	1-3 yrs
Insulate	Keep the hot or cold air in your units.	Varies for each structure.

Green Tips – Marketing

Green Tip	
Promote Recycling	Don't just provide basic recycling but promote it with extra recycling containers and tips on recycling.
Green Chemicals	Use eco-friendly cleaning, painting, and yard products.
Educate	Give your residents green tips.
Community Involvement	Participate in local green initiatives, or pass information on to your residents so they can get involved.
