

100% OCCUPANCY 100% OF THE TIME

ARSH ELLAHI



"Hi Arsh

I read your articles and I like the golden nuggets of information you constantly share.

I have an HMO and my agent is struggling to rent it out so I'm thinking about self-managing. What tips can you give me to get the place fully occupied?"

Mr P, West Midlands

You are in for a treat, Mr P! I have a load of tips to get your property 100% occupied. Even though I say so myself, I have not come across that many people who are as creative as I am when it comes to filling rooms ...

LET'S START FROM THE BEGINNING.

STEP 1

Your product

This is the most important factor. You need to understand where you position yourself in the marketplace. Is your property:

- Boutique style and high end
- Mid-range
- Closer to budget range

Wherever you are, you also need to assess the competition and understand their offering.

STEP 2

Master your adverts

Whenever I create an advert on platforms such as Spareroom, Gumtree, Openrent etc, I make it stand out so that the viewer will instantly want to respond to a call to action. To achieve this, I assess the advert from two points of view.

Perspective 1 The landlord

- **Has the property been dressed and well maintained?**
- **Have I ...**
 - taken good enough photos?
 - paid attention and put lots of detail in the advert to sell all the benefits?
 - listed points of interest in the local vicinity?
 - created a mini video of the property to include brief interviews with a few of the tenants?
- **How does all this come across in the advert?**
- **Would I live here?**

Perspective 2

The potential tenant (the customer)

- **Does the property look attractive?**
- **Is the room competitively priced?**
- **Why would I choose this property over all the others in the area?**
- **Could I live with the people in the house?**
- **How much does it cost to move in?**

After the advert is created, I work with two hats – one as the owner, the other as a prospective tenant – to see if I can pick holes in it. It may sound weird, but I also like to assess the advert from a psychological point of view, eg:

- **How does the advert make me feel? Is it too pushy or salesy?**
- **Does the advert really sell the benefits of the property?**
- **Would I click the button to request more info or call the landlord?**

I have found that creating a mini video of the property and uploading it to platforms such as YouTube and Vimeo can help, as you can embed and share the links in your advert. Whereas 99% of your competitors simply upload photos, a video can make a property come to life. It allows prospective tenants to walk through the house without having to visit. From the landlord's point of view, it will generate a serious level of interest, as the people who have seen the video can imagine themselves living there.

A mini tenant testimonial also goes a long way. If your tenants are happy to do so, get them to record a brief testimonial sharing their experience of living in your property.

For example,

- **Have they been treated well in your property?**
- **Has the property been well maintained?**
- **Can they give a good report of the landlord?**
- **What makes the property such a nice environment to live in?**

Tenants are very sceptical of landlords because there are many horror stories of slum landlords who don't maintain the properties and tenants living in sub-standard conditions. However, a short video of about two-three minutes from current housemates will give any prospects a positive feeling about the property and enable them to visualise living there.

STEP 3

Incentives

Let's face it, if you have rooms vacant at the start of December, the chances of filling them now are getting pretty slim. The whole world is starting to gear towards spending hard-earned money on Christmas presents, not to mention the parties the festive season brings. But all is not lost yet. With a little creativity, you still stand a chance. Here are a few tips for finding last-minute tenants and standing out from your competitors.

Consider taking a homeowner guarantor instead of a deposit. I stopped taking deposits when the government decided to protect them in deposit schemes. Instead, I ask everyone to provide a homeowner guarantor and it has worked out fantastically well.

Every person surely has someone who can vouch for them. If not, why not? Are they really that bad? A guarantor can come in the form of parent, grandparent, aunt, uncle, in-laws, business associate, etc.

My criteria are quite simple; the guarantor must own the property they live in and have proof such as a mortgage statement. If the property does not have a mortgage, they must provide ID which will be matched against the land registry title for the property.

It's quite straightforward. A deposit for a room in an HMO is generally around a month's rent, therefore around £400. If there were any damage in excess of that amount, I would have to chase the tenant. However, with a homeowner guarantor, we have access to a person with an asset who has confirmed that they will deal with any damage or monies owed.

Since doing this, I have found that if a tenant defaults, a simple call to the guarantor informing them of my intention to start recouping the outstanding amount (which might well blackmark their credit file) gets the arrears cleared within 48 hours.

It really is as simple as that.

From a marketing perspective, if your competitors are requesting one month's deposit, one month's rent, reference fee, etc, compared with your request for one month's rent and a guarantor (costing nothing), you instantly appeal to the masses as you have lowered the barrier to entry. You then have the choice of people and can pick the best of the bunch.

You could also offer other incentives such as half-price rent for the first month or deposit instalments (if you prefer to take a deposit).

STEP 4

Calls and viewings

In all the years I have been letting out properties, I have found that most calls come when I prefer to spend time with my family – evenings and weekends. But to keep your rooms filled, these calls must be answered. Even if you use an agent, the process can fall down because they are closed in the evening. If the agent returns the call next day, chances then are they will go through to an answerphone since the tenant is at work.

Over the last few years, I have decided to remove myself from the equation and tested appointing a head tenant for each property. With that individual's agreement, enquiries were directed through to them and they would also conduct viewings.

Remember that prospective tenants would already have seen the extensive detail in the advert and watched the mini video so all the head tenant had to do was answer calls, ask for some basic info, and potentially show a few people round.

As the person taking the calls lives in the same property, they can answer a lot of the questions about the property and also accommodate viewings during evenings and weekends, which allows me to spend more time with family and friends.

After the viewing, the head tenant calls me to provide feedback and give me their gut feeling about the person. I always ask if they could envisage living with that person and whether they would be a good fit within the house. If the answer is yes and yes, I call the prospective tenant and arrange to meet them.

I pay the head tenant for every let, and also offer a small reduction in the rent for taking the calls. It really is a win-win for everyone.

STEP 5

Management

Those who know me know that I run a very tight ship. I don't self-manage, neither do I us letting agents. I have created a hybrid system by appointing head tenants who act as my HMO managers.

As well as responding to prospective tenants, this individual also acts as my eyes and ears on the ground in each property. I ask residents to report any faults / issues to the head tenant first, who then reports them back to me. This means that I am only contacted by head tenants instead of all of them. Of course, if there is a major issue the tenants still have my number but the protocol is to speak to the head tenant first.

Again, to incentivise the head tenant to ensure all is in order, we give them a discount on their rent as opposed to cash for their service, which could get you into an employment situation.

We also use communication channels such as Whatsapp groups, which are monitored by my office staff and maintenance team. Tenants can also log any maintenance issues there.

So, there you have it – an article full of top tips about how to fill your properties and stay full all year round! Once you have the system set up with tenants taking calls and conducting viewings, you will see the benefits and create more freedom.

Enjoy the journey!



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www.propertyinvestorapp.co.uk

If you have a question you would like answered in a future article, please email me on arsh@arshellahi.com and I'll aim to answer as many as I can over the coming months.

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