



BLOOMINGTON RENTAL HOUSING COLLABORATIVE NEWSLETTER FOR RENTAL PROPERTY OWNERS AND MANAGERS

November 2015
Bloomington HRA

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THE NEXT MEETING IS IN NOVEMBER!

All rental housing owners, managers, leasing agents, maintenance staff and other interested parties are encouraged to attend this free Bloomington Rental Collaborative Meeting. This next meeting will take place on **Wednesday, November 18, at 10:00 a.m. at Bloomington Civic Plaza, 1800 West Old Shakopee Road in the Haeg Room.** If you have any suggestions for future newsletter or meeting topics, please contact Kathy Warren at 952-563-8942; TTY 952-563-8740 or e-mail kwarren@bloomingtonmn.gov

Meeting Topics: *Tips from a Tenant Attorney, Laws Every Landlord Should Know.* Mike Vraa, managing attorney with Homeline, will discuss Minnesota landlord law.

Oasis for Youth. Executive Director Nicole Mills will share information about homeless youth services and resources at Oasis for Youth.

ENERGY CONSERVATION TIPS FOR APARTMENT BUILDING OWNERS

Owning an apartment building and being a landlord can be a highly rewarding experience and an excellent way to have and keep an investment property. But it can also get expensive when it comes to taking care of everything that has to be handled on a day to day basis. Even when tenants pay their own utilities, there are still common areas that need to be cooled and heated, well lit, and properly maintained. The common areas are larger in some apartment buildings than others, but even small spaces can take their toll on the utility bills. To keep costs down and realize as much savings as possible, the following are some tips for energy conservation.

First, make sure you upgrade your lighting systems. That will mean some up-front costs, but it is well worth the savings you will receive. By using CFL or LED light bulbs, you can reduce the total energy you are using. In time, you'll recoup the cost of the bulbs, and everything beyond that will be pure savings. While you're changing out light bulbs, install occupancy sensors in all the common areas. There is no point in having lights on when no one is there, and turning them off can save you quite a bit.

Secondly, keep up with the maintenance of your cooling and heating system. A lot of landlords will neglect this because maintenance costs money. That's understandable, but in the long run it really doesn't pay off. The maintenance generally costs far less than the repair work that is needed when something

breaks down because it wasn't properly maintained. When these systems do eventually need replacement, make sure to purchase new systems that are Energy Star rated and that are designed to last. While these may cost a bit more up front, they will save you more money over time.

Another point to consider is switching over to natural gas if it's available in your area. It costs less to operate natural gas appliances than comparable electric models, so that adds up to additional cost savings. While you might be resistant to that large of a change, it can be well worth the effort and expense in some cases. It is always good to consider your options, so you can find what works best for your individual needs. Keeping your tenants happy and lowering your expenses do not have to be mutually exclusive. Other ways for owners of apartment buildings to conserve energy include insulating boiler pipes, turning down thermostats on water heaters, installing controls to minimize ventilation run times, and sealing air leaks. These are relatively easy to do and generally don't take much time to complete, but they can add up to hundreds or even thousands of dollars in savings. That money can then be used in other areas to provide further value to tenants who will appreciate everything additional that you can provide for them.

Portions reprinted from Property Management Newsletter August 2015

SIX REASONS LANDLORDS LOSE GOOD TENANTS

When you are fortunate enough to find top notch renters, you must be diligent in keeping them feeling safe and happy at your property. Landlords that don't stay on their toes can end up losing their best tenants. Six reasons landlords lose good tenants are:

- 1. Being unresponsive.** Not answering the phone or emails, or reacting slowly to a current
- 2. Delaying repairs.** It is extremely frustrating to a renter when they are forced to wait days for a

renters request will not sit well. One of the most important aspects of a positive tenant/landlord relationship is communication. Lack of communication can drive the relationship downhill fast.

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toilet to be unclogged, or the air conditioner to be repaired. If this happens often enough, the tenant may decide to move to a more responsive rental property.

Solution: When your tenants call with a needed repair, keep them abreast of the progress so they don't feel like you are ignoring them. The most important factor in handling these calls is to have stable, dependable, high quality staff on hand to tend to the situations quickly. Establish relationships with plumbers, electricians, and other service providers so you don't have to scramble when you need one.

- 3. Not following your screening process.** Good quality tenants do not want to live beside neighbors who don't respect the property, or engage in domestic disturbances or illegal activity. If a landlord becomes lax in their tenant screening process, they will end up eventually renting to an unsavory tenant. If the current tenant feels unsafe, he will end up moving somewhere else.

Solution: Always conduct a rigorous rental background screen on every potential tenant. Check out their criminal history record, eviction history, credit report and verify their employment or income. Completing a rental background screen will minimize the chance that you will end up with a tenant who is dangerous, destructive, or who won't pay his bills on time, and can keep you from committing a fair housing violation. A rental background screen also helps keep current tenants feeling secure and happy so they will remain in your rental unit.

- 4. Failing to respect the renter's privacy.** Having the attitude that the property is yours and you will come and go as you please will end up really irritating your renters. All people expect a certain amount of privacy, and this is a big stumbling block in a productive tenant/landlord

relationship.

Solution: Resist the temptation to show up unannounced anytime you feel like it. Call the tenants and schedule a visit that is mutually convenient. High quality renters will appreciate this courtesy.

- 5. Allowing the property to deteriorate.** High quality renters want to live in a nicely maintained and safe environment. If your property is being neglected and falling into disrepair, you will end up losing your best tenants.

Solution: Make property upkeep and maintenance of your rental property a top priority. The time and money you spend on keeping the property in good condition will be less than the cost of losing good tenants because of run down rental property.

- 6. Dramatically increasing the rent.** A significant jump in rent can shock a renter's budget. They may deem it too large of an increase and begin looking for another place to live, leaving you with the job of finding a replacement. Even with your best efforts, you may end up with the newer tenant not being as top notch as the tenant that the rate increase scared away.

Solution: Apply more manageable rent increases. A small increase of 2% or so per year is more easily digestible to a person's budget. A smaller increase will provoke fewer tenants to move on, and you can keep your high quality tenants for longer.

High turnover in renters is costly and time consuming. It hurts even more if you begin losing good, solid tenants who pay their rent on time, respect your property, and abide by the law. Avoid those circumstances in order to keep your high quality renters happy.

Portions reprinted from American Apartment Owners Association Newsletter February 2015

CENTERPOINT ENERGY OFFERS RENTAL EFFICIENCY PROGRAM FOR 1- 4 UNIT RENTAL PROPERTIES

The Energy CENTS Coalition is administering an energy conservation program offered by CenterPoint Energy. The Low Income Rental Efficiency Program is for property owners renting to income-eligible tenants of 1-4 unit residential properties. The energy upgrades offered not only improve the rental property but also could benefit the tenant by potentially lowering their energy bills.

The program offers a FREE, no obligation energy audit (\$350-\$950 value). The auditor determines if

insulation levels are inadequate and if mechanical systems are inefficient. If property owners want to act on the auditor's recommendations, the program requires them to contribute 50% of all costs for any additional insulation or for new, energy efficient HVAC (furnaces, water heaters, boilers) equipment. For more information about guidelines and income qualifications, please contact Brenda at the Energy CENTS Coalition at 612-991-3155.

FIND US ON THE WEB!

For more local information about housing, check out our website at BloomingtonMN.gov, and search by keywords "Rental Housing Collaborative." Updated Bloomington Rental Collaborative meeting times and topics can always be found here.