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My Background:

Licensed Realtor in Oregon and Washington
Principal Broker and Owner
Landlord in the local market since 1997

Do you have a resident renewal program?

It is just becoming aware to me that there is a somewhat common process for resident retention that many independent rental owners are unaware of. More startling would be the awareness that fully 50-60% of all leases end with the resident moving – not renewing! While your resident's lease end may be creeping up on you, they may be actively considering a move down the road.

The next chapter in the book called vacancy is that turnover has real costs! To avoid the obvious cost of vacancy and the resultant cost of preparing the home to re-rent, I suggest coming up with a system for resident renewal.

Many independent rental owners may not consider if they should renew a lease. Have you observed if you are interested in continuing this business relationship with the resident? Perhaps your resident is not pleasant, has a habit of paying late regularly, or does not maintain the property well. What can you live with and what can you not? When forced to think about it this way I would recommend not renewing any lease when a resident is being unusually hard on the property, where payment habits make it difficult for you to remain current, or where the relationship causes considerable additional work to enforce or where the relationship has become a source of stress in your personal life.

So for those residents falling in to the category of non-renewal, what is the process you should employ? Start by reviewing your contract. The terms and conditions of the lease should indicate at what date you are obligated to inform the resident of the intent to non-renew. Be careful to check the legal document and then refer to the statutes in the state which the rental is located. In Oregon it was recently on the table to require a 60 day notice to vacate on a lease that had been in force for over 1 year. In Oregon the requirements for Section 8 housing require that the resident be given 60 day written notice to vacate and that the notice be served on or before the first of the month – mid month notices are not acceptable.

Prior to serving notices to terminate residences, I recommend doing an interior inspection. You need to get your game plan in order. Your objective at interior inspection is to assess condition and get a rough estimate on turnover cost.

A simple checklist could look like this:

1. Is all plumbing in good order?

2. Does the yard need maintenance?
3. How is the interior paint? Will it need touch up or repaint?
4. Are there broken windows or blinds?
5. Are all the doors functioning properly?
6. Are smoke alarms working?
7. How is the flooring? Does the carpet need shampoo or replacement?
8. Are all of the appliances in good working condition?

Once you have gone inside weigh your options. How is the rental market right now? Is it a tight rental market that works in your favor, or is there a high rate of vacancy right now? What time of year is it? Rentals in the Portland Metro area sit significantly longer in winter. Is this the best time to vacate the resident?

Once you have these questions in place you will be able to decide to keep or terminate the tenancy.

For more information on homes and rentals for sale or the management of them, feel free to contact me directly at Kathryn@kjkproperties.com. You can follow me on Twitter as "catinclud" or add me as a friend on Facebook. Our office is located at 1603 NE 16th Avenue, Suite A, Portland, Oregon, 97232. Feel free to call me at 503-772-8825 x 1, or attend my popular landlord classes, Landlord Study Hall (www.landlordstudyhall.com).

If you would like to inquire about your own scenario, contact me direct at:

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