

A Property Manager's Dream Budget Explored: 4 Tips On How To Best Turn A Unit

REAL PAGE - PROPERTY MANAGEMENT INSIDER
BLOG POST

PUBLISHED ON
SEPTEMBER 8, 2017

Resident turnover is inevitable in the multifamily industry. In fact, renter turnover has historically hovered around 50% nationally and remains a fairly predictable number. And while every property manager would absolutely love each of his or her tenants to remain living on their property year after year, that's not the reality of the situation. As such, you'll want to budget wisely for these necessary turnover costs.

The issue that closely follows resident turnover is that it can put a hefty ding in any property manager's budget. After factoring in turnover-associated costs such as lost rent, cleaning, painting, maintenance and repair work, advertising and more, property managers can spend as much as \$3,000 per unit. Therefore, the property manager's goal here is to always quickly turn a unit – to ready it for the next renter – so that someone new can occupy the unit in the shortest possible amount of time. Plus, when the renovations are complete, you can expect to charge an extra \$200-400 per month in rent.

4 TIPS ON HOW TO BEST TURN A UNIT

BE HONEST ABOUT YOUR BUILDING

According to a 2017 survey conducted by Multifamily Insiders, the average building that property managers oversee was constructed in 1986. That's over 30 years ago! As you perform your preventative maintenance checks, you'll need to be honest about your building – keeping in mind its age – and consider the expected lifetime of the maintenance, repair, and operations (MRO) products currently installed within each unit.

If, for example, you're noticing the old pipes are bursting in water heater closets, then you might want to incorporate that into your turn budget. This can help you save more in the long run by not needing to perform any

additional remediation. It can also prevent any drastic, unexpected miscalculations in your budget – because expecting the same MRO costs year after year is unrealistic and unsustainable.

PLAN AHEAD FOR YOUR UNIT TURNS

In general, you'll have advanced notice of when a tenant is not going to be renewing his or her unit's lease. And with that information, you can be prepared to start refreshing or remodeling the unit the day after it's vacated. Proactively sourcing products well in advance of the unit turn is critical, as it expedites the process of getting higher-level approvals on those larger, \$500+ MRO orders. It also prevents any unnecessary delays in the unit's turn timeline.

For additional help on sourcing replacement or repair products for every room in the unit, use our thorough [HD SUPPLY PROPERTY TURNS GUIDE](#).

SIMPLIFY AND STREAMLINE THE ENTIRE TURN PROCESS

Most likely, the units that you have to turn have a variety of products in need of replacing, repairing, or refreshing. And wouldn't it just be so much easier – and quicker – if there was a single supplier to deliver your MRO supplies on time and on site?

With more than 70,000 quality MRO products available, HD Supply is your go-to source to help manage, maintain, and market your multifamily apartment properties. To further aid you with your budget forecasting, our economy, midscale, and premium product lines come with volume discounts, product advisors, and credit programs. We also offer next-day delivery for when you need it, or we can hold your MRO products and deliver them to you on the exact day you want them, saving you from having to pay for any storage of these products. Access the [TURNS CHECKLIST](#) here.

TURN SMARTER: INSTALL ENERGY-EFFICIENT PRODUCTS

While products such as LED lightbulbs, ENERGYSTAR®-certified refrigerators, and low-flow faucets and toilets may cost more up front, they will absolutely reduce your property's costs in the long run. As an added bonus, these changes are beneficial to both the environment and your bottom line, and they'll help you stay compliant in the future as environmentally conscious laws and EPA standards gradually require ever-more-efficient products.

These upgrades will also attract more potential renters, as these products will help them save on their utility and water bills – and feel good about doing so.

Click here for your [LED RESOURCE](#).

At the end of the workday, keep in mind that a budget is a benchmark, and that any decisions based upon it need to be balanced with the reality of a turn's costs. But by following the tips above, you'll be prepared to make the best of the inevitable turns on your property.