

EP42: How To Make Your Investment Property "Rent Ready"

Welcome to the Landlord Logic Show, hosted by John Tiner. John is the owner and CEO of Tiner Property Management, a three-generation family business since 1976.

Tiner Property Management expertly manages over 1,000 properties in the greater Sacramento area to place quality tenants quickly while minimizing your risk. John stays up-to-date on all the new laws and regulations and shares his knowledge with do-it-yourself landlords each week.

The Landlord Logic Show with the Tiner Property Management Pros. Joining us now, John Tiner along with his wife and business partner, Jenny Tiner.

Welcome to the Landlord Logic Show. We're so glad to be with you again today. I'm in the studio of course with my wife as usual. Welcome Jenny.

Thank you. Thank you for listening everybody. We are property managers in the Greater Sacramento area, that's our primary business, it's Tiner Property Management, and we just crossed the threshold of managing 1,300 properties.

We're signing up one or two a day now, new accounts. It's a fast-growing market. A lot of people who can't sell are calling us about renting, and we're helping them get their property rented and creating some cash flow until the market's different, or in some cases they'll just be keeping them as investment properties.

So if you're listening today and you'd like some help with your rental property, please reach out to us. You can call 916-974-6003.

Or from your cell phone, dial pound 250 and say the word Tiner. That will ring through us too and then we'll also send you an e-book that has 16 questions that you should ask if you're considering hiring a property manager.

Yeah, those questions will help you vet out and find a good competent manager whether it be us or someone else. You'll ask the right questions to find the right results.

Yeah, we're located in Sacramento, so call us, but I think if you are outside of our area, then it's just really important research to do.

And then the other option is our website tiner.com — and that's T-I-N-E-R.com. We have a lot of really good, useful information, resources, all of our shows here.

John's also written a lot of blogs, he also does a lot of videos. We have a maintenance series — somebody calls us, we send them a link, try to get that handled before we send a vendor out.

We have just good information, you know, just some frequently asked questions on our website, so check that out.

But our niche is to make it easy and turnkey for property owners to have rental properties and take the risk out of it — get them a check each month, coordinate all the repairs, find the good right tenant in the first place (probably the most important thing we do), and then handle everything, really literally everything so the owner doesn't have to worry about it, doesn't have to lay awake, doesn't have to go fix things themselves.

And if you are looking for that kind of management, we'd love to talk to you. But today we wanted to dig in with something that we're starting to really emphasize because the market on the rental market has slowed down considerably.

A lot of people can't sell, rent, and then all that supply of inventory coming onto the rental market — and it's been coming on since the interest rates went up in 2022.

So we've had three years of people deciding, "I'm going to go ahead and rent my house instead." Well, that adds up over time.

I mean, for us, we've signed up hundreds of new accounts since then, like, I don't know, 500 or more. And so all those, all those — and that's just us, our company, Tiner Property Management.

So, you know, all over Sacramento, this has been happening more and more and more. And all that inventory has flooded the market a little bit with rental properties.

So they're taking longer to rent and the price reductions are up, but the price itself has actually dropped down a little bit. Rent values are a little less than they were a year and two years ago.

So all those things — interest, days on the market — you know, they're all indicators it's a softening market.

In 2021 and early 2022, we would put a property on the market and we would get 10, 12, 15 showings and many applications the first weekend. And now we're getting oftentimes one application per property per week. So, a lot less than we used to.

And because of that, some people, when they decide after they've been off the market and sitting vacant because they've been trying to sell it for several months, then they come to us and they want to go on the market immediately.

And you know, if they have their house in order — literally — then we can get to market pretty quick. But a lot of times they need some work.

Or if the owner just moved out of the property, we see this a lot. And it's a little ironic — the owners feel like, "You know, I lived there, it was good enough for me, it ought to be good enough for the tenant."

Well, in a competitive market, you really need to have that property looking super sharp. How we say we want to get the A tenant, we want the very best tenants.

And to attract the A tenants, we need A properties. And so, this rush to the market before a house is ready is hurting owners in many cases.

So what our leasing agents have been telling us, and I know they're right, is that when we first put a property on the market, there will be great interest on it that first week or two.

And the people who've been looking for maybe the right home and it's in the right neighborhood, it's everything they wanted, they see it come on the market, they're excited about it.

And then if they come out to see it and the walls aren't freshly painted, we say we're going to do a yard cleanup and it hasn't been done yet...

Those kind of compromises, a lot of times the tenants will just kind of lose interest. They're waiting for a really nice property because that's the kind they want to rent.

And so if you lose them, even if you're planning to get it ready the next week or the next week, they're gone.

Yeah, we've lost the good tenant. So we always want to attract the A applicant. And by doing that, the best way to do it is to have a 100% rent ready before we go on the market.

And we've really been focusing on that at Tiner Properties.

We want to have it sharp and ready before we put it on the market. And that way, when those first people come through and they're very interested in it, they see it's beautiful.

The yard is sharp, the paint's new, the flooring's in great condition, it's been professionally cleaned — it looks like a new home. And they say, "Yes, this is what I want."

That's when we get our A tenants. That's when we get multiple applications. That's when we get the best rent and the shortest vacancy.

And that's why we tell owners all the time: don't rush to market. Take the extra week to get it done right, and it will pay off.

Because otherwise, you get the opposite. You rush it to market, people come see it, they're unimpressed, they walk away. Then it sits on the market for weeks. And then what happens?

Price reductions. And when you start reducing the price, tenants notice. They wonder what's wrong with it, and it actually makes it harder to rent.

Yes, and the longer a property sits, the more it costs the owner. Every week of vacancy is money lost. It's always better to spend a little up front to get the property sharp and rent it quickly at a strong rent.

Exactly. So our message today is: be 100% rent ready before you hit the market.

And I'll give you a real-life example. We just had a property where the owner wanted us to list it right away. It needed paint, carpets cleaned, yard work. But they didn't want to wait.

We put it on the market, people came, and no one applied. They all said, "We'll wait until the work is done." And by the time we finished everything, those first good tenants were gone.

Yes, we lost them. And then it took weeks to get new interest. That's exactly what we want to avoid.

So now we're really emphasizing this with our clients. We tell them up front: if you want the best results, let's take the time to get it perfect before we list it.

And honestly, tenants notice. When they walk into a home that's clean, fresh, and move-in ready, they feel good about it. They're willing to pay top dollar. And they're usually the best tenants because they care about where they live.

Yes, that's the kind of tenant we want — someone who's proud of the home, who will take care of it, who wants to stay long term.

So if you're listening today and you're preparing to rent out your home, remember: don't rush. Get it 100% ready. It will make all the difference.

And if you'd like help with that process, call us at Tiner Property Management. We'll walk you through exactly what needs to be done, we'll coordinate vendors, and we'll make sure it's done right.

Because our goal is the same as yours: to get you the best tenant, the best rent, and the least vacancy.

Alright, that's it for today's episode of the Landlord Logic Show. Thanks for joining us, and we'll talk to you next time.