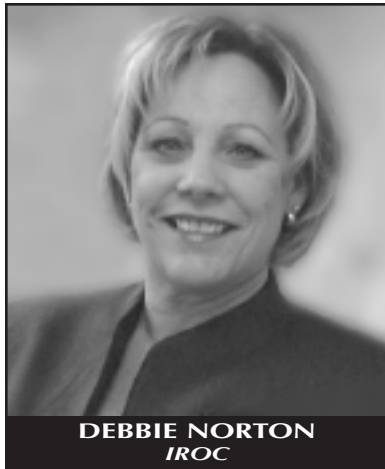




Independent Rental Owners Council Higher Rents Are On the Horizon



DEBBIE NORTON
IROC

Editor's note: *The suggestions contained herein are meant as guidelines and are based on the experience of Independent owners. Please send your comments and questions to Debbie Norton at 602- 995-7400 or dn012@yahoo.com.*

Some of my renters have spent years in the property they are leasing and paying the same rent, even though my routine maintenance and property upkeep costs continue to rise. As the years went by and the rental market was dipping, we embraced each year our renters renewed. Now that the market is turning and property values have taken a huge leap, I am evaluating each lease as renewal time approaches. I am actually thinking of increasing the rental amount ever so slightly.

This brings us to another subject: how do you know what market rent is? Recently, I was discussing market rent with a new owner of a luxury condominium. The idea was to purchase the property she is planning to live in one day and lease it out until life changes enough to move in. The property is valued in the high \$300,000's, with association fees close to \$400 per month.

I was sorry to inform that her expenses have little to do with market rent. In my opinion, many of the luxury apartment complexes are being converted to condominiums because they are selling too high for the numbers to work as rentals. The market rent on this particular condominium, which is one bedroom and 800 square feet, is \$900 per month. To some of us, that's high rent. We aren't the ones paying neither the association fee nor the

mortgage; we are the ones with the three-bedroom homes that are still leasing for \$900!

We are, however, running a business, so look in the newspaper in your property area for rent comparisons. Call the ads, talk to the competitors, and ask them questions: Any luck on ad calls? How long has this property been on the market? What means are you using to advertise? Get a few addresses and drive by, call on for lease signs, and do your homework.

Market rent is just that: what the market will bear and the highest amount considering the

least amount of days on the market. If you price your property too high, a month's rent divided by 12 months may not give you any increase at all.

It is my recommendation to review the market rent 60 days prior to a lease expiration date. It may be time to raise the rent a bit. This is a business, and your property is worth more as an investment with higher rent. . . kick it up a notch! It's been a long time since I was actually looking forward to the lease expiring; I now have a couple of houses that I'm looking at a bit differently! **AMA**

IROC MONTHLY MEETING SCHEDULE INDEPENDENT RENTAL OWNERS COUNCIL

Do you own fewer than 20 rental properties? Do you want to spend 90 minutes each month with fellow real estate investors to get ideas on operating your property more efficiently and at a greater profit?

If you answered yes to the above, you will want to attend the monthly IROC networking luncheon.

CENTRAL REGION

11:15 A.M. - 1 P.M.

TUESDAY, MARCH 21
TUESDAY, APRIL 18

LONGVIEW COMMUNITY CENTER
4040 N. 14th St., Phoenix
(Indian School Road and 14th Street)

SOUTHERN REGION

11:15 A.M. - 1 P.M.

FRIDAY, MARCH 10
FRIDAY, APRIL 7
FRIDAY, MAY 12

TITLE SECURITY AGENCY
6390 E. Tanque Verde Rd., Tucson

Reservations Required for Southern Region
Contact Anne Spiker at 602-296-6208 or aspiker@azama.org

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