

Apartment Turnover

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Purpose: To ensure that National Apartment Association (NAA) members understand the importance of effective and efficient apartment turnover, including best practices for consideration to assist in decreasing vacancy and maintenance expenses. Ensuring a smooth and accurate turnover process aides management companies with the overall goal to decrease turnover year over year by giving maintenance teams valuable hours back to help keep current residents happy.

Applies to: All NAA members who are involved in the community maintenance operations.

Overview: Apartment turnover is the process of preparing a vacant apartment home for a new resident to move in. Evaluating the appropriate steps ahead of time prior to a resident moving out allows for a more effective use of time to turn the apartment once it is vacant. To truly understand the cost involved in turning over an apartment home, the onsite team needs to break down the number of services needed in every vacant apartment home, and then multiply that by the number of apartment homes needed to be ready for the next resident to move in.

Resident turnover is a costly process for multifamily housing owners and operators. According to the [National Apartment Association 2019 Survey of Operating Income & Expenses in Rental Housing Communities](#), the turnover rate across apartment rentals averaged 46.8 percent last year. The average cost of a single move-out was conservatively calculated at \$1,800. For a 200-unit community, that totals more than \$168,000 in annual turnover expenses.

The time it takes to get ready apartment homes varies depending on the age of the community, how long the prior resident lived in the apartment home and its condition at the time of move-out. It also will depend on how the community has organized their turn process. For example, are contractors used for some or all of the work needed or is it done by employees of that property? Examples include contracting the services of a painter or cleaner vs. having maintenance employees perform those tasks. While the actual practices may vary, many companies in the industry use seven (7) working days as an average guideline to turn an apartment home. However, management groups frequently expect five working days (5) and at times, only three (3) working days to complete the turnover process. Having a well-trained make-ready team that possesses the skills and knowledge to perform at its highest potential and speed is the key to operational efficiency.

Case Study: Turning an apartment quickly with the assistance of a third-party supplier provides a decrease in vacancy loss and helps your onsite team leverage its bonuses and increase resident satisfaction scores because resident service requests are handled in a timelier fashion. Quick Turns by Valet Living recommends turning any vacant unit in 5 days in an effort to decrease year-over-year turnover. A case study was conducted by Quick Turns to determine the economic impact on vacancy turnover at a 300-unit apartment community located in Dallas. By partnering with a turnover company, the

community was able to free up time to focus on resident needs while also securing labor savings from time previously spent managing contractors as well as an increase in rental income due to reduced vacancy loss. The in-house labor savings consisted of 15 hours per week spent on contractor management (emails, text messages, phone calls, meetings, access to homes, etc.) at \$27 per hour during peak leasing season (16 weeks) which equated to \$6,480 in annual savings. Another 10 hours per week at \$27 per hour during the regular season (36 weeks) equated to \$9,720 in annual savings. The total annual savings for labor cost in this study came to \$16,200.

In addition, income increased from reduced vacancy loss, at an average rent of \$1,500 monthly/\$50 daily, thus giving back an average of five (5) days due to decreased turnover at \$250 per apartment home. Using an example of 180 apartment homes turned over and multiplying \$250 per day available would total an annual rental income increase of \$45,000. The total annual financial impact equated to \$61,200.

Guidance:

1. **Make Ready Board** – The make-ready board is a tool that maintenance technicians and office personnel use to keep track of the different tasks required to restore an apartment back to its original condition after a resident moves out. Use a make-ready board to mark the status of every leased and unleased unit at your property. The two most common types of boards are digital, typically located within your property management software system, or an ordinary whiteboard. Make-ready boards offer a quick status view of the apartment make-ready process for every leased and unleased unit, making a huge contribution to efficient turnover. The make-ready board typically separates the listings for unleased vacant and leased vacant units and provides boxes to track the following:

MAKE READY BOARD

Apt #	Floor Plan	Move-Out Date	Trash-Out	Paint	Make-Ready	Cleaning	Carpet	Final Inspection	Comments	Move-In Date

This process, known as the “make-ready process,” requires that maintenance technicians begin by inspecting the apartment following resident move-out to assess the work required for a unit to be considered ready for a new resident move in. The make-ready process continues with removing any trash from the apartment, changing the lock to a vacant lock and painting the apartment followed by maintenance repairs, general cleaning and carpet cleaning or replacement. Finally, an inspection of the apartment is performed to ensure it is 100 percent ready for the new resident.

2. **Turnover Checklist** – It is important to be realistic with the assessment of your property's needs for the turn process. According to a 2017 survey conducted by Multifamily Insiders, the average building that property managers oversee was constructed in 1986; more than 30 years old. As you perform your property inspections, you will need to be honest about your building—keeping in mind its age—and consider the expected lifetime of products/appliances currently installed within each unit and the appropriate needs for maintenance and repairs. This checklist is set up with standards for your company/property to be used as a guideline for all apartment turnover to include inspections, repairs

and preventive maintenance procedures. Please refer to the sample checklists located under the section "Related Links and Forms" below for more information.

3. **Pre-Move Out Inspection** – Conduct a pre-move-out inspection prior to the current resident moving out. This is best completed once a resident has entered a notice to vacate with a set move-out date. The main purpose of this inspection is to quickly assess any damages within the apartment, allowing time to order parts, schedule contractors and make decisions prior to incurring vacancy costs. The inspection can be completed at any time prior to the move-out date; however, it is used most effectively when the inspection is completed within one week following the given notice.
4. **Preventative Maintenance** – It is important to set up the schedule of weekly, monthly, quarterly and annual preventive maintenance tasks and consistently abide by this schedule. These tasks may include routine pest control inspections, replacing blinds, changing air filters, checking for blown lights/light bulbs in the corridors, checking sprinkler systems for leaks, checking smoke detectors, cleaning coils on the refrigerator as well as HVAC Equipment, testing the pressure temperature valve on the water heater, flushing the water heater and inspecting exterior buildings and grounds while noting any existing damages and other issues. This practice also reduces needed repairs at turn and allows your maintenance staff to better manage their daily workload.
5. **Pest Control Services** – As part of the pre-move out inspection, it is recommended to add vacating apartment homes to the list of routine pest control services. This allows a quick assessment of the apartments for rodents, roaches, bedbugs, fleas and other common pests that may need special treatment to remediate prior to a new resident moving in. Just as with ordering parts and scheduling contractors ahead of time, this inspection information is used to pre-schedule any treatments for the day after the current resident moves out, thus cutting down on additional vacancy time. If a standard weekly maintenance contract for pest control services is already in place, those units coming up for vacancy can be included in the weekly inspections to avoid incurring additional expenses. Should additional treatment services be needed, the resident can be charged as part of their final account statement.
6. **Designated Move Out Days** – For some management companies, it is standard to have residents move out only on certain days of the week. For example, Magic Make Readies recommends all move-outs to be scheduled for Sundays. This allows a full week to prepare the apartment for a new resident and minimizes additional vacancy costs attributed to weekend hours where maintenance and contractors are typically not turning apartments. Having control over move-out dates can be a crucial factor in cutting maintenance costs during the time between residents. If you can schedule which days your move-outs occur throughout the month, and even narrow it down to specific days of the week, you can cut down on the days your unit remains vacant and not ready for the move in of the next resident's. If you can stagger lease expirations throughout the month, you can ensure the turning units remain empty for a shorter period. It is important to note that designated move out days should be documented on the lease and rules or community policies. It is recommended that you should require and document in the lease the maximum reasonable notice period prior to move out. This notice period feeds into time allocated to prepare apartment home for upcoming turn process.
7. **Removal of Resident Personal Items** – Frequently, there are items left behind after a resident has vacated their apartment. For evictions and skips, there can be an entire unit filled with resident's belongings. For standard move-outs, it could be small and insignificant items such as trash and cleaning supplies, or larger items like furniture. So, how do you handle items left behind by previous residents? Some owners/managers choose to include stipulations about property left behind after move-out in the lease agreement and specify that a removal fee will be taken out of the security deposit. It is important to note that state laws vary on what owners/operators can and cannot do with

handling items left behind. It is best to speak with your company attorney to determine the best course of action for your situation.

Guidelines to consider when removing items (subject to the laws of your jurisdiction):

- Document inventory of the abandoned property.
- Take pictures after the resident has moved out to serve as documentation and prevent possible liability.
- Store any property of value – jewelry, electronics, furniture, etc.
- Give written notice detailing how, when and where to reclaim property.
- Provide a specific deadline for picking up belongings; 30 days is standard.
- In your lease agreement, require the resident to reimburse the (?) property for the cost of storing items.
- Declare in your lease agreement that after the failure to claim the property, it becomes legally abandoned.

8. **In-House vs Third Party** – As shown in the case study above, partnering with a third-party supplier may decrease vacancy costs and increase resident satisfaction. Contracting out to a third-party company that specializes in turnover can allow maintenance teams the ability to focus more time on preventive maintenance, service requests and special projects offering a higher resident satisfaction rate for the overall community. On the contrary, some companies have begun assembling in-house, regional painting teams—painters employed by the property management company/ownership and work only on the company's properties—to achieve quick turns of vacant units. The same could occur for all contractor functions such as cleaning and flooring. In addition, there are companies still using the traditional model of property maintenance employees completing the vacant turnover process from start to finish. Specialized housing, such as military and student, are different because of the significant number of turnovers occurring at one time. Special consideration should be given to determine the most cost-effective method to utilize for turnovers. Depending on a property's budget and staffing, the right choice may be a combination of both.
9. **Staff Incentives** – Incentivizing team members for quick and efficient work can be a true motivator. From leasing agents to maintenance technicians, having everyone knowledgeable about the goal can help ease turnover work for all. One very effective way is by offering incentives based on the timing of make-ready days. Some companies are offering bonuses based on meeting and exceeding turnover within a specified period of time (e.g., number of days a unit sits vacant during turnover) while other companies are including this incentive as part of their quarterly bonus structure for meeting expectations on vacancy and income numbers.
10. **Technology Data** – Companies such as BH Management and Cortland are embracing data to extend the life of the equipment maintenance is working to maintain while also anticipating when it will break and replacing it beforehand. Embracing technology platforms that store property- and portfolio-specific data to include past work orders, warranty information and other granular details allows a head start on maintenance preparation. For example, placing a sensor on items like HVAC units to notify the onsite team that a unit is running with no change in temperature can account for financial savings to repair equipment before full replacement is needed due to extended damages. This information can also prove helpful in preparing for unit turnover by using data to notify maintenance teams of aging or failed equipment and appliances that can be scheduled for repairs or replacement during the turn process.
11. **Renovation/Unit Enhancements** – Other than skips, you will receive advance notice of when a resident is not going to be renewing their lease agreement. That information can assist with preparing to start refreshing or remodeling the apartment the day after it's vacated. Proactively sourcing

products well in advance of the apartment turn is critical, as it expedites the process of getting higher-level approvals on those larger, \$500+ make ready orders. It also prevents any unnecessary delays in the apartments turn timeline. For additional help on sourcing replacement or repair products for every room in the unit, check out the [HD Supply Property Turns Guide](#).

The turn process allows for upgrades and unit enhancements to be installed while the apartment is vacant. While products such as LED lightbulbs, EnergyStar-certified refrigerators, and low-flow faucets and toilets may cost more up front, they will reduce your property's costs in the long run. As an added bonus, these changes are beneficial to the environment, 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.

- 12. Final Touches** – Schedule turn to be completed at least a day before move-in. This allows additional time for a final walk through, fixing last minute issues with contractors, and addressing any maintenance emergencies that may occur. Conduct a move-in welcome tour of the apartment with your new resident to guarantee a personal experience. It is recommended to include the maintenance department in this tour as it will not only introduce the service and professionalism of the staff onsite, but also allow for the resident to learn valuable skills such as proper soap to use in the dishwasher, how to reset a disposal, reset a GFCI and/or breaker, what constitutes an emergency for service and how to get in touch with maintenance in the event of an emergency. Don't forget to include a special touch inside the apartment home. A new resident move-in gift, tent card, welcome letter and any new move-in essentials make for a pleasant and memorable experience.

Related Links and Forms

[Quick Turns by Valet Living](#)

[Wilmar Apartment Turnover Checklist](#)

[HD Supply Property Turns Checklist](#)

Sample Make Ready Checklist – [Magic Make Readies](#)

[Chadwell Supply Turn Checklist](#)

Make Ready Board Resource Guide

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About NAA

The National Apartment Association (NAA) serves as the leading voice and preeminent resource through advocacy, education and collaboration on behalf of the rental housing industry. As a federation of nearly 160 affiliates, NAA encompasses over 82,000 members representing more than 9.7 million apartment homes globally. NAA believes that rental housing is a valuable partner in every community that emphasizes integrity, accountability, collaboration, community responsibility, inclusivity and innovation. NAA thanks its strategic partners Maintenance Supply Headquarters and Yardi. To learn more, visit www.naahq.org.