

How to Get Your Tenants to Stay For at Least Three Years

by Jeffrey Taylor “Mr. Landlord”

Many of you are familiar with my 3-Star Program as an excellent way to encourage residents to stay with you a minimum of 3 years. As a brief reminder, you enroll residents in a 3-Star Program at no charge to the resident. At one store I’m a “Gold Club” member. At the other I am a “MVP” member. Why did these stores encourage me to enroll in their free programs? To create customer loyalty.

Guess what, it works! When I go buy groceries, without thinking I shop at the two stores that give me a few perks (small discounts) because I see myself as a MVP or Gold Club member.

I’ve enrolled residents in my 3-Star Program for the same reason. To create customer loyalty. And it works.

Create Customer Loyalty

By giving residents a perk (minor property upgrades) on each rental anniversary as part of the 3-Star Program, residents see themselves as three-year residents. Of course, the residents can legally terminate the rental agreement at any time (with proper advance notice) and move to another rental, just like I can start shopping at a different store. But I voluntarily keep shopping where I’ve been often reminded that I am a valued customer and receive perks. The store doesn’t ask me each year if I want to renew my membership in the program or whether I want to keep shopping there. They simply send me a letter on occasion (along with perks-store discounts) thanking me for continuing to be a valued customer in their program and telling me what I can look forward to.

This is the same way the 3-Star Program works. I share this analogy, because a few people question whether some of my “innovative” rental ideas work. YES, they work because I just adapt strategies that are working well for other industries and utilize them in the rental business. And the 3-Star Program, like the Gold club or MVP program, creates customer loyalty. Residents continue to stay year after year without annual discussions about whether they want to stay in the program.

I do feel it is important and to your advantage to talk with your resident once a year near the anniversary date. I recommend you send an “Anniversary Agenda Checklist” along with a Thank You letter for participating in the FIRST year of their 3-Star Program. The Agenda Checklist informs residents that they have an opportunity to discuss any concerns and new options available during the nest year of their 3-Star Program.

The Agenda Checklist asks residents to select the topics from the agenda of what they would like to talk about. Each topic a resident selects gives you, the landlord, the opportunity to meet the changing needs of your resident. Equally important, as you offer options to meet the resident's needs and concerns, each topic on the agenda will also give you the opportunity to increase your cash flow plus increase the customer satisfaction level of the resident. Remember, let your residents pick the topics for the discussion and use the agenda to truly have a profitable discussion.

EXAMPLE: Anniversary Agenda Checklist

We like to meet residents at least once each year to help insure that we continue to meet your housing needs and make sure you are aware of all the housing options that are available to you. We want YOU to select the agenda for the meeting. Tell us what you would like to talk about. We can discuss just one of the following topics, or we can discuss as many of the topics as you select. Or, if you prefer not to meet at this time, just let us know.

The meeting will take place at your residence on one of the following two dates. Please let us know which date and time is most convenient for you to meet with us. Return this checklist to us within the next 3 days so we can schedule the meeting. Mail or deliver it to the following address:

Mr. Landlord