



LET'S BE HONEST. ALL property owners and managers want to increase their property's Net Operating Income. The net operating income (NOI) is one of the determining factors in calculating the investment value of your property and showing financials strength. Where should you start and where should you focus? I suggest three strategies: increase your income, decrease your expenses, increase resident retention.

1. Increase your income. Maximize your rent revenue by making sure your rents are comparable with the market and your competition and the leasing staff is staying focused on that occupancy rate. Knowledge of the market is critical to be a leader. As owners and property managers we don't like vacancies! LEASE-LEASE-LEASE! Review possible solutions to eliminating vacancies from your property. Leasing and closing ratios are both important. Watch marketing activities and ensure you have enough traffic. And having lots of traffic is great but is it qualified traffic? Are the prospects coming out to see your property leasing and moving in? It's not sufficient to have lots of traffic; you need move-ins! So, if your traffic is not bringing you enough move-ins, review your marketing source and ability of the staff to close a lease. Another way to increase your income is by billing the tenants for all the utilities and ser-

vices you can. You can also raise your income through application fees, late fees, pet deposits and rents, washer/dryer rentals, garage rentals, and vending machines.

2. Decrease your expenses. This is another way to improve your NOI. Review all expenses. Analyze vendor contracts, utilities, insurance expense, marketing and advertising expenses, repairs, and maintenance costs. Look at all your expense line items and identify ways to save money or find alternatives to the way you're running the property. Determine alternatives for conservation, install water-saving devices and energy savings light bulbs and timers to decrease your utility costs. Check if you're purchasing parts from the best supplier in terms of quality, price, and delivery. Have a detailed itemized listing of parts so ordering materials is simplified. That saves your staff time that can be spent on other areas on the property. When you're replacing an older appliance, are you stripping for parts? Do you have a preventive maintenance system in place to help avoid incurring a huge expense later? Depending on the size of your property, having an HVAC technician on staff could save you money versus bringing in an outside contractor. These are just a few of the ways that work. Have a brainstorming session with your staff and you could be surprised at their ideas. After all, they're on site every day observing all that is going on.

3. Improve your resident retention. Move outs can be expensive. It costs time and money to get units ready, market, find new residents and move them in. Every renewal means continued lease payments and no vacancy loss. Offer incentives to renew, upgrade their units, get creative in offering amenities and holding events. Also, many communities now hold Zoom events



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as opposed to in-person events. Switch from a landline to a cell phone – this will not only save money on your phone bill, it will also enable you to communicate with residents and applicants faster and for emergencies as well. Many people prefer texts over phone calls. Come up with small inexpensive gift items that show residents they matter and that you understand that the community is their home. And communicate, listen, and show that you care. Sometimes it's not about whether a resident gets what he/she wants, but about their feeling that someone listened and cared about them.

Increasing a property's NOI has certainly become a tough challenge to overcome with the Great Resignation, shortage of supplies and nonpaying residents. That's why it's more important than ever to analyze every line item in your budget and the way you operate in order to meet the property's financial expectations. ■

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❖ DIVERSIONS ❖ FUNNY THINGS KIDS SAY



A three-year-old went with his dad to see a litter of kittens. On returning home, he breathlessly informed his mother there were 2 boy kittens & 2 girl kittens. "How did you know?" his mother asked.

"Daddy picked them up and looked underneath," he replied, "I think it's printed on the bottom."

Another three-year-old put his shoes on by himself. His mother noticed the left was on

the right foot. She said, "Son, your shoes are on the wrong feet."

He looked up at her with a raised brow and said, "Don't kid me, Mom, I KNOW they're my feet."

On the first day of school, the kindergarten teacher said, "If anyone has to go to the bathroom, hold up two fingers."

A little voice from the back of the room asked, "How will that help?"

A mother and her young son returned from the grocery store and began putting away the groceries. The boy opened the box of animal crackers and spread them all over the table.

"What are you doing?" his mother asked.

"The box says you can't eat them if the seal is broken," the boy explained. "I'm looking for the seal."

"My mother can predict the future with cards", said the first grader.

"Really?" asked his friend, doubtfully.

"Yes. She takes one look at my report card and tells me what will happen when my father gets home."

A father was reading Bible stories to his young son. He read, 'The man named Lot was warned to take his wife and flee out of the city, but his wife looked back and was turned to salt.' His son asked, "What happened to the flea?"

A four-year-old girl was learning to say the Lord's Prayer. She was reciting it all by herself without help from her mother. She said, "And lead us not into temptation, but deliver us some e-mail. Amen."