

Maximizing Your Applicant Pool: 3 Screening Criteria Adjustments

By Georgina Bockel, RentGrow, Inc.

With an ever-changing applicant pool, you must make strategic adjustments to your screening criteria to ensure that you are renting to as many qualified applicants as possible. As 2010's rental season begins to take off, it's a good time for management companies to review their current acceptance criteria.

First, you want to ensure that your screening criteria and corporate goals for 2010 are aligned, and that the former doesn't interfere with the latter. Next, you want to evaluate your existing screening criteria in the context of your current and future applicant pool.

Rental application volume has increased by 4% through the first few months of 2010, when compared with the same time period in 2009; at the same time, the number of rejected applicants has increased by 1% (based on a study of RentGrow clients). Looking forward, properties will begin to see more and more applications as the "busy season" arrives, while also seeing the credit worthiness of their applicant pool continue to decline as those most impacted by the economic downturn begin to return to the rental market. Properly evaluating the risk of this growing population of "borderline" applicants will dictate a property's level of success in 2010 and beyond.

and adjusting if appropriate. Companies could successfully increase their acceptance rates by reducing the time period evaluated for credit and criminal history. One 12,000 unit property management company in the Midwest reduced the number of years that credit data was scored from 2 years to 1, increasing the number of accepted applicants by over 5%, while at the same time maintaining a low delinquency rate. Another company decided to overlook misdemeanor criminal offenses over 5 years old, yielding them an additional 1% in acceptances.

2. Examine Security Deposit Amounts

It's best to examine your security deposits levels periodically to determine whether or not yours are inline with local competition. In today's economy, qualified applicants can be won over with a more attractive deposit, such as surety bonds or monthly rental supplement programs.

Based on current rental conditions and real-life success stories of our clients, RentGrow recommends three key screening process adjustments to consider for 2010:

1. Reduce the Time Period of Evaluation

It is valuable to review the time period evaluated for credit and criminal history in your screening criteria

Continued on page 19

**Remove sidewalk trip hazards on your property...
...the Right Way!**

- Fast! Clean! Precise!
- Smooth...No ragged finishes
- ADA Compliant Slope
- Competitive Prices
- Safe...Won't Damage the Concrete
- Free No Obligation Bids

SAFE SIDEWALKS LLC
Trip Hazard Removal Specialists
An Affiliate of Precision Concrete Cutting

Contact us today! John (971) 275-0885 • Bryan (503) 512-8293
www.SafeSidewalks.com
Keep the Sidewalk. Remove the Liability.

AYLWIN

APRIL SPECIAL!
\$145.00 per square recover using CertainTeed Landmark 30 Architectural Shingles (most Buildings)

CertainTeed

SELECT

10 Years Labor Warranty
Lifetime Manufacturers Warranty

AYLWIN CONSTRUCTION
C.C.B. # 104039 Metro # 6857

WE SPECIALIZE IN APARTMENT RECOVERS & TEAR-OFFS
Specializing in Steep Roofs, Full Liability & Workers Comp.
Leak Repair • Continuous Gutters • Dormers • Skylights

(503) 998-7663 www.roofpdx.com

The Floor Store
FOR ALL YOUR FLOORING NEEDS

Make purchases easy & save \$\$ with carpet package discounts.
Call today to schedule a FREE Estimate or on-site measurement!

PACKAGES STARTING AT:

\$13.99 Installed

- Carpet
- 6 # Pad
- Installation
- Tear & Haul (old carpet)

LET US HELP YOU WITH YOUR OTHER FLOORING PROJECTS

- Instock Laminate Flooring
- Instock Vinyl
- Instock Konecto Flooring
- Instock Linoleum

We do countertops, pre-finished hardwoods, Tile & Stone

(503) 408-6488 Residential & Commercial

OR CCB# 134958 WA CCB #FLOORS1011W6

Stop by our store located just west of 82nd Ave
5628 SE Woodstock Blvd., Portland, OR 97206

HUD Adds Important Civil Rights ...continued from front page

bia prohibit discrimination based on gender identity.

HUD's General Section will not consider an applicant's submission if they fail to meet minimum thresholds which will now include being able to demonstrate that they have not been charged with a systemic violation of state or local law proscribing discrimination in housing based on sexual orientation or gender identity.

Last October, HUD Secretary Shaun Donovan announced a series of measures to ensure that the agency's core housing programs are open to all, regardless of sexual orientation or gender identity. In addition to the notice published today, HUD intends to propose new regulations that will clarify that the term "family" as used to describe eligible ben-

eficiaries of HUD's programs include otherwise eligible LGBT individuals and couples. The Department's intent to propose new regulations will clarify family status to ensure its core housing programs are available to all families, regardless of their sexual orientation or gender identity.

The Federal Housing Administration (FHA) will also instruct its lending community that FHA-insured mortgage loans must be based on the credit-worthiness of borrowers and not on unrelated factors or characteristics such as sexual orientation or gender identity. Finally, HUD will commission the first-ever national study of discrimination against members of the LGBT community in the rental and sale of housing. The Department is currently seeking on-

line public comment from interested parties in how it might design this new study.

In addition, HUD will provide enhanced customer services for members of the public who bring fair housing complaints to the Department's attention on the basis of LGBT status. Specifically, in places where state or local laws already prohibit LGBT-related housing discrimination, intake staff in HUD's Office of Fair Housing & Equal Opportunity will ensure these complaints are directed to the appropriate state and local anti-discrimination offices. HUD intake staff also will be trained to identify any allegations over which HUD has existing authority under the Fair Housing Act, such as HIV/AIDS-related discrimination, that

may be considered grounds for enforcement action based on the law's current protections (i.e., against disability discrimination).

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.



Maximizing Your Applicant Pool ...continued from page 4

3. Better Understand Your Cancellations

As application fees have fallen, and in some cases disappeared entirely, cancellation rates have increased significantly. Historically, 10-15% of applicants who applied and were accepted would cancel prior to move in. In recent years, this number has doubled to an average near 30%. For every 100 accepted

applicants that your company is able to attract, nearly 30 of them are choosing to take residence elsewhere. By monitoring and studying this applicant group, you can better understand why this is happening and ultimately reduce your number of cancellations.

Although no one can control over our current economy, property managers can make the proper adjust-

ments to lessen the blow. By honing in on maximizing each property's applicant pool, property managers can keep vacancy issues at bay during this tough economic time. It is wise to discuss possible strategic criteria adjustments with your resident screening provider to maximize the true potential of your applicant pool; they can help to qualify the best of the bunch and fill your vacancies

with qualified renters.

Georgina Bockel is the local sales consultant of RentGrow, Inc., the resident screening experts (www.rentgrow.com). She can be reached at bockelg@rentgrow.com or call (800)736-8476 ext. 207.



Apartment Industry ...continued from front page

resents a nearly complete reversal from a year ago, when 43 percent said it was lower.

The Equity Financing Index increased further from 66 to a record 71, indicating that equity financing is more available. Nearly half indicated that equity financing was more available; another record. Only three percent thought equity financing was less available. This is the sixth consecutive quarter this index has improved.

The Debt Financing Index also increased, from 49 to 58, meaning borrowing conditions have improved. Eighteen percent said conditions for multifamily borrowing were better this quarter; nearly 80 percent indicated that borrowing conditions were

unchanged. Only two percent said conditions were worse.

Full results are posted at www.nmhc.org/goto/QuarterlySurvey.

Based in Washington, DC, NMHC is a national association representing the interests of the larger and most prominent apartment firms in the U.S. NMHC's members are the principal officers of firms engaged in all aspects of the apartment industry, including owners, developers, managers and financiers. One-third of Americans rent their housing, and over 14 percent live in a rental apartment. For more information, contact NMHC at 202/974-2300, e-mail the Council at info@nmhc.org, or visit NMHC's web site at www.nmhc.org.



Water

Gas

Electric

Stop Paying Your Tenant's Utilities !

We Specialize in Metering and Billing Properties of ALL sizes.
Solutions to recover utility costs for your property.

(mention this ad for a free site survey)

Billing

(425) 228-6831
1-(888) 64-METER

Submeter Solutions, Inc.

www.SubmeterSolutions.com

CORDERO PAINTING

Cordero Painting is a full-service family owned painting contractor in business since 1995. We proudly serve the Portland/Seattle area. We are committed to quality workmanship for a fair price with a full guarantee.

Our Services:

- Interior & Exterior Painting
- Accent Walls
- Pressure Washing
- Gutter Cleaning
- Countertop Resurfacing
- Tub and Surround Resurfacing
- Drywall repairs

Commercial and Residential

Visit us at www.corderopaintinginc.com
or call us at 503-848-7788