

# Changing the Way Tenants Rent Rooms

Most HMO landlords will have realised in the last number of years how competitive the shared housing market has become.



A combination of HMOs becoming increasingly popular to investors due to their high yields, combined with increasingly demanding tenants, has caused a huge supply in stock. This is giving tenants a greater choice of where they can live, making it harder than ever to let rooms in shared houses.

In order to combat the increase in the supply of shared houses, landlords are having to constantly improve the quality of their refurbishments in order to attract the best tenants and keep rents high. It is arguably an interesting time in the shared house industry where landlords are either having to improve the quality of their refurbs, accept lower rents or innovate to stay ahead of competition. Obviously, there is a ceiling to how much you spend on a refurb for an investment, and landlords cannot keep spending more on our refurbs or the numbers won't stack up.

Perhaps there is another way to beat the competition instead of spending more and more on each refurb.

I'm not saying don't do top quality refurbs (otherwise you really will struggle) but perhaps focus not on competing over individual rooms and houses but focus on building a brand that tenants identify with and want to become a part of.

Landlords can't keep competing on quality of rooms and prices but should focus on delivering the ultimate renting experience to their existing and potential new tenants.

We asked the 200+ tenants in our letting agency, Relocation PA, what would make them rent a room aside from just the high quality, which is now standard throughout our rooms to ensure our landlords keep rooms renting fast while attracting higher rents. The basis of that survey has formed Relocation PA's new way of renting rooms.

We have been told we are either completely mad or total geniuses! We believe that this is the ultimate zeitgeist business model for HMOs today in response to the shifting HMO market which will result in rooms being filled faster and rents remaining high.

How Relocation PA is changing the way tenants rent rooms:

## 1. Growing our Community

Our core focus from day one has always been building a desirable community which tenants aspire to be a part of. We do this by bringing all our 200+ tenants together across all our shared houses as one bigger community instead of just one house with five to six tenants in.

For someone moving to a new city, community opens the doors to a massive new pool of people to meet,

to get to know quickly and to make new friends more easily. We encourage this through tenant meetups between houses such as BBQs, drinks in a bar and socials between houses.

What this has meant is that when tenants are looking for a room in a new city, Relocation PA tenants know they get access to hundreds of other like-minded people they can get to know quickly and easily.

Each new tenant gets a welcome box with goodies in from Relocation PA when they move in and we also drop off random presents, give tenants birthday cards and run competitions for our existing tenants.

## 2. No Fixed Tenancy Agreements

We introduced a radical switch to no fixed term tenancy agreements. We like to think of this as the Netflix of room renting. We don't tie our tenants into six- or 12-month contracts. This has hugely reduced the friction between choosing rooms for tenants as they know if they come to a Relocation PA room, they have total flexibility if their circumstances change. This is the way the world is going, and Relocation PA is embracing it.

## 3. Our 30-Day Rent Back Guarantee

To build on not having any form of fixed contracts, we wanted to sweeten the deal even further with the introduction of our 30-Day Rent Back Guarantee. This simply means if a tenant moves into a Relocation PA house and it wasn't what they expected, we will give them their rent back for the remaining period if they vacate within the first 30 days. This is just another fantastic reason to move into a Relocation PA house. We will even pay them the remainder of their rent back if they choose