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## Landlords update to attract, hold on to tenants

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Apartment vacancy rates reaching into double digits during the past year have owners and managers trying a variety of ways to attract and keep tenants.

Sign spinners advertising move-in specials or free cable are common sights on street corners at apartments scattered across Volusia and Flagler counties. One 20-year-old Port Orange complex even built a new clubhouse and is refurbishing all its apartments and town houses as tenants move out to be competitive.

"The market is real soft right now. There are a lot of homes to rent and condo conversions because owners cannot sell them," said Steve Unatin of Nova Properties Management, which manages Victoria Gardens Apartments and Townhomes. "We rent to a lot of Palmer (College of Chiropractic) students, and the young people expect more amenities and that is what we are trying to give them with this new clubhouse."

The clubhouse sits on a formerly wooded lot in the center of the town houses off Victoria Boulevard, near busy Dunlawton Avenue. It features a fitness room with free weights and treadmills; a children's playroom; a laundry room; small conference/business room; and a plush lounge/community room with couches, chairs, wall-mounted television and kitchen.

It also contains a new leasing office, which was moved from a rental unit.

"It provides a much more professional first impression to the complex," on-site manager Robin Donais said.

Historic vacancy rates at Victoria Gardens Apartments range between 5 and 18 percent, Unatin said. Vacancies are currently at the high end of that range, but that is not unusual for the region, state or nation.

The national apartment vacancy rate of 8 percent is at a 30-year high, according to Reis Inc., a New York real estate research firm.

High unemployment rates are forcing would-be renters to double up or even move back into homes with family members. Low mortgage rates, federal first-time homebuyer tax credits and large numbers of distressed homeowners selling at discount prices also are attracting those that might otherwise rent an apartment.

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This is the kitchenette and living-room-styled common space in the new clubhouse at the Victoria Garden Apartments in Port Orange.

The high vacancy rates are pushing rents lower, a benefit to renters, but trouble for owners trying to maintain the properties and pay mortgages.

Rents are the number one driver for tenants, said Robert McDaniel, vice president of Integra Land Co., developers and owners of newer apartment complexes in Daytona Beach, Orange City and Palm Coast.

"It's a very heavy concession market right now. Upgrades like ceiling fans won't do it. Rents are key. We have lowered rents between 10 and 15 percent," he said.

While two-bedroom rent at newer and higher-end communities can range from \$800 to \$1,200, a quick look online at [rent.com](http://rent.com) finds two-bedroom units renting for as low as \$615. Unit size, building age and tenant amenities all account for the wide range of rent.

Rent has fallen 3.3 percent to an average of \$830 in the past year in the Orlando market where vacancy rates have climbed to 11.8 percent in June, according to Real Data, a Charlotte-based apartment research firm.

It's midyear report found vacancy rates among its five surveyed cities -- Tampa, Orlando, Tallahassee, Gainesville and Jacksonville -- average 12.4 percent. Vacancies were higher in areas hit hardest by unemployment, foreclosures and areas overbuilt with apartments during peak development periods of 2005 and 2006.

The survey found that 50 to 60 percent of apartment complexes are offering some kind of rent or other concessions.

Recovery in the apartment markets will depend on how quickly job growth and the housing markets rebound, Real Data analyst Kelly Reddecliff said.

Until then, Victoria Gardens hopes its refurbished units can compete with other complexes in the area. As tenants move out, units are getting new carpeting, air handlers and countertops; tiles are replacing linoleum floors; and soft earth tone paint is covering white walls.

Two-story town houses rent for \$800 or \$850 for washer/dryer hookups. One-floor apartments are \$725. All have two bedrooms.

Four laundry rooms have machines all less than a year old. The complex switched from cable television to satellite systems to provide each unit with Internet access. The complex also is setting up a Web site to better market itself.

"All the new construction in Port Orange have clubhouses and fitness centers. That is what we are trying to do. You have to give them amenities." Unatin said.