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Negotiating Rent Gets Tougher

The clock is ticking for consumers looking to negotiate a more favorable rent on a home or apartment. Not only are landlords less willing to offer some of the price breaks common last year, but in many markets they are actually raising rents.

"The recovery of and increase in [rental] demand happened a lot sooner and was more dramatic than we expected," says Hessam Nadji, the managing director for research and advisory services at Marcus & Millichap, a real estate investment services firm.

Vacancy rates are currently at 7.8%, down from an all-time high of 8.8% last year. It's a small shift, but significant enough that landlords are more confident about short- and long-term demand. According to rental property marketplace [Rent.com](#), only 31% of landlords reported lowering rents this year, compared with 69% last year.

"It's still a tenant's market, but that's changing quickly," Nadji says. He estimates most renters have at most 12 months before the power balance shifts fully to landlords, with substantial rental increases following. For now, try these six strategies to cut your bill and hedge against future jumps:

Plan for the long term

Signing a longer-term lease can lead to more attractive pricing and smaller annual rent increases because the landlord has your tenancy secured, says Peggy Abkemeier, the president of Rent.com. If possible, tenants should aim to have their lease end during a time of the year with minimal rental turnover. Someone negotiating in December could get a better rate than someone signing a new lease during the peak summer moving season, Abkemeier says.

Research the market

Renters' leverage varies by city and, in some cases, by neighborhood. Phoenix, Atlanta, Las Vegas and Orlando still boast vacancy rates of 10% or greater, giving renters more room to bargain, Nadji says. There are fewer bargains in markets such as New York, San Jose, San Francisco and parts of New Jersey, where vacancies have dropped as low as 3%.

On a local level, tenant should assess how much room they have to negotiate by comparing their rent against what other people in the neighborhood are paying for comparable properties. Tenants should ask others what they pay, check similar property listings on Craigslist, and map nearby rates on [RentoMeter.com](#).

Just ask

It never hurts to ask for a better rate. "Many landlords price their properties a little higher because they expect to negotiate," says Tracey Benson, the president of the National Association of Independent Landlords. The worst that can happen is that the landlord says "no."

Check out new buildings

New buildings that landlords are trying to fill are more likely than others to offer promotions such as a month or more of free rent, Abkemeier says. However, tenants should bear in mind that those buildings could see significant rent increases as the market stabilizes.

Look beyond rent

If a landlord stands firm on the monthly rent, ask about other possibilities to cut costs. Rent.com reports that 44% of landlords say they are willing to reduce security deposits, and 22% are offering upgrades to more expensive units at no extra cost. Other options on the table include the coverage of more utilities in the rent, a waiver on pet security deposits or a discount on extras like storage space or parking.

Play up qualifications

Landlords are more likely to make concessions on rent for good tenants, Benson says. Good credit and a good rental history — paying on time and keeping the property in great shape — can go a long way. It's also important to be polite. "The way you conduct yourself indicates what kind of renter you are," Abkemeier says. Hardball negotiating tactics may get you a better rate, she says, "but you still have to live there."