



Reducing turnover through tenant comfort

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Tenant turnover isn't cheap. Research from the National Apartment Association (NAA) has shown that tenant turnover can cost as much as \$4,000 per move-out. These costs stem from lost rent, maintenance expenses, new tenant concessions, leasing agent time, and marketing.

We all know fair prices, amenities, and customer service are key to keeping tenants happy, but what may come as a surprise is that an uncomfortable apartment can trump those factors when a tenant is deciding whether to stay or go. "Too hot" and "too cold" calls should not be treated as simple maintenance issues, but rather as red flags that could have ramifications on tenant retention and ultimately the bottom line.

There are three primary drivers of apartment temperature: the building envelope, HVAC equipment, and thermostatic controls.

The building envelope can go untouched for many decades, making it essential to get right the first time in new construction. It is important to insulate well, air seal extensively, and leave value engineering to other areas. Existing buildingsâ€”more challenging to get right than new constructionâ€”can use blown-in or rigid insulations to ensure high performance. Quality of insulation work, as well as potential paths of air leakage, should be assessed by a third-party for optimal results.

For new construction and gut renovations, involve a mechanical engineer early to determine the optimal layout and size of the distribution system. Too often, mechanical systems are designed after building plans are complete. As a result, systems are squeezed into spaces that hamper their performance and decrease their lifespan. It is also critical to use heating and cooling load calculations based on actual building specs to determine the appropriate size of the HVAC equipment. This goes for both new and replacement systems. Common HVAC issues include disconnected or poorly installed ductwork, vents that may have been accidentally floored or drywalled over, incorrectly programmed controls, and duct leakage. Having a third party verify these two key componentsâ€”distribution system performance and load calculationsâ€”ensures that installations operate as expected.

Finally, thermostatic controls give tenants power over their own comfort. Controls are easy to implement in buildings with forced air systems. Buildings with radiators provide a larger challenge, but there are controls that can be added to manage the heating output.

These three items will ultimately decide if tenants can stay warm (or cool). Nice amenities may get them in the door, but without comfortable temperatures, tenants may look elsewhere once the lease runs out.

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