

Learning Objectives

- Understand the true cost of tenant turnover
- Master the HEAR conflict resolution framework
- Handle common coliving complaints effectively
- Implement rent increase strategies that retain tenants
- Know when and how to start the eviction process

The Cost of Turnover

Every time a tenant leaves, it costs you money—more than most investors realize.

Turnover Cost Breakdown (Per Room)

COST	AMOUNT
Vacancy (avg 2-3 weeks)	\$375-565
Cleaning & touch-up	\$100-200
Listing/marketing	\$0-100
Screening new tenant	\$25-50
Your time (showings, move-in)	\$100-200
Total per turnover	\$600-1,115

With 5 rooms, even one extra turnover per year costs \$600-1,100. Reducing turnover by just one room per year adds \$600+ to your bottom line.

The HEAR Framework for Conflict Resolution

When issues arise between tenants or between you and a tenant, use the HEAR method:

H - Hear

Listen to the complaint fully without interrupting. Let them feel heard.

E - Empathize

"I understand how frustrating that must be." Validate their feelings.

A - Act

Take specific action to resolve the issue. Give a timeline.

R - Resolve

Follow up to confirm the issue is resolved and the tenant is satisfied.

Common Issues & Responses

Noise Complaints

Response: Acknowledge within 1 hour. Speak privately with the noise source. Remind of quiet hours policy. If repeated, issue written warning.

Cleanliness Issues

Response: Send group message reminding of shared responsibility. If one person identified, speak privately. Implement rotating cleaning schedule. Consider hiring cleaner for common areas (\$100-200/month split among tenants).

Late/Missed Rent

Response: Day 1: Friendly reminder. Day 3: Formal notice. Day 5: Late fee applied. Day 7: Pay-or-quit notice. Day 14: Begin eviction process if unresolved.

Maintenance Issues

Response: Emergency (water/gas/fire): Respond immediately. Urgent (no hot water, broken lock): Within 24 hours. Standard (dripping faucet): Within 3-5 business days.

Roommate Conflicts

Response: Meet with each party separately first. Then mediate together if needed. Focus on behaviors not personalities. Document agreements. Follow up in one week.

Rent Increase Strategies

- **Timing:** Best at lease renewal, typically annually. Never mid-lease unless lease allows.
- **Amount:** 3-5% annually is standard and expected. Above 5% risks turnover.
- **Communication:** Give 60+ days notice. Explain the increase (rising costs, market rates). Offer value adds if possible.
- **Retention incentive:** Offer a smaller increase (3% vs 5%) for tenants who commit to a longer lease.

THE RETENTION MATH

A \$25/month rent increase × 12 months = \$300/year. If that increase causes a turnover costing \$800, you've lost money. Keep increases reasonable to maximize long-term income.

Problem Tenant Warning Signs

- Consistent late rent payments (2+ times in 3 months)
- Multiple complaints from other tenants
- Damage to property beyond normal wear
- Unauthorized guests or overnight visitors exceeding policy
- Violation of house rules after written warning
- Illegal activity on property

WHEN TO START EVICTION

Eviction is always the last resort—it's expensive, time-consuming, and stressful. But when safety or consistent lease violations are involved, acting quickly protects your other tenants and your investment. Always follow your state's legal eviction process.

 Action Steps

1. Create a response plan for the top 5 tenant issues
2. Set up a maintenance request system (text, email, or app)
3. Draft your rent increase letter template
4. Complete the Tenant Issue Response Playbook
5. Review your lease for eviction procedures in your state

Key Takeaways

- **Turnover costs \$600-1,100+ per room** — retention is cheaper than replacement
- **Use the HEAR framework** to resolve conflicts professionally
- **Respond fast** — speed of response is the #1 factor in tenant satisfaction
- **Keep rent increases reasonable** (3-5%) to maximize long-term revenue
- **Document everything** — written records protect you legally



Your Deliverable

A ready-made playbook for handling every common tenant issue.



Module 6 Complete!

You now know how to launch, manage, and retain tenants like a pro.

Final module: scaling your portfolio and building lasting wealth.