

New business looks to help in search for rental housing

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With newcomers continually moving to Washington to study or take new jobs,

the region has a remarkably resilient rental market. Nonetheless, it's taken a hit from the slow economy, with supply outstripping demand as homeowners rent out their houses rather than sell them at a loss.

Enter Urban Igloo, urbanigloo.com, a startup apartment-finder service in the Washington area.

Launched in April, the company is betting that landlords are willing to pay extra in return for credit-worthy tenants delivered quickly into their units.

The service works like this: Prospective renters contact Urban Igloo and spell out what they're looking for in an apartment. For free, company staff spend hours showing clients available apartments around town until a match is made, then take care of all the paperwork, including employment verification, credit check and references. Once the lease is signed, landlords pay Urban Igloo a month's rent for the service.

Founder Rick Gersten, a longtime Washington-area commercial real estate broker and developer, said his plan is good for everyone. "Landlords love us, because they don't have to deal with Craigslist and the rest. At some point, their time is worth something."

For renters, he added, Urban Igloo provides some pluses not available with other services like Rentals.com. "There are other Internet firms already, but they require renters to do everything themselves — they don't run into real live people. We drive people

around and know the area."

Gersten developed his idea for the company after hearing about similar services while on vacation in London and Chicago. "In other cities, this has converted to a high-volume, low-commission business," he said.

A current glut of available rentals probably works in Urban

Igloo's favor. On a recent weekday afternoon, almost 200 new ads for rental units were added to Craigslist.com's Washington site in one hour. Some of those landlords may be willing to shell out a month's rent for assistance with getting a tenant into their properties rather than

letting them go vacant. But Gersten isn't worried that business could drop off if the rental market tightens again. "When the market rebounds, it will help balance things — but apartment projects might get going again and add more supply to the market."

The service isn't for every landlord. Some, like Steve Tucker of Adams Morgan, prefer to do the work themselves and reap the full benefit. Tucker said his fully furnished units run for at least \$2,800 a month, a sum he's not willing to trade for his time.

But for part-time landlords and full-time renters, it might be useful. Currently, services that pair renters and landlords are largely limited to bulletin boards like Craigslist and real estate companies. While many real estate agents have been showing apartments for years, rentals may not be their specialty and unit options can be limited. And a landlord who uses a real estate agent to find renters often must agree to list only with that agent. In contrast, Urban Igloo doesn't demand exclusivity from its landlords, Gersten said.



Rick Gersten