



Getting Started as a Landlord

**From Finding a Rental to
Moving in Your First Tenant**

01

Establishing Your Goals

Your investing efforts start with careful planning. Let's work backward to draw your roadmap.

Why Are You Investing?

Clear, measurable goals are easier to achieve because you can break down each step of the journey. But if you simply want to invest for "retirement" or "financial freedom," this is your chance to define what that success would mean.

Ask yourself

How specific can I get with my goal?

Why am I interested in this goal?

How will this goal contribute to my overall life?

How will I measure my success along the way?

What's my deadline to achieve this goal?

Can I realistically achieve this goal?

What will you do when you hit that goal?



For example, the vague “saving for retirement” goal could become “By 2030, I will own three multifamily properties generating at least \$250,000 annually so that I can quit my 9-5 and travel around Europe.”

Pro Tip: Save up three to six months' worth of expenses before investing in your first rental. Not sure how? Keep reading.

How to Save for Your Goals

Why do we recommend having enough savings to cover three to six months' worth of expenses? The same reason that insurance is critical - you never know what will happen, and it's better to be prepared.



But how can you do it?

Nerdwallet says to:

Automate your savings. Set up automatic transfers from your checking to your savings. The less manual work involved, the more likely you are to succeed!

Save extra money. Maybe you got a raise, a bonus, or a healthy tax refund - sock that money away instead of spending it.

Stash spare change. Apps like Qapital round your purchases up to the nearest dollar, then save the change for you.

Use a cash-back credit card. Sock away the cash you earn while treating the credit card like a debit card. Pay it off in full every month!

Consider your debts. If you're paying off your car, is it possible to refinance your auto loan to lower your payments? Have you shopped around for car insurance in a while?

Where to Put Your Savings

Make your money work for you by keeping it in the right place - don't just leave it in your checking account!

You'll likely need to work up to your goal, whether that's six months of expenses or a down payment on a property.

Research the different account types like the ones below.



High-yield savings accounts



Money market accounts



Certificates of deposit

Talk with your local bank or credit union, and ask what would be best for your unique situation.

Pro Tip: The stock market might seem like a good option, but be careful. If your target date isn't at least eight years out, the stock market's volatility makes it a risky choice.

Saving for a down payment?

In this economy, squirreling away a large chunk of change might seem impossible. It's not, but saving for a down payment will take time. *That's okay!*

While you're working toward your goal, Nerdwallet recommends looking up local and state first-time homebuyer programs, which:

- Often offer down payment grants, tax credits, and assistance with closing costs
- Are typically run by housing finance agencies or government grants
- Have different requirements, like income restrictions or mandatory coursework



Did You Know? Once you own property, house hacking (renting out a portion of your residence) could have someone else paying your mortgage - meaning you can save money while building equity. This is an example of passive income.

The Passive Income Perspective

Is rental property management 100% passive? Not if you want to protect your assets and give back to your community.

Bear in mind:

- **Building your passive income stream takes time.** Most real estate is financed with 30-year mortgages, so make sure you're planning for the long game.
- **There are risks associated with rental property investment** just as there are with every type of investment.
- With the right preparation, tools, and support, **you can rake in regular income with minimal daily effort.**

The goal is to generate rental income without the business requiring your active attention most of the time. This money could amplify your current lifestyle, get re-invested into more properties, or allow you to retire early.



Financial Freedom

Money rules the world, and those with enough to live comfortably call the shots on their destiny. That's what financial freedom is all about - having the ability to comfortably meet both your needs and your desires.

So, how can rental property management get you there?



“ [My husband and I] had money in the stock market, and we hated that the stock market [bounces] up and down, up and down... [but] with rental property, **we were the ones in control.**”

-Nina K., five-door landlord

What does financial freedom look like for you?

The answer varies from investor to investor! For most, financial freedom means attaining the dream of calling your own shots, escaping the 9-5 workday, and living comfortably knowing you have enough money to live life the way you want.

Here's how to calculate it for your unique situation:

- **Tally up your monthly expenses.** Include the average costs of your housing, food, transportation, utilities, obligations, and discretionary spending.
- **Create some breathing room with a buffer.** Add an extra 10-20% to your monthly expenses to cover surprises and emergencies, like a flat tire or an ER visit.
- **Reinforce your financial goal.** What do you want to make happen? Why? Recall your answers any time you're tempted to stray from your path.
- **Do the math.** It's time to run some calculations.

Financial freedom number =

(Monthly expenses + Buffer) x 12

Annual safe withdrawal rate**

**An annual safe withdrawal rate is the percentage of your savings that can be safely withdrawn each year without depleting your account.

Most experts use 4%.

Example of Financial Freedom Calculations

Monthly expenses: \$4,000
Buffer: \$4,000 * 20% = \$1,000
Annual safe withdrawal rate: 4%

Let's plug our example numbers into the **financial freedom number formula**.

$(\text{Monthly expenses} + \text{Buffer}) * 12$

Annual safe withdrawal rate**

$(\$4,000 + \$1,000) * 12$

0.04

$\frac{\$60,000}{0.04} = \$1,500,000$

If your monthly expenses are \$4,000 and you have a buffer of \$1,000, your financial freedom number would be **\$1.5M**.

Does that number seem daunting? Don't be discouraged! Real estate investment is the perfect venue to make it happen - particularly as a landlord. Having someone make regular rent payments means you have income flowing in that can be saved to meet this goal.



Real estate makes a good long-term investment for a few reasons, one of which is something people understand - [it's] one of the three necessities, one of the three essentials. You've got food, clothing, and shelter.

[People are] always going to need a place to live."

-Brent D., six-door landlord

How Rentals Unlock Your Financial Freedom



Many investors look to rental property management to supplement their financial independence due to its:

- **Cash flow:** Rentals should generate enough money to cover the mortgage, property taxes, insurance, and other expenses - ideally with some left over.
- **Appreciation over time:** Real estate usually appreciates in value, giving you built-in equity.
- **Tax benefits:** Owning rentals unlocks a number of benefits, including the ability to deduct mortgage interest and depreciation.

Preparing to Invest in Real Estate

Whether you're already a homeowner or you've never purchased property, there are a couple of to-do's to check off your list before seeking out rental units:



Have available money in savings. Many would-be landlords forget that when tenants can't pay rent, the mortgage won't get paid - so you should build up a monetary cushion in case of the worst-case scenario.



Pay off your existing debt. You'll struggle to get ahead financially if you're bound to debt. Work on paying off the highest-interest debt first.



Consider how to get into the real estate game. If you're a tenant, buying a piece of property and renting out a portion of it might be the perfect strategy. Maybe you're a homeowner with space to spare. Perhaps you inherited an estate, or you're trying to escape golden handcuffs. *Almost every living situation in which you own property can be leveraged for this*

Once you have enough money in savings and a rough idea of whether or not you need to purchase property, it's time to talk financials.

Putting the Numbers to Work

Part 1

Larry Landlord was born to manage rental properties - and he's ready to get started. Let's help:

Larry's monthly expenses total **\$4,700**.

- **\$2,500** of that figure is his monthly rent.

He qualifies for a first-time buyer FHA loan with a **3.5%** down payment instead of a conventional loan which can require **20%** down.

The average single-family home in his target market costs **\$600,000**.

- He'll need to put at least **\$21,000** down.
- Larry makes it his mission to save enough for his down payment, closing costs, AND three months' worth of expenses.
 - **$\$21,000 + (\$4,700 \times 3) + (\$600,000 \times .035) = \$56,100$**
 - To reach this goal, he'll need to decide how much to save each month - based on when he wants to buy.

Down Payment Savings Breakdown

Number of Months Away From Purchase	Amount Saved Per Month
12	\$4,675.00
24	\$2,337.50
36	\$1,558.34
48	\$1,168.75
60	\$935.00



If you're like Larry, saving this much money might seem overwhelming - but it's doable with proper planning. In order to save money. Aim to:

- **Decrease your monthly expenses**
- **Increase your monthly income**

Expedite the savings process by picking up another job and saving as much of that income as possible.

02

Financing

This step intimidates most new real estate investors - but armed with a plan and plenty of knowledge, you can secure financing for your property purchase without breaking a sweat.

You're Not Alone

If you didn't inherit property and need to venture into the market in search of a suitable rental, you're in good company.

Let's look at the stats - in 2022:

- **78%** of recent buyers financed their home purchase.
- The average down payment for first-time buyers was **6%** .
- For first-time home buyers **26%** said saving for a down payment was the most difficult step in the process.
- **22%** of first-time buyers used a gift or loan from friends or family for the down payment.
- Been around the block? The typical down payment for repeat buyers was **17%** .
- **38%** of repeat buyers used the proceeds from the sale of a primary residence to purchase their new property.

Source: NAR



How to Get People to Give You Money

Before we dive into the various types of loans available, you need to be in tip-top lending shape. How do you accomplish that?



Maintain a steady income. Lenders want to see that you have money flowing in regularly and in expected amounts. [Explore the impact that stability of income can have on your lending experience >>](#)



Step up your credit score game. The higher your score, the better - especially when it comes to shopping for loans. At minimum, you'll need a credit score of 580. [Learn how to boost your score >>](#)



Improve your debt-to-income (DTI) ratio. The less debt you have, the more attractive you are to lenders. Aim for a DTI of 43% or less. [Whittle away your debt >>](#)



Everybody thinks that they're going to time the market, they're going to sharpshoot the market, and buy right at the bottom. The truth of the matter is that nobody is good at it."

- *Barbara Corcoran,*
Creator of the world-famous Corcoran Group brokerage

Don't Be Afraid of Financing

Would-be investors hesitate at the financing step because they see the gap between where they are and where they want to be.

Don't give up. While you work to get your financials in order, learn all you can about different loan types. Knowing your options is half the battle.

Quick Term Breakdown

- When considering how to finance a property purchase, pay close attention to the loan term and interest rate type of each option.
- The **loan term** is the amount of time you'll have to repay the loan. 15 or 30 years is common for a mortgage. The longer the term, the lower your monthly payment, but the more you'll pay in the long run in interest.
- The **interest rate type** can be fixed (unchanging throughout the life of the loan) or adjustable (starts low but increases over time).



Common Loan Categories

Let's look at popular financing options.

Conventional: Backed by a private lender

Pros:

- Lower interest rates
- No mortgage insurance requirement with >20% down payment
- Greater loan term options

Cons:

- Higher down payment requirement
- Requires a higher credit score

Government-backed loans: Insured by the government

Pros:

- Lower credit score requirements
- Lower down payment requirement
- More flexible underwriting, meaning you may still qualify even with a less-than-perfect financial record

Cons:

- Rigid qualifications
- Higher mortgage insurance costs
- Minimum property standards



Rule of Thumb: If your credit score is low and/or you have a small down payment saved, a government-backed loan might be best for you. If your credit is strong and you have a 20% down payment saved, a conventional loan may be the better fit.

Government – Backed Loans

Though they often have strict eligibility requirements, including limitations on the kinds of properties they can be used to purchase, government-backed loans are attractive to many buyers.

The most popular loans backed by the government include:

FHA (Federal Housing Administration)

VA (Veterans Affairs)

USDA (U.S. Department of Agriculture)



Eligibility Requirements for Popular Government-Backed Loans

FHA Loans: Offer lower down payments and credit requirements than a traditional mortgage.

- **Qualifications:** Credit score of **580** and a **3.5%** down payment
- **Downside:** You must pay an upfront mortgage insurance premium (typically **1.75%** of your total loan value), followed by monthly mortgage insurance payments. Can only be used on properties with one to

VA Loans: Allow eligible veterans, active-duty military, National Guard personnel, reservists, and qualifying spouses to avoid paying a down payment.

- **Qualifications:** Determined by individual lenders, though you'll be required to have a certificate of eligibility to secure the loan.
- **Downside:** You'll still be required to pay closing costs.

USDA Loans: Support low- to middle-income buyers in certain rural areas and don't require a down payment.

- **Qualifications:** Must meet income eligibility (can't exceed 115% of median household income), agree to occupy the dwelling as their primary residence, and be a U.S. Citizen, non-citizen national, or Qualified Alien.
- **Downside:** This loan can't be used to purchase rental property - but you could live in the house with your tenant.

Check the terms of your loan to ensure it can be used to purchase rental property. Otherwise, house hacking may be a better fit!

With this information in mind, let's shift to conventional loans.

Conventional Loans

Private lenders generate most of the loans used to purchase property in the United States. Here's what you should know:

- Conventional mortgage loans typically have 15- or 30-year repayment periods
- There are conforming loans and nonconforming loans (more on that later)
- If you put down less than 20% of the total loan amount, you'll have to pay private mortgage insurance (PMI). On average, PMI costs between 0.5%-1% of the loan amount annually and does not go toward paying off the loan

Average Lendee Requirements

- Credit score of **620+**
- At least **3%** down payment
- Reliable income with at least a two-year track record
- Clean credit history (no recent bankruptcy or foreclosure)
- Looking to borrow within local loan limits set by the Federal Housing Finance Agency

[Check your loan limit >>](#)

But these requirements differ by lender, so it's important to shop around!

Typical Property Requirements

When pursuing a conventional loan, your lender is likely going to require a home appraisal to verify the property's value.

The home appraiser will:

- Look at the property's condition generally
- Compare it to similar properties that have recently sold in the area
- Calculate its current market value

The **Mortgage Reports** highlight special property features that could impact your ability to secure funding, including:

- Wells and septic tanks
- Environmental hazards
- Solar panels that are financed as a debt secured on the home
- Properties that comprise multiple parcels of land



Conforming vs. Nonconforming Loans

Conforming loans align with guidelines from Fannie Mae or Freddie Mac, two of the largest mortgage buyers in the United States. These government-sponsored enterprises buy conforming loans and bundle them to be sold to investors, which creates a secondary market that enables competitive interest rates.



Nonconforming loans don't play by those rules. They could offer a higher loan amount, cater to those with lower credit scores, or be used on otherwise banned property types. Jumbo loans, Alt-A loans, and subprime loans are all nonconforming. [Learn more >>](#)

To Conform or Not to Conform: What's right for you?

Your unique financial situation and goals dictate the type of loan you should take.

26

That said, let's look at conforming vs. nonconforming loans side by side:

Characteristic	Conforming Loan	Nonconforming Loan
Loan amount limits	Yes	No
Credit score requirements	Generally good (600+)	Varies
Down payment requirements	Typically 20% or less	May be higher
Interest rates	Generally lower	Generally higher
Availability	Widely available	Less widely available
Eligibility	More borrowers qualify	Fewer borrowers qualify

Remember: You don't have to make this decision yourself. Use this information as a starting point to find mortgage lenders who offer the loan types that most interest you, then schedule a meeting with them.

How to Find Your Lender

Now that you understand the various mortgages at your disposal, it's time to put your knowledge into action. Align with the perfect lender for you in four steps:

- 1 Google “[loan type] in [where you want to buy property]”
- 2 Compare online reviews and rates from at least three mortgage lenders offering your ideal loan
- 3 Request a loan estimate from at least three lenders
- 4 Pay attention to how responsive they are to your questions and requests



Pro Tip: If you know a real estate investor, ask if they'd refer you to their lender! Real estate agents also typically have a long list of preferred lenders.



It's common to just look at interest rates when you're looking for a lender - that's the easiest metric. But it's also crucial to see if you're a priority to them. Go where your business is their business."

- *Grayden Guilford, Loan Officer*

Learn more from Grayden in this [free webinar](#) >>

Critical Formulas for Rental Investors

Not sure how much you'll need to borrow? Start by finding the average property value in your area. Then consider:

The 1% Rule - Maintenance typically costs about 1% of the property value per year.

- Formula: $0.01 * \text{property value}$

Property Tax Calculation - Properties are evaluated every one to five years on average.

- Formula: Take the property's local mill levy (or tax rate) * the value of the property

Landlord Insurance - Landlord insurance protects your rental(s) like homeowner's insurance protects your main residence.

- Formula: Average homeowner policy premium * 1.25

Net Operating Income - This phrase refers to the money remaining after paying operational expenses.

- Formula: $\text{Annual net operating income} / \text{property's current market value}$

Cap Rate - This figure is the expected rate of return on an investment property. For example, a property with a cap rate of 20% would take about five years to recover the investment.

- Formula: $\text{The revenue of an average rental in the target area} - \text{estimated operating expenses}$

Pro Tip: Does your head hurt from the thought of crunching all these numbers? Use a free rental property calculator to determine your potential profitability in mere clicks.

Putting the Numbers to Work

Part 2

Let's get back to Larry from our example in Chapter 1. After five years, he was able to save **\$71,100**. He's seeking preapproval for a **\$600,000** FHA loan.

His down payment is \$36,000, and his closing costs are 3.5% of the property value.

- With a **30-year** fixed-rate mortgage worth **\$585,000** and a **3.5%** interest rate, Larry's monthly payment would be **\$3,994.70**.
- He's going to live in the property with his tenant to save money.
- The average monthly rent for similar properties is **\$2,200**.
- *Larry gets to pay less in rent while building equity, saving him nearly **\$500** per month. That's a total of **\$10,992** per year!*



03

Finding a Property

With your investment goal clear and your finances in order, it's time for those who still need a property to find their first rental.

Define Your Buy Box

A buy box is a description of the types of property you want to buy, broken down into the different characteristics and features that matter most to you, and each investor's buy box is unique to their investing goals and their portfolio.

Consider the following:



What's your ideal property location?

How big would you like it to be, and how many rooms will it have?

What are you willing to spend?

What kind of property do you want to purchase?

How much monthly rent are you looking to charge?

Pro Tip: If you can't tell a duplex from a triplex, don't fret - [this quick blog](#) will help you learn the lingo!

Where to Buy Property

Not sure where to start hunting for open units? Start local by evaluating neighborhoods around you.

Most investors talk about types of neighborhood classifications:

Class A and B properties typically require less maintenance, have higher-income residents, and are lower-risk investments (but with shorter-term tenants and lower returns).

Class C and D properties usually have more maintenance issues, lower-income residents, and are higher-risk investments (but with more affordable properties and higher returns).



There is no official neighborhood classification system, so only use these descriptions as a jumping-off point to find your ideal spot. Consider where there are most often renters, such as near local schools, in established neighborhoods, and around business centers.

Buy Box Example

Let's break down Larry's buy box:

- **Location:** Students are always looking for housing within walking distance of the local university. Having property near public transport would be his second preference.
- **Type:** He'd like to have more than one renter at a time in order to save money on his mortgage - so Larry will look for a multi-unit property with four or fewer units. He'll live in one unit and rent out the rest.
- **Size:** Having enough space for everyone is important, so Larry's prioritizing properties that have a sizable yard and common areas for residents to congregate.
- **Price:** Larry would prefer to pay a maximum of **\$600,000** for his property.
- **Rent:** Based on TurboTenant's [rent estimate report](#), Larry estimates that he could charge **\$1,200/unit/month** for an average property in his target area.





When I was looking for my last rental property, my focus was the **amount of rent I could charge** - not how much the property cost. I used TurboTenant's free tool to calculate my cash-on-cash return. Now I have a thriving rental with positive cash flow."

-Seamus Nally, TurboTenant CEO and landlord



Two Strategies to Find Your Next Rental

Once you know roughly where you'd like to own a rental, it's time to roll up your sleeves and get to work.

There are two main ways to hone in on your perfect rental property:

- 1 Meet with a real estate professional.** Investing in real estate is not a solo sport.
- 2 Canvass your target neighborhood.** Putting your feet down and knocking on doors can produce great results.



Let's walk through each strategy so you have all the information you need to find your rental with ease.

Strategy One: Hire a Real Estate Professional

Many real estate agents choose to specialize in one area of the industry - and rental properties are quite the popular niche.

To find your real estate agent, you should:

- Talk to your friends, family, and coworkers who have recently purchased property. Maybe they'll have a referral for you!
- Look up “[your state/city name] real estate agent for rental property”, then evaluate their online reviews.



Pro Tip: You can reach out to your local real estate commission and ask if they have a contact list for rental property-focused agents.

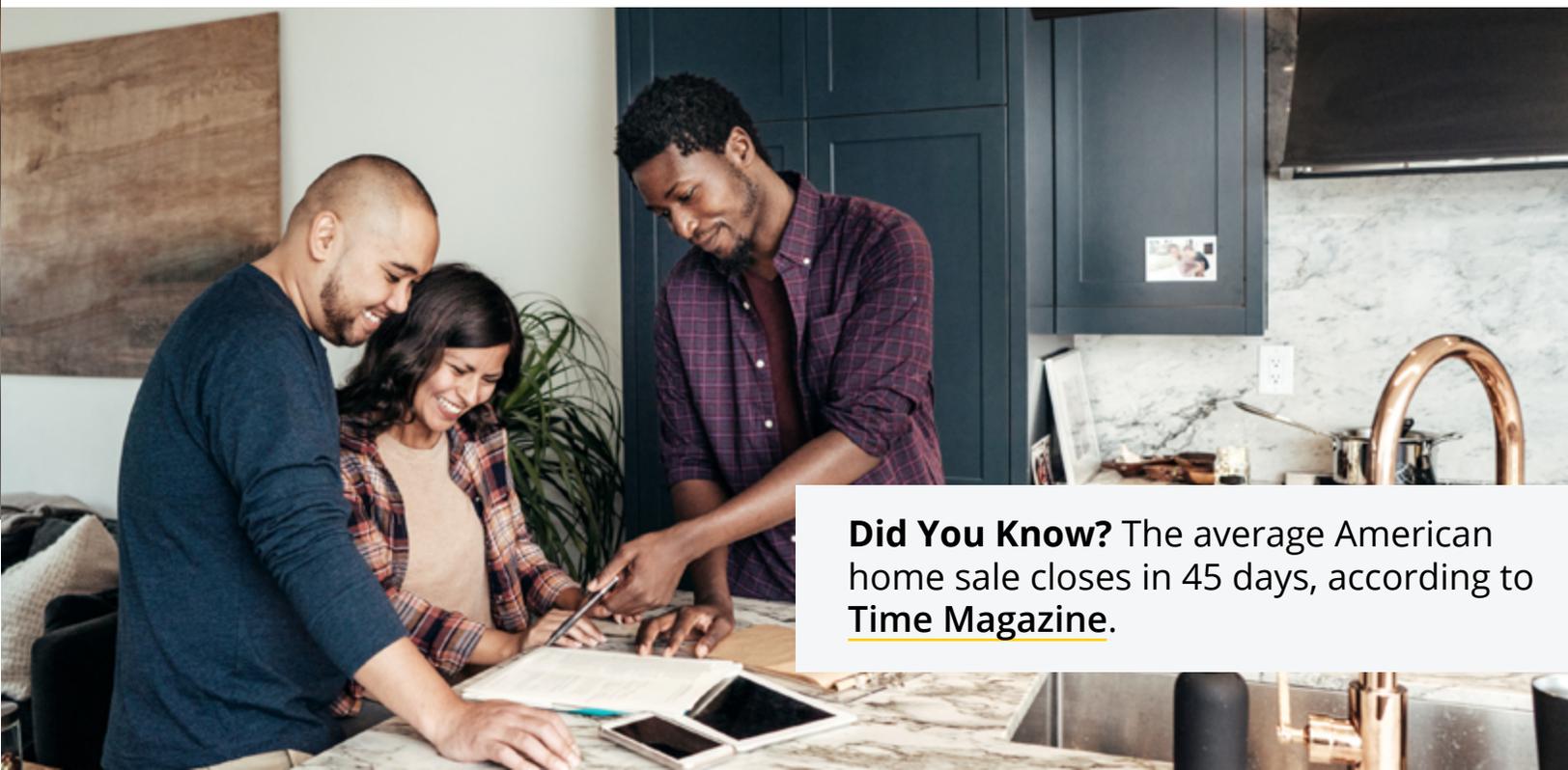
Once You've Met Your Agent...

It's time to open up. Share your goals and buy box so that they understand exactly what you're looking for, what's negotiable, and what's mandatory for your rental property. If you plan to finance your purchase, secure pre-approval from your lender before meeting with your agent. Having that documentation ready makes you a more serious buyer, which can help land your dream property faster.

From there, your agent will arrange tours of potential properties.

Don't feel like you have to buy the first house you see. Keep your eyes on the prize, and be transparent about what you do (and don't) like while checking out different properties.

Once you've found something that aligns with your buy box, ask your agent to submit an offer. They'll guide you through the purchase process, from what documents you'll need to how long the average closing takes.



Did You Know? The average American home sale closes in 45 days, according to [Time Magazine](#).



One piece of advice for buyers using a real estate agent - **ask them to share the listing photos as part of your closing agreement.** These professionally-shot pictures amplify your marketing efforts when it comes time to finding a tenant without costing you a fortune. Now I make that a requirement in every closing."

-Seamus Nally, TurboTenant CEO and landlord

Strategy Two: Canvass Your Target Neighborhood

If your property's location is the most important aspect of your buy box, why not put boots on the ground in your ideal neighborhood?

Full disclosure: Canvassing your target area for available property requires a thick skin and feeling comfortable talking to strangers - but it can pay off big time.

How to Get Started

Drive through the neighborhood, evaluating the different properties therein. Note any homes that pop out at you, and write down their address.

Browse public tax records to find the contact information for the properties that piqued your curiosity.

Create marketing materials - just remember that you're selling yourself as a property investor. Include your contact information, who you are, what you want to do, and how you can help the property earn money. Door hangers and flyers are traditional leave-behinds that allow people to reach out to you if they're interested.

Prepare a short script so you know what to say when someone answers the door.

Your Canvassing Script

Try out Bard's script when going door to door:



Homeowner answers the door

Hi, I'm [your name] and I'm a landlord in the area. I'm just going door-to-door to introduce myself and learn more about the neighborhood.



Homeowner nods

I'm particularly interested in learning more about homes like yours. Would you be open to chatting for a few minutes?

Homeowner says yes

Great! So, tell me a little bit about your home. How long have you lived here?

Homeowner answers

What are some of the things you would change about your home or the neighborhood, if anything?

Homeowner answers

What do you like most about living in this neighborhood?

Homeowner answers

Thank you for sharing that with me. It's really helpful. I'm always looking for new investment properties, and I'm interested in learning more about your home. Would you be open to selling?

*Homeowner says **no***

*Homeowner says **yes***

Great! I'm a fair and honest buyer, and I would love to make you a competitive offer. I can also offer a quick and easy closing process.

Homeowner says they're interested

Wonderful! Let's schedule a time for me to come by and see your home.

Schedule a time to meet

Thank you for your time. I look forward to meeting with you soon.

Shake hands and leave →

You: Understandable - it's a lovely home! Before I go, can I leave you with my contact information just in case you change your mind down the road?

Homeowner says yes - offer a flyer, then shake hands and leave →



Everyone wants a piece of land. It's the only sure investment. It can never depreciate like a car or washing machine."

- Sam Shepard, Author and Actor



How to Avoid Annoying Everyone: Canvass Edition

With your marketing materials on hand, a few rounds of script practice, and plenty of gumption, it's time to psych yourself up for conversations with strangers.

Make the most of your time by:

Being respectful of others. Don't start knocking at dinner and expect people to be happy to see you.

Having target properties to hit first. Strategize about which places you must leave your marketing materials.

Keeping an eye out for "For Sale" signs. You know these owners are looking to sell - so introduce yourself as a potential buyer.

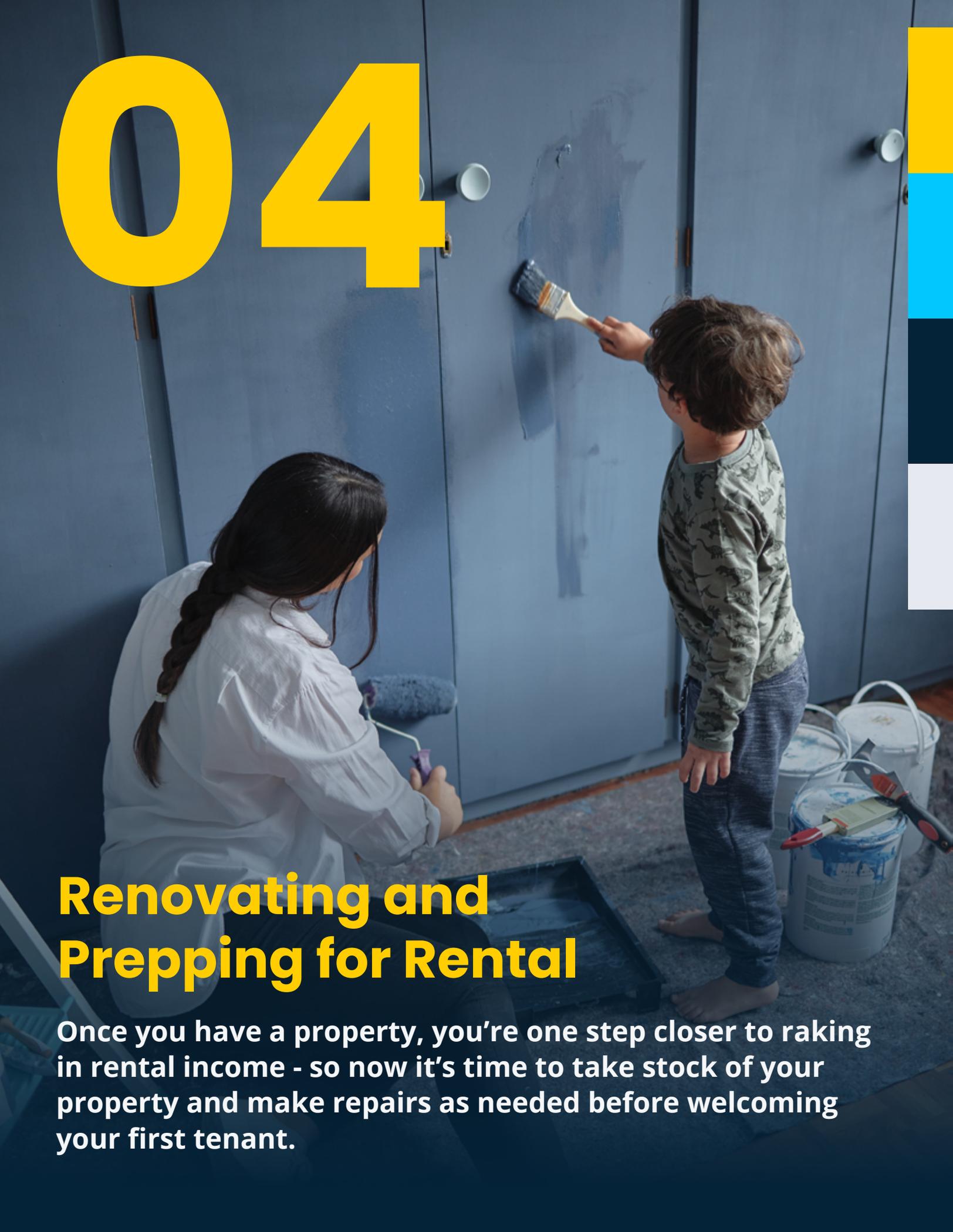
Bringing a friend. Safety first, people! They don't have to come door to door with you, but having someone close by is a must.



04

Renovating and Prepping for Rental

Once you have a property, you're one step closer to raking in rental income - so now it's time to take stock of your property and make repairs as needed before welcoming your first tenant.



Inspect Every Room

If you just purchased your rental, you likely had an inspection as part of the property sale. If you're adapting your existing residence, it's critical to evaluate the space through the eyes of a potential tenant. What parts of the house may be confusing or difficult for someone who's walking into it for the first time?

Common property issues that could impact your unit's rentability include:

- Roof leaks
- Sagging/clogged gutters
- Leaky faucets, toilets, etc.
- Faulty electrical outlets
- Missing outlet covers
- Broken blinds
- Unpainted walls
- Holes in drywall
- Drafty windows/doors
- Slow-draining bathtubs, showers, washers, etc.
- Build-up in vents, HVAC, etc.

Fixing these known problems while the property's vacant will be much easier than trying to work around a tenant. If you're not comfortable taking on the work, find a reliable handyperson to help out!

Pro Tip: Test all of your appliances to ensure they're working properly before anyone moves in.

Keep Safety at the Forefront

Adding safety measures protects both your tenants and your investment - so don't skimp out!

Make sure your rental has:



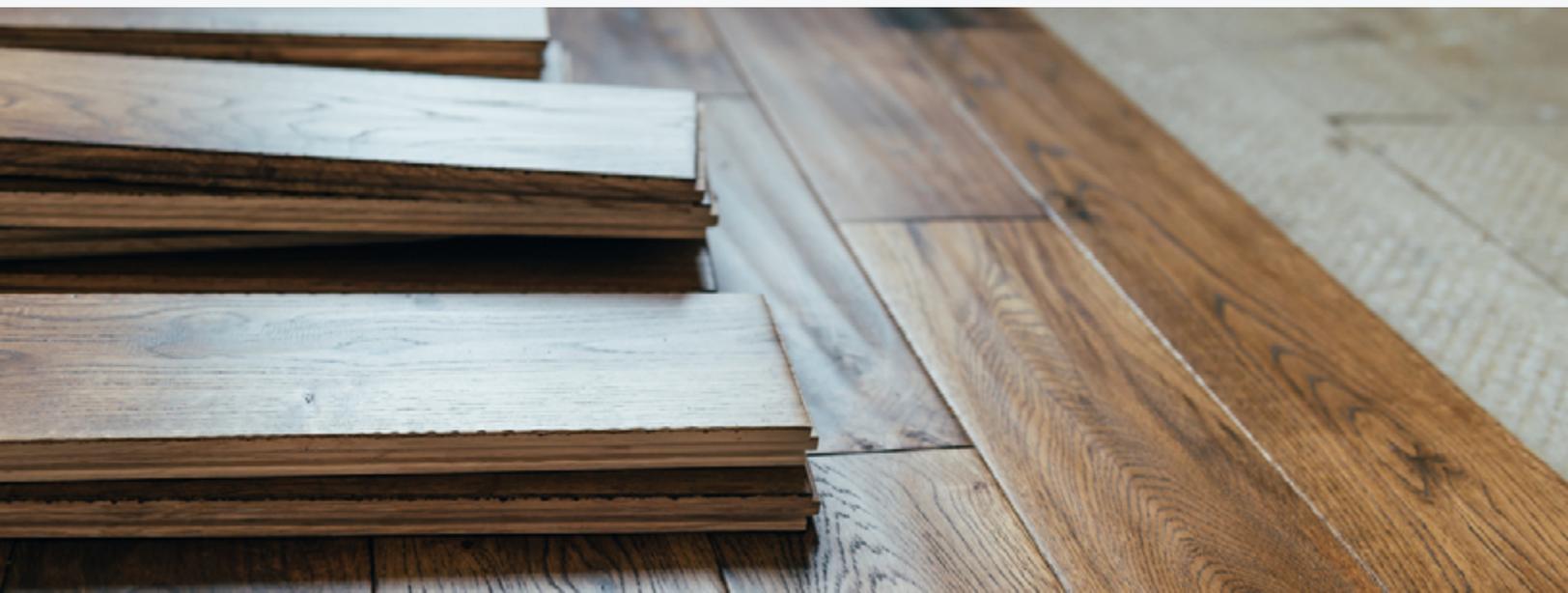
- ✓ Smoke detectors
- ✓ Carbon monoxide detectors
- ✓ A fire extinguisher
- ✓ A first aid kit
- ✓ Handrails accompanying all stairs
- ✓ Working door and window locks

Go above and beyond by creating a one-page laminate that lists the location of the detectors, extinguisher, water shut-off, fuse box, and any other critical information your tenant might need in an emergency. Add magnets to your laminated page so it can live on the refrigerator, making it easily accessible for all who need it.

Updates to Protect Your Property

Seasoned landlords know there are certain features you don't want your rental to have. Let's take a look at upgrades that make your life easier in the long term.

- **Say goodbye to carpeting.** Carpet thins over years of use and can look dingy long before then. Instead, have wood or vinyl flooring installed. A good laminate material can give the look and feel of wood for significantly less money!
- **Welcome Energy-Star-certified appliances.** Even if you're not paying the heating bill, Energy Star-certified appliances meet strict energy efficiency standards set by the EPA and the U.S. Department of Energy. Climate-minded tenants will thank you. Plus, these kinds of machines need less maintenance over time.
- **Don't be blinded - get curtains instead.** Landlords aren't typically required to provide window coverings, but your renters will love having the extra privacy. But many landlords advise against vinyl blinds. They easily break and look janky quickly - so opt for curtains (in low-moisture rooms) and shades (in high-moisture spaces).



- **Install ceiling fans.** At minimum, a ceiling fan in each bedroom and one in the main living room will keep your rental temperate through every season.
- **Don't skimp on moisture sensors.** Is excessive moisture a concern? Buy some moisture sensors from Amazon or your local hardware store, then install them in places your tenant won't be every day - like the attic, crawl space, sites of past mold infestations, etc. Knowing when something has sprung a leak will make fixing it that much easier!
- **Paint your walls.** Beyond the fact that a freshly painted room feels more appealing, paint acts as a barrier between mold and your drywall. Leave no wall naked. If your walls are covered but haven't been touched up in a while, now is the perfect time to grab a brush.



Want to amp up the ROI on your rental? Check out these [easy-to-implement upgrades](#).



If you invest wisely in beauty, it will remain with you all the days of your life."

- *Frank Lloyd Wright, American architect*

Don't Forget the Exterior

Curb appeal makes a critical first impression on potential renters - so don't ignore the outside of your property.

Make sure to:

- ✓ Powerwash the exterior
- ✓ Touch up the landscaping, with an eye toward low-maintenance plants
- ✓ Consider adding a tree or two
- ✓ Cut the grass
- ✓ Make sure the sidewalk is accessible and usable
- ✓ Add handrails to steps and stairs as needed
- ✓ Clean the gutters
- ✓ Ensure the house and unit numbers are clearly visible from the street



Clean Up

No one wants to live in someone else's mess. Whether you're moving someone into your home or you're setting up a brand-new rental, take the time to make a clean slate for your tenant.



52

DIY: [Better Homes and Garden](#) suggests decluttering before grabbing your mop and bucket. Then, start from the highest point of each room and clean downward - meaning you would wipe down the ceiling fan, then clean the cabinets, the counters, the appliances, and the floor, in that order. Move any heavy furniture out of the way to complete your clean.

Hire a Professional: This move may pay off in the long run, since you'll want someone to deep clean after your tenant eventually moves out. Test out a local pro by hiring them to clean the empty unit from top to bottom. We recommend using someone who is licensed and bonded (if required in your state). Don't be shy about asking your friends, family, and fellow investors for a recommendation!

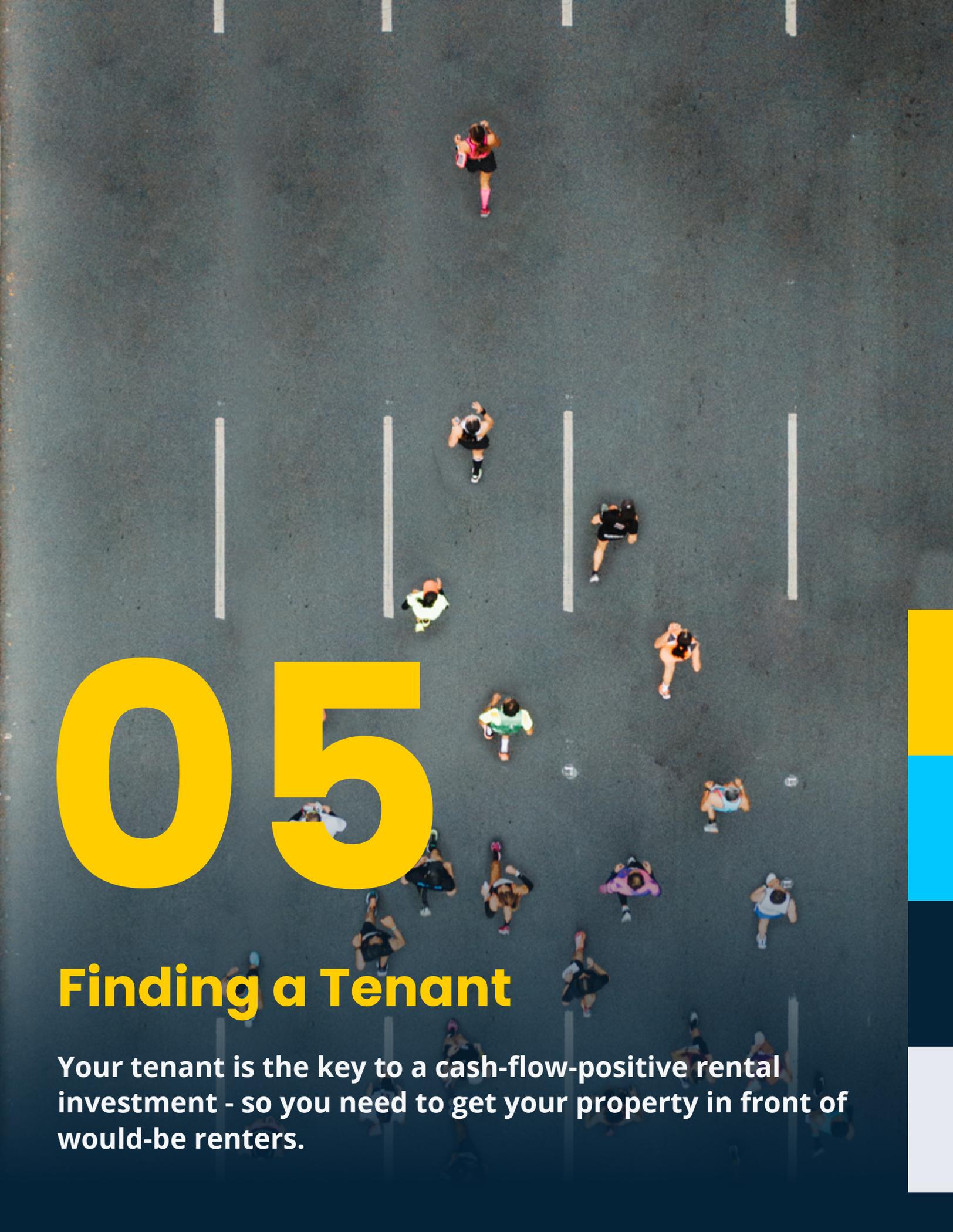
Pro Tip: Whether you're buying your own cleaning supplies or hiring a team of cleaners, you can deduct these expenses from your taxes. [Learn more about tax strategies you should employ as a landlord.](#)



The best way to get things done is to simply begin."

- *Joanna Gaines, interior designer and author*





05

Finding a Tenant

Your tenant is the key to a cash-flow-positive rental investment - so you need to get your property in front of would-be renters.

Marketing Your Rental Online

When done well, advertising your vacant unit is an investment in your property. The better your rental listing, the better quality tenant you'll find.

So you can't afford to post a boring listing that doesn't tell the full story of what you're offering.

A listing has two parts:



**The written
description**



**Pictures and/
or videos**

Let's start with how to write a compelling rental property listing.



Writing Your First Listing

The key to a **good listing description** is brevity without sacrificing crucial details. Think about what you'd want to know as a renter.

To that end make sure your listing includes:

- **A compelling headline:** Capture attention with a snappy intro, like 'Charming Downtown 1-Bd Available Now.'
- **Highlights:** Share what's great about your rental. *Updated kitchen? New appliances? Utilities or parking included?*
- **Location details:** Explain what your rental is close to and any nearby attractions like schools, restaurants, parks, or public transit.
- **Renter criteria:** Make sure renters know your rent-to-income ratio, credit score, and other important requirements.



Pro Tip: You don't have to be a wordsmith to write a great listing - TurboTenant's robots will do it for you! Welcome to the future with **AI-Generated Listing Descriptions**.

Example of a Listing Description



Stunning 3-BD/2-BA Ranch Near Hiking Trails

[511 E Briarwood Rd, Denver, CO 80122](#)



3 Bedrooms



2 Baths



Single Family



Built in 2001

Description

Welcome to your dream home at 511 E Briarwood Rd! This stunning 3-bed, 2-bath single-family oasis in Denver offers the perfect blend of comfort and convenience.

Enjoy modern amenities like:

A dishwasher

Central heating

Slate flooring

Radiant vibes

Situated near parks and hiking trails, indulge in outdoor activities or unwind in the inviting hot tub spa. Cozy up by the fireplace during chilly nights.

With off-street parking and utilities like satellite TV, water, and internet included, your worries are left behind. Cats and small dogs are welcome with \$50/mo pet rent. Don't miss out on this \$1000/mo sanctuary in beautiful CO!

Security deposit: \$1000

Smoking permitted outside only

[Click Here to Schedule a Viewing >>](#)

Rent **\$1,000** / MO

Deposit **\$1000**

Available **02/24/2024**

Lease Terms [Contact](#)

APPLY NOW

Contact Information

Krista R

Denver Rentals, LLC

[\(555\)111-5555](tel:(555)111-5555)

Contact the Landlord

Send a message to the landlord if you are interested in or have any questions about this property.

FIRST NAME

LAST NAME

PHONE NUMBER

EMAIL

MESSAGE

SEND MESSAGE

The Fair Housing Act: What You Need to Know

The Fair Housing Act protects those seeking housing from facing undue discrimination based on specific characteristics. There are seven protected classes on a federal level:

- Race
- Religion
- National origin
- Color
- Familial status
- Sex
- Disability

That means you **cannot reference any of these features in your listing**, nor should you turn applicants away based on these characteristics. It's worth reading up on what you can and can't say in a listing description, as even seemingly-innocent phrases like "Perfect for a family!" or "Great bachelor pad" can be seen as discriminatory in the eyes of HUD, and could lead to a fine for your business.

The only exception worth discussing here relates to house hacking. If you occupy a unit in a dwelling that has four or fewer units total, you're exempt from the Fair Housing Act - so a young woman who plans to share her duplex with a tenant could deny male applicants, for example.



Did You Know? Your first fair housing violation can cost up to \$16,000. Protect yourself by enrolling in TurboTenant's online **Fair Housing for Landlords course** today!

Time to Get Picture Perfect

Now that your listing description is squared away, it's time to give your visuals the same treatment.

Make your pictures pop by following these tips:

- ✓ Turn on all lights
- ✓ Align your vertical and horizontal lines
- ✓ Turn off the ceiling fans
- ✓ Avoid reflections (don't cameo in your pictures!)
- ✓ Use a wide-angle lens - but don't go fisheye
- ✓ Show off your amenities

Also, plan to take a photo of every room in the unit and yards (front and back as applicable). We recommend using **at least 10 pictures** in your listing.



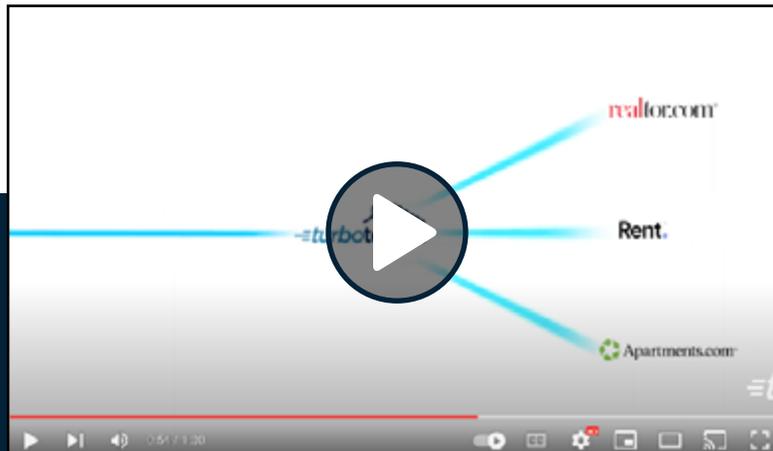
Did You Know? A video tour of your rental lets potential tenants walk through your listing, no matter where they live. [Learn how to make your own >>](#)

Leverage a Syndication Network

Now it's time to get as many eyes as possible on your listing - but that doesn't mean wasting an hour on a dozen sites yourself. Instead, let **TurboTenant do the lifting for you.**

Our landlords average **28 leads per listing** because we post rentals across a dozen of the most popular sites.

Get set up in less time than it takes to brew your morning coffee:

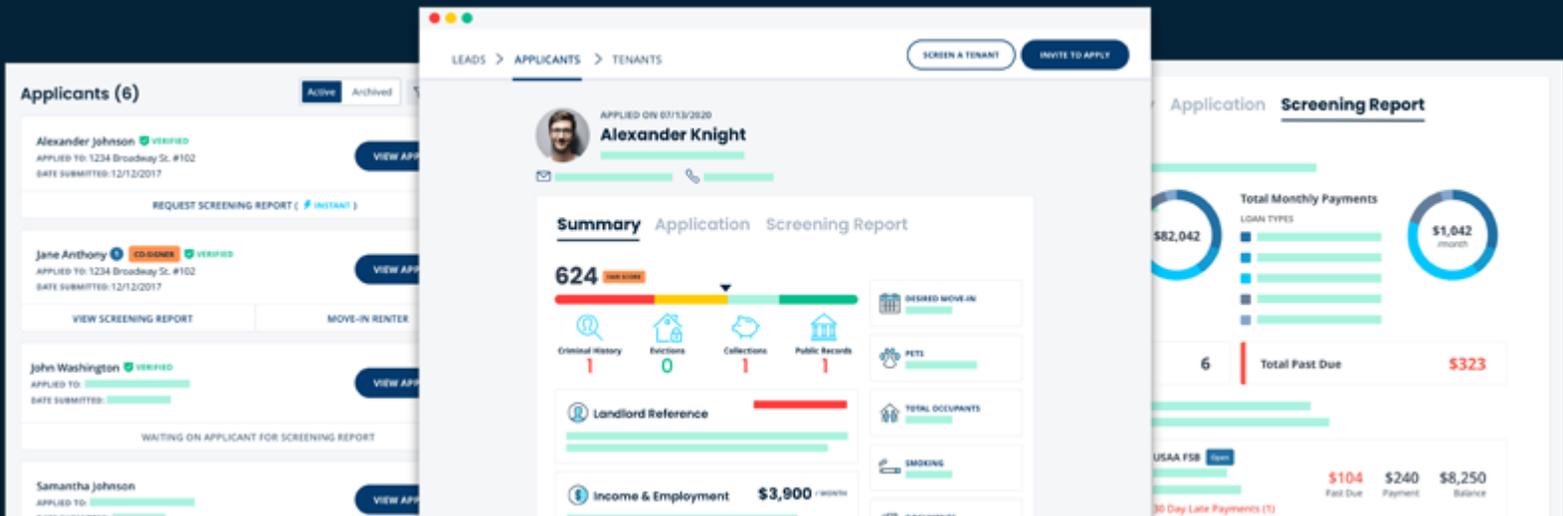




TurboTenant has brought me the most leads out of every site I'm on."
- Heidi A., two-door landlord

What is tenant screening?

Tenant screening means collecting information from applicants to determine if they qualify for your rental property.



The typical tenant screening process includes (where legally permitted):



A criminal background check



A credit check



An eviction history report

Pro Tip: A successful landlord-tenant relationship starts by asking the right questions, and you should be asking the same questions of every tenant to avoid discrimination.

Setting Tenant Criteria

What makes a good tenant? Someone who is reliable, communicative, and respectful.

To evaluate potential tenants against these characteristics, you'll need to make rules surrounding their:

- 1 Financial history
- 2 Background and eviction* checks
- 3 Reference requirements



Some localities don't allow criminal or eviction checks as part of the tenant screening process, including New York. Check your **local landlord-tenant laws for more information.*

Check the Financials



You want to find someone who will reliably pay rent, on time and in full. That's why seasoned landlords pay special attention to applicants' credit scores.

Most landlords accept tenants with a credit score of **560-850** - but you get to make the final decision. The higher the credit score, the more reliable the tenant may be. *But that doesn't mean someone with a low credit score is automatically a bad renter.*

It's possible that someone has:

- **No credit history**, particularly if they're young since it takes at least six months to calculate a starting score
- **A low score with other financials looking healthy**, since the impact of missing payments or situations beyond the person's control can take a long time to reflect in their score

What do you do then?

How to Rent to Someone With a Low Credit Score

So an applicant has no credit history or a low credit score - but they're otherwise a great fit for your property and have the financial means to pay rent.

Build a safety net in four steps:

- 1 Mandate a **co-signer** or **guarantor** to be included on the lease
- 2 Charge a larger security deposit – *make sure to **check local and state laws** on security deposit limits*
- 3 Get **references from past landlords** to discuss their tenancy
- 4 Require **Rent Reporting**, a TurboTenant credit-building service, to incentivize on-time rent payments



Income and Collections: A Look

You can't rely *solely* on an applicant's credit score to assess their financial health. You also need to consider their income and whether they'd be able to make monthly rent payments.

Typically, landlords look for a 30% rent-to-gross-income ratio - however, 30-50% may be more realistic depending on where the rental is. Verify the applicant's income by reviewing two months of pay stubs, along with W2 or 1099 tax forms. Know the **signs of a fake pay stub** to avoid getting bamboozled.

When it comes to collections, no news is good news. If a renter has no debt and has been consistently paying their obligations, they won't have collections on their account. However, collections stay on a person's credit report for seven years, *even after they're paid off*.

Be sure to talk to the applicant and ask questions so you can assess if they're currently willing and able to make monthly rent payments, having learned from their financial history.



Pro Tip: Find the rent-to-gross-income ratio in seconds with **our free calculator**.

Setting Background Check Criteria

A background and eviction history report includes thorough information regarding an applicant's criminal background, public records, and more.

Eviction histories are particularly compelling. A tenant is typically evicted due to nonpayment of rent or repeated lease violations, which gives seasoned landlords pause. It's possible that an applicant will have a great income and credit history but an eviction record.

According to the **Eviction Lab**, "there are often large racial/ethnic and gender disparities in the threat of eviction - for example, 59% of people facing eviction (over the last year) were women, a count that is disproportionately made up of more Black and Latinx women."

That's why it's important to contact the applicant's former landlord(s) and talk through what you're seeing with the applicant. You can learn more about the situation, then decide if you'd like to move forward.





When you judge another, you do not define them - you define yourself."

- Wayne Dyer, American author and motivational speaker

Pre-screening: Your New Favorite Timesaver

When you list your property with TurboTenant, you can use our free pre-screening tool to ask potential renters for information about their:

- Employment
- Monthly income
- Estimated credit score
- Intended number of occupants
- Pets
- Smoking habits

When a lead says they're interested in your listing, we automatically send them this questionnaire. You can then review their responses and narrow down your tenant search to those who most closely match your screening criteria.

You can even customize the pre-screening questions we send!

Have you (or any person you have named on this application) ever been evicted from a tenancy or left owing money?

Ask

Don't Ask

Custom App Questions

Are you a student?



Does your current landlord know you are thinking of moving?



+ Add

Tenant Screening Made Easy

Having to track down decades of documentation sounds daunting - so don't! With TurboTenant, you can screen applicants for free in just three quick steps:

- 1 Enter the applicant's email:** Great, you've done the hardest part! Screen potential renters by entering their email or phone number - we'll take care of the rest. You don't need to collect their SSN or any sensitive personal information since they'll enter this info themselves.
- 2 We verify their identity:** We automatically reach out to the applicant on your behalf and ask them a few questions to verify their identity.
- 3 You receive the screening report.** As soon as the potential tenant verifies their identity, you'll get a notification telling you the screening report is ready to review.

[Watch the process >>](#)



What's on a tenant screening report?

Having to track down decades of documentation sounds daunting - so don't! TurboTenant's screening report includes an applicant's:

Credit Score - See if they meet your criteria with a full credit report from TransUnion

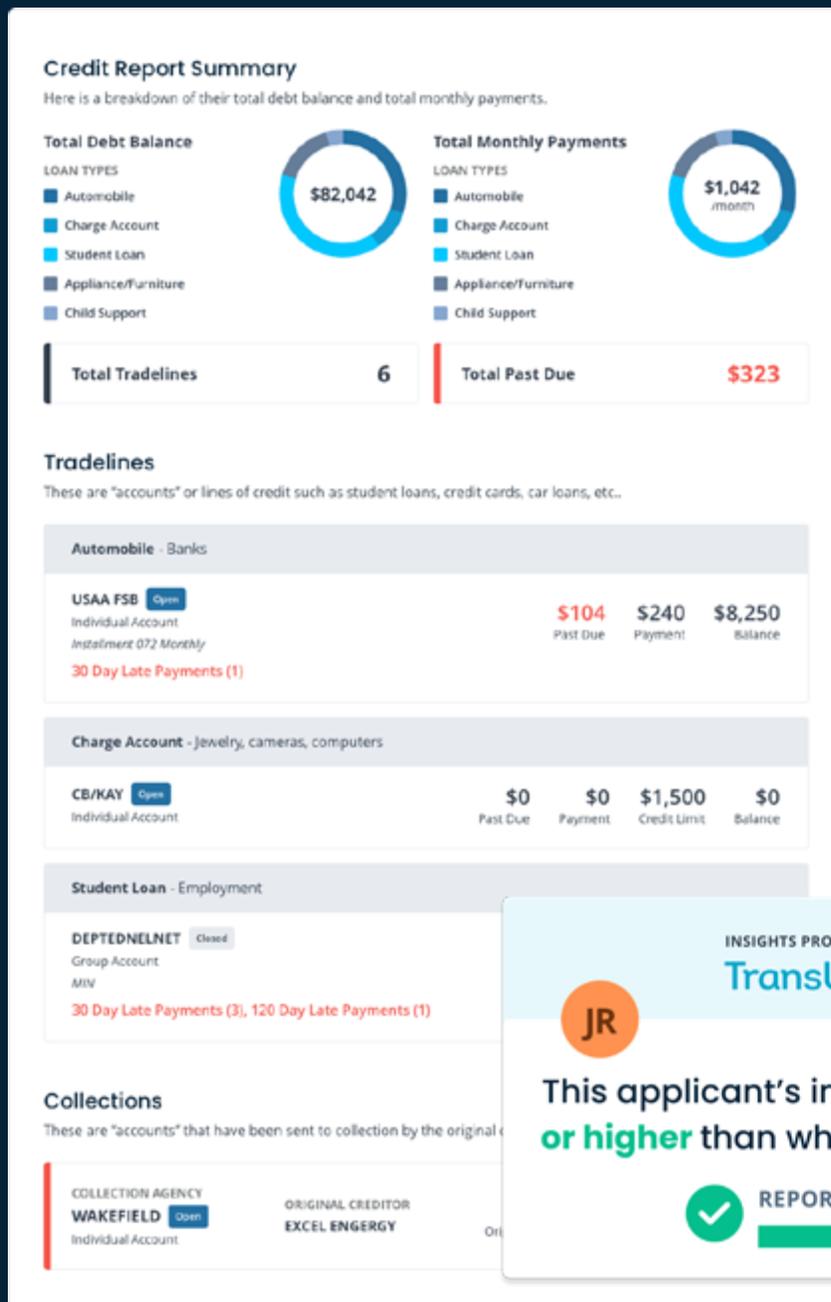
Past Evictions* - Stress less knowing we check over 27 million eviction records covering all 50 states and D.C.

Criminal Record* - Rest assured knowing we check over 300 million records for any criminal history

The screenshot displays a 'Screening Report' with the following sections:

- Score:** 624 (FAIR SCORE) on a scale from 350 to 850.
- Score Factors:**
 - Serious delinquency, and derogatory public record or collection filed
 - Lack of recent retail account information
 - Proportion of loan balances to loan amounts is too high
 - Too many inquiries last 12 months
- Summary Metrics:**
 - Criminal History: 1 RECORDS FOUND
 - Evictions: 1 RECORDS FOUND
 - Collections: 1 ACCOUNTS
 - Public Records: 1 RECORDS FOUND
- Eviction Records:**
 - COLORADO**
 - Alexander Knight**
 - ACTION DATE: 9/12/2015
 - PLAINTIFF: Acme Corp, LLC
 - 7800 Linden St. Fort Collins, CO 80525
 - Larimer County 28th District-Civil (CO1278941)
 - FILE NUMBER: KN129N5XOP1
- Criminal History:**
 - TEXAS COURT - TX05205000
 - 2981-DUI/DRIVING UNDER THE INFLUENCE .09, 2ND OFFENSE**
 - CASE NUMBER: 0234919
 - CHARGE FILED: 12/27/2018
 - Misdemeanor Class B - PLED GUILTY
- Fraud Indicators:**
 - Current address mismatch - input does not match file.**
 - Input address is a hotel/motel or temporary residence.

***Where legally permitted**



INSIGHTS PROVIDED BY

TransUnion

This applicant's income is **close to or higher** than what they reported.

REPORTED INCOME

Debt in Collections - View their debt payment history, including any late payments in their rental history

Lines of Credit - Learn if they might be stretched too thin by looking at their credit history

Credit Inquiries - Gain insights into new loans and any history of bankruptcies

Income verification - Premium landlords unlock our Income Insights tool to double-check the income reported by applicants against data from TransUnion

Interviewing Former Landlords

To get the best sense of an applicant, request contact details for their former landlords - then reach out for a quick interview.

Ask questions like:

- How long did the tenant rent from you?
- What condition was the unit in post-move out?
- Did the tenant have any animals?
- Were there any issues between the tenant and their neighbors?
- Would you rent to them again?

But be sure to avoid questions that violate the Fair Housing Act, like whether or not the tenant practices a certain religion or what credit score they previously reported.

Learn more about what not to do (and score a free email template to reach former landlords) in [our blog](#) >>



Denying Applicants

When screening tenants, you must move forward with the first person who best aligns with your criteria - which means you'll likely have to turn down at least a few folks. Though you may be tempted to ghost applicants who don't fit, we recommend you let them know - and in some cases, you're legally required to do so.

If you haven't run their screening report, simply reach out to the applicant and let them know you won't be moving forward with them.

If you ran their screening report, you must send a message that complies with the Fair Credit Reporting Act (FCRA) that tells the applicant they've been turned down and underscores their right to review their credit report. *Another perk of TurboTenant? We handle this email for you - [learn how!](#)*



06



Move In

You're about to become a landlord - so let's nail down the documentation you need to prepare for your tenant's arrival.

Your Lease Agreement

A residential lease agreement is a legally-binding contract that explains the conditions and stipulations in which you'll accept your tenant's money in exchange for housing.

At a minimum, it should state:

- ✓ The names of all parties involved
- ✓ The lease term (with clear start and end dates)
- ✓ Occupancy rules
- ✓ The property address and location
- ✓ The monthly rent amount (plus late fees, utilities, etc.)
- ✓ The consequences and timeline if rent goes unpaid
- ✓ Included amenities
- ✓ Maintenance and alteration expectations
- ✓ Pets and smoking rules
- ✓ Parking and key information
- ✓ Property access information
- ✓ Who's responsible for which utilities





You AND your tenant are bound to the terms of the lease - so make sure that everyone involved understands what they're agreeing to, even if that means referring your tenants to a real estate attorney. **If you can't stand behind your lease, you shouldn't have anyone sign it."**

- *Krista Reuther, landlord educator*



Go Above and Beyond

The best lease agreements are robust and include provisions for every imaginable situation.

Consider adding the following to your lease:

- **An early termination clause:** Explains the consequences of ending the lease, the amount of notice required, and how that notice must be delivered by either party
- **Cleaning expectations:** Outlines how often cleaning tasks are expected to be performed
- **Inspection schedule addendum:** Denotes the frequency of inspections and the amount of notice you'll offer each round
- **Renters insurance requirements:** Details the amount of coverage you require a renter to have, how you'd like to be listed on the insurance policy, etc.



Create a Legally-Binding Lease Fast

TurboTenant makes it easy to generate a professional, state-specific lease. **Watch the video breakdown** or follow these simple steps:

- 1 Log into your account and navigate to your **Leases** tab
- 2 Add your lease details to TurboTenant, then click **Get a [Your State] Lease Agreement**
- 3 Click on the final **Provisions & Attachments section** when building your lease agreement to enter any specifics you would like to include in your lease - *this will supersede what is written in the lease agreement*
- 4 When you're done, read through the PDF preview of your lease agreement
- 5 Purchase the completed lease agreement
- 6 Either download the lease to print or send it to your new tenant for a digital signature

The image shows two overlapping screenshots of the TurboTenant interface. The background screenshot is a 'Lease Agreement between: Lilly Landlord and Timothy Tenant' dated 02/01/2024. It lists fields for Property Address, Lease Start Date, Lease End Date, Total Monthly Rent, Prorated Rent Amount, and Late Fee, each with a corresponding input field. The foreground screenshot is a 'Lease Agreement Addendum' for 'Tenants'. It features two tenant signatures: 'DW' in a blue circle and 'LW' in a yellow circle. Below the signatures are two sections: 'End Date' with the question 'Will there be a change to the lease agreement end date?' and 'Monthly Rent' with the question 'Will there be a change to the monthly rent amount?'. Both sections have radio buttons for 'Yes' and 'No'. The 'End Date' section has 'Yes' selected and a text input field containing '10/31/2023'. The 'Monthly Rent' section has 'Yes' selected and a text input field containing '\$2,500'.

What to Collect During the Lease Signing Stage

You'll need more than just your tenant's signature to kick off your business relationship. **Typically, landlords collect the following before move in:**

- The first month's rent
- Move-in fee
- Proof of renters insurance
- The security deposit
- Parking fees (as applicable)
- Pet fees (as applicable)

Make sure to communicate everything that the tenant will be responsible for (and by what date) ahead of their move-in day.



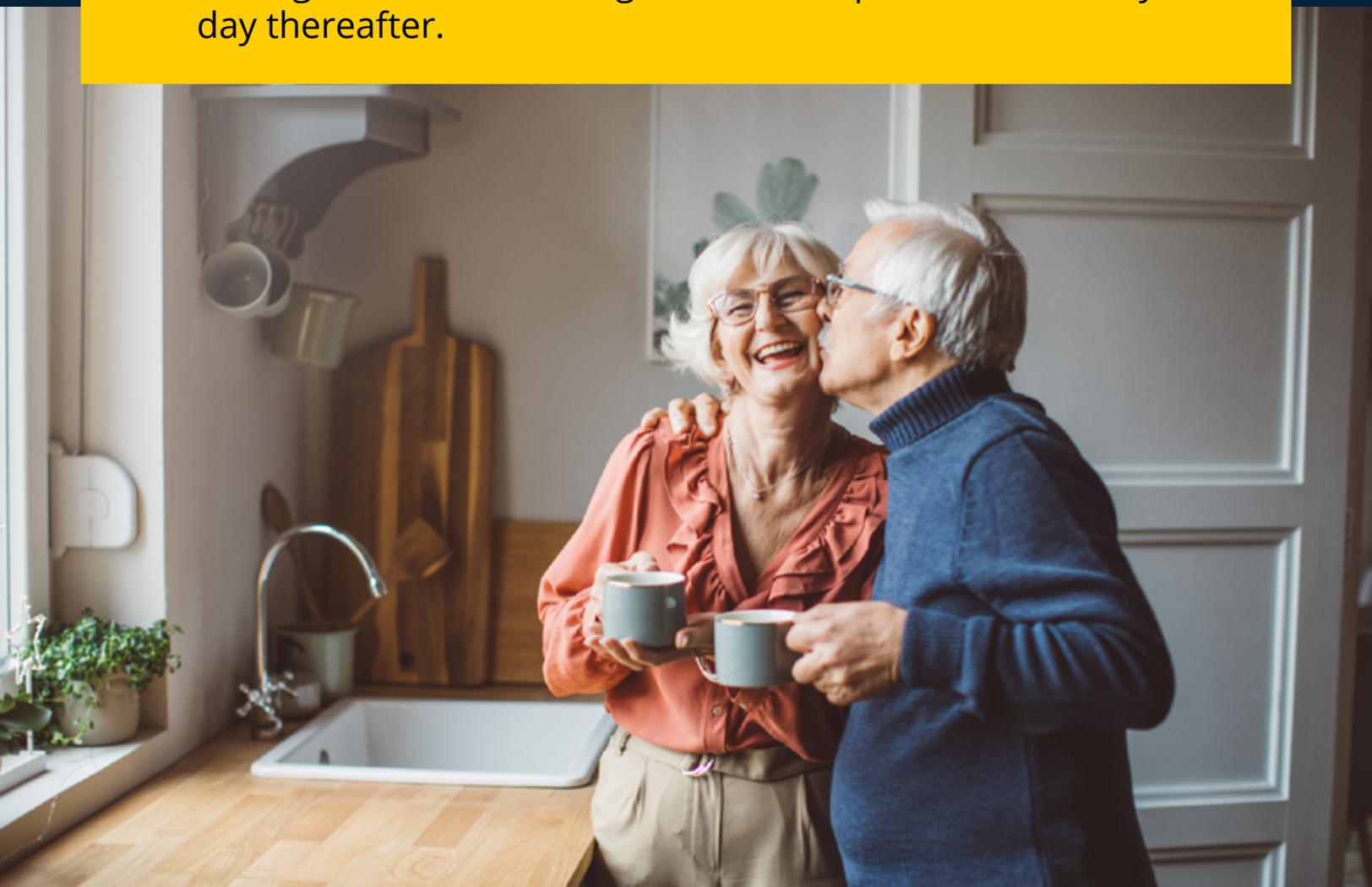
What You Owe Your Tenants

Though tenants are bound by the rules in your lease, there are strict federal laws that landlords must follow to protect their renters.

Tenants are guaranteed the right to:

- Safety and security
- Quiet and peaceful enjoyment
- Privacy and confidentiality
- Heat, water, and electricity
- Freedom from discrimination

Keep these rights at the forefront of your rental property management, both during the move-in process and every day thereafter.



Make Moving In a Breeze

Moving is stressful - but you can make it as easy as possible with a bit of planning:

- Tell your tenant in writing any move-in instructions they should know, like where to park or how to reserve the elevator
- Plan to walk through the unit with the tenant shortly before move in to assess the property's condition together
- Give your tenants a move-in gift, like a bottle of wine or a basket of cleaning supplies
- Make a laminated outline that explains where the emergency shutoffs are located, along with the fire extinguisher, smoke, and CO2 alarms



Pro Tip: If you've never conducted an inspection before, don't worry - [our free checklist](#) will make sure you're checking all the right boxes!



We stocked our last rental with **toilet paper, paper towels, and cleaning supplies** - everybody needs them! It was an inexpensive nod to our new tenants, letting them know we want them to be comfortable, and an easy way to kick off our relationship on good footing."

- *Seamus Nally, CEO of TurboTenant*



A scenic view of a yellow wooden cabin with white trim and windows, situated on a rocky shore. In the background, a large, rugged mountain rises steeply. The sky is overcast. The number '07' is overlaid in large yellow font in the top right corner.

07

Tenant Management

Your tenant has moved in, and you're officially a landlord - congratulations! Now let's examine different ways to streamline your rental property management business.

Managing the Day to Day

How regularly you interact with your tenant depends on your personality, theirs, and what issues pop up in the rental unit.

To that end, you're most likely to engage with your tenant to:

- Collect monthly rent
- Handle maintenance requests
- Mitigate other property issues, like noisy neighbors

Luckily, there are easy-to-use tools you can leverage for each of these touchpoints.



Collecting Monthly Rent

Regular rent payments are the driving force behind most people becoming landlords - so how can you collect this money as easily as possible?

First, let's consider what tenants want. According to Zillow's 2023 Consumer Housing Trends Report, 69% of renters prefer to pay rent digitally - and that preference has been growing since 2018.

But not all digital payment methods are created equally. You may be tempted to allow Zelle, Cash App, or Venmo transactions, but these systems weren't built with rental property management in mind.

Plus, you'll face business fees and transactional limitations, making these seemingly simple tools a lot more complicated.

What should you use instead?

 **turbotenant**



TurboTenant Makes Rent Collection Easy

Our software was built by landlords for landlords, which means we have everything you need to make rent collection a breeze.

What features make TurboTenant's rental payments portal second to none?

- **Secure bank account connection:** TurboTenant leverages Stripe, a secure service, to connect to your bank account. Your login information is encrypted and can't be viewed by TurboTenant or your renters.
- **Automatic tenant reminders:** Stop stressing about whether your tenant will remember to make their payment on time! TurboTenant reminds them about upcoming due dates.
- **Autopay:** Enable your tenants to set up automatic payments, and watch as their rent payments come in on autopilot.
- **Payment notifications:** Get notified as soon as your tenant pays (or once their payment is past due).
- **Automatic late fees:** If they don't pay on time, let TurboTenant send late fees and communication to your tenant so you don't have to be the bad guy.
- **Most types of payments accepted:** Whether your tenant prefers to pay with a credit card, debit card, or through ACH, TurboTenant's system makes it easy for them to customize their payment type.
- **Automatic deposits:** No need to run out to the bank; your money will be deposited directly into your account.
- **Payment tracking:** Keep track of all your charges in one place, and your bookkeeping will be a breeze. Remember to thank yourself at tax time!

Best of all, collecting rent online with TurboTenant doesn't come with any additional fees for landlords.

How to Start Collecting Rent With TurboTenant

Set up your first charge in five minutes or less:

- 1 If you haven't already created your TurboTenant account, that's a great place to start! Select "Payments" during onboarding, then follow the instructions below.
 - a If you're a TurboTenant account holder, **sign in and navigate to the Payments tab.**
- 2 Select or create a lease with an attached rental property and tenants. If you need to add any of these items, you can do so during the onboarding process. *Please note that tenants will not receive an invite to their tenant portal until this process is complete.*
- 3 Set up a recurring or one-time charge for your lease. You only need to create one charge to get started, so we recommend setting up rent and/or the security deposit first.
- 4 Create your business or individual account through our integration with Stripe. Then connect your bank account so you can receive payments.



One-Time Charge

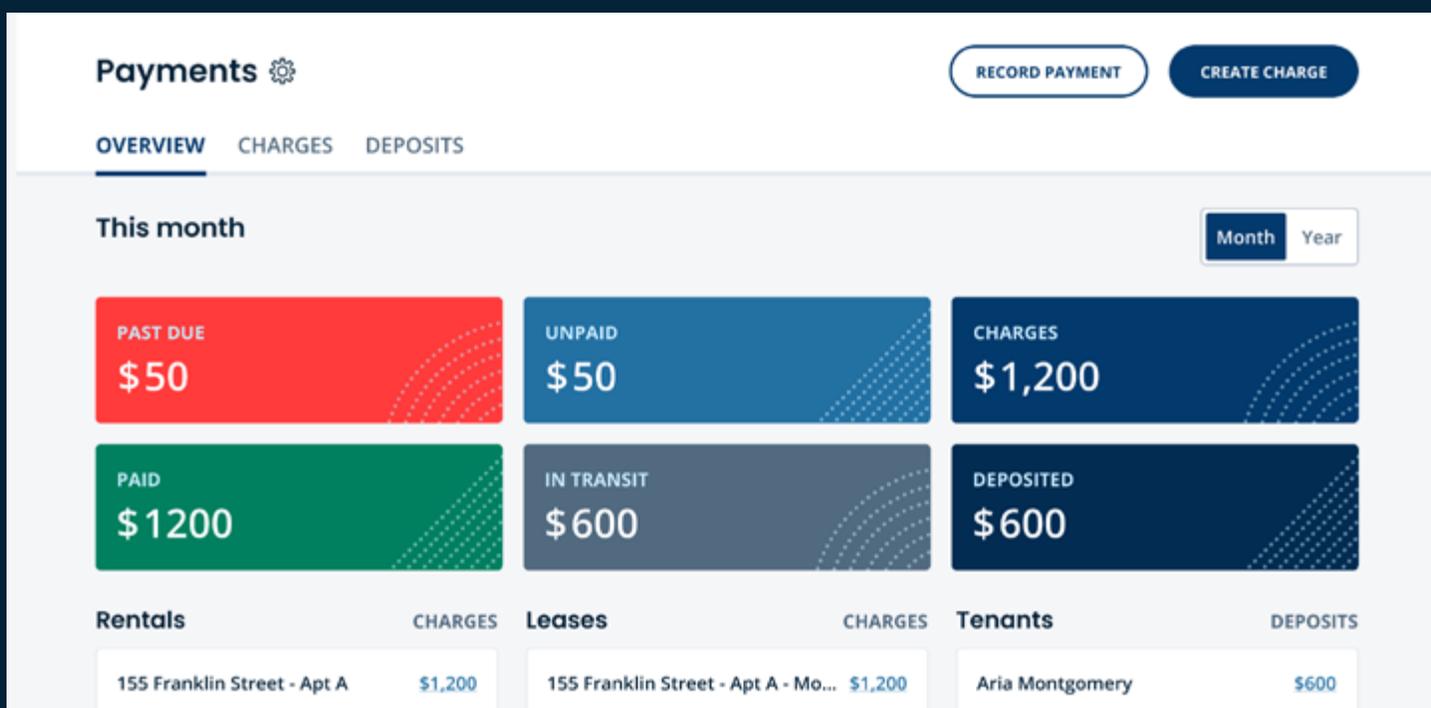
Your tenants are charged once. Great for fees, security deposits, or pro-rated rent.



Monthly Charge

Your tenants are charged on the same day each month. Great for rent, utilities, parkings, etc.

- 5 Verify your information, including your **full legal name and phone number**, to set up payments successfully.
- 6 Enable **partial payments**, **automatic payments**, and **auto late fees** during the setup process, if you so desire.
- 7 Review the information you entered on the summary screen, then complete the rent payment setup. Doing so will invite your tenant to their portal and place you on the Payments tab of the Leases page, where you can view all of your created charges.
- 8 After submitting your account for approval, you'll see an "awaiting approval" banner while our team checks your information. Once your account has been approved, you'll receive an email from TurboTenant notifying you that you're ready to start collecting payments.



Pro Tip: If you have multiple businesses that are all collecting rent payments, we recommend creating a separate entity for each business. [Learn More >>](#)



Real estate investing is the best thing that can happen to anyone in the world. With perseverance, you can reap the maximum benefits of your real estate investment."

- *Olawale Daniel, public speaker and personal development coach*



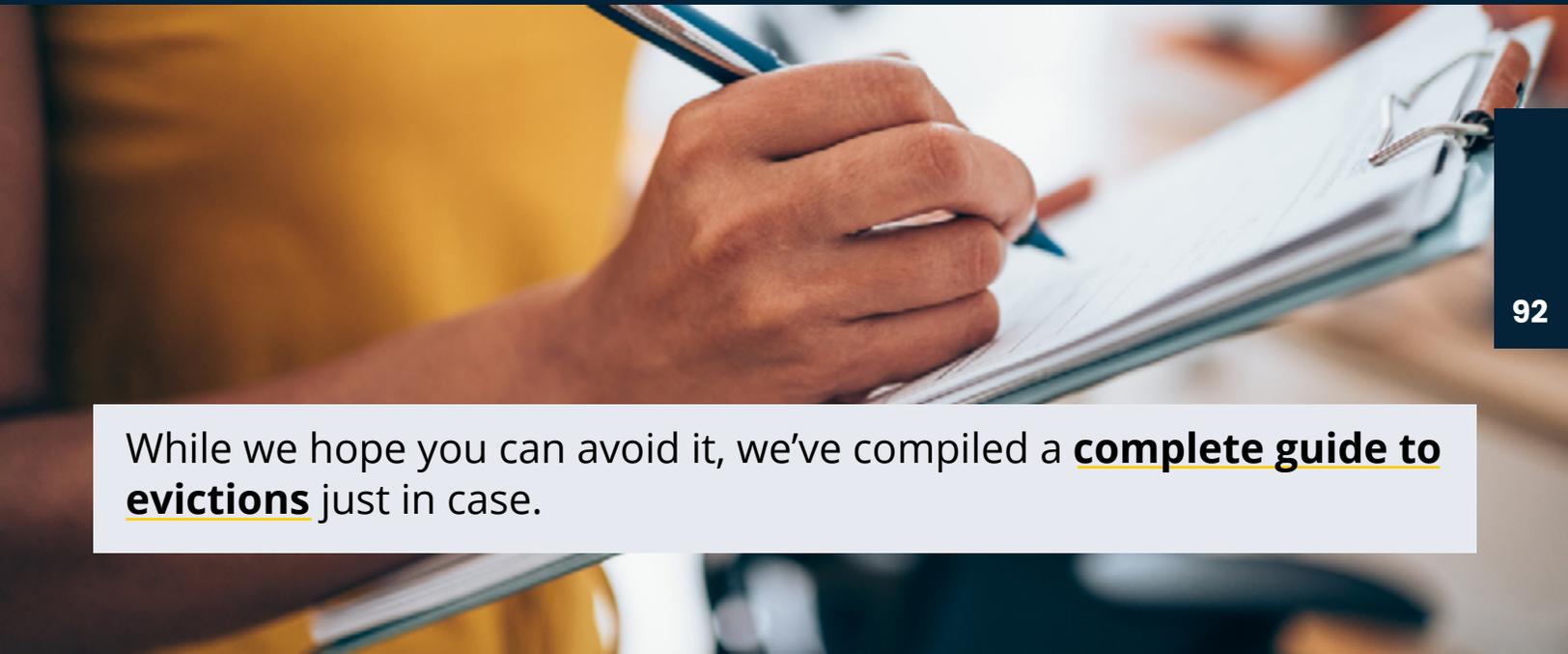
What if Your Tenant Doesn't Pay Rent?

Many would-be landlords worry about what would happen if their tenant didn't pay rent. Beyond having at least three to six months' worth of expenses saved up, there are steps you can take to mitigate this anxiety:

- 1 Lean on your lease.** Your lease should outline the consequences of missed rent, including what kind of grace period your tenant has to make the payment.
- 2 Evaluate the situation.** Is this the first time your tenant missed rent, or has it become a habit? If it's the first time, reach out with an informal notice. If you're tired of doing the late payment dance, send them a formal pay or quit notice, but first ensure it's compliant with your local laws.
- 3 Send your notice.** Your document should include:
 - a** The original rent due date
 - b** How much is owed
 - c** The grace period to make a payment without penalty
 - d** Your late fee policy
 - e** Your contact information for questions and concerns



- 4 **Consider if you'd like to create a repayment agreement.** The Consumer Financial Bureau recommends having a conversation with your first-time late payer about adjusting the due dates, allowing multiple payments in smaller amounts each month, or waiving late fees to make repayment easier. *If you go this route, ensure that you and your tenant sign off on the agreement - put it in writing!*
- 5 **Share rent relief resources.** Several organizations, from [Catholic Charities USA](#) to the [U.S. Department of Housing and Urban Development](#), offer support for tenants struggling to pay rent. Your locality may have its own program, so encourage them to research nearby options.
- 6 **Seek eviction alternatives.** If your tenant doesn't or can't utilize the rent relief options above and you're still missing out on rent, it's time to consider a more permanent solution. Book an appointment with a real estate attorney to go over the best solutions for your area based on [local landlord-tenant laws](#).
- 7 **Send a formal notice.** If the situation hasn't improved, it's time to start the eviction process. However, be sure that you've exhausted all of your options before reaching this step - evictions are expensive, draining, and traumatic, particularly when children are involved.



While we hope you can avoid it, we've compiled a [complete guide to evictions](#) just in case.

Maintenance Matters

You've squared away rent collection, so now it's time to tackle maintenance requests. Landlords are legally obligated to fix critical issues quickly - usually within three to seven days of the original complaint. You typically have 30 days for non-critical repairs, depending on your local laws.

But what makes a request critical vs. non-critical?

Critical repairs make the unit unlivable. As a landlord, you're bound to uphold the warranty of habitability - meaning that your rental must be safe and sanitary. **Common critical issues include:**

- Lack of hot water
- Lack of potable water
- Lack of heat during the winter
- Lack of electricity
- Lack of functioning plumbing and waste removal
- A broken refrigerator (if originally supplied by the landlord)
- Broken or absent smoke and carbon monoxide detectors
- Severe pest infestations such as cockroaches, mice, or bedbugs

All other maintenance issues are likely to be non-critical.



Managing Maintenance With TurboTenant

Whether the request is big or small, you need a trustworthy system wherein your tenant can share maintenance requests - so TurboTenant built one.

Your tenant can easily log into their TurboTenant account and fill out a simple maintenance request form. We'll ask them to provide as much detail as possible, including pictures and preferred entry times. Then, we send an email to alert you to the issue. If you need to send a work order to your contractor, **we make it simple.**

You can also opt to add maintenance issues yourself. Maybe it's time to replace the filters, or maybe your tenant called you to report a leaking toilet. Either way, document the request so you never have to wonder what was done within a property.



Pro Tip: You should always follow up with your tenants after a maintenance request has been completed. That way, you'll know if there are any lingering issues.

Tenant Complaints

Beyond paying rent and requesting maintenance support, most tenants won't reach out to their landlords. However, it's possible you may need to solve interpersonal situations, like a noisy neighbor or parking rules being ignored.

In these cases, you should reach out to the offending party in a letter that includes:

- ✓ The complaint received in detail (e.g., the type of behavior in question, its frequency, and the times it's occurred)
- ✓ How that complaint ties back to the lease with a reminder that the tenant is obligated to adhere to the provisions of the rental agreement
- ✓ Potential solutions (e.g., using headphones for a complaint about music playing too loudly or parking around the block if they're stealing someone's paid space)
- ✓ A deadline to fix the behavior, which may vary based on your local laws
- ✓ Consequences if they fail to rectify the issue
- ✓ A reminder that you're more than willing to work with them to find a solution
- ✓ Your contact information

The letter should not include:

- ✗ Avoid accusatory or confrontational phrases
- ✗ Who made the complaint

Pro Tip: We recommend sending this message through TurboTenant so you have time-stamped proof of your communication - *but again, check your local laws to determine if there's a specific procedure you must follow.*



The key to successful property management is to treat each property as if it were your own and to treat each tenant as if they were your only tenant."

- Michael Owino Homes, property manager

Expense Tracking

So now you know how to collect rent, handle maintenance requests, and mitigate other tenant issues - but that doesn't mean you can skimp on expense tracking. As a small business owner, you get to deduct business expenses come tax season.

But you can only take advantage of this perk if you're properly tracking your expenses day by day, month by month.

To track your expenses, you have two options:



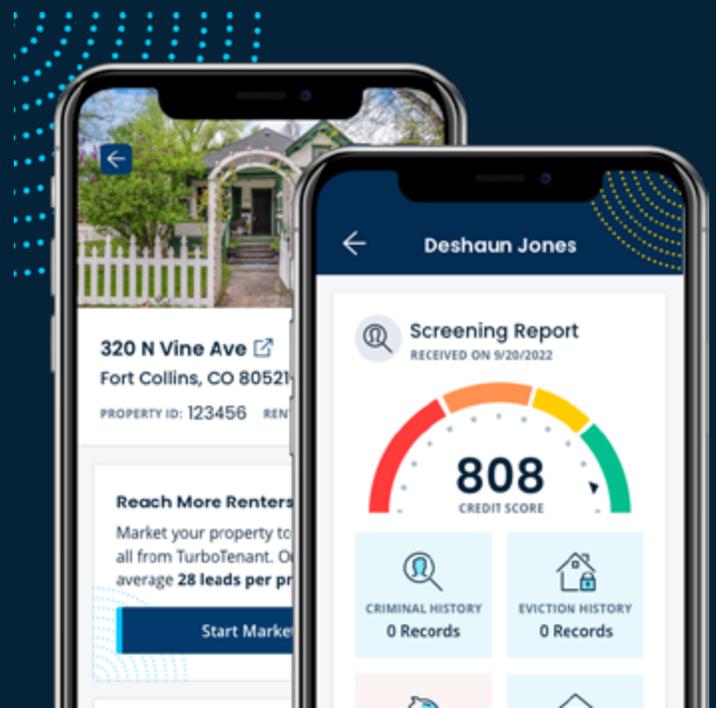
Do it manually. This often looks like making your own spreadsheet in Excel or Google Sheets, having a physical folder for receipts, and having the patience of a saint.



Go digital. Online expense tracking tools were built to be fast, secure, and help you prepare for tax season. Your hand won't cramp from writing in expenses, and you won't have to worry about stapling receipts anywhere. Plus, if you manage other aspects of your property online like tenant screening or rent payments, tracking your expenses in the same place will be convenient.



Pro Tip: TurboTenant's mobile app allows you to snap pictures of receipts on the go. Your expense tracking just got easier. **Download it today using the QR code!**



What Landlords Should Track

When considering what expenses you should track, it pays to be familiar with the **Schedule E form**. This form is used to report income or losses from rentals, and you'll need to file a separate Schedule E for each property.



You should be tracking your:

Advertising – All your marketing costs (including for rent yard signs, advertising on certain websites, or sending out mailers) fall into this category.

Auto and Travel – Driving, along with other necessary and ordinary auto and travel costs needed to maintain your rentals, would qualify in this category.

Cleaning and Maintenance – This section includes all the cleaning expenses incurred after a tenant moves out, as well as common maintenance expenses like yard work, painting, and other upkeep or maintenance requests you tend to.

Commissions – This refers to the real estate agent or property management commissions you paid to help find a tenant. If you use free online rental property marketing, you'll have less to add in this section!

Insurance – You should have landlord insurance along with any other policies your unique rentals require, like hazard or flood policies. Remember that this is the amount you actually paid to your insurance company (not what you pay in escrow).

Management Fees – If you have a property manager or agent helping manage the property, their 8-12% of your monthly rental income charge would be included in this category.

Legal and Professional Fees – Any expenses related to accounting, attorney fees, or other business costs related to your tenants qualify for this category.

Utilities – This includes utility expenses you have incurred, even if your tenant reimbursed you for them. Do not include utilities that the tenant paid for themselves.

Taxes – All of the tax expenses you have accrued from owning and operating your rental property such as property taxes, land taxes, school district taxes, or special easements can be included in this category. This does not include income taxes.

Repairs – Tracking repairs made to the property that were not considered “capital improvements” would be in this category. For example, fixing a broken window is a repair – but replacing floors or the roof would be a renovation, which would have to be taken as a deduction over time.



Learn more about tax strategies you can use to make the most of your deductions in our online course.

A top-down photograph of a family of three lying on a light-colored wooden floor. The woman on the left is wearing an orange crop top and blue jeans. The child in the middle is wearing a red and black plaid shirt. The man on the right is wearing a blue jacket over a white t-shirt and khaki pants. They are surrounded by several cardboard boxes, some open and some closed. In the top right corner, the number '08' is written in large, bold, yellow font. On the right side of the image, there is a vertical bar with yellow, blue, and white segments.

08

Move Out

The end of your first lease is approaching - you and your tenant have some decisions to make about what comes next.

What happens when a lease ends?

There are three main options when it comes to lease expiry.

Your tenant could:

- Move out
- Switch to a month-to-month lease
- Sign a new lease

But you don't *have* to offer a lease renewal or the chance to be in a month-to-month contract - as long as you give your tenant ample notice.



Giving Proper Notice

Whether you've decided not to renew the lease or it's simply about to lapse, you need to notify your tenant. Your local landlord-tenant laws dictate how much notice you must give, but it's typically at least 30 days.

The notice should include:

- ✓ The date the lease expires
- ✓ The action steps your tenant needs to take (do they have to notify you if they want to renew, or will the lease carry over as a month-to-month without a new signature?)
- ✓ How long the tenant has to take action
- ✓ The consequences if they don't take action

If your tenant doesn't want to renew the lease, don't be discouraged! Make sure they know to give you the required amount of notice so you can start ramping up your marketing efforts accordingly.



Pro Tip: If you had an awesome tenant, don't be afraid to ask if they know someone who needs a place to live! You should still screen their referral as you would any other lead, but birds of a feather often flock together - and you may cut your vacancy cycle down as a result!

Final Walkthrough

One of the most critical parts of the move-out process is the final walkthrough. Ideally, this would be conducted with your tenant so you can highlight issues as you move through the property.



Remember, if there's damage beyond **typical wear and tear**, you can deduct the cost of repair from their security deposit - which is why pointing out the problems live is recommended. No one wants to feel like they've been bamboozled into paying for an issue that wasn't their fault.



Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.”

– Franklin D. Roosevelt, former U.S. President



The Security Deposit

So, what can a security deposit cover? The short answer is that it covers excessive damage caused by the tenant, their guests, and/or their pets.

For example, a security deposit could be used to pay for:

- Rips, burns, or pet stains in carpet
- Damaged hardware
- Broken appliances caused by misuse
- Damaged walls
- Broken tiles
- Cleaning and trash removal services
- Missing blinds
- Overdue rent and unpaid fees



Inspection Checklist

Take pictures of any damage you spot during your inspection, and be sure to check:

- The heating system/radiator
- Carpets/flooring
- Windows
- Carbon monoxide detectors
- Electrical outlets
- Wall paint
- Smoke detectors
- Light fixtures
- Bathroom plumbing
- Kitchen appliances
- Outdoor areas (as applicable, like an attached backyard)

You'll then compare the condition with what you recorded during your move-in inspection to assess potential damage.



Before Your Tenant Moves Out

In the timeframe between giving notice and vacating the unit, there are a few things you and your tenant can do to make saying goodbye easier - namely:

- **Ask them to submit a change of address request to the Post Office.** Your tenant can [complete this step online](#) in most cases.
- **Request their new address.** This step makes it easier for you to send any follow-up information or money, such as their security deposit, directly to the renter.
- **Recommend that they conduct a final deep clean of the rental** so it can be ready for a new tenant.
- **Schedule your move-out inspection,** either on the day the lease lapses or shortly beforehand.



Returning the Security Deposit

After your tenant leaves the rental, you'll have anywhere from 14-60 days to make deductions and return the security deposit to your tenant, depending on your local laws.

That means you need to be quick to:

- 1 Assess the unit for damage
- 2 Make repairs
- 3 Tally any unpaid rent or fees
- 4 Notify the tenant in writing of any deduction you will make to their security deposit



Some states also require you to provide receipts for repairs so that your tenant knows you're deducting things accurately.

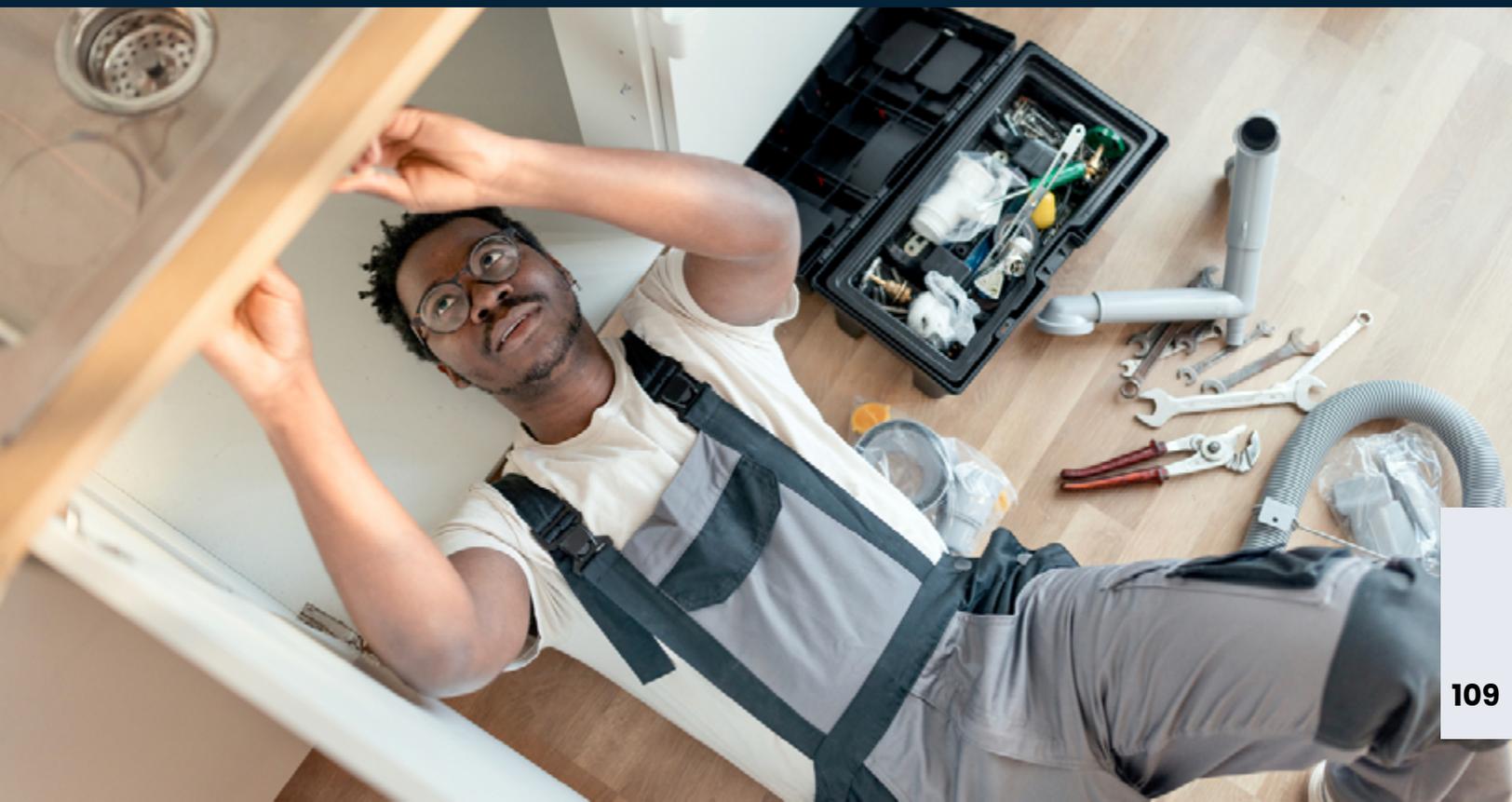
Tasks to Accomplish While You Don't Have a Tenant

After the dust settles, it's time to make sure your rental is tenant-ready

You should:

- Make repairs, especially those that would be invasive or time-consuming if someone was living in the unit.
- Consider adding additional amenities, particularly if your previous tenant gave you feedback about anything lacking in the rental.
- **Re-evaluate your monthly rent price** compared to similar rentals in your area. Is it time to raise the rent (or lower it)?

When you feel confident that your rental is ready, it's time to start looking for your perfect tenant. **Leverage our tips** to make the process is tenant-ready again!



A Final Word

Investing in real estate can seem intimidating - but you have everything you need to get started. If you're still nervous even after reading it, that's okay. Investments are inherently a risk!

Here's what Brent D., a six-door landlord, shared about the potential tax benefits of real estate investments, even when nothing seems to be going right:

My best friend approached me a couple of years ago asking, 'Hey, should I buy a rental property and why?' I explained why I had. Interest rates were up at that time, but he decided he had the cash to do it.

Even though he's having to put in a couple hundred dollars every month toward that property, he approached me at the end of last year and said, 'I want to thank you - this year's the first year I did not have to pay taxes.

I actually got a refund back, and I haven't gotten a refund back in seven years.'
Because he's able to depreciate that property, he actually got a refund back on his taxes - even though it's cash flow negative. "

You've got this!



About Us

Built by landlords for landlords, TurboTenant's intuitive platform helps half a million landlords streamline their entire rental process for free – whether they have one door or 1,000. More than **600,000** independent landlords nationwide enjoy TurboTenant's free, all-in-one online property management software.

Features offered by TurboTenant include rental applications, tenant screening, property marketing, rent payments, lease agreements, and maintenance management.

[Sign Up Today >>](#)

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Get \$25 Give \$25

The best landlords know the value of community - that's why TurboTenant rewards you AND your friends with each referral! When you refer landlords to our site, we'll pay you and your friend \$25 each.

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