

Written by: @Mark A. Kallus MPM®, RMP®,  
TRPM®, TRLS® with  
[RentLife® Property Management](#)

## 6 Things Every Landlord Must Know

### 1) How to set a Rental Rate?

Every property's rental rate is determined by four factors:

1. Location: Demand for rental homes vary from city to city and even from neighborhood to neighborhood.

2. Condition: Tenants are looking for properties that have updated features and are very clean. Things like fresh paint, updated appliances, and new flooring are a big draw. How will your property stand apart from the competition?

- Make sure that the carpet is professionally cleaned and the interior sparkles!

3. Availability: Prospective tenants want to see properties that are vacant and completely ready for them to move in.

- Properties that are vacant and 'rent-ready' will rent much more quickly

4. Market Demand: The time of the year and overall economic conditions have a great impact on how quickly a property will rent. There is less demand for rental housing in the winter months.

- The lease term should be timed to come up for renewal during Spring or Summer!

Utilizing the above information, you will then need to determine a rental rate from comparable rentals. You can search the local classifieds or search online, including [zillow.com](#), [rentometer.com](#), [smartasset.com](#)

### 2) How to set the right rental price?

Every week a property sits vacant; it loses 2% of the total potential annual income. It is better to slightly underprice a property & rent it more quickly than to maximize the rental income have it take even a month longer to rent.

**Example 1: Your goal is to maximize your rental income. You know you can get \$1500 / month for rent.**

The property is rented in 60 days.

Rental Rate:	\$1500 / month	
Time Vacant:	2 months	
Annual income:	\$1500 / month x 10 months:	\$15,000
Expenses:	Advertising (2month)	\$ 300
	Utilities (2 months)	\$ 100

**Annual Net Income: \$ 14,600**

**Example 2: Your goal is to rent the property quickly, so you sacrifice \$100/ month in rent and advertise the property at \$1400 / month. The lower price increases the demand for the property, and it is rented in 30 days:**

Rental Rate:	\$1400 / month	
Time Vacant:	1 month	
Annual income:	\$1400 / month x 11 months:	\$15,400
Expenses:	Advertising (1 month)	\$ 150
	Utilities (1 month)	\$ 50

**Annual Net Income: \$ 15,200**

### 3) What advertising works for my rental property?

There is no right or wrong way to advertise, but there are good & bad options. Effective advertising will maximize the exposure of the property while minimizing the cost of such advertising.

**Newspaper:**

Houston Chronicle

\$291.00 (approximate value): 4 line minimum - 14 days

\*\* Newspaper advertising is more expensive & less useful than ever before \*\*

**For-Rent' Sign:**

\$20.00 approximate (\*from Lowe's)

**Internet:**

- |                        |                     |
|------------------------|---------------------|
| 1. Craigslist          | FREE                |
| 2. Rent.com            | \$15 per click      |
| 3. Rentals.com         | \$49 / month        |
| 4. Hotpads.com         | \$30 / month        |
| 5. RentalHomesPlus.com | \$49 / month *apprx |

**Newspaper + Sign + Internet = \$500++ / month**

## **The MUSTS HAVES of Effective Advertising**

### **(1) SIGNS**

- ✓ For Rent Sign – The 'For Rent' sign will be the first impression
- ✓ 15% of tenants will rent from seeing a sign
- ✓ Sign **MUST** be clean and professional
- ✓ Clearly list phone number & website
- ✓ RentLife<sup>®</sup> Property Management Sign -- Would you call from this sign?

### **(2) DIGITAL**

- ✓ Internet – Over 80% of all renters begin their search Online
- ✓ Avoid date-stamped photos
- ✓ Include interior and exterior
- ✓ Include a picture of every room
- ✓ Double-check your **"SPELLING!!"**

Over 60% of renters search on more than five websites when looking for housing. Over 25% search for more than ten sites. So list your home in as many places as possible.

## **4) What are the best practices in Tenant Selection?**

### ✓ **How to avoid attracting bad tenants?**

Bad tenants are discouraged from applying when they see any of the following:

#### A. Professional Management Firm

- \* Showings should be done by a licensed Agent who can look for signs that someone may be a problem tenant.

#### B. Rental Application process that accounts for:

- \* Credit history
- \* Employment / Income history
- \* Criminal history
- \* Foreclosure history
- \* Eviction filing history
- \* Sexual predator history
- \* National Terrorist Watch List

#### C. Professional and detailed lease

### ✓ **How to Attract a Good Tenant?**

Good tenants will be attracted to the following:

#### A. Effective & Professional Leasing Process:

The yard sign, the internet pictures, the agent showing the home, the application process each aspect should convey professionalism and trust

B. Tenants want to know the benefits of renting a property such as:

- \* On-line ACH payment options
- \* Secure holding of security deposit funds
- \* Spanish speaking

C. Outstanding Maintenance Service

- \* Surveys show the #1 reason tenants vacate a property is poor maintenance service
- \* Prompt & professional maintenance service with 24-hour emergency service **MUST** be provided to tenants

## 5) How to Minimize Liability

1. Lease Agreement – An effective Lease Agreement will be written to provide the maximum legal protection to both the Owner & the Property Management Company.

2. Lease Addendums – The following addendum should be part of any Lease Agreement to add extra legal protection to the Owner:

- Addendum Regarding Lead-Based Paint
- Information About Special Flood Hazard Areas
- Protecting Your Home from Mold
- Move-In Condition Documentation

3. Tenant Relations – Open and on-going communication with the tenant can result in significantly reduced liability.

4. Title Protection – Title to the property should be held in a form which will provide a wall of protection to the Property Owner

- The title may be placed as an LLC, LLLP or Trust
- Legal counsel should be consulted for further consideration

5. Insurance – Proper Insurance must be in place to provide full legal protection. The following policies should be in place by the Owner:

- Home Owner's Policy should be converted to a 'Landlord's Policy.'
- The Owner should maintain 1MM dollar liability coverage
- Property Management Company should also have proper coverage

---

### Standard Maintenance Procedures:

1. Tenant calls with a non-emergency repair request.
  2. For emergencies – you must have a 24-hour emergency contact
  3. A Maintenance Supervisor should speak with the tenant to determine the specifics of the problem & when possible, instruct the tenant to self-correct.
  4. If it is determined that the request is valid - send out the appropriate 3<sup>rd</sup> party vendor to make the repair.
  5. If the tenant caused the problem, the cost should be back-billed to the tenant.
-

**Dealing with Tenant Problems:**

- \* non-payment of rent
- \* tenant caused damages
- \* major repair expenses
- \* lease violations
- \* eviction process
- \* HOA violations

In the event of one of these 'worst case' scenarios, you must determine who will be acting on your legal behalf.

Owners should have three months of reserve funds to cover any potentially lost rents, vacancy periods, or significant repairs.

---

**A systematic and professional approach to each aspect of Leasing and Management will work to maximize your profits and minimize your risks while providing the peace of mind that comes with Property Management done well.**

## **6) The best property management solution: Self-Management vs. 3<sup>rd</sup> Party Management**

**Self-management may work well for those individuals who have the right temperament for dealing with tenants, and complete knowledge of current laws pertaining to rental housing and the management process.**

### Basic Questions to ask a potential Property Manager

1. How long has your company been doing Property Management?
  - \*Don't risk your property on a new company
2. How long have YOU been doing Property Management?
  - \*Don't let someone learn Property Management using YOUR property
3. How many SUPPORT STAFF MEMBERS are within your company?
  - You don't want a one-person shop
  - Who will be 'showing' your property?
  - Who will be doing the accounting/maintenance/advertising
4. Where is your OFFICE located & in what geographic areas do you work?
  - Make sure there IS an office
  - Use a firm that specializes in your geographic area
  - Does the Owner of the company invest in rental properties?

5. What training and licensing do you have?

- NARPM – National Association of Residential Property Managers
- MPM® – Master Property Manager
- RMP® - Residential Management Professional
- Licensed Texas Real Estate Agent/Realtor®
- HAR – Houston Association of Realtors
- TAR – Texas Association of Realtors
- TREC – Texas Real Estate Commission

---

## RentLife® Property Management Rental Process Overview

---

1. Sign the [‘Residential Management Agreement’ with RentLife® Property Management’](#).
2. Once the property is in ‘rent-ready’ condition, we take pictures and initiate Our comprehensive marketing program.
3. RentLife ® will take inquiries, show the property and qualify applicants through our in-depth rental application process.
4. Once an applicant is approved they will sign the lease agreement.
5. The Owner receives a statement by e-mail detailing all income and expenses by the 15<sup>th</sup> of each month.
6. Proceeds of rental income minus all expenses are deposited into the Owner’s bank accounts electronically by the 15<sup>th</sup> of each month.
7. [RentLife® Property Management](#) is the point-of-contact for any & all tenant problems or repairs.
8. When a resident vacates, we conduct a move-out inspection, complete the security deposit disposition, bring the property back to a ‘rent-ready’ condition and begin the leasing process again.

**RentLife® Property Management**

# Satisfaction Guarantee

*We are so confident that our services will surpass your expectations that we offer TWO satisfaction guarantees.*

- 1. If you are not completely satisfied with our services, we will refund all management fees, no questions asked for up to 60 days after the signing of a Tenant Lease Agreement.*
- 2. If a tenant vacates a property during the first 90 days of the Lease Agreement, we will re-rent the property for FREE.*

© RentLife® Property Management, 2020