

How Can I Be a Good Landlord?



Due to a promotion, we can get a larger house for our family. Instead of selling our house, we are considering renting it. Is it hard to be a landlord?

Answer: Renting a home can also be rewarding, resulting in extra monthly money and increasing property equity. That said, being a landlord can be a lot of work and expense, and when things go wrong, they can go very wrong.

You should be prepared for the worst while hoping for the best.

- You should not rent your house if you cannot afford to carry the property for at some months without getting monthly rent payments.
- You should have a financial reserve for repairs and free time to deal with problems that will eventually happen.
- You must decide whether to deal with the property and renters yourself or hire a professional manager.

If you hire a property manager, which you should if you do not live locally, shop around to find an experienced manager with references. The property manager will make your life easier by handling the details but at a cost. Therefore, if you have the free time and the stomach to evict someone who recently lost their job, you can take on the management role yourself.

Having dealt with landlords and tenants, I have picked up a few tips:

- Be diligent in vetting prospective tenants and say no if it looks like the prospect cannot live up to their obligations. It is easier to deny a prospect than evict a tenant.
- Quickly respond to your tenant's complaints, fix problems as soon as reasonably possible, and communicate when it is taking longer than expected.
- Being a landlord is like running a business – act that way. Your new tenant is not your friend; she is your customer, so set and keep boundaries.
- Consider a repair service plan unless you are handy.
- Compassion is essential but don't be a chump. A tenant who knows they can get away with not paying the rent will no longer pay it.