

First-Time Landlord: 10 Tips for Successful Rentals

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Many real estate investors choose to accumulate rental property as a path to wealth creation or steady income. Unfortunately, becoming a landlord is far more complicated than most investors realize. The key to being a successful landlord goes beyond collecting rent checks and cleaning carpets, it also lies in organization and building healthy relationships with tenants.

Even experienced landlords can become overwhelmed from time to time. Here are some tips for balancing the maintenance of your rental property with finding and retaining respectful tenants.

Advice for First-Time Landlords

1. A Quality Rental Property Attracts Quality Tenants

In general, the quality of tenant you attract will largely depend on the quality of your rental property. Is your property located in an area with quality schools? Are your carpets clean and walls freshly painted? Do you have high-end appliances installed in the kitchen? The condition of the rental property and surrounding environs is going to factor in how potential renters perceive your product.

That is not to suggest over spending on luxury updates in Section 8 housing, but you can set a high standard and get a comparable return on your investment with smart upgrades. Ensure your rental property is clean and secure. Maintain the grounds and walkways. And provide parking, free utilities or extra security measures whenever possible.

2. Get a Separate Phone Number for Business

Designate a separate phone number for landlord business only. *Google Voice* offers free or paid, convenient phone numbers which are forwarded to another phone number of your choice. Pick one for standard business hours and another for emergencies only and give your “business only” phone number(s) to tenants or potential renters. By having a separate number for business – you can set a schedule of when the phone will ring and when you want it to simply go to voicemail.

3. Create a Rental Agreement, Put it in Writing & Document with Photos

It is important for landlords to have a well drafted formal lease to offer potential tenants. Check out your local government website or ask your trusted legal counsel for comprehensive rental applications and agreements

Spell out your rules and expectations for payment, upkeep of the property, code of conduct, agreements on privacy and penalties for failure to follow the rules. Having a written will make life much easier. Rather than trying to explain why a certain action is not allowed, you simply can refer to the policy.

Once the formal lease agreement is signed, walk through the property with your tenant and take photos to document the condition of the property. This protects you and your security deposit in case the tenant does not leave the property in the same condition in which it was rented. If repairs needed, make a list and discuss timely measures to fix them.

4. Be Thorough and Fair When Screening Potential Tenants

Work hard to find quality tenants by doing credit checks, calling references and verifying income before signing the rental agreement. Follow the [Fair Housing Administration Act](#) when you screen prospective tenants. A discrimination lawsuit is extremely costly and completely avoidable. Give everyone an equal chance to rent your property, regardless of their race, religion, or beliefs. Always be fair.

5. Learn Home Maintenance & Know When to Outsource

First-time landlords need to be well equipped to handle the broken windows, carpet stains, busted pipes and other property issues common encountered. The best way to do this is through education and practicing your abilities.

Some repairs are easy to fix yourself (DIY) however, many require professional knowledge to repair correctly. In order to be a successful landlord – you need to balance cost savings with liability and future spending. Outsource complicated repairs to contractors so you and your tenants can sleep peacefully. Shop around and ask contractors what work (demolition, clean up, etc.) you can perform to keep costs at a minimum.

6. Make Repairs in a Timely Fashion

Could you live without hot running water for three days or flood soaked carpet? Some property issues need to be attended to immediately while other, less vital items such as malfunctioning appliances or squeaking door hinges can be attended to after the necessities. Your tenants deserve to have decent living conditions – keep them informed of when and how each issue will be addressed.

7. Give Proper Notice & Respect Your Tenants Privacy

Respect the privacy of your tenants and adhere to your state's guidelines for entry into a rented property. Most states require at least a 24 hour notice before a tenant is required to allow their landlord to enter their rental unit. If you haven't already, include this agreement in your rental contract(s) to ensure both parties understand their rights to privacy and access to the facilities.

8. Always Charge for Late Payments or Bounced Checks

It may seem cruel to charge late fees and insufficient-fund (NSF) fees, but the hassle and cost to landlords can be equally painful. By being strict with late fees and bounced check fees, you encourage tenants to place their rental payments higher on the priority scale than other obligations. And just as with privacy/entry agreements, these rules should be included in your rental contract(s).

9. Use Certified Mail for Official Communications

Whenever you need to send your tenant a letter regarding anything to do with the property, the rent or an eviction notice, send it certified. This way the tenant will have to sign for it and you will receive a receipt in return confirming it was received. In addition, when a lease is up, even though the expiration date is written on the lease, you must send the tenant a 30 day notice to confirm it is time to renew the rental contract or vacate the premise (including expectations for vacating).

10. Purchase Insurance Coverage

Make sure that you have the maximum amount of **landlord insurance** with coverage for property damage and liability to cover injuries. In addition you should consider coverage for loss of rental income and cash or replacement value. This can help protect you from devastating losses. And encourage your tenants to purchase **renters insurance** to protect their personal property from damages or liability for injuries of guests. And be sure you both understand that a renter's policy does not shift responsibilities away from the landlord, but helps both parties save money. Speak with an insurance broker to protect yourself and your rental property. Then ask for materials in case your renters and leases need a referral to affordable insurance agent. This may help streamline the claims process in the event of a fire or accident.