

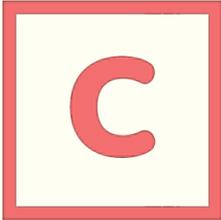
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How to find good tenants & keep them happy

(so you can make more money)

www.comfort.ly





HOW TO:

PAGE:

Define Screening Criteria3
Create Your Listing6
Publish Your Listing	...20
Keep Good Tenants Happy	...22
Recap	...25





Let's not overthink it.

To have success with your rental property, the best thing you can do is sign a lease with a good tenant and keep them for a long time.

And to sign a lease with a good tenant, you need to do three things:

1. Define your screening criteria, and NEVER stray from it
2. Create an attractive listing with high-quality photos, a detailed description, and the right price
3. Publish the listing to the platforms tenants actually use (there are only two)

This is all easier said than done.

But that's why we're here to help.





1. First, let's define your screening criteria.

Here's the screening criteria we use for our rental properties. It's simple and has served us well.

- Credit score: > 600
- Income: 3x rent
- Eviction history: none
- Must provide previous landlord references
- Must carry a rental insurance policy

We recommend setting your own screening criteria and sticking to it *all the time*.



How do we make sure the tenants fit all of this criteria?

We do background, credit, and income verification checks. Additionally, when a tenant provides previous landlord references, give them a call and ask these four questions:

- How long did you rent to the tenant?
- How many times was the tenant late on rent?
- Has the tenant ever caused any damage to your property?
- Would you rent to them again?

Be sure to review your state/county/city rules and regulations about this process, though, as some landlords and property managers might not be able to give you the information you're looking for

When should you make an exception?

Almost never. Almost. We've made exceptions. For example, a tenant on one of our leases had a lower credit score than what we required. We met with them and they fit all the other criteria, so we ended up adding a co-signer on the lease. The co-signer was financially responsible should the tenant not be able to pay rent. They turned out to be a low-maintenance and overall high-quality tenant that we would gladly rent to again. We typically play it safe and recommend sticking to your criteria, but in this case, it didn't bite us in the butt because we had other mechanisms in place (the co-signer who would also be financially responsible) to make sure rent would be paid. In reality, we should've continued looking so be extra careful if you stray from your criteria.

Good rule of thumb – if you're ever in doubt, don't make concessions and stick to your criteria.

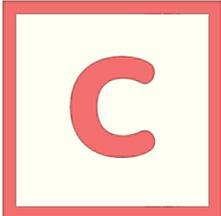


2. Now let's create your listing.

There are three things you need to get right in your listing to attract good tenants:

1. Photos
2. Price
3. Description





PHOTOS





Photos can make or break a listing

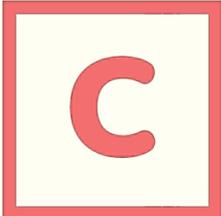
When a renter is looking for a home or apartment, photos and price are the first things they see and can be the difference between them submitting an application or not. If there's something you're going to take the time to get right on your listing, make sure it's the photos and price.

Here's our best advice on photos...



...our best advice is to hire a photographer. In most cases, you'll be able to reuse the photos for years to come. **If you choose to take your own photos, here are some tips:**

- Take 15-20 photos that highlight all rooms and amenities within the house and property. Make sure to get a few angles of each room, and don't forget things like closets, pantries, laundry rooms, and garages.
- You should go from the most spectacular part of your listing to the least exciting.
- Gather from other sources or take 5+ photos of the amenities outside of the property that the renters would regularly interact with. For example, share photos of a park across the street, the shopping center they might frequent, or even a nearby golf course.
- Focus on a single area at a time.
- Use wider shots to set the scene and give the renter context for what they're seeing.
- Take several photos of the same room from different angles.
- Use as much natural light as you can, but be sure to not let direct sunlight wash out your photo.
- Clean and tidy up each space before taking photos.
- Use editing features sparingly to avoid misrepresentation.



PRICE



How do you set the “right” price for your rental?

Your goal with setting the “right” rental price is to attract good tenants by offering a competitive price in relation to what’s available nearby.

A simple way to go about setting the rental price is by comparing your listing to what’s available in the area by using tools like Zillow, Facebook Marketplace, or Craigslist. Using this method doesn’t always give you the historical and trend data you need to make sure it’s going to be the “right” price, though.

There are many for-purchase rental reports available that include:

- RentRange Estimate
- Rental Benchmarks for City and Zip
- County Rent Report
- Comparable For-Rent Properties

These reports make it easy to set the “right” price to attract great tenants while giving you the best chance to maximize profits. It takes all the guesswork and research out of the equation. All of the information is gathered from rental data aggregators, residential property managers, real estate investment enterprises, real estate technology providers, and MLSs.

We include these reports for free. They’re also available for purchase from other online services.





If you plan to set rent without a report like the one above, we recommend:

- Researching rent prices of 10+ comparable properties in the area (Zillow can help here).
- Review 10+ surrounding zip codes median rent and the change in price over the last 2-3 years.

Here's an unpopular rental pricing opinion that has served us well

It's ok to lower your rent price to find better tenants!

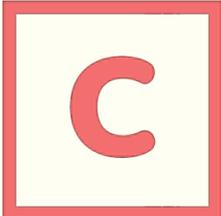
We have a general rule for our properties. If we don't have at least 3 applicants that match our criteria within the first 2-3 weeks, then we consider lowering the price.

Lowering the price will get more tenants to apply. And with more applicants, you'll have a better chance of finding better tenants.

Remember that real estate is a long-term game. Think of your returns in a 7-10 year period. If you do, you'll likely make back the minor rent decrease in the future.

We've found it's better to sign a lease with a great tenant at a slightly lower price than a bad tenant at a slightly higher price.

“Don't step over dollars to pinch pennies.”



DESCRIPTION





DESCRIPTION

Here's how to write the perfect description

Your description should match what you share in your photos.

Your description doesn't have to be anything fancy, but it's an opportunity to share information that you wouldn't otherwise share in photos.

For example, it's important to be clear on your rent, deposit policy, lease options, and how to apply in this section.



Here are some tips and templates for easily creating the perfect description.

- Create a title that includes information that's easy to scan. For example:

\$\$\$\$\$ – ## Bed / ## Bath apartment|house|condo|duplex in neighborhood with [great feature]

\$2,500 – 4 Bed / 2 Bath House on Tampa Golf Course in Gated Community

- Highlight the property's best features eg. is it near downtown, near parks, or has schools close by? Does it have tall ceilings, a usable fireplace, en suites, or a garden?
- Use positive descriptive words such as beautiful, cozy, intimate, spacious, traditional, funky, etc.
- Talk about the neighborhood – why would they want to live in this area? Is it professional, fun, quiet, vibrant?

Here are some tips and templates for easily creating the perfect description.

- Describe what's nearby – parks, universities, bars, restaurants, schools, train lines.
- Highlight an exciting detail – large garden, beautiful views, balcony, hardwood floors, new renovations, etc
- Give details about the rental – are pets allowed? What's the smoking policy? Are utilities included? How much is the deposit?
- Outline how renters should get in contact to express their interest. Include details of the application process, the credit and background check process and fee, plus a contact name and number.
- Lastly, list lease term options. We offer 1, 2, and 3 year leases with bigger discounts if the tenant signs a longer lease. Longer leases are preferred because tenant turnover costs can quickly eat into your margins.



DESCRIPTION

Here's an example of a proper description for a listing:

Golf Course Views: Charming, naturally well-lit 4 bedroom 2 bathroom house in a gated Tampa Golf Course community. Close to the train, shops, and restaurants on [street], and walking distance to Whole Foods. Patio for entertaining, hardwood flooring throughout. Pet-friendly. \$2500/month, 1 month security deposit due. Utilities not included. 1, 2, or 3 year lease options available. Submit an application here: www.url.com.

Reminder: When you're talking about your property and the neighborhood your rental is in, make sure you aren't violating Fair Housing laws. Don't mention familial status, sex, disability, religion, color, race, or national origin in your listing.





3. There are dozens of sites to publish your listing, but you only need two.

1. Zillow
2. Facebook Marketplace

And if you were to only choose one, we bet you'll find a number of quality applicants just by listing your rental on **Zillow**.

We don't have any affiliation with Zillow, but we've had great success with finding good tenants on their platform. And we think you will too.





Here's how to publish your listing on Zillow (directly from Zillow).

1. Add your rental property
 - Log in to Zillow Rental Manager (this is the same login you use for your Zillow account) and start entering the information for your property, including:
 - The rent price (learn how much to charge for monthly rent)
 - Security deposit amount (see how security deposits work)
 - Basic property details (square footage, number of beds and baths)
 - The date your property is available and your preferred lease duration
2. List your property's amenities
 - Check all the amenities that apply to your rental from the list provided, or add your own. You can also select whether laundry is available and indicate if pets are allowed. You'll have an opportunity to provide more details about your pet policies in the next section.
3. Write a detailed property description
 - When you list a property for rent, it's important to highlight any upgrades or desirable features that help your rental stand out. You'll want to think about how to write an appealing property description to attract renters who may be browsing through dozens of other listings.
4. Add a virtual 3D tour and photos
 - Help renters get a feel for the home by adding high-quality photos. Most rental property listings include at least 10 photos of the interior and exterior. When you list a rental on Zillow, you can also capture and upload a 3D tour for free using the Zillow 3D Home™ app and your iPhone. Once you've uploaded photos, you can add captions to highlight special features or identify specific bedrooms or bathrooms.
5. Provide your contact information
 - To make sure interested renters can contact you about your rental property listing, you'll need to provide your name, email and phone number. The first time you list a rental on Zillow, they will ask you to verify your phone number for security purposes. We will then send you a verification code via phone call or text message. If you are the property owner, you can choose to keep your phone number hidden on the published listing (management companies need to display their phone number on the listing, however). Note that sometimes the number on your published listing will be different than your actual phone number. This helps Zillow prevent spam, protect your privacy, and allows you to organize your leads.

Review all the information you provided, and if it looks good, you're ready to click Publish! Your listing will be visible on Zillow, Trulia and HotPads within a short time, and you can edit or deactivate your listing at any time.

We pulled these five steps directly from Zillow (why reinvent the wheel?), so it might be worthwhile checking out this article just in case they updated something:

www.zillow.com/rental-manager/resources/list-property-for-rent/





4. Bonus: Let's make sure those good tenants want to stay.

You worked hard to find great tenants.

Why wouldn't you do your best to keep them around?

You can't make everyone happy all the time, but you can always provide the customer experience that you'd want. Plus, there are financial benefits to keeping a good tenant in place.



Reducing or eliminating tenant turnover expenses will help you to be a more profitable landlord. By keeping good tenants longer, you'll:

- Maintain consistent rental income
- Spend less time and effort preparing the unit for rent (cleaning, property showings, advertising, etc.)
- Avoid the uncertainty of having to place another good renter

Average Rental Turnover Costs

Mortgage Payment	\$1,100
HOA Dues	\$300
Advertising Costs	\$50
Cleaning Costs	\$250
Maintenance Costs	\$200
Property Manager (if using)	\$1,100
Cost of vacant unit during tenant turnover	\$3,000

Here are four tips to help retain your best tenants:

1. **Quickly address maintenance concerns;** it'll make renters feel more comfortable and ensure you don't have even more costly repairs.
2. **Be courteous and kind when interacting with tenants** (doesn't mean you have to be a pushover, though!). Deploying empathy goes a long way here.
3. **Be proactive with lease renewals.** We try to inform tenants of lease renewal options at least 90 days, or 3 months, before their lease is up. Being proactive and transparent goes a long way.
4. **Offer a longer lease with more favorable terms.** As mentioned before, having a good tenant sign a 2-3 year lease can reduce risk and increase your profits.



Recap: How to find good tenants and keep them happy

To have success with your rental property, the best thing you can do is sign a lease with a good tenant.

And to sign a lease with a good tenant, you need to do three things:

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Lastly, did you find a good tenant?

No? Start again at #1.

Yes? If you want to retain your good tenants, do your best to work with them to find the ideal lease options that make it a win/win scenario.

Good luck and reach out if you have any questions.

- Your fellow real estate investors at Comfortly
support@comfort.ly

