



# GUIDE TO RENTING YOUR HOUSE



Before making the decision to rent out your property, there are a lot of steps to take that will help ensure the safety and protection of your investment and your profit. In fact, many of the choices you make early on have the most impact on the success of our rental property. Follow this guide to understand if you are ready to rent your house:



## Why Rent Your House?

### Rental Demand is High

If you are a resident of Colorado, it will come at no surprise to hear that the Centennial State is experiencing a record-breaking real estate market with all-time high home values, and starter and mid-range homes selling quickly and often above asking price. Alongside the increase in dollar amounts on sale stickers, rental rates in Colorado are also increasing and rental vacancies are steadily decreasing. In fact, Colorado median gross rent has gone up 4.29% in the past year and 18.77% over the last three years and is expected to continue to climb.

Because of the high rental rates and low vacancy, you could potentially earn extra money every month (after covering the mortgage and all expenses) by converting your home into a rental. When managed effectively and vacancy is kept to a minimum, a rental provides a consistent and lucrative cash flow every month, instead of a one-time cash-out of equity during a sale. Henderson has maintained

a less than 1% vacancy rate on all of our properties for the past 6 years, which is well below National and State averages. Why not hold onto an asset that is increasing in value in a high-demand area, while allowing tenants to pay down the mortgage?



## What Condition is Your Property In?

### Cleaning and Repairs

Decluttering and cleaning your rental property is important for the marketing and promoting it to new tenants, but it also helps to reinforce the idea of “leave something the way you found it.” If your new tenant moves in and sees stains on the carpet or holes in the wall you are sending the message that more stains or holes are “ok”.

In addition to general cleaning, make any visible repairs needed - there are a lot and remove any personal belongings from the property. Property management companies typically do not inventory any items left behind by the owner - those things could easily move with tenants when their lease ends. A house should be clean, empty, and everything should be in working condition.

## Appliances

All Appliances in your property should be working not just functioning. Consider replacing or repairing any necessary appliances that are at risk of busting. You and your tenant will appreciate avoiding any after-hours maintenance trips to repair the oven or dishwasher. Not sure what appliances you should supply for your tenants? Check out the quick checklist below:

SHOULD PROVIDE:	NOT REQUIRED:
<ul style="list-style-type: none"> <li>• Refrigerator</li> <li>• Stove/Oven</li> <li>• Dishwasher</li> </ul>	<ul style="list-style-type: none"> <li>• Washer</li> <li>• Dryer</li> <li>• Microwave</li> </ul>

## Carpets

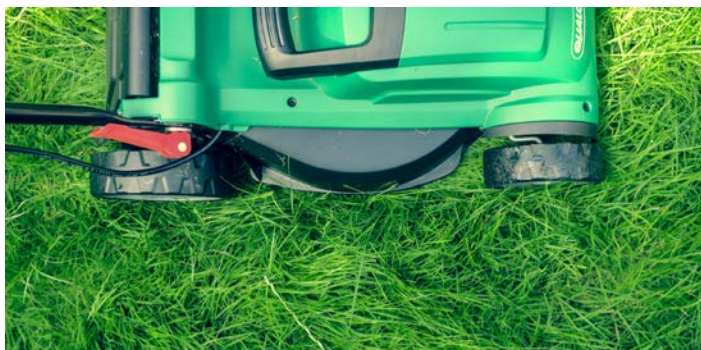
Carpets will need to be professionally cleaned and deodorized, request that your cleaner focus special attention on any spots and stains. There are many benefits to professionally cleaning carpets annually such as prolonging the life of the carpet, protecting indoor air quality, and prevents the buildup of allergens and bacteria (especially if you allow pets in your property).

## Air Ducts

Air ducts blocked by dust or debris can prevent the heating and air conditioning from working properly and will contribute to more dust and debris build up. Clean air ducts can also increase the efficiency of your heating and cooling systems.

## Other Things To Consider

Very rarely do we seek out an item or service and settle for the bare minimum - similarly, there are additional items included in this guide that aren't required but recommended. Consider the following before considering your property move-in ready:



## Yard Maintenance

If your property has any kind of yard, consider what you want the tenant's responsibility to be to care for it and clearly outline that in the lease. Will it need to be mowed? Watered? De-weeded? If you don't have a sprinkler system and you don't want to risk your lawn drying up in the warm months, consider supplying your future tenants with a hose setup with a timer. Setting the timer helps give you control over how often and for how long the lawn will be watered. Although we don't recommend providing

a lawn mower for your tenants, you might provide some information for a kid in the neighborhood or a company that might take on the chore.



## Blinds and Window Coverings

The saying "if you want something done right, do it yourself" is pretty well known, and for the most part holds true. In this case, if the windows in your property (especially the bedrooms) are not already fitted with blinds or window coverings it is better for you to properly install them yourself before tenants take it into their own hands. Blinds coming and going along with your tenants can tear up the window seals and dry wall around your windows - a little money up front to cover the windows will save you (and your tenants) a lot of frustration in the long run.



## Pets

Everyone has heard the horror stories of damage to rental properties caused by pets - but did you know 54.4% of US households own at least one pet? Not allowing pets at your property can cause longer periods of vacancy and a decrease in the amount of rent tenants are willing to pay. Pet-friendly rentals allow you to charge additional deposits or pet rent in case of additional damages caused by the pet. If you are still uneasy about allowing pets, consider putting restrictions of the types or size of pets permitted. Many owners only allow one small dog and do not allow cats.



great service to consider. Property management fees are affordable (usually around 10-12% of rents) and can be calculated into your cash flow equation. A property management company will take care of finding and screening tenants, marketing your property, collecting rent, lease enforcement, property maintenance, emergency calls, accounting, security deposit dispositions, and much more. Often a property management service pays for itself by reducing vacancies, maximizing cash flow and improving the professionalism of your rental offering.

## WHO IS GOING TO MANAGE YOUR PROPERTY?

If you have the time, ability, and knowledge to manage your rental on your own you could potentially save a good deal of money but, if you attempt DIY property management without one of those traits you might find your wallet and patience will soon be on empty.

### PROPERTY MANAGEMENT

If you'll be living out of the area, or otherwise don't have the time and patience to manage a rental property, then property management might be a

You might be thinking about converting your personal property into a rental, first make any necessary or cosmetic repairs and cleaning in certain areas that might have been otherwise ignored. Consider any additional measures you need to take to ensure your yard or lawn are cared for, and to increase rentability think about allowing pets in your property. With a property management company or on your own, when done right renting out your home is worth it!



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