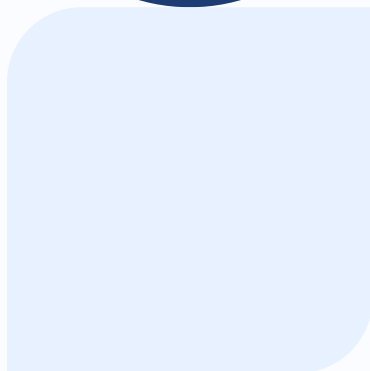
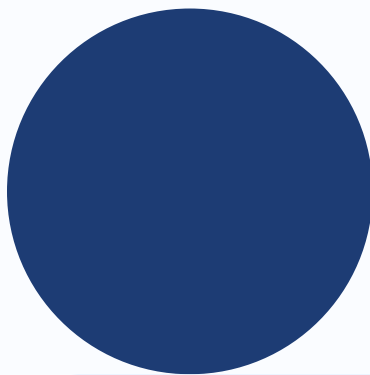
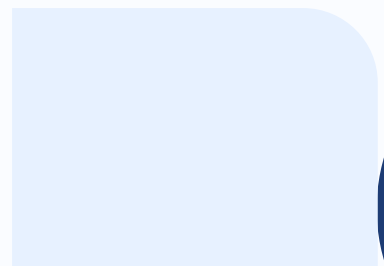




How to be a Pro Landlord



www.baselane.com



While anyone can be a landlord, it takes knowledge and skill to turn a small-scale investment property business into a scalable and profitable enterprise with year-over-year growth.

In this guide, you'll learn to:

- 1 Establish your goals and investing strategy
- 2 Finance your rental property for maximum income and growth
- 3 Market your property to attract quality tenants
- 4 Use software to save time and money, and scale
- 5 Apply expert advice from successful Pro landlords



1

Establish Your Goals and Investing Strategy

1 Define Your “Why”

Every profitable business starts with a clearly defined mission and vision for the future. Rental property investment is no exception to this rule. It's essential to clearly define **Why** you are investing in real estate and your **Goals** for your business.

Landlord Goals

Landlords start their businesses for a variety of reasons. Some popular motivations include:

- Financial independence
- Early retirement
- Work-life balance
- Self-employment
- Savings and investments
- Generational wealth
- Increase earning potential
- Turn passion into profit

3 Set SMART Goals

Setting goals that are specific, measurable, achievable, relevant, and time-bound will help you create a realistic action plan to execute your vision for your business. Your **goals should help you create a realistic blueprint for the next two to five years.** Ensure that your goals are connected to your overall objective, the “**Why.**”

Not SMART Goal: Acquire 100 units in the next 5 years (100 seems arbitrary)

Not SMART Goal: Retire in 5 years (not specific, measurable)

SMART Goal: A smart goal could be to earn \$1,000 per month from a property in the next two years.

SMART Goal: Replace your W2 Income with 10 properties in 5 years

SMART Goal: Acquire 100 units to generate \$25K/m rental income in 5-7 years

2 Research the Market

Whatever your motivation for becoming a pro-landlord, knowing the market is essential. Real estate is cyclical, and the supply and demand of rental units are influenced by economic trends. **Start by looking at [market data](#) to help you make a realistic plan for your business.** Speaking with local real estate brokers, investors, and agents can help give you additional insight.

4 Find a Mentor

Next, consider partnering with a mentor or seasoned investor who knows the market and can provide valuable advice. Not sure where to start? Your personal network, **BiggerPockets, Facebook, or LinkedIn groups** can be excellent resources.



5 Choose Your Investment Strategy

There are **two primary strategies for investing in long term real estate**: buying turnkey properties, and choosing to buy, rehab, rent, refinance, and repeat ([aka the BRRRR method](#)).

Here's what you need to know about each strategy:

	Turnkey Properties	BRRRR
WHAT IT IS	Buying a ready-to-rent property	Buy a distressed property, Renovate, Rent, Refinance and Repeat
PROS	<ul style="list-style-type: none">• Simpler setup• Low time and effort• Little to no rehab• Generates rental income right away• Lower risk	<ul style="list-style-type: none">• Forced appreciation immediately• You are in control• Recycle your cash over and over again (via cash-out refi)
CONS	<ul style="list-style-type: none">• Limited return on investment• No forced appreciation	<ul style="list-style-type: none">• High time and effort requires more acquisition and rehab expertise• Higher risk
HOW TO FUND	<ul style="list-style-type: none">• Self-fund• Partnerships• Conventional lending• Private lending	<ul style="list-style-type: none">• Self-fund• Partnerships• Conventional lending• Private lending
MINIMUM DOWN PAYMENT	0% to 25% depending on how funded	0% to 25% depending on how funded
MAIN DIFFERENCE	Requires more cash to buy more deals (slower path to scale business)	Able to recycle cash via cash-out refinance from one deal to the next

Pro Landlord Tip

- **Network, Network, Network** - Join local RE groups and local Facebook groups to find like-minded people and a mentor.
- Check in to these groups to ask questions, share your learnings at least once or twice per month to continue learning, and building your brand as a pro-landlord.

2

Finance your rental property for maximum income and growth

If you're interested in investing in real estate, the first hurdle you'll encounter is financing.

The type of loan you choose will impact your overall net income and how fast you can scale to more units. So, it's essential to choose the loan product that fit your strategy and will keep your debt servicing costs as low as possible.

There are several different types of rental loans, including:

- **Conventional mortgage** - Low rates and flexible terms, similar to a traditional mortgage for a primary residence.
- **Portfolio loan** - Less stringent criteria and more flexible financing (like balloon loans) but has higher interest rates to compensate for the additional risk.
- **Home equity line of credit** - If you have equity built up in an existing property (including your home), you can use a HELOC to fund your down payment. Alternatively, you can refinance your home to access your equity.
- **Private lenders** - Individual or small groups of investors will also lend to more established landlords to fund new properties. However, the interest rates on these loans tend to be higher, and you'll need a more significant down payment.
- **Investor partnership** - Established landlords can partner with investors directly, benefitting from their expertise in managing the property. However, partnering with investors usually requires giving up a share of your equity.

When choosing between the loan types above, it's important to choose the loan that makes sense for your specific needs. For example, if your down payment is less than 20%, you may qualify for a conventional mortgage but not a private lender. **You'll need a clear idea of your lending profile and which loans apply to your situation.** After that, you can choose the option that best suits your goals (for example, a low mortgage rate, higher cash flow, but a longer payoff).

You can get up to 10 conventional mortgages on your name.

10

Pro Landlord Tip

If you have five or more rental units, consider incorporating your business (LLC) to lower your risk and establishing a relationship with one or two commercial lenders. [Learn more about the right loan type for you.](#)

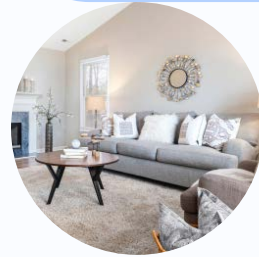
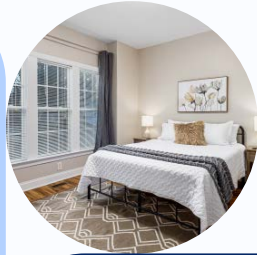
3

How to Market and Lease Your Property

Here's how to market your property to attract high-quality tenants that will treat your rental with care and pay their rent reliably.

People are **80% more likely to inquire about property listings with 20 high-quality photos.**

- Take pictures when the unit is vacant, clean, and painted, or freshly decluttered.
- Take wide-angle photos that show as much of each room as possible.
- Don't forget hallways, bathrooms, storage areas, and the exterior.
- Include pictures of amenities and nearby attractions.



80%

1. **Take quality pictures:** Use natural lighting, capture the entire room, add some color, get the best angle, or splurge and hire a pro.
2. **Lower rental application fees:** Consider offering a free application and only charging the prospective tenant between \$35 to \$50 for the actual screening.
3. **Show off amenities:** Highlight neighborhood features, building perks, private backyards or balconies, parking, in-unit laundry, closet or storage, and natural light.
4. **Leverage digital marketing:** 72% of American adults use social media, so finding tenants through the marketplaces offered by Facebook, Instagram, or Twitter can be profitable.

5. **Offer Specials and move-in perks:** Offers like free rent for the first month or discounted security deposits can make tenants feel like they are getting a great deal.

✓ Property Lease Checklist

Use this checklist when leasing out your rental property

- ☐ Get the [Books in Order](#) [Use Baseline to stay organized]
- ☐ Use a landlord friendly [bank account for your rental](#)
- ☐ [Speak to loan expert](#) to see if you can refinance to lower monthly payments...

[Download Complete Checklist here](#)

💡 Pro Landlord Tip

- **How much rent to charge:** When determining how much rent to charge, thoroughly research the market rate and find comparable rentals within a .25 mile radius, with similar size and layout.
- **Legal Requirements:** Make sure to learn about specific state laws when it comes to raising the rent on established tenants. [Learn more.](#)
- **Tenant Screening:** Lower your risk and losses by properly screening tenants. Use **Baselane's Property Lease Checklist** (above) to ensure the tenant turnover process goes smoothly.

4

Managing Your Tenants and Growing Your Business

Once you have found a tenant, set up your Rent Collection:

- **Auto-pay:** Make your collection process easy with [Baselane's Rent Collection platform](#)
- **Bookkeeping:** Connect your bank account to Baselane to automate Bookkeeping or create a [Free Landlord friendly banking account](#)
- **Preventative Maintenance:** Keep your rental unit in good repair by handling maintenance requests promptly and through automated software.
- **Financial Performance:** Periodically assess your property's income and expenses to determine where you can improve your bottom line. [Learn out how to do that with Baselane's Reporting and Analytics.](#)



5

The Best Advice from Pro Landlords

We asked pro landlords with a combined 35 years of experience managing over 100 rental units for their best advice for anyone interested in running their own rental property business.

Here's what they had to say...

Pro Landlords We Interviewed

35 Years of Experience

115 Rental Units managed
(125,000 sq ft of living space)

125 \$125K/m in earnings
investing in Florida, New Jersey and Las Vegas

Q: How can you set yourself up for success when buying your first property?

A: Consistency, Consistency, Consistency

- Have a plan and stick to it.
- Real estate is not a get-rich overnight industry.
- Building a real estate business takes time and investment over many years.

Q: What are the top factors landlords need to consider when buying a property?

A: Buying a property is a big commitment, so consider whether the market fits your long-term business goals before you offer to purchase a property. Also, consider what staff and software you'll use to manage the property.

Hire good property managers and **outsource the things you can't or should not do**, like tenant management and maintenance. Use [rental property and bookkeeping software to streamline your processes](#) so you can scale more easily and faster.

Q: How do you know if you are on the right track with a rental property business?

A: Track and measure your Net Operating Income (NOI), Net Cash Flow, and Cash-on-Cash return monthly. These key metrics will help you determine whether you are moving toward your goals and what you can do to improve your progress. Use a [tool to track your property's performance](#).

Q: What is something you wish you knew before buying the first rental property?

A: Take advice only from successful landlords, and real estate investors and experienced industry professionals. **Don't be afraid to get started.** Most pro landlords regret not starting their businesses earlier. **Stay positive, and view all experiences as learning opportunities.** Good luck!





Baselane's All-in-One Platform can Help

Streamline [Rent Collection](#)

Simplify [Bookkeeping](#)

Track and Improve [Cash Flows](#)

Take advantage of [Landlord Banking](#)

No Fees, No Minimus, Unlimited 1% cash back and more*

Create your Free Account

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