



THE ULTIMATE CHECKLIST FOR RENTING YOUR HOUSE

BEFORE YOU MARKET YOUR HOUSE

Get rental property insurance

Find a great accountant... if you're not already one

Ask an attorney to review your lease agreement

Establish your tenant screening criteria

Get additional paperwork ready:

- Rental application

- Credit check authorization forms

- Any disclosures your state requires, such as a lead-based paint disclosure for houses built before 1978,

- Move-in checklists and move-out forms

- Notices to tenants you might need to use

 - Lease renewal documents or property inspection documents in case you want to walk through your property once in a while

Write up a punch list of repairs that need to be completed before you market your home

Clean, paint, and landscape



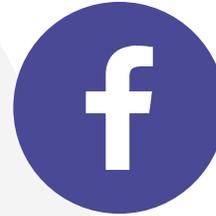
MARKETING YOUR HOUSE

Pt I: Getting Traffic



Yard Signs

If you happen to live on a street with good heavy foot traffic, a yard sign can be extremely effective.



Zumper/Facebook

We've found one of the greatest marketing tools is marketing the home to your friends on Facebook. Isn't it fun to help a friend out? Just imagine, if someone connects you to a tenant – who is also their friend – they get emotional credit for helping two friends. Never underestimate the value of friends helping friends.



Zillow, Trulia, Nextdoor, and Hotpads

“When in Rome...” Love them or hate them, everyone is looking at them. You must be listed on their sites. Postlets.com gives you an easy, free way to be on both. You simply need to create an account.



STEPS TO TAKE GREAT PHOTOS OF YOUR HOUSE:

Don't take portrait shots, only shoot landscapes. With a solid wide-angle lens, you should be able to get each of the rooms in a single shot.

Delete blurry pictures. No one wants to see blurry pictures, and they will deter people from coming to see your home.

Open closet doors

Make sure all lights are on and blinds are all in the same order.

Remove family photos or any decorative items

Take your photos on a sunny day. Let the natural light help you as much as possible... open windows and allow them to fill the room. If you can, turn off the overhead lights.

Make sure your images are large enough. If your photo doesn't have a high enough resolution, all of your pictures will look pixelated... that's not good.

Make sure the picture order is:

Front of the house

Kitchen (at least two or three photos)

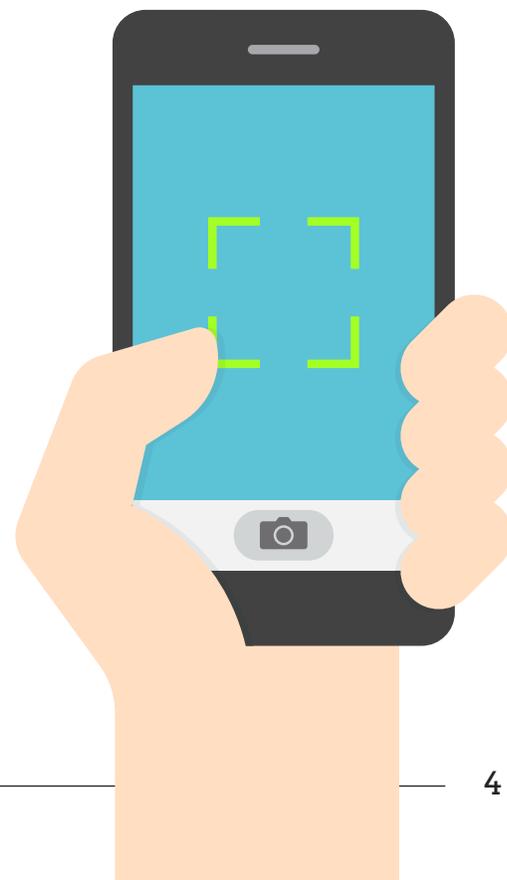
Den

Bedrooms

Bathrooms

Bonus rooms

Backyard



More on picture order— don't forget some people still judge a book by its cover. There can be some not-so-nice houses on the outside, but they've totally re-done the inside.

Be sure to pick the best picture that highlights the product - sometimes that's the kitchen.

Sometimes that's a shot from the front door in an open layout home that shows the entire living room and kitchen in one... but usually always a kitchen or living room shot if not the front.

TIP #1

Use the “less is more approach” — the more surface space we can show, the better - more countertop space, more floor space, etc.

TIP #2

Corner to corner shots seems to capture more of the space



MARKETING YOUR HOUSE

Pt II: Converting a Prospect Into a Paying Tenant

Keep the grass cut

Trim the shrubs

Plant some flowers or local plants

Use a nice ground covering

Put a fresh coat of paint on the inside of your house

Remove any rotten wood or peeling paint outside

Regularly pick up trash outside of the home or in the yard

Have the mail and newspaper either picked up or stopped



MUST KNOW

Fair-Housing Laws regarding the Sale, and Renting of Housing



No one may take any of the following actions based on race, color, national origin, religion, sex, familial status, or handicap. There are different laws in different states and markets, so it's a matter of knowing local/state laws, on top of federal laws too.

1. Refuse to rent or sell housing;
2. Refuse to negotiate for housing;
3. Make housing unavailable;
4. Deny a dwelling;
5. Set different terms, conditions, or privileges for sale or rental of a dwelling;
6. Provide different housing services or facilities;
7. Falsely deny that housing is available for inspection, sale, or rental;
8. For-profit, persuade owners to sell or rent (blockbusting); or
9. Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

NOTE: not abiding by Fair Housing Laws can carry a hefty fine—with maximum civil penalties reaching \$16,000 per incident. ([Source](#))

STEPS TO SHOWING YOUR HOUSE TO A PROSPECTIVE TENANT

Don't crowd the tenant

When they are previewing the home, the last thing they want you to do is to go through and point out all the “awesome” amenities. Again, they are looking and checking off a few boxes in their mind.

We typically stand by the front door and allow them to walk through the home by themselves. If they have questions – and they will, if they are interested – they will ask. Once they begin asking questions, if you have something you think they might like and want to point out, this would be the time to do it.

Have applications ready

Tenants are not like buyers. Once their boxes are checked, they are ready to rent. Make sure you are ready to rent to them.

Listen and (tactfully) ask for feedback

When they give it, don't argue with them. Simply write it down if it will be helpful to you.

Remember safety - showing up at an unoccupied home with someone you don't know can be dangerous. Here are a few tips to help you:

If you feel weird about the phone conversation, take someone with you.

At a minimum, make sure someone knows where you are – check-in with them before and after the appointment.

Don't follow the tenant prospect(s) through the home. By the front door is the safest place to be.

Open the back door before the tenant prospect arrives. That way you could escape using that door if you need to.

Trust your gut. If something or someone feels off, don't risk it.

Showing is selling - do your best to get the prospective tenant to fill out an application.

Other things to consider:

Sell the neighborhood - renting is usually more than just the house, it's about not being tied down, so they usually are looking for specifics on the neighborhood too - local pubs, clubs, music, grocery stores, walkability score, etc.

Get there early and get all lights on, doors unlocked, blinds open, and make sure it smells good

BONUS: It helps to be open to having pets in your rental—we find that 70% or more of tenants have a pet, so it substantially increases the prospective tenant pool if you are.



PROSPECTIVE TENANT APPLICATION SHOULD INCLUDE

Name

Current address and landlord's contact information

Phone numbers (cell, work, and home)

Email address

Employment information

Move-in date

How many animals do you have and what kind?

What may interrupt your ability to pay rent?

Are you on Section 8?

Do you have enough cash to pay the first month's rent and security deposit?

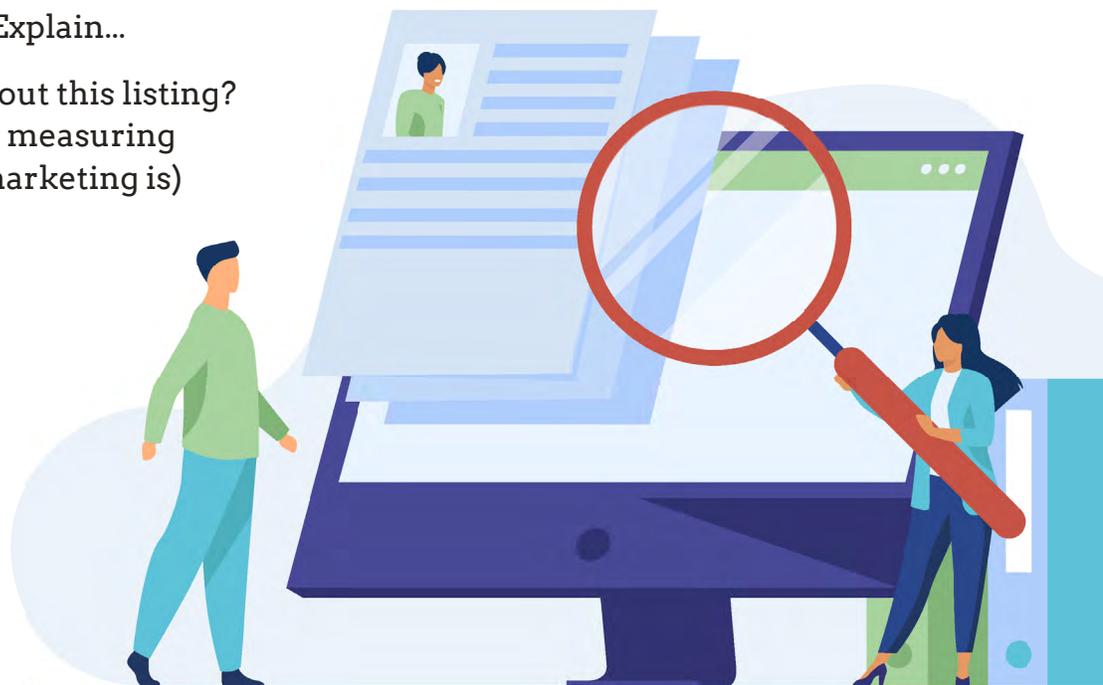
Do you have a checking account? Savings account?

How many unrelated adults will be living here?

What are your emergency contacts?

How is your credit? Explain...

How did you hear about this listing?
(this is important for measuring
how effective your marketing is)



STEPS TO VERIFYING PROSPECTIVE TENANT APPLICATION DETAILS

Pull a credit report with a credit score

Never allow a prospective tenant to do this on your behalf. Keep in mind that if you pull a credit report and make a decision whether to lease to someone based on what is on the report or the score, you are required to do certain things by law if they are declined – none of which will be covered here.

Verify their employment

Are they in good standing?

How much money do they make?

We recommend at least 3x the monthly rent of combined income from all financially responsible tenants in the property.

Talk with their previous landlord (or give them a form that includes the following)

How long did the tenant lease from you?

Please verify the address of the unit they leased from you.

In the last 12 months, how many times did they pay late?

Did you keep their security deposit?

Will you lease to them again?

Why or why not?

NOTE: The data you hold is extremely sensitive (SSNs, bdays, etc) to the tenant's identity. Make sure it's in a safe place and that they're not sharing that information with anyone else, even if it's a related tenant.

With situations like this comes the greater potential for legal troubles.

BASIC ELEMENTS OF A Residential Rental Agreement

Who is the agreement between (the tenant and the owner)?

Location – What is the address of the property?

Term – The date the lease begins and ends (is it a 12-month agreement or 24 months?)

Rent – How much rent is being charged per month?

Security deposit – What is the security deposit amount, and what are the circumstances for forfeiture of that deposit?

Late fee – How much of a late fee will you charge if your tenant pays late?

Occupants – Who will live in the home (you need everyone’s name)?

Renewal terms – This should state that both parties are inclined to receive at least a 30-day notice before the end of the term. If nothing is decided, then the agreement should be extended from month to month.

Utilities and services – All utilities should be the tenant’s responsibility.

Maintenance – You agree to make repairs necessary to keep the property in fit and habitable condition. There’s no quicker way to lose your tenant than to ignore their maintenance requests.



Basic tenant obligations – Basic things like keeping the lawn mowed, not disturbing neighbors, not throwing things down the drain that can clog it up, changing air filters and smoke detector batteries, etc.

Insurance – The tenant should be responsible for their own renters' insurance... that's not your responsibility.

Right to access the property – The tenant can't deny you access to the property to make repairs or inspect. Certain states require property managers to give a 48-hour notice if they need to enter a property for certain things.

Security deposit – Every tenant should pay a security deposit, to be held by you. You might need to make it clear to your tenant that this is not the last months' rent.

The security deposit is held until you've completed a move-out walkthrough where you've had the opportunity to inspect your house, making sure that there isn't any unusual wear and tear. If the house is fine, you need to refund the tenant promptly; our lease says within 60 days.

Failure to pay rent – the goal is to avoid this entirely. But it does happen, unfortunately.

Pets – Are you going to require a pet fee? We always have a pet fee of \$300 per animal and if the tenant sneaks a pet in without authorization, we have the right to fine them *\$500 per unauthorized pet!* And they'll still owe them a \$300 pet deposit.

Rent rate adjustment – If you sign a long-term tenant and you believe that at some point you'll want to increase the rent, you need to have it in your original document.

THE LANDLORD'S "Top 10"

Context: Below is the Evernest Top 10. These are the top 10 things we seem to have disagreements about with our tenants. We go over the Top 10 with each tenant before they move into one of our houses. Some of these may be helpful to you!

Paying rent on time is extremely important. Rent is due on X date.

A service and bookkeeping charge as stated in the lease will be due if rent is not received or postmarked by the late date on your lease.

Please do not put any man-made products other than toilet paper down the drains or toilets.

Items such as grease, feminine products, paper towels, and food should not be put down the drains or flushed down the toilets.

Please only park cars in designated areas.

Please change the air filter every month.

Please cut your grass X times per month beginning the first day of X month and ending the last day of X month.

Unless lawn maintenance is covered by a homeowner's association or a condo association or your lease specifically states otherwise.

Please do not miss service calls.

Missed appointments on service calls will cost you a trip charge of \$X.

Please take care of your pest extermination services.

This may sound pretty obvious but... please don't use, buy or sell illegal drugs.

Any sale, distribution, use, or possession of any controlled substance will result in the immediate termination of the lease and immediate eviction of the tenant.

Please do not have satellite dishes installed without us knowing about them.

Please never install them on the roof.

Please get a renters' insurance policy to ensure your belongings.

We recommend you require this before move-in.

STEPS TO TENANT MOVE-IN DAY

Three to four days before your new tenant moves in, do a comprehensive walkthrough

This should especially be done if you haven't lived in the home for a while.

As you walk through the home, make notes about the status of each room.

Include the notes on some sort of form, so that you can keep that form for the move-out. Ideally, you would make mention of every mark, every cracked tile – everything.

Verify that everything works – sinks, toilets, again, everything.

Get the tenant to do their walkthrough as well.

Provide a form for them to do this for documentation purposes.

Ask them to take pictures and copious notes on the status of the home.



HOW TO HANDLE a Tenant Emergency

Be available 24/7.

Be available and don't be scared to answer the phone.

NOTE: Yes we said 24/7. If a tenant comes calling, it's in your best interest to be available if it is an emergency.

If you don't want to deal with in-depth, time-consuming, and legally turbulent property management, [hire us to manage your property instead.](#)

Be prepared.

You should have a plumber, an electrician, and an HVAC person available to handle night and weekend emergencies.

Certain maintenance items, particularly those that happen on the move-in, should be dealt with swiftly – even if it costs more.

Be apologetic.

Even if you do fix the problem right away, the tenant is probably going to be agitated. Be prepared to apologize and make it right.



RENT COLLECTION

Options

No-cash policy

You can have tenants bring or mail money orders or checks if they're not in our ACH or online bill pay system.

Make direct deposit the desired method of payment

NOTE: At Evernest, approximately 25% of our tenants are on ACH to withdraw money directly from a tenant's bank account. We are constantly thinking about how we can increase that percentage to 100%

Online bill pay

NOTE: Banks usually offer account holders online bill pay. The bank will cut a check directly from the tenant's bank account and send it to you. This isn't very common, but it's an option worth considering. You will still need to deposit the check, though, and there's still the whole "the check's in the mail" discussion you might have from time to time.

Late fees

NOTE: We charge late fees for any tenant bringing their rent into our office after the third of the month. Rent is due on the first and late after the third. This is a policy we take seriously. The late fee is 10% of the total monthly rent, which is sufficient to motivate most tenants to pay on time. There are circumstances beyond the control of your tenant that you'll want to take into consideration. Most landlords take them on a case-by-case basis. But when late payment becomes a habit... It's usually not good news.

Celebrate great tenants

NOTE: A strong tenant is hard to find. When you do find one, let them know you appreciate them. What does "celebrate" mean? To a property management company, it may mean,

Sending the occasional gift card just to let the tenant know you've recognized something special about them.

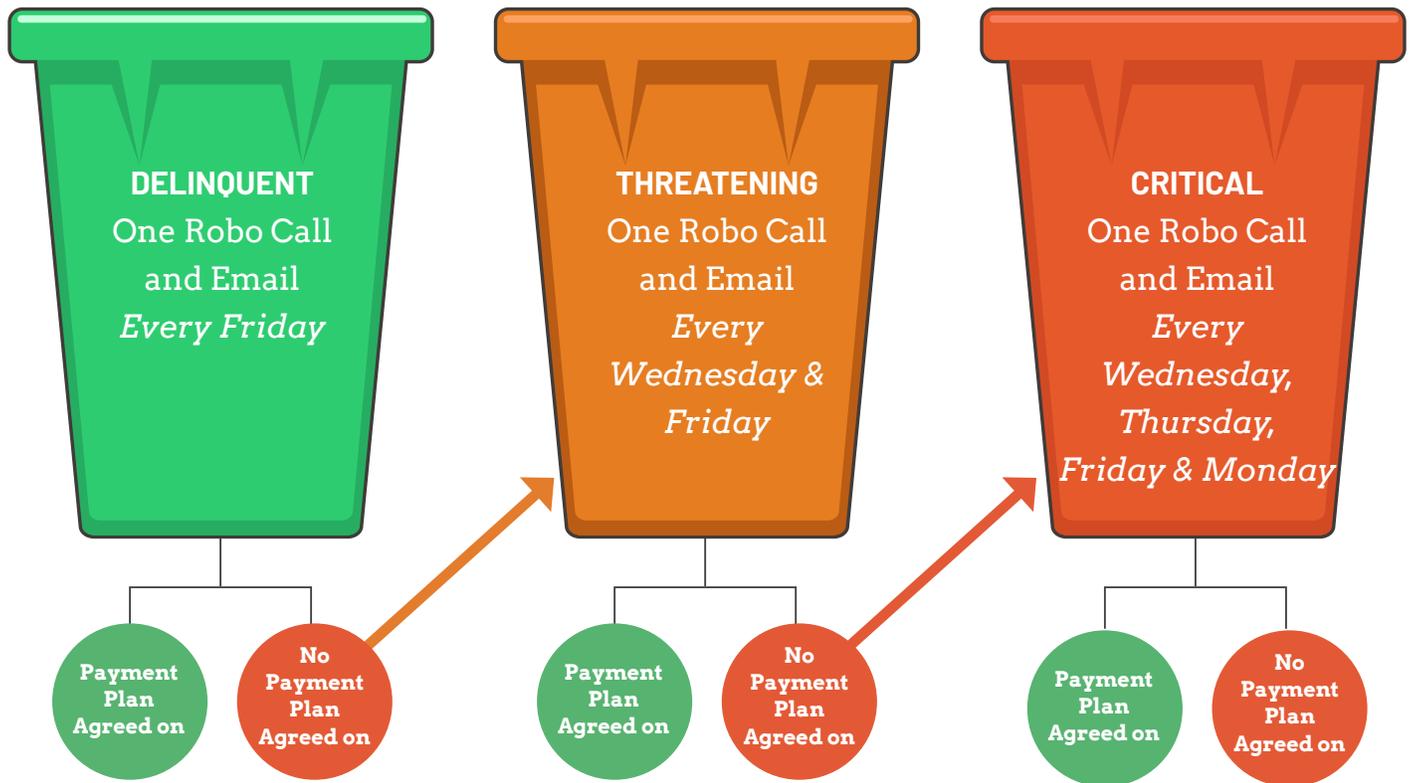
For a landlord with one or two houses, it may mean a simple handwritten note with a gift card inside just saying "thanks for being awesome."

RENT COLLECTION Process

Here is an image of our collection process here at Evernest. If you have any questions about setting up your own collections process, **give us a call.**

COLLECTIONS MEETING OCCUR EVERY TUESDAY

ANY TENANT LATE ON THEIR RENT IS PUT INTO ONE OF THREE BUCKETS



EVICITION NOTICE

HOW TO IDENTIFY A LICENSED AND INSURED CONTRACTOR

Call your state Home Builders Licensure Board and ask for a list of contractors who carry a license.

Ask the contractor you're considering to show you their card proving they are state-certified. These cards typically have a hologram on them that cannot easily be fraudulently reproduced.

For liability insurance and workman's compensation, it's best to have the insurance provider fax or email you the full ACORD Form directly. This will eliminate the opportunity for an uninsured contractor to provide you with fraudulent documents.

WHEN A TENANT MOVES OUT

Once the tenant has moved and returned keys to you, you will need to walk the home and look for repairs – both “normal wear and tear” and “tenant neglect.” Keep a running list of both items as you walk the home.

We highly suggest taking pictures of all needed repairs, but make sure you take plenty of pictures of the repairs that are due to the neglect of the tenant.

It will also help to have a copy of the move-in report you created and the one created by the tenant.

Make sure you familiarize yourself with “normal wear and tear” vs tenant liability vs owner liability.

This is probably the BIGGEST thing that upsets tenants— when they move out and don't get their deposit back.

So your documentation needs to be pristine at BOTH move-in and move-out in order to prove your case in court.

A good rule of thumb: Look at it as if it will go to court one day—will a reasonable person side with you or the tenant? The more evidence the better!

As you walk through, keep a few things in mind:

You need to be as objective as possible. This, as mentioned earlier, is typically hard if you've personally lived in the home. The remaining objective will help you avoid conflict regarding the state the home was left in.

The home should be left in the same condition it was when the tenant moved in, except for "normal wear and tear." That means that since you mowed the yard before they moved in, the yard should be mowed. Additionally, if you cleaned the carpets, the carpets should be cleaned for you. It is the responsibility of the tenant to return the home to the same condition you turned it over to them in.

Take your time. Once you refund the deposit, it is very hard to get it back if you find something new.

Once you have done the move-out:

You will need to send the tenant the deposit back less any work you deemed them responsible for. How and when this is accounted for is very specific to state landlord-tenant law; for example in Alabama, this is currently 60 days.

Now it is time to get the home ready and start the process all over again.

Our best advice for this is to make sure the home is as nice as you had it for the last tenant.

It is typical to want to do as little as possible to get it ready. Fight the urge to do this. Making sure the home is first class when the next tenant moves in will go a long way towards keeping them a long time, which is the ultimate goal.



WORK WITH US

I hope these tips will save you time, money, and future headaches when hiring a property manager.

Does it managing rental properties yourself SOUND LIKE A LOT OF WORK YET?

If so, that's because it is—that's where Evernest comes in.

**CONTACT US TODAY ABOUT YOUR PROPERTY
MANAGEMENT NEEDS.**

Can't wait? GIVE US A CALL AT
(205) 940-6363