



Independent Rental Owners Council

How to Make Money by Keeping Your Property Undated



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IROC

Editor's note: *The suggestions contained herein are meant as guidelines and are based on the experience of Independent owners. Please send your comments and questions to Debbie Norton at 602- 995-7400 or dn012@yahoo.com.*

If you own one or 20 houses that you lease, you own a business. As business owners, it is a common goal to see our property appreciate and attract long-term renters. This is why inspections and upkeep of the property is so important.

There are several opportunities to inspect your property during the year. One of the most important inspections I do is during the annual lease renewal. Armed with my last inspection and trusty yellow tablet, I start at the front of the property with the persona of an inspector. I'm looking at the landscape: Does it need a little updating? What about the water system? Is it working properly? Are weeds invading the desert landscaping? And what about the trees? Do they need trimming?

On to the paint. It's best to repaint the trim before it starts to flake off! For a different and new look, consider updating the color. Also keep in mind that properties in the desert heat tend to need a fresh coat of paint every five years.

Get your renters' opinions of the property as well. Three months prior to a lease expiring, call them to see how everything is going. Ask

them if they have any plans to vacate. If your residents have been at the property for some time, and there's uncertainty as to whether they will renew their lease, perhaps some minor renovations would encourage them to remain on. Would they stay if you freshened some of the rooms with new paint? And how about the carpet? Is it at the end of its life? It may be in your best interest to do a little repainting or replace the carpet. A good renter is worth keeping, and your rent increase will be a bit more understood.

Your residents also can be an important investigative tool when trying to identify potential problems in the rental. For example, a huge electric bill doesn't necessarily mean the residents are keeping the thermostat at 70 degrees. The thermostat or air conditioning (A/C) unit may not be working properly. Many renters who wouldn't necessarily move will do so when the landlord refuses to update an obsolete A/C unit. To me, a planned replacement is less painful than dealing with a dead A/C unit on July 3 at 5 p.m. when 70 percent of the contractors are headed for fun with their friends and family!

Other signs at the property can alert you to potential problems. Low water pressure may be a sign to budget for re-piping the house. I had an unbudgeted re-pipe this year following a yard sprinkler system installation. To my surprise, I found out that the pipes were clogging up with hard water build-up. I was actually preparing this property in advance to sell within a few months, and the sprinkler system was to ensure the front yard would be nice and green. (I feel curb appeal always pays back.) The re pipe is questionable, however necessary, and a great investment if you plan to keep the property long-term.

I never know when an opportunity may arise that will entice me to sell one of my investment properties. My thought is to continue to update my properties, so that in a short period of time I could sell, 1031 tax deferred exchange, any of my investments and get the highest price in the shortest amount of time. I also have the opinion that a well-cared-for property will lease faster, for more money, to a better clientele. **AMA**

IROC MONTHLY MEETING SCHEDULE

INDEPENDENT RENTAL OWNERS COUNCIL

Do you own fewer than 20 rental properties? Do you want to spend 90 minutes each month with fellow real estate investors to get ideas on operating your property more efficiently and at a greater profit?

If you answered yes to the above, you will want to attend the monthly IROC networking luncheon.

<p>CENTRAL REGION</p> <p>11:15 A.M. - 1 P.M.</p> <p>TUESDAY, JAN. 17 TUESDAY, FEB. 21 TUESDAY, MARCH 21</p> <p>NOTE: NEW LOCATION</p> <p>LONGVIEW COMMUNITY CENTER 4040 N. 14th St., Phoenix (Indian School Road and 14th Street)</p>	<p>SOUTHERN REGION</p> <p>11:15 A.M. - 1 P.M.</p> <p>FRIDAY, JAN. 13 FRIDAY, FEB. 10 FRIDAY, MARCH 10</p> <p>TITLE SECURITY AGENCY 6390 E. Tanque Verde Rd., Tucson</p> <p><i>Reservations Required for Southern Region</i> Contact Anne Spiker at 602-296-6208 or aspiker@azama.org</p>
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