

How You Can Curb Rental Property Maintenance and Repair Costs by James Kobzeff

Real estate investing involves the acquisition, holding, and sale of rights in real property with the intention to generate more than enough cash inflows to cover cash outflows so at the end of the day the investor enjoys a favorable rate of return on his or her investment. In other words, successful real estate investing is all about owning rental properties that ultimately make the investor a profit.

It's one thing to collect substantial rents. All landlords, of course, would welcome favorable rents in order to amp up the inflow of cash. But investors who turn a blind eye to maintenance and repair costs can also discover that, despite abundant income streams, their cash flow is surprisingly lower than expected and the profitability of their real estate investment bitterly disappointing.

In this article, I want to focus on the need for real estate investors to reduce and eliminate money-wasting property maintenance and repair expenses by showing you five ways that you can get that accomplished.

Buy Low-Maintenance Properties

This seems obvious, but it's not. Of course, you wouldn't knowingly buy a money pit, but investors commonly fall victim to the siren call of price or curb appeal and totally disregard the issue of maintenance. You can't let this happen to you. Always prefer rental properties that are constructed with materials and fixtures that require less maintenance, and are built to last with minimal care; the same applies to yards, shrubs, and landscaping.

Toughen Your Tenant Selection

Apartment buildings are not the only part of your investment that can require either low or high-maintenance -- there are also low-maintenance and high-maintenance tenants. The idea, of course, is to avoid the latter and select the former. Keep your eyes peeled for tenants who chronically complain and people who show substandard "house sense." You might be surprised to discover that you can eliminate up to one-half of your maintenance, repair, cleaning, and wear-and-tear costs simply by selecting tenants who demonstrate personal responsibility. After all, things seldom break by themselves, toilets don't just stop up and overflow, window screens don't just tear, and walls don't inherit holes overnight.

Impose Stricter Repair Clauses

A good way to promote tenant responsibility a bit further is to shift the first \$100 or so of every repair cost onto their tenants' shoulders; you can also impose higher security deposits. Of course, no landlord wants to drive out or keep away good tenants, so you might proceed with caution with this option, but it is at least worth consideration if maintenance and repair costs can't be brought under control any other way.

Enlist a Handyman

Even if you plan to do some of the work yourself, it's still a good idea to build a relationship with a person on whom you can regularly depend and trust. Employing a trustworthy and competent all-around handyman (or persons) to take care of your day-to-day property maintenance and repairs will do wonders to ease the drain on your time and pocketbook. Moreover, it helps build your relationship with tenants if they know you're listening and responsive.

Engage in Preventive Maintenance

The idea here is to save you money in the long run by fixing something correctly before it either breaks or gets worse. When a roof or plumbing leak isn't fixed immediately, for instance, the damage to floors and ceilings that could result may cost you a lot more than a simple repair. Just apply the same principle to your rental properties that you would to your car. Anticipate and alleviate repairs when the cost is relatively small and always ask your maintenance experts how you might replace high-maintenance items with low-maintenance items.

You've heard it before. Real estate investing is a business that you own and must run as a business. Real estate investors that pay close attention to a property's entire financial performance, including maintenance and repairs, are more likely to succeed at generating a profit from rental property investment than others less discerning. Here's to your success.

*James Kobzeff is the developer of ProAPOD - leading [real estate investment software](http://www.proapod.com) since 2000. Fast, easy, and concise. Create cash flow, rate of return, and profitability analysis presentations for any-size rental property in minutes! Used by agents and investors. Learn more at <http://www.proapod.com>
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