

## General Questions You Should Consider Before Buying A Rental Property

Location/Neighborhood/Neighbors – This may dictate how easy or difficult it will be to rent a specific property. Don't buy a beautiful Victorian next door to a crack house. It will be hard to rent.

Seasonal or Year-Round Rentals – If seasonal, how many months can you expect to rent each year? What do you have to do to close up for the off-season? Are you looking for vacation rentals or long-term tenants?

Condition of Property – do you want a fixer-upper or something that is already well-maintained? Know your limitations.

Who Gets Called When Things Go Wrong - Will you be doing any maintenance and repairs yourself or will you have to hire someone? Separate your response into routine maintenance and emergency repairs. You may find that you can do the routine chores, but don't want to be scrambling for a plumber in the middle of the night.

Previously Rented Property – Do you want something that is well-known for being a rental or in a rental neighborhood? If so, what is the reputation?

Current Tenants? – Will it be easier or more difficult to keep someone in the property while you make your changes?

Tenant & Landlord Rights – Each community may be different, so make sure you know what you can and cannot do.

Property Manager – Do you need to hire someone to manage the property or will you be able to do it yourself? Estimate the time involved for you versus the cost to hire.

Security Systems – Do you need an alarm or property company to keep your rental safe when you don't have tenants?

Insurance – Talk to your existing insurance agent to find out what it's going to cost to add a second, rental property to your policy.

Taxes – Make sure you understand not only the Real Estate taxes on the property, but the personal tax implications to you as a landlord. Will that extra income kick you into a higher tax bracket or will the expenses be a helpful write-off?

Other Tenant Decisions – Will you allow pets? Who pays for which utilities? What amount of security deposit do you want and what are the circumstances that allow you to keep it?

## Once You Own

Keep track of all of your expenses, rental income, security deposits and tax filings with a good software package. Take a look at [Quicken's Rental Property Manager](#).

Use the related pdf file attached, [Rental Property Checklist](#) from the Minneapolis Housing Inspections Services, to make sure you have done a thorough inspection and are all set to take tenants. While your area may not require all of these things, it's still a helpful reminder of what should be done.