

THE GUIDE TO PERFECT RENTAL PRICING



WE DO MORE THAN JUST COLLECT RENT

West Property Management offers complete management services from townhomes and single-family homes to Homeowners & Condominium Associations, no matter the size.

STEP ONE

WHAT MAKES YOUR RENTAL GREAT?

Before beginning your search, make note of all of your home's features. This will help you filter your search for similar homes in the area.

Here is a list to help you get started:

Year Built:

How many stories:

Square feet:

Electric or Gas:

Lot size:

Heating Type:

Number of Bedrooms:

Cooling Type:

Number of Bathrooms:

Parking features:

Appliances included:

*Interior Features:

* Exterior Features:

School Districts:

Internet Service Providers:

Utility Providers:

**Interior features examples: Fireplace, walk-in closets, basement, etc.*

**Exterior features examples: Balcony, irrigation, covered patio, etc.*

STEP TWO

THE RESEARCH

Depending on where you live, there may be additional items to add to this list, or maybe some of these won't apply. If you don't already know, you'll find out quickly when you start your research.

Where do we do that?

There are several options, but let's stick to these 4 for now.

- Zillow
- Realtor.com
- Rent.com
- Craigslist
- We'll add Zumper as well since it's becoming more popular

If you don't want to spend all of your time in front of a computer and would rather take a traditional approach, these are options as well.

1. Driving around and looking for "For Rent" signs
2. Calling property management companies
3. Asking other local landlords
4. Browsing local newspapers

Remember, you are not looking at the price of every home in the area, only the ones that are similar to yours in space, age, neighborhood and features.

PUT THE AVERAGE PRICE YOU ARE SEEING HERE:

STEP THREE

YOUR MAGIC NUMBER

As you set your rent price, you should keep in mind how it affects your financials. After all, rent payments are your main source of income on your rental property.

So let's get begin with finding out rental expenses. There are 2 kinds of rental expenses—fixed and variable.

Fixed expenses are your mortgage payment, property taxes, insurance costs, and HOA fees. Your variable expenses are utilities, repairs, and property improvements. If your home is between 5-25 years old, you should have a budget between 1-4% of the home value to cover potential repairs. (4% of \$200,000 = \$8,000)

Here is an example of the math:

Home value: \$200,000

Fixed Expenses:

Mortgage \$955 + Property Tax (1.8%)* 300 + Insurance \$120 + HOA if applicable \$20 = \$1,395

**Property Tax may vary in your area*

Variable Expenses:

Home Value \$200,000 x 3% / 12 = \$500 (Until budget is fulfilled)

Total Expenses: \$1,895

If the average rental price of a property similar to yours is \$2,100/month, then you'll have \$205 leftover. And if you already have the repair budget set aside, that's \$705 you are getting out of your property each month that you can use to fuel your next investment!

— PUT IT INTO PRACTICE

CALCULATE YOUR MAGIC NUMBER

Home value:

Fixed Expenses:

Variable Expenses:

Total Expenses: \$

Now that you have your expenses AND the average price for the area, you can confidently name your price.

Next is getting out there and finding the right tenant! Need help with finding out how? Check out the West Property Management Guide to Finding the Perfect Tenant.

READY TO EXPLORE A MORE HASSLE-FREE LANDLORD EXPERIENCE?

WE CAN HELP.

[HTTPS://WESTPROPMGT.COM/](https://westpropmgt.com/)



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<https://WestPropMgt.com/>

info@WestPropMgt.com

301-854-0791