

RENTAL HOME INVESTMENT STRATEGIES

PRS Property Management believes in assisting the investor in making a well informed decision on which type, size and location of property to purchase. When the right property is purchased, the investor, the tenant and the property manager all benefit from lower vacancies, better tenants and less lease violations for the management company to enforce.

- 3 or 4 bedroom “cookie cutter homes”, not custom or add-on properties.
- 2 to 2.5 baths (stay away from the 1 or 1.5 bath older homes as showers are in, tub-only baths are out.
- 2 car garages over 1-2 car carport (No converted or enclosed parking to increase livable square footage)
- 1200 to 1800 square feet on a small lot which will rent at \$850 to \$1100 per month.. This has the largest number of homes for re-sale and the bulk of the Tenant pool is in this rental range.
- Avoid larger tract or custom homes as the rental market is very limited for rents over \$1300 per month.
- LOCATION! The old axiom of location, location, location should still be an important factor in considering a properties potential. We are having good rental success with properties that are located in the South portion of the East Valley. This would generally be South of Southern Ave in Tempe and Mesa, the Ahwatukee/Foothill area of Phoenix and then East following the US 60 freeway through Mesa and finally not venturing too far South into the newest areas of Chandler and Gilbert as the infrastructure of schools and shopping are not developed. Tenants, unlike Buyers want the established areas for convenience and with many rental units to choose from, a property in the newest outlying areas will negatively effect the rent by up to 50%!
- Try to avoid homeowner associations as they add cost to the investment and many are anti-tenant causing unnecessary complaint notices and possibly fines.
- Pool properties do not make the best rental investment as there are higher maintenance costs, increased liability and the need to include a chlorine chemical service.
- Take into consideration the neighboring properties as a neighbor who does not care for his yard or house will turn away potential tenants and there is nothing that can be done to correct it.
- Block fences over wood fenced neighborhoods
- Tile roofs over shingles when the price range permits
- Low maintenance, automatically watered shrubs and grass. Keep the amount of grass to a minimum, preferably with all desert in the front and a small amount in the back. With the on-going drought and the escalating cost of water, Tenants are not interested in paying to maintain a large, overly landscaped yard.
- Avoid properties that face, back-on or abut busy streets. Noise and safety are of prime concern to tenants, particularly those with children.
- Avoid fixer-uppers unless you have the skill, knowledge and money to bring the property to minimum standards. Some minor repairs such as painting, flooring, window coverings, landscaping and cleaning can be accomplished easily and PRS can arrange bids from our many preferred vendors.
- Pool properties will result in higher maintenance, pool service expense and potential liability.
- We want all our Clients to make well informed decisions on rental home purchases and our staff will assist you with considering properties. With over 25 years in residential single family management, we have the experience to make your investment choices easier.