

Chapter 1

Take Stock of Yourself

Establishing a successful residential rental business takes an investment of time and startup money. There are no quick schemes to develop this business to secure wealth or income. Many hours of research, inquiries, and personal efforts are required to achieve success. You must commit yourself, and others if so inclined (spouse, best friend, or partner), to learn, obtain information, and legalities around the rental business in your target area. Research may involve:

- 1 - Contacting your state, county and/or municipality to determine the laws associated with purchasing properties, converting them to rentals, property maintenance, and evictions
- 2 – Contacting a tax or financial advisor to understand your specific tax implications
- 3 – Understanding, reading, or taking courses on business financial management
- 4 – Contacting a lawyer to fully understand the rental and eviction laws
- 5 - Contacting a realtor to understand the market conditions in various locations,
- 6 – Contacting an insurance broker for insurance quotes and finally
- 7 – Looking deep into yourself/family to see if you have the knowledge, skills, and commitment for making this business successful.

I had started my business when I was a young, single engineer looking to build additional equity to eventually purchase an established business. However, times had changed. I got married and my focus changed my dreams to supplement my income, reduce my tax exposure, and build equity for my family's future. You may also need to adjust your approach as time goes on to reflect your changing needs. Securing knowledge of the rental business will help make these changes easier. Let's now look at the considerations on which approach you may wish to follow.