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Hosted by: Doug & Andrea Van Soest

Episode 18 – A Crash Course for Winning With Rental Properties

Doug: Welcome back to Spouses Flipping Houses podcast. My name is Doug Van Soesen, and we are excited to be back here today with Episode 18.

Andrea: Yes, Episode 18. This has been the week of the squatters.

Doug: Yes it has. What is a squatter, for those who don't know what a squatter is?

Andrea: A squatter is a person who moves into a house that doesn't belong to them, and they kind of camp out there for a while.

Doug: And sometimes squat in there.

Andrea: Yes, actually they do squat there.

Doug: Literally, there is evidence of the squats.

Andrea: Oh man, that's too funny because I haven't even had a chance to tell you yet because we've been so busy, but we've been working on this house that's actually in a nice neighborhood in Riverside.

Doug: A very nice neighborhood.

Andrea: A historic neighborhood, but we've had some issues, so we're waiting on permits. We're going to be doing an addition to this house, so it's kind of stalled for a while, and so we've had it closed up pretty securely, and we're just kind of waiting. And that's...

Doug: Trouble, to have a vacant house for too long.

Andrea: For sure. If they don't see signs of people working there or a lockbox, and they're worried that a realtor might be coming through to show it, there's a good chance somebody is going to break in. So it's been sitting there a while, I show up with a contractor last week, and we kind of had to bust in the backdoor.

I realized somebody had secured it in a way that we hadn't secured it; that was kind of funny. We walk in, and the smell just knocked me out because the windows had been secured, and the doors had been secured. And so some guy had broken in there, luckily he wasn't there when we walked in, and he's totally been camping out in this house.

The plumbing has been turned off because it's disconnected. In fact, it kind of goes right out the back of the house into a pile on the ground, but it's not really been flushed out. So he's just been using the bathroom, just filling it up. Ugh! It stunk.

Doug: I mean this is a total construction project house too. It's not like it's a house that's basically done.

Andrea: No, and it's filthy. It was filthy when we bought it. It's even worse since it's been sitting this long, so you know the guy is just living in this place, and I feel bad for him that that's his option. He has nowhere else to go.

So the funny thing is though, Chris and I are walking around just thinking man, this is nasty. I can't believe someone is sleeping here. I guess it's a warm place, and that's what they're needing, but in the corner, I see this really nice backpack. So the dude's stuff is in the house.

This nice Adidas backpack, and then his clothes are folded in a nice stack there.

Doug: He's got style.

Andrea: He's an organized squatter. So he's got O'Neal shorts and these nice surfer shirts all stacked there neatly with this nice backpack.

Doug: Hey bro, gotta go surfing during the day, and gotta have somewhere to crash at night. Right dude?

Andrea: So we nicely took his belongings and set them in a nice pile outside the house and screwed the door shut.

Doug: That was very kind of you. Did you leave a note, like *thank you for watching over the place and wish you luck in your new dwelling?*

Andrea: Didn't want to make him mad and have him cause any damage, and you know he didn't do any harm to the house.

Doug: Typically, squatters aren't the worst thing in the world. They're really probably just people who don't have a home, and they don't have anywhere to stay, and they're just looking to for somewhere to sleep. And they come in at night usually. They're not even there during the day.

Andrea: Yeah, I mean maybe he was working. Who knows? Because all of his nice belongings were there.

Doug: Who knows, maybe he was keeping people out who were going to be worse. He was house-sitting. We have another house that is very similar although not quite as nice of an area that we've now removed squatters from at least three times from this house. But it's the same people. And from what the police say, they just go next door and squat at the house next door for a while until we're no longer on site.

And because the house is a big construction project, lot of ways in, you can break in pretty easily, and they've just been coming back and keep moving back in.

Andrea: We've had this a lot over the years, different squatters in different properties, and it's never been too much of a problem. I hear stories of people who have squatters that move in and then produce a fake document of a lease that they supposedly had, and then they have to actually evict the squatters.

Thankfully, we've never had anything like that and really nobody that has caused too much trouble.

Doug: Yeah, usually in our experience they haven't caused a lot of trouble. They're just there to sleep, but yeah, it can be a problem. And you know what, it's just a reality of this business.

Andrea: Par for the course.

Doug: Par for the course, something you deal with, something we're still trying to navigate through on the best way to deal with it, and it's always an adventure.

Andrea: Absolutely. So that leads us to our topic for today, which is Landlording 101. So we kind of have noticed that a good majority of the people that we buy houses from are burnt out landlords.

Doug: Yeah, they're probably dealing with squatters. No, actually they could be squatters if they're tenants and not paying rent, something like that. Yeah, but it's a good point. A lot of the houses that we end up buying are from people who've just been burned out owning that rental property for one reason or another.

Andrea: So we want to talk about how you can be a good landlord and not get burned out. They say that eight out of ten millionaires in the U.S. I guess, or maybe in the world, have found their wealth in real estate, or 90 percent of the world's millionaires. I think something like that.

Doug: Yeah, and I've heard that statistic multiple times on different things that the vast majority of wealth built in this nation comes through real estate.

Andrea: So you have to figure out how to do it, and then you have to figure out how to keep and maintain it. Yeah, exactly.

Doug: So we're excited to talk about landlording today, because if you want to build wealth with rental properties, which is an amazing strategy, a great thing to do, you've got to know how to do it. And set things in place so you're not going to become that motivated seller someday.

Andrea: Right, and we love flipping houses. It's fun, but really that is our means to be able to hold properties, which is our long-term end-game plan.

Doug: Right, exactly. So you know, this is not an overnight wealth building strategy. This is a long-term play. This is for the long haul, especially if you're getting financing on your rental properties. It's something you're going to be involved in for a while if this a strategy you're going to go for, so it helps to have things in place to make it an easy, enjoyable process for you.

Managing rentals takes good management, whether that's going to be you personally managing it or whether you're going to hire somebody, a property manager or somebody else in your own in-house business. It takes a good person to manage these rental properties. It's not something that you can just run on autopilot.

Andrea: Yeah I think that's where a lot of people go wrong. They think they can buy their rental properties and sail off into the sunset, and you can sort-of sail off into the sunset if you have somebody else managing them. But they have to be managed.

Doug: Right, exactly. So let's get into it. We've got four tips here in our Landlording 101 course.

Andrea: Actually each tip has a whole lot of things. It's going to be like a one-day seminar crashed into 30 minutes.

Doug: We'll go over the basics of it here. So the first one is to just know the costs involved with owning a rental property. Don't think that you're just going to buy a house, and the rent is going to be \$1,200 a month. So a lot of people just glaze over it and go, "Oh yeah, \$1,200 a month. So I'm going to make \$1,200 a month."

Andrea: Or, "Oh my mortgage is \$1,000 a month, and I'm getting \$1,200 per month, so \$200 per month cash flow. Sweet!"

Doug: Yeah, no way!

Andrea: You're losing money.

Doug: If those are the numbers, you're definitely losing money. People don't know the costs or they don't understand the real costs involved, and obviously there's a mortgage cost, and there's property taxes. Those are the two costs most people know about already and are aware of.

But there are far more costs that will happen, do happen, and you have to account for them in rental properties, such as vacancies, maintenance, turnover. Different things like that that just cost money, a good percentage of money. So a good rule of thumb that we go buy is 30 to 40 percent off the top of whatever rent you're getting, you need to count that as expenses.

Andrea: And that does not count your mortgage.

Doug: That does not count your mortgage. That's absolutely right. The 30 to 40 percent accounts for taxes, insurance, maintenance, vacancies, and management fees. We give a range of 30 to 40 because obviously, some properties that are newer aren't going to have as much maintenance, maybe that cost is a little bit lower.

Other properties that are older require a lot more maintenance; maybe you have more turnover in certain types of properties. So the expenses can vary, but a general rule of thumb is 30 to 40 percent depending on the type of property you have. You want to plan on that being your actual real cost in owning that rental property.

I go into a lot more detail on this and these costs and breaking them down in the video series we give out on our website. If you haven't seen that, go get it at [SpousesFlippingHouses.com](https://www.SpousesFlippingHouses.com). It's the "Analyzing a Deal" video course. I think it's Video #3, not sure, but I go into detail on all of those costs.

So a good mentor of ours, Mike Cantu, who we've quoted many times on this podcast.

Andrea: He needs his own podcast. We're just quoting him.

Doug: He really does. I'm trying to get him to write a book. He's got so many great stories and one-liners. He's just filled with those, but he says that all property is cash flow. Some are cash flow positive; some are cash flow negative. It's so true.

Your property is going to cash flow one way or the other, so why not make it on the positive side. So know your costs going into it.

Andrea: Okay, so the second thing is that you want to keep this property maintained. This is your asset. You don't want to let it break down. You're going to want to do those yearly maintenance-type things like going in once a year to change the air filters, and check the smoke detectors, and things like that for multiple reasons.

One, you don't want these maintenance issues to build up and then you have a big problem later, and then for two, it allows you a chance to get your eyes on the property and make sure that these people are maintaining things and taking good care of your house.

Doug: Kind of like changing the oil in your car, you want to do the best you can to make sure you're maintaining it.

Andrea: Right, and if you have a lot of rentals, it could be a full-time job going around and inspect the air filters of every single property all the time. And to be honest, we don't always do that, but if we had three or four properties, for sure we would do that.

Doug: Yeah. So it kind of depends on your operation, and how many you have, and how many people you have helping you in order to get that kind of stuff done.

Andrea: And if a tenant is calling you saying, "Hey, this is broken," or, "that's broken," you want to take care of those things within reason, and we'll talk about that in a few minutes here probably. But you want to take care of those things for the same reason. You don't want problems to build on top of problems and then have a huge issue that you don't have enough money set aside for.

One big maintenance issue can wipe out your cash flow for the whole entire year, like if you need a new roof, or a new air conditioning unit, or you need a new water heater. It can wipe you out for a whole year's

cash flow. It's gone. So you really need to stay on top of the little things so that they don't become big things.

Doug: Exactly, and to that point, especially like a leak. If someone says, "Oh, there's a little leak in the ceiling. I don't know if it was rain, or under my sink is dripping." Take care of those things right away because that little leak can turn into a very expensive problem later on with mold and water damage and all kinds of stuff like that.

Andrea: At the same time, you don't want to let tenants nickel and dime you for things that they have broken. So you have to differentiate between whether or not it's an issue of something in the house that's wearing out or if it's something in the house that the tenant has broken.

If they've broken it, then they need to fix it and repair it. But if there's a leak or something that's just wear and tear on the house...

Doug: From normal use.

Andrea: ...that's normal use, then you need to take care of those things right away.

Doug: Yeah, mini-blinds breaking in half and windows breaking, or...

Andrea: Ceiling fan blades.

Doug: Or ceiling fan blades falling off, that's just not normal wear and tear. Somebody hit those things. Holes that show up in the wall, you know that's not normal wear and tear. Those were damages caused by the tenants or their guests, and they're responsible.

Andrea: And they need to take care of those issues.

Doug: Yeah, we'll go over that a little bit more later on.

Andrea: So one thing that makes life a little easier is having hard surface flooring. We'll usually do carpet flooring in the bedrooms, but in the main living areas of the house, we'll almost always do tile or laminate wood flooring. If maybe you bought a house, and it's already got something that's good enough for a tenant, decent carpet or whatever, and you can go with that for now.

But if you have the opportunity to change it out or it needs to be changed out, I would definitely go with some kind of a hard surface flooring, because people live hard, tenants especially. And if it's carpet, you're going to be changing that out all the time. But if it's tile, you can just clean it.

Doug: Yeah clean it, sweep it up. It's a little more expensive putting it in, but it is well worth it if you're going to own this rental property for any length of time.

Andrea: So another tip is that the less things you can have in the house that can break, the better. So I think a lot of first-time landlords think they want to provide conveniences for their tenant.

Doug: They've got to trick it out.

Andrea: And they'll have a nice tenant if they have all of these conveniences, but really, what they'll discover is that's just more opportunity for things to break, and they have to replace them. So an example of that would be ceiling fans, which Doug kind of already talked about, almost always get broken. It's kind of funny how that happens.

Doug: It's amazing how ceiling fans break.

Andrea: You really don't need them. You can just have the light fixture up there. If they want to install a ceiling fan, then that's great, but you don't have to provide that.

Doug: When we were renters, we would go to Lowe's and buy a fan, a stand-up fan, when you're hot. That's normal! People do that.

Andrea: Also, garage door openers, not necessary. It really is just another thing that can break. So you might think you need to provide that for them, but you really don't. Also, washer and dryers, I think that's a convenience that a lot of new landlords think that they need to provide, but you really don't.

If we buy a house that comes with a washer and dryer, and we're intending for that house to be a rental, we will pretty much always pull them out because we know that is an expensive item that's going to probably break.

Doug: Right, no it's not necessary. People kind of expect to bring their own washer and dryer.

Andrea: Right, and also microwaves. So we only provide the basic appliances— a stove, a dishwasher if there's already a slot for one, and if there's not, we don't. We don't provide a refrigerator; we don't provide a washer and dryer; we don't provide a microwave, because those are extra conveniences that have the opportunity to break, and you will be fixing them.

Doug: And this may vary for you depending on what market you're in, or if you're renting to student housing, or you know. We're talking about the general three-bed/two-bath blue-collar working class neighborhood.

Andrea: Right, and then when you are evaluating a property that you think might be a good rental property for you, take into consideration the age of the home. The older that it is, the more maintenance there will be. So it doesn't mean don't buy an older home for a rental. We have tons of them, and they make great rental properties.

But you just need to factor that into your equation that if it's older, there just are going to be more things.

Doug: Absolutely. The third main point to consider as a landlord is selecting the correct tenant.

Andrea: Yes. This is the number one thing that can make or break your experience as a landlord. I think we tend to sort-of even brand our properties based on the tenant that we have at the time.

So for example, we had this property out in the high desert on a street called Tatum, and when we bought it, I believe it came with some tenants or maybe it was the first set of tenants that we put into that property. They were horrible; they made our lives living hell, and we hated that house.

We talked about it all the time: "I hate Tatum. I can't wait until we can sell that house. It's terrible. It's a terrible house." Well guess what? Those tenants moved out, and some decent tenants moved in, and we don't think about Tatum anymore. It's not on our hate list.

Doug: No, it's back in our good graces. It's so true. The tenant is really more than half the battle when you're talking about the whole scope of a rental property. A very, very important piece here, so don't gloss over this. Don't just throw anybody in your house.

You want to do a background check and obviously, you want to check their credit. We just have a rule in our business— absolutely no evictions. That's just what we do. Other people have different rules on that, but if you were in a situation where that happened at one point, didn't pay your rent and got evicted, the chances of that repeating are too high for us to risk.

So that's one of our policies. So you want to check their rental history, and there's a couple of ways to do that. Not only do you want to call their current landlord where they're living but more importantly, you want to call the previous landlord if you can get that information, the place they lived before where they're living now, because that's likely where you're going to get the real story on this person.

Think about it. If you're calling someone who is renting to these people and maybe they're really bad tenants, and this landlord is just anxious to get rid of them, they might be tempted to just tell you what you want to hear so they can get these tenants out of their place. Right?

So not that all landlords do that, I would say that most don't, but it's definitely possible and definitely could happen. So check with the current and previous landlords on these tenants. And I would just ask them one question. You don't have to go into every little detail, just ask one question: Would you rent to these people again? If they apply for a house, would you rent to them again?

And just let them talk; see what they say. The other thing you want to check is make sure they have reliable income to be able to afford the rent. This is a very important part of renting a property. Can they afford it? A general rule of thumb is about three times the rent for their income.

So you kind of want to make sure that you're not going to be putting them in a tight spot by paying their rent that they have no other money to live on because likely, there could be problems later. So make sure that they have a sufficient income and that their employment appears to be a reliable source of employment that will continue to be able to pay you your rent.

Another thing that's important is you need to know your fair housing laws. Do not discriminate. There are serious laws about this and serious penalties. You can't discriminate based on race, religion, occupation, anything like that. Now you can have your standards for renting your property, but you need to be consistent with those standards.

Apply them to everybody who might be considering renting your house. You've got to hold the same standards to them, whether it's income standards, no pets, whatever it is that you're doing, keep the same standards.

Andrea: Yeah, and you mentioned you've got to know your housing laws. You need to know all of the laws and guidelines that apply to you, as a landlord, because I can guarantee your tenant will know them because they will know the ways to get around them. So you need to know what you're talking about.

Doug: Yes, because they will. So yeah, you've got to be well versed in that.

Andrea: There are certain people they call professional tenants, and they will know the laws better than you do.

Doug: They will, and don't get overwhelmed by that or frozen and not want to pull the trigger on a rental property just because of that. It's pretty easy to get familiar with them. Most of them are common sense.

Andrea: A lot of it you'll learn as you go. You'll learn with your first property.

Doug: Yeah, another thing we recommend is definitely take a deposit. And here's a little tip on the security deposit: don't make it the same

dollar amount as the monthly rent. And here's the reason for that—that could get confused as a rent payment, like a first month's or last month's rent payment or something. Make that number very different.

I would say going over what the rent is. So if the rent is going to be \$1,000 a month, maybe take a \$1,200 security deposit. There's laws in your state, and you have to know what the maximum security deposit you can charge is, so don't exceed that. But definitely take a security deposit.

You want people to, number one, have the money to be able to put the deposit in and still afford the first month's rent, and make sure they have some reserves. But you don't want to confuse them that they're actually paying a month's rent in advance or something.

Another policy that we would recommend is, we just have a no cat policy.

Andrea: No cats!

Doug: No cats. We've seen the damage cats can do to a house. Actually, we've smelled the damage cats can do to a house.

Andrea: Yes, there is just nothing that can get out the smell of cat urine. It is pungent and terrible.

Doug: Nothing against you cat lovers out there. You know, they're cute and furry and can bring lots of joy and happiness to you. I understand, but they don't do well for your carpet.

Andrea: It's not just the carpet. It soaks into the walls. It is bad.

Doug: Everything. It is bad and even with dogs, we're very choosy. First of all, your insurance company may not cover dogs. You have to check with your insurance policy.

Andrea: For type of breeds.

Doug: Yeah, for type of breeds. What we do, because we know that dogs cause damage— we love dogs, we have dogs— but dogs cause damage to houses and yards. They just do, so you can either increase the deposit, security deposit required, or charge an additional pet deposit.

What we do is actually call it a "pet rent," but really we increase the rent, the monthly rent amount if you have a dog by just a minimal amount, \$30-\$50 a month. And the great thing about that is that you get to keep that. So if they give you a pet deposit, you may have to give that back at the end if their pet doesn't do any damage. But the reality is, their dog peed somewhere in your house.

Doug: Or chewed something up, or yeah.

Andrea: So the pet rent, you get to keep that.

Doug: We don't charge an extra pet deposit; we charge a pet rent, and that's monthly ongoing. So if they're there for any length of time, that's just rent. You're keeping that money every month, and it's not refunded. So that's what we do.

Another thing that is extremely important when you're signing up a tenant is to meet with them in person and before you hand over the keys, you want to go over the lease agreement and your house rules, your expectations on everything in grave detail. Spend some time with them, making sure they know when rent is due, how to pay the rent, where to turn off the water in case there's a water problem, where to turn off the gas if there's a gas leak.

All of the different things that could come up, make sure they are aware, that they have the phone number to call for if there's a maintenance problem or if something comes up that they know who to get in touch with. They have your address, all of the different things.

You'll hear excuses later on: "I didn't know where to...I didn't know who to call or who to send it to." Don't let that happen. Another thing that's good to do is play the role of the manager when you're dealing with tenants, even if you're the owner of the property and the sole decision maker. Play the role that you're the property manager.

Andrea: It just takes the heat off of you.

Doug: Takes the heat off of you, kind of gives them the sense that you're on their side as well, that you answer to somebody else and can't make the call all of the time, that you'll have to go back and ask permission if there's something that they're trying to negotiate or what have you. That you're not the bad guy.

Andrea: And then you also, maybe there's something they've asked you and you need to think about it. It gives you a minute to think about it. You're not on the spot to answer right there, because you can let them know that you have to check with somebody else and get back to them.

Doug: Got to check with the owner; got to check with the money man/partner, whatever you want to call it. Just play the role that you're the manager.

Andrea: And then our fourth and last point about keeping your sanity as a landlord is to have good systems in place, and there's a few ways you can do that. First of all, you want to have a [Google Voice number](#) so that the tenants do not have your personal cell phone number. That's huge.

Doug: The last thing you want is them calling you during dinner or just being caught off guard, not knowing who it is that's calling. If you have a Google Voice number...

Andrea: Right. You'll know, even if you don't necessarily know which tenant it is, you'll know it's a tenant and whether or not you want to take that call at that moment.

Doug: And you can direct that to another number later if you have somebody else that you want to take calls. You can, without having to change the number, just forward it to them.

Andrea: Yeah, and then the second thing is your rent collection. You can do that in a lot of different ways. They can mail you a check; they can direct deposit it into your account. However you decide to do it, just make sure that you have a system for it that's trackable, that your tenants know and they can expect exactly what they're supposed to do, and that it's all spelled out for them.

There's different ways of managing your rent collection too, different kinds of software. There's [Buildium](#), which we actually use, and that's a great one. But that's probably for if you already have several rental properties because you have to pay a fee to use that one.

You can just use a simple [Excel spreadsheet](#), whatever it is that just keeps things organized for you to be able to track when the payments

came in, so you can start recognizing if there's a pattern. If certain people are late, you need to see that and track that information.

We're building something out in [Podio](#) right now, and once we have that we might share that with you as well, but there's [Quickbooks](#). There's lots of different ways of doing it. Just pick something, and stick with it.

Doug: Yeah, something that works for you depending on how big your operation is.

Andrea: Then the fourth thing is to charge and strictly enforce your late fees. You know, it's kind of funny, I noticed a parallel between parenting and landlording.

Doug: Oh, so true.

Andrea: So many similarities here. You need to do what you say you're going to do. So like with your kids, "If you do that one more time, you're going to get a time-out." And then they do it again, "Did you hear me? I said if you do that one more time, you're going to get a time-out."

Well guess what? They're going to do it one more time, and one more time, so same thing with being a landlord. If you tell them the rent is

due on the first, it is due on the first. If you don't have it by the third, they have a late fee. That's just the way it goes.

Do it the very first month they are late, and then they know that you mean business. You're serious, and it's not going to happen again.

Doug: Yep, set the standard from the very beginning. That's definitely the way to do it.

Andrea: And then lastly, you want to take lots of pictures before they move in to note the condition of the property because they may have discrepancies when they move out: "I swear that hole was there when I moved in. I'm sure it was."

So you want pictures to have proof of the condition that the home was in when they moved in.

Doug: Yeah, because you're not going to remember. It's going to be difficult to remember, especially if you have multiple properties, of what the condition was really like. So pictures or video would be really great.

Andrea: Well, with pictures though, you can print those off and have them sign off on them. So you'll do a walkthrough sheet, you can let them walk through and see anything that they want to point out, say,

“Hey, this was here. I didn’t do this.” And then you both sign that sheet. You both have a copy. And then it’s documented.

Doug: Perfect.

Andrea: So you know what’s funny? A lot of people who listen have been sending me Facebook messages and emails letting me know that they actually take notes as they listen to our podcast, and I just realized. So it’s making me be more aware of how I go through my points here, and I just realized that I said number three, but I didn’t say it was number three.

And then I didn’t say it was number five, so if I’m totally confusing you, I’m going to go back through it. Number one, under have a good system, was have a Google Voice number. Number two is your rent collection. Number three is a software system or some kind of system to track those things. Number four is basically follow-thru. Charge and strictly enforce your late fees. And number five was take lots of before-and-after pictures.

Doug: Yes. Rentals can be a great business. We’re really excited about building our retirement through rental properties, and we encourage people to do it, but landlording can sometimes be so difficult, if you don’t know what you’re getting into, that it just turns people off to the whole rental business.

So we want to help you be successful in your landlording endeavors, and hopefully these tips will kind of set the foundation for that.

Andrea: Yeah, and you don't have to love every aspect of landlording. It's okay if there's certain parts that you really hate, then you can hire somebody else part-time to help you out.

Doug: Train somebody else to do that.

Andrea: Because to be honest, yeah there's parts of this that aren't fun, but we're not going to stop doing it because we know that the outcome and end is so worth it. So just hang in there if there are parts you don't love. Get help.

Doug: Absolutely, and remember that the tenant is your partner in this whole investment that you're doing. They really are. Treat the tenant with the respect that they deserve. Treat them like the people that they are, and help them help you in a sense.

They are your partners in this deal, so take care of them and hopefully they'll take care of you.

Andrea: Yeah, you know there's this guy out here in Southern California who's kind of a real estate legend in the investing world here, and his name is Tony Alvarez. And I was lucky enough to spend a few days with him a couple years ago, learning different real estate

things from him, and one of the things I was most impressed by him about was how much respect he shows to his tenants.

And he expects them to show the same respect to him, but he does cool things, like at Thanksgiving time, he would give them a turkey. A lot of them were low-income families, and he'd give them a turkey or drop off Thanksgiving dinner fixings to them, or different little things that just go above and beyond, and they want to stay with him.

So he had this one single mom that was kind of outgrowing the little house that she was renting from him, but she liked him so much that she went to him and asked if he had anything else, anything bigger. She wanted to stay with him, which is pretty cool.

So if you can do that and build those relationships, and have tenants respect you because you respect them, it will make your life so much easier.

Doug: Yes, absolutely. Great example. And you know, if it just doesn't work out— you've put a tenant in there, and it's just not working out for whatever reason— let them go, have them move out, and start again. Go back to the people store as Mike Cantu says, and just do it again.

Like the example of the property we have in the high desert earlier, it's now one of our favorites because we have a great tenant in there. It really does make a huge difference.

Andrea: So I think that's all we have for you today. I'll recap really quick. Number one, know your costs involved. Number two, keep that property maintained. Number three, choose your tenants wisely. If I could say that five more times, I would. And number four, have a good system.

Doug: Absolutely. Well, great episode today. We encourage you to go check us out again at our website, [SpousesFlippingHouses.com](https://www.SpousesFlippingHouses.com). We got some feedback this week, and we really appreciate that.

Andrea: Yes, thank you so much to everybody who sent us an email. I really enjoyed reading them. Thank you! I feel like the nicest people in the world are listening to our podcast, and I'm really grateful. Thank you so much. So keep the emails coming if you have any questions or any other ways we can help you out.

My email is andrea@spousesflippinghouses.com. And that's A-n-d-r-e-a at SpousesFlippingHouses. You can also go to our website, check out the free gift, and other than that, have a great week!

Doug: Take care!