

Are Rental Properties a Nightmare?

Written By: Bill and Kim Cook

Last week I had the great pleasure of meeting with Teresa. Teresa works in Cartersville at one of the small local banks. Her bank, and this is one of those really silly rules, will not allow me to use Teresa's last name and the bank's name in this column without management's permission. Fine, their bank, their rules. I do want to add that everyone at this bank was very nice and seemed to have a lot of *unity*.

Anyway, Kim and I were trying to set up a VISA machine account for our Real Estate Investors Association. Turns out the word "VISA" is a Latin word meaning "lots and lots and lots more fees." You may have heard the famous phrase, *VISAI*, *VISADI*, *VISACI* which means "I came, I charged, and VISA hit me up for a ton of fees." (Guess Father Duher was right after all, all those years of Latin in parochial school really did paid off!)

As Teresa and I talked, she asked what I did for a living. When it got to the part about managing rental property, Teresa's face made a weird contortion. She looked as if she had just bit into a large lemon.

Funny, whenever Kim or I mention that we manage rental property, we often see this same look. Seems about everyone knows a great Landlording horror story. In Teresa's case, she had once owned rental property. Sure enough, it had been a bad experience. As with many, this bad experience caused Teresa to swear off owning any more rental property.

So, is owning rental property as terrible as you have heard? No it is not – IF YOU KNOW WHAT YOU ARE DOING! And this is a really big "IF".

Problem is, most investors get into rental properties without ever having taken a Landlording course. Without training, a new Landlord is guaranteed to get into trouble almost from the day the tenant moves in.

"Ah ha!" you say. "This is a cheap plug for your Landlording course." Nope, I'm just trying to point out the obvious. *Before* you own rental property, you need to know how to work with tenants. Whether you go to us, or John Adams (www.money99.com), or Don Beck (I don't remember his website), or Jeff Taylor (mrlandlord.com), you need to be trained to be a Landlord. It is important to know that Landlording is a learned thing; you weren't born knowing how to manage rental property.

For example, I have loved to fly since I was a kid. My dad has been a professional pilot all of his life. Just because he is a great pilot doesn't mean that I'm automatically a great pilot. I didn't sit in the left seat the first time and automatically know what to do. Far from it, the first bunch of times I was terrified.

So how does a new pilot overcome this lack of knowledge and fear? Training - lots and lots of training. And while I'll never be able to fly a swing wing or plane nearly as good as my father, I do ok...in other words, the big end stays in front of the little end, and the dirty side stays down.

Owning rental property is the secret to real estate wealth. Don't believe me? Just look at Donald Trump. Have you noticed that he doesn't buy and sell, rather he buys and holds? That's right, The Donald is one of the biggest Landlords in the country.

Rental property is not a nightmare IF you take the time to learn how to be a Landlord. Education makes all the difference in the world. Once you understand how to manage rental property, you will no longer get a sour look on your face when the word "Landlording" is mentioned.

One last thought, as with flying, don't fool yourself into thinking you can take one course one time and know everything there is to know about Landlording. Each year we attend a Landlording course and always come away having learned something new. So whether you are about to be a Landlord for the first time or control one hundred rental properties, never stop learning.