

Should Landlords Pursue Military Members as Tenants?

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Savvy landlords are proactive in choosing and purchasing the right properties for their clients. In order to do that, they must have a particular client in mind. One such group is made up of military members and their dependents who can offer a steady stream of rental occupancy in the vicinity of every military base in the country. But is soliciting their tenancy a good business plan?

A 2012 military demographic study [military demographic study](#) points out that almost half of the American military forces who reside in the US live in one of five states: California, Texas, Virginia, North Carolina and Georgia. Active military personnel in these states (not including dependents) is estimated to be about 591,000. The other side of that comparison includes the states of Iowa, Maine and Vermont, which represent a combined number of 436 active duty members. Obviously, the presence of the military in the state where your properties are located will be a major factor in deciding to attract military tenants.

The military hierarchy always advises its members to ensure there is a clause in any lease that allows for early exit from the contract without penalty when the military member is reassigned to another location. If landlords are operating in a military community, they can expect to have many leases terminated prior to fulfillment. That can be a negative because of time invested in re-renting properties as well as the cost of cleaning and preparing them for new tenants.

On the other hand, if military members are being shipped elsewhere, that also means new members are being shipped in. It follows that new prospects would be plentiful and, if the landlord has a high reputation among its military tenants, referral business would almost be a lock. By doing a cost analysis of average tenancy, cost of preparing for new tenants, etc., the landlord could build a revenue factor into the rent to cover leases that terminate early along with associated costs.

Will having access to the military member's commanding officer ensure prompt and full rent payment? Be careful with this one. There was a time that reporting a delinquent service member to his/her superior officer had more teeth to 'encourage' financial responsibility. However, this may be base-dependent regarding how those matters are handled. Some will argue that commanding officers are less willing to get involved in such disputes. Also, according to [military.com](#), the Servicemembers Civil Relief Act "...Expands current law that protects servicemembers and their families from eviction from housing while on active duty due to nonpayment of rents that are \$3,329.84 per month or less for 2015. This amount changes every year.

(<http://www.military.com/benefits/military-legal-matters/scra/servicemembers-civil-relief-act-overview.html>).

Probably the most consistent method for ensuring good tenants remains an accurate and diligent background check prior to moving forward with the rental. The stock market always proclaims, "Past performance is not a guarantee of future results." In the rental business, the opposite is often true. Just as savvy landlords research and strategically purchase their properties, they also know that the best way to protect their investments is to investigate their clients' backgrounds prior to signing on the dotted line, no matter what their tenants' profession.