

## Real Estate Investing Tips - Choosing a Responsible Tenant

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Good investments are difficult to find right now. It's a little too late to jump into the stock market, which is unusually high considering the anemic job market. Likewise, gold has skyrocketed over the past few years. Buying high is always a bad idea because there's little upside. Bonds have such a low rate of return that they're not worthwhile. But there is one place where it's possible to cover all of the best investment practices--buying low, investing for the long term, and investing in assets that provide value and generate revenue. That sector is real estate - an area of investment that many people might not think is the best place to put their money. With the foreclosure rate still high, there are lots of cheap properties investors can buy with little risk. Because many markets have higher rental prices, it may even be possible to find houses that can be rented for a positive cash flow. The tenant pays the note, taxes, insurance and a little extra. The investor builds equity that can be cashed in several years down the road and may even want to take a depreciation write-off on the building.

If the local market conditions are right, this can be one of the most lucrative investment strategies. Unfortunately, there is one major pitfall. A bad tenant can destroy the investment plan and cost the landlord thousands of dollars on multiple fronts. The worst case scenario is a tenant who stubbornly occupies the property without paying rent, vandalizes it and uses legal tricks to delay the eviction process for as long as possible. This can be even worse if state and local laws offer little protection for the landlord. At the end of the day, bad tenants can cost a landlord thousands of dollars.

**Tenant screening** is one way to minimize this risk. The key is to keep bad tenants from ever occupying the property in the first place. Fortunately for property management investors, tenant background checks are available. Before entering into a rental contract, a landlord has the opportunity to find out if the potential tenant has a history of problematic behaviors such as not paying bills, causing excessive property damage, or being evicted. Other information is available as well such as a criminal background check, which can tell a landlord whether the applicant is a possible danger to other tenants or poses a risk of bringing criminal activity to the property.

A tenant background check can range from approximately twenty dollars to forty, depending on how extensive it is. Even if such checks are run on several applicants, it's still a worthwhile expense. That little bit of money now can save thousands of dollars in the future, as well as a long of aggravation, if it keeps a bad tenant from renting the property. **Click here** to order a background check now.