

Investing in Student Housing

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Are you considering purchasing a property near a college or university with the intention of marketing your property as student housing? This can be a great investment and there are benefits of owning a property near a campus, but it is accompanied with some factors that are different from that of a regular rental property. Before you invest in a property for student housing, be sure you have educated yourself on the unique factors of owning a property that is to be occupied by college students, and make sure it is an investment you are ready to make.

Marketing Your Property

Among the best factors of owning a rental used for student housing is that there is little to no marketing involved in finding a tenant. When you own a property near a campus, potential tenants will come in crowds. If you post an ad announcing you have a rental space available, you are guaranteed to have applicants lining up to try to occupy your vacant rental.

Finding Applicants

By owning a property near a campus, you will always have a high supply of future tenants. With this being the case, you have the control of being pickier about who you choose to occupy your space. You don't have the pressure of choosing the first candidate that shows interest in your property since there will be many potential tenants enquiring. This also allows you some peace of mind knowing if one tenant breaks a lease, you can quickly have a new tenant in place.

Protecting Your Investment

College students often get a reputation for destroying homes, but a college student can in fact be just as responsible as any adult or family occupying your home. Many college students are enrolled in school solely for the education and hold jobs in addition to attending school in order to make an income. Housing college students is not necessarily a risk in and of itself, but you should make sure you are prepared for any incidents that could occur while students are living on your property. Your rental agreements should be written to protect you from any damages should an incident occur. You should also consider a larger security deposit than you would typically collect to be confident that you have a deposit that will supplement any potential damages. You will also want to do some **tenant screening** to ensure they are being totally honest with you.

Selecting a Lease Term

Typically a lease agreement lasts for a year. Unfortunately, when renting to students, a one-year lease is not always going to meet the needs of the market you are reaching. You will need to adjust your lease period to match the school year being followed by the nearby college.

Summer Vacancies

Your tenant's lease term is likely to end at the beginning of summer when college

students return to their hometowns. This could mean that your property will sit vacant throughout the summer months. Take the possibility of summer vacancies into account when you are setting your monthly rental rate to ensure that you are making a profit off of your property all year round. You should also consider renting to those enrolled in summer school. If you choose to market to summer students, make sure you have a written rental agreement specific to summer tenants.

Owning a student housing property is unique and should be treated so. If you are unwilling to waver from the typical rental lease agreements, then student housing may not be an investment you should make. On the other hand, if you are able to be flexible with your rental agreements, you may experience great success investing in a student housing property!