

How to Attract Quality Tenants and avoid fraud in the process

by Dave Watts

As an investor, you already know what kind of investing strategy you want to take. However, what you may not know is how to find and attract quality, longer-term tenants. I will give you a hint on the best way to do this and it is probably not in the first place you thought of—your local newspaper's want ads.

The newspaper is still a good place to find tenants for lower-priced properties. That is because some folks in the lower-middle to middle-class range use the Internet very little or not at all. That may sound hard to believe, but it is true.

However, the Internet can be a great tool to find those tenants that are computer savvy. More people are doing research and business online than ever before. The November 5th Denver Post mentioned that at least one car is sold a minute online. As a direct result of the Internet, subscriptions to almost all major print newspapers in America are on the decline, according to an October 31st article in USA Today.

Print newspapers have to charge higher advertising rates to cover their production costs. A single Sunday want ad alone can cost \$45 to hundreds of dollars—more if a photo is included. The ad is only good if the reader keeps that day's paper, and actually finds your ad out of hundreds, sometimes thousands, of competing ads.

More and more people are also using the Internet to find specific information. That is why search engines such as Yahoo! and Google are so popular. Print and online newspapers give general information—another reason why they are not as effective as websites that address a specific niche. Internet usage is a technological and cultural shift that will only accelerate in the future.

Most online newspapers and newsletters have classified ads. However, they are usually an add-on after you purchase a print ad. These ads will only be kept online for a limited amount of time. As a property owner, you never know how long it will take for your property to rent. You are playing a guessing game for how much advertising to purchase. That problem is eliminated when you advertise for free on a website that is targeted to your niche.

While the Internet is a great way for potential landlords and tenants to connect, there is still the possibility of people pulling scams and frauds. One way to avoid any funny business is to deal locally with potential landlords or tenants you can meet in person. This way there is no misunderstanding or funds that can get "skimmed" off.

Another tip to avoid fraud is never to wire funds via Western Union, Moneygram, or any other wire service that scammers love to use. You also want to be on the lookout for fake cashier's checks or money orders. If you cash these fake documents at your bank, the law says you are responsible for the funds, and they will come out of your account. It is preferable that you verify that any funds sent to you as a security deposit or rent are good funds.

Also, you should also never give out any financial information such as a bank account, Social Security number, eBay or PayPal username and/or passwords. Scammers love getting their hands on this information to steal money and identities so that they can use the credit for personal gain.

Here are some key phrases and methods that scammers most commonly use:

- An inquiry from a country far away, such as Iran or South Africa.
- An offer of an "escrow service" or "guarantee."
- An offer written in very poor or broken English.

These tips should be common sense, but they are always good to reference to make sure you are protected. By using this advice, you will make the marketing and renting of your homes more enjoyable and profitable.



Dave Watts is a real estate investor with over 30 years experience, building an empire through rental homes. He now helps other investors find quality tenants through his website. Visit www.ForRentByOwner.com to check out this excellent free resource.