6 PROVEN WAYS TO BOOST THE PROFITS OF YOUR RENTAL PROPERTY

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One aspect of income property management that doesn’t get enough attention is profitability maintenance.

Investors spend a lot of time seeking, evaluating, and then buying and [renting investment properties](https://www.mashvisor.com/blog/rental-homes-guide/). It’s easy to overlook [profitability](https://www.mashvisor.com/blog/determine-profitability-real-estate-investments/) maintenance. Wise investors will develop a [profitability](https://www.mashvisor.com/blog/how-airbnb-profit-calculated/) habit to help them earn the most from their investments.

[Boosting rental property profits](https://www.mashvisor.com/) is not a one-time task. It’s an annual or constant activity that needs your attention. Fall is a particularly good time to consider ways to boost the income from your rental property or properties. The summer slowdown is over, and work resumes as normal for many contractors and government agencies. Here are our suggestions on ways you can and should boost your rental property profitability.

Raise Rent

The classic way to [boost rental property profits](https://www.mashvisor.com/) is via rent increases. It’s easy to fall into complacency with rent increases. There are so many reasons to delay, or minimize rent increases that it can become a bad habit. If you have not raised the rent on your properties in the past six to twelve months, it is worth stepping back and using all of the information at your disposal to gauge the current rent rate for your individual properties.

Your [rental contract](https://www.mashvisor.com/blog/real-estate-lease/) will already have defined how rent increases can happen. The duration is usually part of the agreement. In areas without rent control, the market should dictate what the coming year’s rent will be. A set percentage or round numbers like $40, $75, or $100 need not be the rate of increase. Research what similar properties are renting for and use that as your guide.

If your rental units fall under [rent control agreements](https://www.mashvisor.com/blog/investor-guide-what-is-rent-control/), you would be doing your business a disservice not to raise the rent by the dictated amount at the dictated time. Even the best tenants can be lost if rent increases are delayed too long, and you then need to try to increase the rent by a very large amount to bring in the market rate.

Add A Bedroom or Bathroom

Renovations are a necessity in the rental property business. Tenants are harder on their rental homes than are owners. When tenants are turned over, the minimum requirement will be paint, paper, and flooring. None of these required maintenance upgrades will earn you money. Rather, they are part of your cost of doing business. However, additions are a great way to [boost your return on investment](https://www.mashvisor.com/).

The best ways to add revenue are to add a bathroom or a bedroom. Both can boost the rental income of your unit meaningfully. Remember, most tenants search based on square feet, bedrooms, and bathrooms. Start with a contractor. Ask the contractor to tell you what is possible within your given space. Building codes will dictate your possibilities. If you opt to convert any space below the first floor to usable space, ensure you meet every safety code requirement such as two exit points, ventilation minimums, and egress window regulations.

Add a Garage

The more urban your property, the more likely a tenant will pay you more for a garage. All properties benefit from added equity when a garage is added, but near cities, the value can be exceptional. Work with a contractor who knows the local building codes. Maximize the number of bays you can add, and don’t be afraid to add a garage with spaces facing end to end if you can fit two instead of one in the allowable footprint. For decades, my grandmother rented her three garage bays in Cambridge, Massachusetts. Often to tenants other than those occupying the living space. It was a meaningful part of her retirement income.

Tax Reduction

Adding revenue can come from [cutting costs](https://www.mashvisor.com/blog/ways-landlords-cut-costs-save-money/) as well as added rent. If you have not done so already, investigate the process for requesting a tax abatement. Every town hall worker will suggest you have no chance of success, and I was told that as well. Yet, my application for two real estate tax abatements was approved, and I saved thousands. Some common misconceptions about real estate taxes are that they are based on the present value of the unit. Often the basis for assessment is past years. Learn the process, and don’t be afraid to try again each calendar year if you fail.

Water & Sewer Savings

Water is the responsibility of most landlords in most municipalities. Since tenants don’t pay for it they have little interest in conserving water. However, you can save water yourself using affordable upgrades, particularly if the plumbing is old. Water savings can add up to hundreds of dollars per year per unit.

First, ensure every toilet is a low-flush model. Next, pay your plumber to investigate if any of them leak using a dye test. If they do, repair the leak or simply upgrade to a low-usage model. Similarly, check that every outlet in the property has an aerator and low-flow device. If you do any upgrades, look into conservation rebates from your state and local water resources provider.

Outside, minimize any grass areas on any side but the front of the property. Replace grass with plantings and trees properly selected and placed by a landscaper. Use gravel or mulch to replace lawn areas to cut down on watering needs and maintenance.

Insurance Savings

One of the easiest ways to boost profitability can be done from your armchair. Get an electronic copy of your homeowners and liability insurance and ask multiple insurers for quotations. When I moved my residence, I was canceled by my [rental property insurance](https://www.mashvisor.com/blog/choose-right-insurance-policy-rental-properties/) provider since they only handled business policies for local homeowners. It was a blessing. I used online insurance tools from Insurancehub to reduce my insurance cost by thousands and found the customer service to be exemplary.

One Word of Caution – Having Tenants Perform Work

You may have noticed that our list does not include having a tenant do their own snow removal, landscaping, painting, or any repair work. The reason is that if you do that, even informally, you become your tenant’s employer in the eyes of many states and municipalities. If a tenant falls off a ladder while clearing leaves from a gutter, you may be responsible for medical bills. This rental property owner tries very hard only to work with professional contractors and service providers who have the proper workman’s compensation insurance policies. Do otherwise at your peril.