

How to Improve Cash Flow

The following checklist is a guide for things to consider when improving cash flow on a rental property.

$$\text{Cash Flow} = \text{Income} - \text{Expenses}$$

IMPORTANT NOTE: Not all of these can be used. Some directly contradict others. Some are extremely rare and uncommon. Use what you can to optimize for your unique situation.

Property Address

Date

Maximize Income

Based on James Orr's *Maximum Cash Flow Guarantee*™.

- Can I "subdivide" my property into multiple units to increase rent? Rent upstairs/downstairs separately?
- Can I rent by the bed/bedroom?
- Can I rent parts separately like garage, community pool, RV parking, RV in backyard as vacation rental?
- Can I add services/utilities like high-speed internet for an extra fee?
- Can I offer the property to a tenant-buyer on a lease-option, lease-purchase or agreement-for-deed to increase income and reduce maintenance?
- Can I charge pet rent?
- Can I charge fence rent? New carpet rent? Or, extra rent for something else the tenant desires I install?
- Can I tier rent by credit score and/or security deposit?
- Can I change the term of the rental agreement? Daily, weekly versus Monthly?
- Can I charge weekly or bi-weekly instead of monthly?
- Can I include done-for-you services like lawn care, snow removal or house cleaning for an extra fee?
- Can I convert my property to a duplex, triplex or fourplex or more?
- Can I rent the property furnished to get more rent?
- Can I start marketing earlier and start at a higher, more aggressive rent to test market prices?
- Can I charge a fee for autopay? Or, can I charge a fee for not being on autopay?
- Can I schedule my leases to end during peak rental seasons?
- Can I target more profitable rental niches (like corporate rentals)?
- Can I offer a discount for on-time or early rent (instead of late payments)?
- Can I add solar panels and include electric in base rent?
- Can I bill-back for HOA services and utilities (like non-potable water)?
- Can I get paying roommates for Nomad™ property you are living in?
- Can I require 60-90 days notice for out-going tenant to not renew?
- Can I improve landscaping and curb appeal to get higher rent? Paint, add/improve shutters, lawn care, mailbox, property address numbers, lighting?

- Can I make sure the property is appropriately prepared for showings (well lit, smells good, repairs done, clean, neat)?
- Am I maximizing exposure when marketing for tenants?
- Do I have professional-grade photos, 3D tour, and video when marketing property?
- Have I mastered the sales skills required for phone selling my property to tenants/tenant-buyers and in-person salesmanship to maximize what I can get for rentals and minimize vacancy?

Minimize Expenses

Based on James Orr's *Lowest Monthly Payment Guarantee*™. For a more detailed discussion, check out:

<https://RealEstateFinancialPlanner.com/low/>

Minimize Monthly Payments with Your Lender

- Can you put more down to reduce the amount you are borrowing?
- Can you put more down to improve your interest rate (lower LTV)?
- Can I pick a loan with lower closing costs (especially if you are financing the closing costs)?
- Can you put more down to eliminate/reduce Private Mortgage Insurance (PMI)?
- Can you pay for PMI in one, up-front, lump-sum payment instead of monthly?
- Has my equity increased enough to request the removal of PMI?
- Can you get Seller Concessions from the seller to buy down interest rate and/or cover closing costs?
- Can I change the loan term to reduce my payments?
- Can I get an Interest only loan?
- Can I get a negative amortizing loan?
- Can I change the loan term to reduce my interest rate?
- Can I get an adjustable-rate-mortgage (ARM) to lower my interest rate?
- Can I get the seller to carry back some owner financing to lower my loan-to-value with the primary lender and reduce my interest rate?
- Can I improve my credit score to get a better interest rate?
- Can I setup automatic payments to get a better interest rate?
- Can I get a better interest rate if I have additional accounts/more money deposited with the lender?
- Can I lock/float down my interest rate?
- Can I add a friend/family member to the loan to get a better interest rate?
- Can I remove a weak borrower to get a better interest rate?
- Can I partner with someone to get better loan terms?
- Can I find another lender with better fees/rates?
- Have rates dropped enough for me to refinance and get a better rate?
- Is my loan old enough where I would be willing to refinance the extend the term (and maybe get a better interest rate) to lower my monthly payment?

Strategies If You Own Other Property

- Can I do a 'cash out' refinance on another property to buy/refi this property?
- Does it make sense to 'cash out' refi another property to put a larger amount down on this property?
- Should I do a 'rate and term' refi to get an overall better monthly payment before financing this property?

Searching for Homes

- Can you search for properties where the seller is willing to include seller concessions?
- Can I search for less expensive homes?

Making Offers

- Can I offer less to reduce my purchase price?
- Can I ask for seller concessions to buy down my interest rate?
- Is the seller's loan assumable and have better interest rates than I can get now?
- Would the seller consider wrap financing and would that be better terms than I can get now?
- Can I buy the property 'subject to' the existing financing (more appropriately wrap financing)?
- Can I buy the home on an installment land contract and get better terms?
- Can I get private financing with better terms from family/friends?
- Can I pay cash for closing costs to keep my monthly payment lower than if I financed them?
- Can I buy properties that do not require "rent ready"/fix up costs and use that money as down payment or to buy down interest rate instead?

Owning and Managing Property

- Can I correct incorrect information with the county assessor about the condition or characteristics of my property?
- Can I contest property taxes when appropriate to keep my property taxes minimized?
- Can I vote appropriately for changes in taxes that affect property taxes?
- Can I manage the property myself and still keep up with the latest laws, best practices and compliance issues?
- Can I shop around to get a high-quality property manager with reasonable fees?
- Can I maintain my property to minimize time between tenants?
- Can I insist my property manager utilize best practices (marketing early, raising rents with each lease renewal, et cetera)?
- Can I review my property management statements carefully for mistakes?
- Can I raise my property insurance deductible and take on more of the property insurance risk personally?
- Can I add/remove people from my property insurance policy to improve the rate I am getting?
- Can I evaluate the exact property insurance coverages to make sure you have an appropriate level of coverage?
- Can I compare insurance rates to keep insurance premiums competitive?
- Can I make sure tenants/tenant-buyers have renter's insurance?
- Can I get a discount paying for HOA, insurance or other bills in advance?
- Can I sign up for autopay on utilities to avoid any per bill fees charged by utility providers?
- Can I use quality replacement maintenance materials to lower the overall cost of maintenance over time?