



Want to find
and keep
good tenants?

You're in luck.

GUIDE:

What Tenants
Really Want -
A Guide for Property
Investors





Introduction

Demand for rentals is on the rise, with some [44 million U.S. households renting in the third quarter of 2022](#). That's an increase of roughly 870,000 households from the first quarter of 2020. As a result, vacancy rates are down in many markets and rental prices keep on moving higher.

If you're an investor who's looking to capitalize on some of this growing demand, you'll want to ensure that you're providing a property that tenants really want. This means making sure the property that you invest in is one that will appeal to tenants. It also means doing necessary repairs and upgrades to make the rental attractive to would-be renters. Finally, it also means providing prompt and professional service to your tenants as well, helping to keep them happy and, ideally, renting from you longer.

Once you know what tenants are looking for, renting out your property, and in some cases, even reducing your vacancy rates become easier as well. In this guide we'll look at some things that tenants tend to look for when they're searching for a rental property, tips for finding rental properties that fit the bill, and advice on managing your property in a way that'll help you to keep your tenants happy.

What Tenants Want in a Rental Property

Most tenants will take their time when house-hunting, carefully searching until they find that one property that will check all, or at least most, of their boxes. To help you get started, it's important to put yourself in your renters' shoes. While each tenant will have their own property criteria, some things are universal.

Here's a look at some of the things that most tenants will look for when scouting out a property.

- A Property That's in Good Condition
- Good Value
- Minimum Number of Bedrooms and Bathrooms
- A Clean Unit
- Modern Amenities
- New Appliances
- A Flexible Space to Work and Live
- Eco-Friendly Additions
- Pet-Friendly Spaces
- A location that is close to amenities and feels safe and has access to transportation links





A Property That's in Good Condition

Tenants generally prefer to live in a home that's in good condition, up-to-standard on maintenance, repairs, and renovations. For instance, a recently built property will likely be in better condition and could attract more applicants. As a bonus, these properties are also less likely to require a lot of maintenance and repair work as well, making them more affordable for you to maintain.

As a new investor, buying a newer build or a recently renovated property could be a good investment. However, if you invest in a property that's been around for a decade or two –or longer, you can make strategic upgrades to the property. Just make sure you assess the property and complete all repairs before you market the property, nothing is more frustrating to a tenant than having to move into a property that's not completed yet.

Start by updating areas that need it the most. This will usually be things like installing new flooring, replacing damaged windows or broken doors, repairing and painting walls, and upgrading outdated appliances and cupboards in the kitchen. You may also need to make upgrades in the bathrooms as well. Additionally, remember that you may need to upgrade the heating system, the electrical panel and wiring, and plumbing as well. Often, a few simple upgrades is enough to transform a dated house into a home that will appeal to most tenants, but the scope of work will vary considerably depending on the home so be sure to have a professional inspection done before you purchase an investment property.

Good Value

Tenants will be looking for a property that fits their budget as well. With the increasing rental costs, tenants need a reason why they should choose your property over the others. You need to ask yourself, how does your property stack up to similar houses in the area?

When a tenant is looking for a house, they will be comparing your property to other, similar ones in the area to decide whether they are getting the best deal. Having a rent that's higher than average could mean that potential applicants will pass your property up in favor of a different rental instead.

As a property investor, you should work on giving the tenant the best value to boost your occupancy rates. You should work on ensuring the property is priced competitively. You can achieve this by using the Renters Warehouse Market Research Center to compare similar rentals in the area. This will give you an idea of how to price your rental unit – helping you to fill vacancies faster.

A Minimum Number of Bedrooms and Bathrooms

In 2020, approximately [42% of renters in the U.S.](#) were living in single-family homes. These types of properties are popular in some locations, and many renters, especially those who live in the suburbs or who have families will often opt for these homes over apartments. This is often due to the fact that these properties tend to offer more privacy and have more space. They also tend to be located in places that are more affordable than major metropolises. If you're considering a single-family rental, it may be an idea to look for a property that has three or more bedrooms and more than one bathroom. However, this will depend a great deal on your location. If you're looking for a property in a college town or place with a lot of students, it might be better to invest in apartments with one bedroom and bathroom for first-time renters. Take time to do your research and try to find a property that will appeal to renters in that area.





A Flexible Space to Work and Live

According to the U.S. Census Bureau, the number of people primarily working from home [tripled between 2019 and 2021](#). Today, many tenants are looking for rentals that have space for an office. As you look for a property, keep in mind that an extra room or two can be attractive to many tenants.

Floor plans [are still important for tenants](#). Some properties today have an open-plan kitchen and dining area, making the house feel much bigger. This also gives tenants more flexibility so they can set up a lounge area to relax after a long work day. If your property has an open-plan space, your renters might have more space to separate their working area from their living spaces.

Additionally, you can look to provide adequate storage areas as well. This can include creative storage options like installing a few corner shelves, placing a freestanding closet in one of the bedrooms, or investing in additional shelving. You could even consider a room divider, such as a bookshelf or other shelving unit, that you can use to divide up a room. This allows your potential tenants to imagine how they can transform the space to fit their work-from-home lifestyle.

No matter the size of your property, making the most of the available space and offering tenants storage can help to make your rental more attractive.

Eco-Friendly Additions

Some tenants look for eco-friendly properties with energy-saving features. It's relatively easy to make these upgrades to your property, and many of them don't cost very much either. Some steps you could take are installing energy-saving LED lights and replacing old appliances that have seen better days with newer, energy-efficient ones. Adding a couple of solar panels to your roof could make your unit more appealing to tenants who are looking to lower their electricity bills. If your rental has the space, you could set up an area outside as garden space for tenants to grow some of their own produce. Another energy-saving tip is ensuring that your unit is insulated properly and sealing up any gaps around the windows and doors so the warm air doesn't escape.

Modern Amenities

Modern amenities are always a good idea, especially if you're hoping for your rental to appeal to younger renters like Millennials and Generation Z. Recent statistics show that the number of Millennials who expect to rent forever increased recently, growing from **13.3 to 24.7% from 2018 to 2022**. Amenities you may want to consider installing include:

- **Smart Thermostats:** Convenient in-unit tech, like smart thermostats, allow tenants to control the temperature from any location using their smartphone app.
- **Smart Locks:** Consider upgrading the unit by adding smart locks, which allow tenants to open the door using a PIN code or smartphone.
- **Video Intercom:** Installing a smart video intercom on the property's entrance makes it easier to access the house. With this, your tenants can control the people who access their homes using their smartphone.
- **Tenant Communication App:** You can also consider having a tenant experience app that residents can use to request maintenance, communicate with management, connect with neighbors, or reserve amenity space in the property. This is especially ideal if you have a multifamily unit or apartment complex.

Modernizing your property shows your tenants that you are actively looking for ways to make their lives easier and make them more comfortable in your unit.

New Appliances

One thing that renters appreciate is new appliances. This doesn't mean that you have to rush out and replace all of the appliances in your unit. But it does mean that if it's time to upgrade an aging appliance, then you'll want to do so. Modern appliances look much better, and as a bonus, they will last a lot longer as well. If you do make an upgrade, make sure you include the fact that you have a new stove/fridge/dishwasher or other appliance in your rental listing. Another benefit of new appliances is that they are more likely to have a better energy rating, something that tenants can appreciate.





A Clean Unit

Clean properties help you make an excellent first impression on prospective tenants. If the house is in a poor state when the tenant views the unit or moves in, it sets poor expectations from the start. Set a benchmark for your potential tenants so that they will know what standard to keep your property in. If the rental unit is in a move-in-ready condition, and you can hope that the tenant will maintain a high standard of cleanliness throughout their tenancy period in order to ensure they have their security deposit returned to them. This will make for an easier move-out process as well.

Deep clean the house before showing it to any potential renters. Some key areas to focus on include kitchen cabinets, the stove, the fridge, sinks, toilets, showers, floors, walls, windows, doors, and carpets.

During the deep clean, you can:

- Dust and remove any dirt and cobwebs
- Wipe the walls down with a mild soap solution
- Remove any screws and nails from the walls and plaster in the holes
- Prep the walls and apply a fresh coat of paint
- Consider renting a carpet cleaning tool to deep-clean the carpets
- Replace carpet that's faded or worn down
- Mop and vacuum the floors

Fortunately, you don't have to clean yourself; you can hire a professional cleaning service to help you deep clean the property. Outsourcing this job will save you time, allowing you to focus on other, more pressing tasks and concerns.

A clean unit also refers to the exterior, especially if you are looking to rent a home with a garden. The grass should be mowed, garden furniture and tools should be stowed away, and dirt, grime, or moss should be cleared off of patios, porches, and walkways.

Pet-Friendly Spaces

Most landlords are divided on [whether they should allow pets on their properties](#). Reports show that pets are very important to many tenants. As of 2022, about [70% of U.S. homes owned a pet](#). Pets provide companionship and naturally, they are often considered to be valuable members of the family. Having a pet-friendly policy can help to make your property more appealing to a wider pool of tenants. It may also help encourage tenants to stay longer, which could help to keep your vacancy rates low.

Location, Location, Location

Tenants look for properties that are close to everything they need. This usually means that the property should be close to employment opportunities. A property that's close to good schools will usually rent for more as well. A place that's located near good amenities—such as restaurants, parks, green space, and grocery stores, along with transportation links is also a bonus.

An Area With Low Crime

Additionally, most renters want to live in a secure neighborhood with low crime rates. Do your due diligence and research the crime rate for the neighborhood you're looking to invest in.



Things to Look for When Investing

Now that you better understand what tenants are looking for, you should begin your search for your investment. Here's what you need to know before you purchase a rental property.



Find a Good Location

As you begin your rental property search, you'll want to [identify a great location](#). Many investors look for an emerging market, an area that's experiencing economic and population growth. An area with a low crime rate and growing job market could attract high-quality renters. You'll also want to identify an area with investments that will help you reach your goals. For instance, if you're looking for both [cash flow and appreciation](#), you'll want to find an area that's had a good track record of healthy appreciation over the last 10 years or so, and look for a property that will generate a good rate of return.

Note: To make the process easier, use the [Renter's Warehouse Market Research Center](#) to get information about market performance, migration patterns, and employment trends. This will help you find places where the demand is growing. With this information, you can invest in areas that are more likely to have properties that will have a higher occupancy rate and offer a good rate of return.

Consider the Job Market

Locations that have growing employment opportunities tend to attract more tenants. You can check with the [U.S. Bureau of Labor Statistics \(BLS\)](#) or do some research online to view the job market in a specific area. For instance, if there's a major company that's moving into the area, more people may be moving there as well. This could help to drive your rental prices higher. Before investing in an area, take the time to research the local job market.

Know Your Obligations

Before putting your money into any property, tour the neighborhood to see what it's like. Check out the nearby amenities. Look for gyms, parks, movie theaters, schools, grocery stores, and other perks that people enjoy, all signs that the economy is doing well. You can gather this information in-person, but before you do, be sure to take a look online to see what you can gather. Just type in the town's name and see what people are saying about it on places like TripAdvisor, and other review sites.

Consider Transportation Access

Many tenants are looking for areas that are well-connected. Locations that have access to good transportation links are often more in-demand than remote, rural areas. Before investing, you'll want to see how far the potential property is from a main highway, as well as bus stops and train stations.

Consider Neighborhood Crime Rates

Nobody wants to live in a crime hotspot. Be sure to check the neighborhood for recent crime statistics. Remember that crime rates can vary considerably from neighborhood to neighborhood so try to get information on the area in question, and not just the city at large. Pay close attention to vandalism, theft, and violent crime, and check to see whether criminal activity is increasing or declining.

Speak to Locals and Neighbors

The neighbors and local and online forums can provide good information about the neighborhood. If you are planning to purchase property in a specific city, browse local forums and join neighborhood groups on Facebook to learn about what it's like to live there, paying close attention to the most prevalent problems. Alternatively, you can speak to the owners of the neighboring properties to get first-hand information on the local neighborhood. They can provide insight into things that may not be disclosed with purchasing a property, such as flooding issues, frequent sewer smells, noise complaints, and more.

What Tenants Look for In a Landlord

Just as landlords look for good tenants, renters also have some specifications when looking for a potential landlord. Here are some factors that may influence whether or not a tenant wishes to start, or continue, renting a property.



Respectfulness and Fair Treatment

Tenants prefer landlords that treat them with respect regardless of any circumstances involving the property. For landlords, it's vitally important to be professional at all times when interacting with your tenants. This includes email communication and texts as well. Likewise, it's important to always treat your tenants fairly and equally as well.

Open Communication

As a landlord, you need to maintain open lines of communication. Tenants appreciate landlords that respond promptly. Your reputation will likely be gauged by how fast you respond to emergencies such as repairs and maintenance requests. Responsiveness is essential because it helps tenants feel safe and heard in case they need some assistance regarding the unit. The more responsive you are, the better your tenant-landlord relationship will likely be. Giving your tenants multiple lines of communication is helpful as well. This could include email, text messages, or phone calls. Be sure to inform your tenants of your work hours and when they can expect a reply to their messages. You should also give them a number that they can call in case of an emergency.

Honesty and Clarity

Honesty and clarity should also be established from the start. For example, during the move-in process, you might make some promises to the tenants, such as a promise to update the bathroom flooring at some point. If so, then you should be sure to follow up on the agreement. Perhaps it has been established that you are responsible for exterior maintenance at the rental, if so, the tenants will expect you to keep your end of the bargain. Don't make promises that you don't intend to keep, and always try to put any agreements down in writing.

Clear Responsibilities

Tenants also need to know [who is responsible for what](#). It's much better for both parties when everyone is clear on who should be doing which tasks, and when. To help keep everyone on the same page, the division of responsibility should also be outlined in the rental agreement. This includes outlining who is responsible for snow removal or mowing the lawn. Including all of these details in the rental agreement is always a good idea.

Multiple Payment Options Transportation Access

Long gone are the days when the tenant would say that the "check's in the mail." These days, rent can be set up to transfer automatically from the tenant's bank account at the end of the month. Likewise, digital payments have become more common as well. Tenants appreciate having options for rent payments since it makes things more convenient. As a bonus, it also makes it easier for the rent to get to you on time.

Advanced Notice for Visits

Most landlords tend to have a clause in the lease agreements that spells out that they can visit the property for [routine inspections](#). These inspections are necessary because they:

- Help you to spot any safety hazards
- They are an opportunity to address maintenance issues
- Allow you to check for any lease violations

When arranging these inspections, always be respectful to your tenants. It's important to discuss inspections with them in advance before making any visits and give them advanced notice of your plan. Check to see how much notice you are required to give, in many states, this will be at least 24 hours. Generally though, you'll want to give tenants as much notice as possible. In most cases, a week or so should be good for most schedules. Then, arrange for the inspection to take place when the tenant is there. This is ideal because it allows you to talk to them and identify any other issues that may need your attention.

Considerate

Tenants are also looking for landlords who consider their opinions and adjust to meet their needs. For instance, if a tenant requests some adjustments to the rental unit, such as a change of locks for safety, outfitting the unit with LED lights to save on electricity costs, or a fresh coat of paint, you should try to be responsive and open to those requests. Being considerate will help to keep your tenants happy, which means they may be likely to stick around longer.

Steps to Help Reduce Tenant Turnover

If your property has a high vacancy rate, you'll have less rental income coming in. As a landlord, you'll have to put in more work and spend time looking for new tenants frequently, which can be frustrating. Not to mention, you'll have the time and expense of getting the rental ready for new tenants every time. However, there are some steps you can take to help reduce tenant turnover in your rental units.





Give Adequate Notice When Increasing Rent

If you plan to increase the monthly rent, give your tenants adequate notice. Raising rent can impact whether tenants renew their lease or not. The best option is to provide tenants with enough notice so that they will have time to adjust to the increase. In most cases, you'll want to consider doing incremental increases to make the increase a bit easier to manage. Additionally, keep in mind that in some states and certain cities as well, you may have to give a certain amount of notice when increasing your rent. Make sure you check into regulations to see what type of notice you will need to give before sending out the notice.

Communicate With Your Tenants

The best way to make your tenants feel at ease is to listen to them when they tell you their needs for the property. If they feel heard, they're more likely to feel comfortable calling your unit home and staying long-term. If your tenants express property concerns to you, respond to them promptly and tell them how you plan to manage the situation. When it comes to repairs, it's important to keep them updated throughout every stage of the process, once you've identified contractors who can perform the repairs, and when you have a date scheduled for completion.

Consider Property Management Services

If you don't have time to oversee your rental, or would rather spend your time on other things, then you'll want to consider hiring a [property management company](#) to oversee your property for you. A reputable property management company will help you save time and money, and reduce stress as well. While some people might prefer to do the management themselves, this is easier if you live close to the property and have spare time available. However, hiring a property manager who can assist with all these responsibilities is better if you want to expand your portfolio, or if you're planning to invest in properties that are located out of town. Many landlords prefer going this route anyway, it allows them to set up their properties to operate independently of them – key to [stress-free rental properties](#).

How a Property Management Can Help You Find and Keep Qualified Tenants Longer

A property manager comes with many benefits, including the ability to help you find qualified tenants. In some cases, they can help you to improve your vacancy rates as well. This is largely due to the fact that a good property manager will be able to keep an eye on your properties for you, handling all communication with your tenant, and arranging for repairs and maintenance. They'll also be able to keep your tenant informed every step of the way. Keeping up with repairs and maintenance and maintaining good communication with your tenant can help to keep them happier, and they may opt to stay in the unit for longer.



They Can Help You Find Tenants Quickly

Since they are experienced, property managers will usually be able to help you find tenants quickly as well. They'll be able to get your property in front of a wider audience, helping to increase the pool of applicants. They should also have a process in place to screen tenants, to ensure that only qualified applicants will gain access to your rental.

Some of the things they should check during the screening process include the following:

- Employment and income – This is to check to see if the applicant is able to pay the rent and meet the minimum income requirements.
- Credit checks – A credit check will look at an applicant's credit report to see how well they manage credit.
- Rental history – This will check to see if the applicant has a history of evictions, as well as what their previous landlords have to say.
- Criminal convictions – Does the applicant have any criminal convictions? While a criminal record shouldn't automatically exclude an applicant from renting, it could reveal findings that may be worth taking into consideration, especially if the property in question is a multifamily unit.

They Can Help You Manage Your Property to a High Standard

While it's your responsibility as a landlord to ensure that you're up-to-date on landlord-tenant laws, one of the great things about hiring a reputable property management company is that they should be able to manage your property in your stead. An experienced and reputable company should be able to do this in a way that's in compliance with state and local laws. They will know how much notice you should give before entering the property, notice required to end a lease, and what a landlord's responsibilities are in that state.

You'll Have Someone to Keep an Eye on the Rental

Another advantage of having a property manager is that you have someone to keep an eye on your properties for you. If you have multiple properties, or properties that are located in a different state, you can rely on a property management company to oversee them for you.

You Can Ensure a Fast Response Time

A property management company will be on call in case the tenant has any questions or concerns. This will save you from having to respond to tenant questions and inquiries, while at the same time, still ensuring that your tenants receive fast and prompt service, helping to keep them happy.

They'll be Able to Handle Security Deposits

Typically, [security deposits](#) are used as proof of intent to move in. They are used as security during the tenancy period and can also be used to pay for property damages or unpaid rent. Although every state has its own laws regarding security deposits, they usually range from [one-half to two months' rent](#). A good property manager should already have a security deposit policy in place, saving you from having to implement one. They should also be able to collect and process the security deposit for you, and arrange for its return at the end of the tenancy.

They Can Implement a Thorough Tenant Screening Process

Before you rent out a property, you'll want to make sure you have a process in place to ensure you find high-quality renters. Implementing this process can be complex, especially if you're a new landlord. However, with a professional property management company, you don't have to worry; they will do the screening on your behalf. Since they are experienced, they should already have a solid screening process in place that allows them to source and screen tenants to help find qualified applicants. They should also be familiar with the [Fair Housing Act](#), and should be able to screen all applicants fairly, in a way that's in compliance with the law.

They Can Handle Lease Enforcement and Evictions

Should a tenant be found in violation of the lease, the property manager will be able to address the situation as well. They will be able to ensure that the lease is enforced, and even handle the eviction process should it become necessary.



In Conclusion

If you are looking to generate passive income from your rental, then you'll want to consider outsourcing the work. By working with a [professional property management company](#), you'll be able to outsource all of your property management tasks including pricing the rental, tenant sourcing and screening, maintenance requests, rent collection, lease enforcement, and more, saving you from having to do everything on your own.

As a real estate investor, it's important to pay attention to what tenants really want. This approach will help to guide your investment decisions, allowing you to find the best market to invest in, and the best property as well. Remember: just because a property seems like a good house, but this doesn't necessarily mean that it will be a good investment. So make sure you take the time to assess the health of the local market, [run the numbers](#) on the property, and see what your projected returns will be before you invest. Once you have a property, take steps to get it into a condition that will attract qualified tenants, and ensure that you manage it to a high standard, or outsource the work. This approach will help you to maintain a rental that exceeds your tenants' expectations, the type of property that draws applicants in, keeps them happy, and may even help them to stay put for longer as well.

Are you looking to get started with real estate investing? Search our [inventory of rental properties](#), some of them turnkey portfolios, complete with tenants and ready to go. You can also look at our [Market Research Center](#) for local market information, housing appreciation, employment figures, population growth, and more. Then, assess the market's health using our free tools and see how much you could get for your property. It's fast and easy with the [Renters Warehouse FREE rental price analysis](#). Get started today!