CEDAR RIDGE MANAGEMENT

A free guide from Cedar Ridge Management

Should you rent out your home?

Four questions to help you decide, with confidence, whether renting is the right choice for you.

Get your free rental analysis (cedarridgemgmt.com/holly-ridge-property-management)

1	2	3	4
Do you plan to move back?	**Are you emotionally ready?**	**Are you financially ready?**	**Does your home make sense as a rental?**

Wondering whether to rent it or sell it?

Have you ever wondered whether you should turn your home, or another property, into a rental? A lot of people we work with have been in that exact position. Maybe you're moving for work and your house didn't sell. Maybe you have a great mortgage and want to keep your low interest rate. Or maybe you've inherited a property and aren't sure what to do with it.

That's why we created this guide: to help you answer one question, "Should I rent out my home?"

> **Whatever brought you here, you shouldn't have to be an expert to have a rental property.**

These four questions will help you decide, with confidence, whether renting out your home is the right choice for you. There's no formula, and the right answer depends on you. But the right questions make the decision a lot clearer.

We've stood where you're standing.

I'm Schuyler Witt, founder of Cedar Ridge Management. My wife and I served in the Marine Corps for 10 years, and we've faced the same rent-or-sell question with our own home. We've been investing in real estate since 2011 and own ten rentals of our own.

Today our team cares for homes from Leland to Swansboro for owners who never planned to be landlords. Our job is to help you make a wise decision for you and your family. And if renting is right, we take it completely off your plate.

235+
Homes we manage

4.8 stars
From 200+ Google reviews

Since 2011
Investing in real estate

10 years
Serving in the Marine Corps

"When I got PCS orders, I honestly didn't know if I'd ever come back, and I didn't want to be a landlord long-term. Schuyler ran the numbers both ways, and selling would have paid more that year. But my wife and I realized that if we ever came back to Camp Lejeune, this was the house we wanted to live in. So we rented it out. Four years later we moved back in, we collected rent the whole time, and when I get out of the Marine Corps we'll sell it with about $150,000 in equity gain."

"I'm really glad we didn't sell."

Jake Lunsford, U.S. Marine, Camp Lejeune

Backed by eight service guarantees

- Results
- Management fee
- Satisfaction
- Eviction and pet protection
- Property inspection
- Leasing fee
- Tenant early termination
- Giving back through Cedar Gives

Question

1

Do you plan to move back into the property?

What your answer means

If yes

Renting often makes sense, because selling now and buying back later is expensive. But plan the lease length around your return date, and know that getting a tenant out early is not as simple as asking.

If no

Then renting is a business decision, not a placeholder. The next three questions matter more, because you're committing to this for the long haul.

If you're not sure

That's normal, and renting can buy you time. But go in knowing what you'd need to see to decide either way. If you're not sure but can answer yes to the next three questions, renting out your home can be a wise decision for you.

Question

2

Are you emotionally ready to own a rental property?

Renting means your home becomes someone else's home. Tenants will hang their own pictures, wear down the carpet, and live differently than you did. Normal wear and tear is part of renting.

What your answer means

If yes
You can think of the house as a home you're caring for rather than the home you're living in. That's the mindset that makes renting work.

If the stress of tenant calls and problems worries you
That's exactly the part a property manager carries for you. Day-to-day stress alone isn't a reason to sell.

If the attachment itself is the issue
If picturing another family in the home feels painful, be honest with yourself. A manager can take the work off your plate, but not the feelings. For some owners, selling is just better for them.

If you believe "if you want something done right, you need to do it yourself"
Renting can still be a good choice, but you may want to consider self-managing.

Watch: Should you manage it yourself? youtube.com/shorts/7_6tNKAut_0

If you'd rather hand the day-to-day to an experienced professional
Renting can work well even if you've never done it before.

Question

3

Are you financially ready to own a rental property?

Rent won't always cover everything, every month. The home may sit empty between tenants. A water heater fails, a roof needs work, or a tenant stops paying. You need a cushion that covers the mortgage and repairs during those stretches without putting your family under strain.

Ask yourself

- Could you cover the mortgage and bills for 3–4 months with no rent coming in?
- Do you have money set aside for an unexpected major repair?
- If you're paying a mortgage on your current home too, could you handle both at once? (Picture both air conditioners failing in the same August.)

What your answer means

> **If yes**
> You're in a good position to rent. The ups and downs of rental income won't put you at risk.

> **If no**
> Renting can still work, but build that cushion first. If you're already stretched, selling may protect your finances better than renting.

Question

4

Does your property make sense as a rental?

Some homes rent easily and cover their costs. Others cost more to own than they bring in.

Ask yourself

- Will the rent cover your mortgage, taxes, insurance, and HOA fees, with something left over?
- Is the home in good enough shape to rent without major repairs?

If the rent won't cover your mortgage payment with a little room left for maintenance, you'll be frustrated every time something breaks, and owning a rental will likely be a stressful experience.

Maintenance costs make the biggest difference. Homes that make great rentals have lower maintenance costs. Homes that make poor rentals have very high maintenance costs, and those costs come out of your rent.

Great rental

Well maintained, one HVAC system, and simple landscaping.

Poor rental

A lot of deferred maintenance, two HVAC systems, a pool, and lots of trees, bushes, and shrubs to keep up.

A home with deferred maintenance can still become a great rental after a rehab, but budget for that first.

What your answer means

If yes

Your home is a solid candidate. A free rental analysis will tell you what it should rent for.

If no

That doesn't automatically mean sell, but run the numbers carefully before you commit. The investment section below shows you how.

What your answers mean

If you answered yes to most of these questions, renting out your home can be a wise decision. If you answered no to some, that's okay. Now you know exactly what to work on, or whether selling is the better choice for you.

Ready to take the next step?

Here's how it works.

1 **Get your free rental analysis.**
It lands in your inbox within minutes, with comparable homes like yours that have rented nearby.

2 **Talk with our team.**
A call to understand your situation, then a visit to see your home in person.

3 **Hand it off.**
Sign one agreement, and we take it from here. You hear from us when something important happens.

Guessing can cost you

- Renting a home that drains your savings every month
- Selling a home you'll wish you'd kept
- Late-night repair calls from a few hundred miles away

Deciding with confidence looks like

- Knowing what your home will rent for
- A plan that fits your family and your finances
- A home that's cared for while you're gone

Will your home make a good investment?

I used to wonder the same thing. When I got married in 2016, my wife and I bought a house together. After living in it for three years, we wanted to move and needed to figure out whether our first house would make a good rental property. We used these three simple steps to find out. You can use them too!

Schuyler Witt

1. **Determine how much it will rent for.** Be conservative. Our free rental analysis gives you this number.
2. **Gather your financial information.** Your mortgage statement, plus any HOA fees, property taxes, and insurance.
3. **Run it through the Rentals for Retirement Analyzer.** It's the same spreadsheet I use for my own rentals. My rule of thumb: if your Effective Annual ROI comes out at 15% or higher, the numbers support keeping your home as a rental. On top of that, rental income is often sheltered by depreciation, and taxes on your gains can often be deferred, so more of what your home earns stays in your pocket. Ask your tax professional how this works for your situation.

Free rental analysis (cedarridgemgmt.com/holly-ridge-property-management)

Copy the analyzer (Google Sheets: Rentals for Retirement Analyzer)

Rent or sell calculator (cedarridgemgmt.com/rent-sell-calculator)

"Copy the analyzer" opens your own copy in Google Sheets, so you can enter your numbers privately. Want a quick side-by-side instead? The rent or sell calculator compares both choices. For maintenance, I budget 15% of rent because I plan to hold for 30 years, including roofs and HVAC replacements. Many investors use 10%, and a brand-new home you'll hold for a shorter time may need less.

Is your home rent-ready?

Follow this checklist. A home that meets every requirement below is what we consider "rent-ready." Tap each item as you finish it.

Requirements

0 of 20 done

1	☐	Professionally cleaned to "hotel room clean"
2	☐	Carpet professionally cleaned and looking fresh
3	☐	All painted surfaces fresh, with no mismatched touch-up areas Repainting must be done corner to corner.
4	☐	Vertical or mini blinds on all bedroom windows
5	☐	Vertical blinds on the back sliding door
6	☐	No personal property or items in the home Including furniture, knickknacks, toiletries, shower curtains, tissue boxes, kitchen or bathroom items, soap dispensers, and pictures.
7	☐	No lawn equipment, including mowers and tools
8	☐	Garage floor swept
9	☐	No exterior debris
10	☐	Lawn cut and trimmed
11	☐	Landscaping fresh and clean
12	☐	Smoke alarm on each floor and in each bedroom, tested and working NC law requires working smoke alarms at the start of every tenancy, with fresh batteries. Any new or replacement alarm must be a tamper-resistant, 10-year lithium battery model.
13	☐	Carbon monoxide alarm on each floor NC law requires one per level in any home with a gas, propane, or oil appliance, a fireplace, or an attached garage. We ask for one on each floor in every home.
14	☐	All light bulbs working
15	☐	Doors open and close smoothly, with doorstops on all doors

16 ☐ Bathroom caulking fresh and free of mildew

17 ☐ All mechanical systems working as designed

HVAC, plumbing, electrical, kitchen appliances, and laundry appliances. If your home has them, also irrigation or sprinkler systems, water softeners or filtration systems, sump pumps, gas fireplaces, and evaporative (swamp) coolers.

18 ☐ Safety railings secure on stairs, decks, and porches

19 ☐ Window well covers installed, if your home has window wells

20 ☐ Wood-burning fireplace clean or sealed

If it works, it should be clean of debris with a fireplace screen or heat-proof glass doors installed. If it doesn't, the interior opening should be permanently sealed with an attractive material.

Recommendations

0 of 3 done

1 ☐ Vertical or mini blinds on all windows (except basement windows)

2 ☐ No draperies on windows

3 ☐ Screens on all windows

For coastal Carolina homes

0 of 5 done

Salt air, humidity, and hurricane season are hard on a house. These help keep small problems from becoming big ones.

1 ☐ Fresh HVAC filter and a clear condensate drain line

2 ☐ No signs of moisture or mold under sinks, around windows, or in the crawl space

3 ☐ Dryer vent cleaned out

4 ☐ Storm shutters or panels labeled and stored on site, if your home has them

5 ☐ Pest and termite treatment current

Ever wondered how to hire a property manager?

We used to wonder that too. After 15 years of investing, we put this checklist together to make the decision easy. Bring it to every interview, including ours.

Your two goals going in

1
Do you trust this property manager?

2
Are your incentives aligned?

Experience and perspective

1 ☐ Do you own rental property?

2 ☐ Do you own your own home?

Listen for: someone who has been an owner themselves and knows what it feels like to get the repair call.

Company profile

3 ☐ How long have you been in business?

4 ☐ What do your Google reviews look like?
Look for 4.5 stars or above.

5 ☐ Tell me how your company is structured.

Licensing and insurance

6 ☐ Are you licensed in North Carolina?
Managing property for someone else in NC requires a real estate license. You can look one up with the NC Real Estate Commission.

7 ☐ Do you carry E&O insurance with a property management endorsement?

8 ☐ Do you carry business liability insurance?

9 ☐ Do you require tenants to carry renters insurance?

10 ☐ Do you require owners to carry landlord insurance?

Operations and day-to-day

11 ☐ How do you handle maintenance, and when do you involve me as the owner?

12 ☐ How do you handle major capital repairs, like roofs, HVAC systems, and water heaters?

13 ☐ What are your leasing criteria and guidelines?

14 ☐ How do you determine your rental price?

15 ☐ What does your tenant renewal process look like?

16 ☐ What do you do if rent is late?

17 ☐ What does the eviction process look like?

18 ☐ When and how do you conduct property inspections?

Listen for: clear, specific answers. If they can't describe how something works, it probably doesn't work the same way every time.

Performance and results

19 ☐ What is your average leasing time?

20 ☐ What is your average portfolio occupancy?

21 ☐ What is your average maintenance response time?

22 ☐ What is your average total maintenance repair time?

23 ☐ What is your average resident tenancy length?

Listen for: real numbers. A manager who tracks these can tell you right away.

What it costs and aligned incentives

24	☐	How much does management cost, and what does that actually cover?
25	☐	What do you not do?
26	☐	What does your ideal client look like?
27	☐	Do you lock me into a contract for any period of time?
28	☐	Is property management your main business, or is selling real estate your main thing?
29	☐	What service guarantees do you offer?

Listen for: a manager who makes money when you do, and who is willing to put that in writing.

Bonus: watch and learn

Short videos from our team that go deeper on the questions in this guide.

How to turn your home into a rental property
youtu.be/-6mNgTmT8dI

How to analyze a rental property
youtu.be/vQJlMerQGi0

The 7 benefits of hiring a property manager
youtu.be/6AuytKR64Yg

How to hire a property manager
youtu.be/6nOdAW5uf3k

I'm PCSing. Should I rent or sell my house?
youtu.be/ZA0XCHC_1wo

Real estate investing terminology
youtu.be/8VQD9BTfO40

The #1 wealth-building habit
youtu.be/kLMpvibIUJc

Find out what your home will rent for.

Your free rental analysis shows homes like yours that have rented nearby, and it lands in your inbox within minutes. From there, you decide. If renting is right, we take it from here.

Get your free rental analysis (cedarridgemgmt.com/holly-ridge-property-management)

Cedar Ridge Management, Holly Ridge, North Carolina. Serving homeowners from Leland to Swansboro.

This guide is general information, not legal, tax, or financial advice. Talk with a qualified professional about your situation.