



8 Reasons to Reconsider Being a Landlord If You're in the Military or a Frequent Traveler

Owning rental properties is a great source of passive income. But, is it really passive if you're working as the landlord instead of hiring a property manager? Property managers might cut into your margins, but they provide an invaluable service that's going to help you continue your life as usual without worrying daily about what's happening at your properties.

This is especially true if you're in the military, a frequent traveler, or if you're living overseas (or planning to do so). In all of these situations, you may not be anywhere near your rentals, making it more difficult to juggle everything and still turn a healthy profit.

From my own personal experience and from what I've learned over the years, I can tell you that being a landlord at a distance is not ideal. It's better to invest in a larger property as a passive investor rather than as an active partner responsible for managing the investment. As a passive investor in a [syndication](#) deal, you never have to worry about being a landlord, as your asset management team will oversee your property manager.

Learn more about the differences between asset management versus property management: <https://mirealestate.us/real-estate-asset-management-vs-property-management/>

Here are 8 reasons I wouldn't recommend it to the existing or aspiring passive real estate investor:

#1 Payment Collection Is a Nightmare

Some tenants pay on time. Others pay regularly, with a note ahead of time if they'll be late for any reason. However, not all tenants are so reliable. Handling rental collections is already a headache, but it's even worse if you have to constantly remind tenants and push for payments.

In theory, rental properties are a great source of consistent income for you as the investor-owner. However, the consistency of the payments you get is more questionable in reality. If you're not [available to follow up](#) on missing or late payments, you might find that payments are not as regular as they should be.

Having a property manager to handle rent collection takes that burden off your shoulders and helps you get your cut more consistently each month.

#2 It's Difficult to Remain Objective

When you spend too much time around your own investment properties, you can gain a sentimental attachment to them. This isn't great for your objectivity in decision-making. At the end of the day, every rental unit you own is an investment. If you're too attached to any specific part of it, you may not make the best decisions for your investment.

It's easier to make objective decisions when you're less attached to the day-to-day operations of your investment properties. Having a property manager helps you step away from the nitty gritty and look at your investment properties with a more critical eye.

Objectivity also means not developing negative feelings about your investments either. It's not all about getting too attached. If you're too close to the daily workings of your properties you can easily get sick of the stress involved. You might feel overly negative about your investment, which can affect your decision-making, even if it's providing a good return.

#3 Tenant Screening Requires Your Full Attention

It's possible to screen tenants from a distance. There are plenty of great online-based screening services that help you get background checks and other information checks done for each new tenant before they sign the lease.

Once you find a tenant to screen, you then have to make sure you've got the right checks in place to weed out the most difficult candidates. As long as you can screen your tenants thoroughly ahead of time, you're likely to avoid the worst problems with rent collection and property care. It all hinges on [finding and locking in](#) the right tenants.

If you intend to be a passive investor, tenant screening is probably the last thing you want on your plate. It's better to leave this job to a trusted party on location.

#4 Landlords Wear a Lot of Hats

A landlord doesn't just own properties and facilitate tenants coming in and out. There's a lot more to it than that. Every time your tenants have an issue, you're on the hook for it. This is also at the same time as you're trying to manage your investment interests in the property.

All in all, as a landlord-investor, you're doing:

- Accounting

- Tenant Management
- Maintenance
- Repairs
- Marketing (marketing materials, ads, writing, etc.)
- Property Inspections
- General Property Management & Upkeep
- Collections
- Rules Enforcement
- Investor Relations (if applicable)

That's a lot of jobs. If you've got a few properties, you'll be hard-pressed to be a part-time landlord while maintaining your full-time job, especially if you're moving around or living away from your properties.

#5 Tenant Issues Are Hard to Handle

It's not just wearing all the hats that's a problem. Emergencies happen all the time and tenants don't have the time to wait for you to get around to it. Legally, they're not required to wait until you have time either. You may owe extra damages to the tenant if you don't handle certain issues immediately.

What do you do if the water heater suddenly bursts? How about if two tenants are experiencing issues with each other? Or if your trash collection service skips your building for 2 weeks?

There are so many things that can come up throughout any given year. If you live in a different time zone or even just another state, tenant problems are exponentially harder to handle.

#6 Rentals Need Constant Care

No matter how great your tenants are, you can't leave a property untouched for years.

Routine maintenance and legal compliance are all your responsibilities, not the tenant's. It's the landlord's job to make sure the HVAC system is getting serviced, the building is getting repainted, inspections are being done, and so much more.

That's where property managers are a huge help. Although it's still ultimately your responsibility if these things are happening (unless you have an asset manager), a good property management company takes up the load and ensures everything that's supposed to happen is getting done on time. Everything from gutter cleaning to pest control can be taken care of by the property manager rather than you having to orchestrate it from afar.

#7 Market Conditions Change Over Time – It's Hard to Keep Up

If you don't live in the same area as where you have rental properties, it's difficult for you to fully grasp how the local area is evolving. You'd have to do a lot of reading and checking up to keep in touch with the community. Not all market changes are directly relevant to you, but you need to keep your investment property up to industry standards or you risk losing tenants and lowering rent.

You may still think a property is great and doesn't need to be updated, but do you really know what the neighborhood is like today? What if a few new multi-family properties have popped up nearby that are beating you in building quality and amenities offered to tenants? Unless you're actively monitoring the

area, it's going to be hard to know what's happening. If you have multiple units in different places, that's going to take up a huge chunk of your time.

The right property manager can help you understand what's happening in the local market, including if there are new competitors that are threatening your business.

#8 Your Location May Not Be the Best for Rentals

Wherever you happen to be living isn't necessarily the cream of the crop for rental properties. This is especially true with multi-family properties, but even single-family homes present that same challenges to a smaller extent. The city, county, or even the state you're currently in may not be a great place to be a landlord.

A lot of things go into finding a good place to own and rent out properties.

- Is the area landlord-friendly?
- Is there enough demand to keep vacancies low?
- Are rental prices good enough to sustain your investment?

While you can theoretically rent out a property anywhere, that doesn't make it an ideal location for you to invest. Depending on your budget, your investment style, risk preferences, and more, you may want to look outside of your local area for a better property. The further you are from your properties geographically, the harder it is to keep up with what's happening.

If you're serving in the military, this is something you really want to pay attention to. You could be moved to another base across the country, or outside the country, with just a few months of notice. Every few years you'll likely be moving again.

To be the landlord of your own properties, you'd have to keep tabs on different properties around the country from wherever you happen to be at any given time. Do you really want to manage a duplex in Chicago while you're stationed in Okinawa? Your properties can fall by the wayside if you don't have someone there physically to look after them for you.

Final Thoughts

You may be able to [successfully manage a few doors](#) from out of state or overseas without a huge problem. The cost of a property manager might not be worth it if you only have a few properties to track or if you have a significant other to lend a hand. However, even managing a few properties at once takes a lot of time. The more properties you're managing, the more that time commitment multiplies.

For a truly passive, hands-off investment, you need to involve a property manager, and preferably an asset manager as well.