

# Get Smart: Invest in a College Town

Searching for a great real estate investment opportunity? Look no further than your local college town. With a steady supply of short-term residents moving in every year, owning a rental property near a university can provide stability for your buy-and-hold strategy. Also when done correctly, homes in prime areas near campus rarely remain vacant. So how do you go about investing in real estate in a college town? To keep your property profitable and make your life easier, avoid any pitfalls by following these simple guidelines:

## Choose your property carefully.

Look for a spacious property close to campus. Even if rent is a bit high, when students and their parents know that campus is just a short walk or bus ride away, they'll feel more comfortable about choosing your location.



## Choose your tenants even more carefully.

Some investors in college towns (and their neighbors) aren't too happy to find their homes turned into party central. By carefully screening tenants and including specific tenant rules in the lease, you'll protect yourself and your investment.

## Rent by room.

Although you may not be able to get one tenant to pay the full rent, you can have multiple students living together. You may even increase your ROI by renting this way.



## Be prepared for tenant turnover.

This isn't necessarily a bad thing, but expect your tenants to come and go frequently. This may put more of a burden on you to find replacements, but rest assured, you'll have no shortage of applicants and you can always have a property management company handle this part of the process.

## Involve the parents.

Many college students will not have the rental history or credit scores you may find in established tenants. But don't fret; their parents will typically be able to co-sign, and since they are likely the one sending the check, starting a relationship with them will only increase your success.



## Be familiar with the area.

If at all possible, invest close to home or close to a college where you know the community, rent values and most populated student areas. Many investors are having great success (and a lot of fun) investing near their alma maters.