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Rental Property Business Plan Template



Creating a landlord business plan helps you think through how you'll want to handle each step of the rental process and map out how to achieve your goals. Use this rental property business plan template to help guide you get started.

1. EXECUTIVE SUMMARY

Your executive summary should provide a one-page summary of your rental business and briefly cover the different sections of your business plan. To help you get started, here are five questions you can ask yourself to help craft your executive summary:

What's the Reason for Creating Your Rental Business?

What Values and Beliefs Do You Want to Have as a Landlord?

What Are You Looking to Accomplish in the Next Five Years Through Your Business?

How Will Your Rental Property Generate Income?

How Do You Plan to Handle the Operations of Managing a Rental?

2. DEFINE YOUR MARKET

There are different types of rentals: single-family homes, condos, duplexes, and multi-unit buildings. Each type of rental property is part of a different market, so you'll want to determine the type of market you'll be entering with your business.

How Has the Market Changed in the Past Five Years? Are There Any Notable Market Trends?

How Big Is the Market Size in Your Area?

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3. YOUR BUSINESS MODEL AND OBJECTIVE

Provide a thorough understanding of both your business model and the objective you're looking to accomplish. As a refresher, your business model should explain how your business will make a profit, find tenants, cover operating expenses, and handle issues with tenants. This section can also be used to outline whether or not you'll legitimize your business with an LLC, and if you'll be opening a business bank account to manage your rental income.

Pro tip: Reference our How to Become a Landlord article for suggestions on how to manage your rental business, avoid legal issues, and streamline the renting process.

4. YOUR STRATEGIC PLAN

Run a strengths, weaknesses, opportunities, and threats (SWOT) analysis to help you construct a comprehensive strategic plan for your business. The findings from this analysis can serve as a guide to what your business should include (and avoid) to increase your chances of succeeding.

SWOT Analysis

STRENGTHS: _____

_____ :OPPORTUNITIES

WEAKNESSES: _____

_____ :THREATS

Your Marketing Strategy: Consider the following questions to help you craft your business marketing strategy:

- Who are you targeting through your marketing?
- What sets your rental property apart from similar units in your area?
- How will you attract tenants?
- What websites and/or platforms will You use to advertise your rental?
- What information will you include in your rental listings?

5. YOUR FINANCIAL PLAN

To generate enough income to cover operating expenses, you'll want to craft a financial plan that takes into account the different expenses associated with owning a rental property and outline your property's profitability.

What Will You Be Responsible for Covering as a Landlord?

(i.e., maintenance repair costs, landlord insurance, property tax, mortgage payment, HOA fees, home improvements, etc.)

EXPENSE	ESTIMATED COST

Total: $ _____

Now that you've totaled a rough estimate of your operating expenses, consider how you'll want to save on a monthly or ongoing basis to cover these costs.

How Much Will Be Charged in Rent?

Your rent price should help you generate income each month, while factoring in other rental prices in your designated area and miscellaneous operating expenses (i.e., providing furnishings, lawn maintenance, etc.). If your rental also offers great amenities, this can allow you to charge more in rent than other rentals that offer fewer benefits to tenants.

How Profitable Is Your Rental Property After Accounting for Your Operating Expenses and Rent Price?

Use the Avail Rental Property calculator to get free comprehensive insights on cash-on-cash return, gross rent multiplier, and other financial inputs to add to your rental property business plan. The outputs from the Avail Rental Property calculator can be emailed to your inbox and exported as an excel spreadsheet to add to your business plan.

To use the calculator, provide the following information:

- Property address
- Asking price
- Down payment
- Mortgage loan details
- Closing costs
- Upfront enhancements to prepare the property for tenants
- The number of units you'll be renting and the rent price
- Growth rate
- Operating expenses

Manage Your Rental Business With Avail

Congratulations! You've finished the process of creating a rental business plan. Now that you've completed this step, you'll want to have the right tools to help alleviate the stress of managing a property and streamline the rental process.

Create an account to manage your rental business with Avail.