

## STUDENT HOUSING

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This is additional information with the BiggerPockets' podcast for those interested in building a portfolio of campus rentals.

Podcast: [biggerpockets-syrios](#)



Some question my characterization (and sanity) but I consider a modest teacher's college of 7,500 in Emporia, Kansas the *Harvard of the Midwest*—hey, I graduated from there, after all!

Yet, even given the rarefied appreciation for my alma mater, I do not wear an *Emporia State University* class ring. Instead I wear a class ring from the *University of Oregon* that I bought on Ebay for \$200. Why? Why would I not want to identify with my (albeit very prestigious!) alma mater and instead wear the “ring of another?”

The reason is simple: The *University of Oregon* has been very, very good to me!—GO DUCKS!!

For nearly 25 years I have lived the life of a full-time real estate investor and it is college students from the University of Oregon with a little help from their Oregon State rivals who have made this possible. Through their rent, guaranteed by their parents, they have paid for my families' home, furniture, cars, groceries, charitable giving, my wife to be a stay-at-home mom as long as she wanted, our vacation trips—you name it. These same students also made it possible for me to hire hundreds of others who have or are working for my company, (see [StewardshipProperties.com](http://StewardshipProperties.com)), giving them a solid source of income as well.

Beside the ring I wear, it's only appropriate that my family got into the act: Of my four sons, two are full-time real estate investors in Kansas City and another works for our company in Eugene. Since discovering this lucrative real estate niche in 1989, our family is happy to live a modest lifestyle with few people knowing the extent of our real estate holdings. Of all the rental properties I own, none in my portfolio are as valuable as my campus rentals.

### WHY BUY STUDENT RENTALS

Let's start with some bad news. The amount of national student loan debt, a debt that cannot be discharged in bankruptcy, has eclipsed the one trillion dollar mark. Upon graduation the average student now faces \$30,000 in loan debt. To graduate with a basic degree and a mountain of debt, in a less than stellar economy, could end up being more of a negative than a positive in a young person's life. It's understandable that parents and their university-age sons and daughters are looking to make not only educationally sound choices but financially affordable ones as well.

Beginning with the 2008 downturn, most campus real estate markets held strong because when the economy struggles more people, especially the unemployed, head back to campus to increase their marketability. Many campuses even witnessed a building boom fueled by low

interest rates. Developers tore down older places to build new buildings, even some mega-complexes with a dizzying array of hotel-like amenities and market a “club-med experience” to students.

With economic improvement enrollment has trended downward as people found work, exiting the campus to enter the workplace. On top of this trend, the demographics in the next couple of decades are not nearly as favorable as the last ones. U.S. Census Bureau projections show the number of 18- to 24-year-olds in decline before beginning a slow rise in about 2018. So, campus rentals are not the slam-dunk, cash machines they use to be. As a student housing investor, you should be aware of student housing demand/supply trends, especially how they relate to the particular campus(es) you target.

Now, here’s some good news. The perception of value in a college education is not going away. College enrollment tops 21 million (13.7 million in 4-year institutions), up 5.7 million students from 2000 and is projected to slowly increase by 14% with another 3 million students by 2022. Maybe your campus rentals won’t be shiny new or include workout rooms and swimming pools with hot tubs, but they can offer cost-conscious parents and students affordable alternatives.

If you work hard to find such well-priced properties relatively near campus, rehab them to increase their rental value with students in mind and strategically market them, you can create much positive cash flow. If it applies anywhere, the saying, “the riches are in the niches,” certainly applies to student housing—where it is possible to get the best of both worlds—high occupancy and high rents. Of course, along with high occupancy and high rents often comes high purchase prices but, there are ways to mitigate that high price factor and it starts by deciding where to buy.

## **PROXIMITY TO CAMPUS**

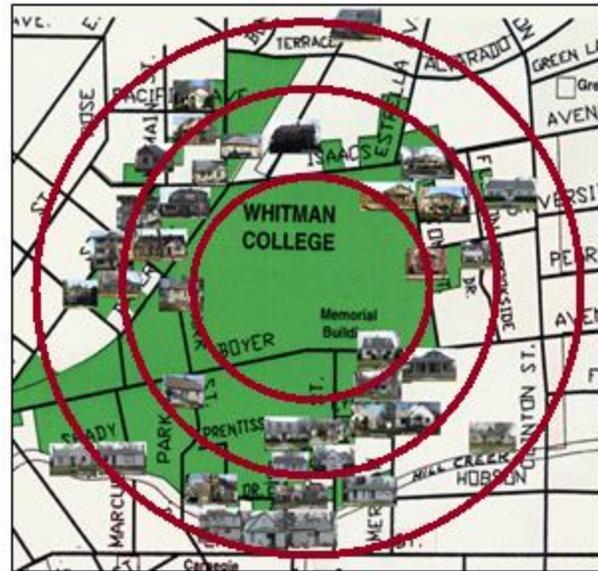
As a campus investor, you care about what students care about. Students don’t think much about manicured lawns or two-car garages or any garage for that matter. Likewise they don’t care about being located near the best schools districts or developing ties with their neighborhood. Their community is within their university networks.

Location to “their world,” the campus, rules the day for what students deem to be the most desirable place to call home. They are looking for convenience to classes and to other student services which translates into proximity to campus—the closer, the higher the demand and the less the supply, and thus the highest rents and the lowest vacancies.

Because the one thing you cannot move is the property itself, location is always important. Properties are usually rated by their age and amenities. These are important factors for campus properties as well but the overriding factor is *location to campus*. Students love convenience. Who doesn’t?! So, walking distance to campus is best, biking second and driving last.

Here's how students "grade" campus rental locations:

- A: a few blocks away—walking distance
- B: ½ mile out—walking/biking distance
- C: 1-2 miles—biking/driving distance
- D: beyond 2 miles—driving distance
- F: in a "different area of town"



Certain sides of any given campus are more desirable than others. Is the west side the preferable one or is the south side more desirable? Interview students for their opinion but, at the same time, realize the most desirable side might not be the most profitable side. "A-campus properties," and secondarily "B-campus properties," demand more rent, lease more quickly and are virtually never vacant. However, they are also the most expensive to purchase, sometimes much more expensive. So, should you go after A, B, C or D located properties? It's a good question. How do you identify the "sweet spot" in order to purchase and manage student rentals for their maximum return on investment (ROI)?

Consider targeting the sides of campus that are less expensive and buying a little further from campus than walking distance. In doing so you will have lower rents but often dramatically lower purchase prices that more than compensate for those lower rents. So while an A or B location brings better rents, C and D locations can bring much lower purchase prices and yet, may not devalue the rents a commensurate amount. They would thus end up being better overall deals.

I have hired high school students to pass out door hangers in neighborhoods right on the border of the campus rental market and called on owners with houses in such areas that had deferred maintenance. I look for homeowners or landlords whose property could be transformed from a residence or typical rental into a higher cash flow student rental. Likewise I've placed simple ads in the newspaper (years ago) and craigslist (more recently):

SAVE THE COMMISSION  
 Wanted: home or investment  
 property in the campus area.  
 Call Bill at xxx-xxx-xxxx

I've even looked for commercial properties that could be turned into campus rentals, if I could get higher rents as a result of the usage change. This is what is meant by using a building to its "highest and best use"—that which brings in the most rental income. I've repurposed an old

dental office building, a former real estate office building and even a warehouse built in 1884 into campus rentals, all because of their strategic location and their higher rent potential.

While you would normally avoid buying on a busy street or a noisy area, you can get away with doing so when it comes to campus rentals. Not every student will want to live on such a street or in such an area but many, realizing that their tenancy is temporary, won't mind. This perspective may give you some leverage in purchasing the property in the first place. While you'll want a significant discount from the seller for buying on a busy street, for example, your rent will likely not be affected much by this deficiency. Look for any and all such "value plays." It is such a value play that can make it or break it in terms of ending up with a cash flowing campus property.

For efficiency sake do not look to just buy one or two but make it a goal to buy many campus rentals—at least a "critical mass" in this niche market—so you can focused your time on finding great buys, learn to rehab in-line with student's likes/needs and manage according to the local campus calendar. Here's the story of a couple of guys who have done just that.

### **MEET MARK AND CHRIS**

Mark Pankalla started out by working for me and later partnered with me. Mark is a contractor or better put, a craftsman. While I was into quantity he was into quality so our partnership was relatively short-lived. Mark went on to target homes on the fringe of the University of Oregon campus area (sound familiar!) that he could "cherry out" with beautiful wood floors, kitchen redesigns, skylights, and first-class landscaping. When a student steps into one of Mark's places, they want to rent it, not for its prime campus location, but for its old-world charm.

This kind of niche within a niche works well for Mark as he has been able to increase rents with virtually no vacancy in the last dozen years. To date he has purchased and rehabbed or built new six beautiful campus homes and makes a solid monthly cash flow to supplement his contracting income. (See: [HP-Properties.com](http://HP-Properties.com).)

Chris Francese was a U of O business major who participated in an internship with nine others that I put on in the summer of 2005. Chris got on the inside of our company. For three months he immersed himself in marketing to sellers, negotiating, participating in rehab and property management. Apparently he liked what he saw because when he graduated and returned to his hometown in Poughkeepsie, New York, Chris didn't look for a job. Instead he went to work targeting properties close to Marist College, a private institution of about 6,300 students.

Chris now owns seven large campus rentals. He pretty much does it all—purchasing, rehab, maintenance, showings, you name it—although he recently has begun to hire out more of the work. One of these days I even expect he'll have a website! Not only is Chris able to live solely off his campus properties' income, he has plenty of travel money, one of his passions in life.

## WHAT IS IMPORTANT TO STUDENTS

Mark and Chris quickly discovered what is important to students, especially the ones they specifically cater to. You can do the same by talking to students around the campus you target and listening carefully to their concerns. Here are some of the things you'll likely hear.

- Security** is important, especially for women. Students appreciate well-placed exterior lights and any other appropriate security measures you can provide. Remember that students are young people. So, they won't think about the fact that most thief happens over Christmas and Spring Break, and they don't know how important it is not to turn off the heat in the winter either. They will appreciate it if you look out after them in these regards by communicating such concerns. Make sending notices out easier by collecting their email addresses into a database.

- Internet Service:** Students do virtually everything on-line via their computer, tablet or phone. If you give them any amenity (especially in an apartment building), make it internet service. Students can do without eating but not without their virtual connections so a "Wi-Fi Provided" sign is great for marketing.

- Cable TV:** Wireless internet and cell phones have eliminated a lot of the need to wire every room but many students still want a TV in their bedroom so a cable jack in each bedroom is a plus. Apartments that offer free internet rank over those that don't. And if you can provide cable, especially if you get a package deal with your provider, that's another amenity that will help you stand above the competition.

- Appliances:** A refrigerator and stove are musts and close behind is a dishwasher, washer and dryer. Students who are looking to rent a home, in particular, are looking for a something more than the utilitarian living experience that characterize some apartments buildings. What they want is a place similar to the home they grew up in and you can bet it had a dishwasher, washer and dryer. Another standard appliance is a microwave and for kitchen space efficiency we supply a microhood over the oven. Newer white appliances are fine but stainless, high-end appliances communicate that this is a high-end student rental.

- Lawn Care:** Who expects a college student to bring a lawnmower to school with them? Likewise, don't expect them to use one you supply. They've got better things to do like studying... or partying. Whatever it is they do, figure that lawn care won't be one of them. So find someone or some company to take care of landscaping the property and include this service in the rent. And, by the way, the time to have the properties looking their very best it right before you start your lease-up season.

- Parking:** Many university campuses are notorious for their lack of parking. Student properties were built in an era where most students did not have a car. Now many students have cars, and not enough places to park them. So carve out as much parking as possible, even if it means putting concrete or gravel where you wouldn't normally put it. Parking at an apartment can provide an additional source of income by renting out spaces at \$20-50 per month.

•**Pets:** Some students want to bring “Simon” their childhood dog, or “Barnaby” their can’t-live-without cat. For many years we had a “no pet” policy. However, as the private student housing supply increased on our campuses, we have gone the other direction. Except for quads (individual bedrooms that share a kitchen and sometimes a bath) we allow pets. At the same time we also charge \$25-45 a month for “pet rent.” Such an arrangement not only compensates for pet damage—maybe even making you more money—it also enlarges your tenant base.

### **IT’S ALL ABOUT THE BEDROOM**

When students look at a house they look right past the nice lawn, beautiful fireplace, tile counter tops and wood floors—unless, of course, they’re renting from Mark Pankalla! Those amenities are all well and good but what a student is ultimately thinking about is where they will reside. Their real house, even though they are renting it with four of their friends, is their particular bedroom—their “home within the home”—and secondarily, their bathroom. After that they’ll think about where they’ll hang out to make dinner, wash their clothes, watch TV and yes, socialize.

Instead of thinking of a campus house like a typical rental house think of it as a small apartment complex. We do not rent houses as individual bedrooms (we’ll address this later) but each bedroom is, in effect, its own one-bedroom apartment unit. As an investor, your revenue per bedroom will be the determining factor of your campus rental’s potential value. If you can increase the amount of bedrooms (and a correspondingly appropriate number of bathrooms) you can significantly increase the rental value of the property. This is a key value add.

So, if you can create an extra bedroom in a basement, garage, large family room where there wasn’t one before, you’ve just created “another apartment unit” and the corresponding increased revenue: \$400, \$500 or \$600 per month. If you can create two bedrooms, then double it: \$800, \$1,000, or \$1,200 per month. (As you go up in bedroom count, realize that you might need to go down slightly in rent per bedroom because a smaller house will usually rent for more per bedroom than a larger house.) But whatever per bedroom rent amount is in common in your particular campus market and in your particular proximity to that campus, another bedroom or two or three can add up to a LOT of additional revenue that justifies a whole lot of rehab capital spent on the necessary upgrade.

If it cost you \$20,000 to add an extra bedroom (or \$40,000 to add two bedrooms, plus a bath for another \$5,000) would that be worth it to you? If you receive an additional \$450 per month, how long will it take you to pay off the amount of rehab capital it took to create that bedroom? At 10% interest the extra \$450 a month will pay off your \$20,000 loan in five years with an extra \$25 per month to spare. If you were able to finance this rehab your return would be infinite because you are using someone else’s money to create \$25 a month for five years and then \$450 per month until the end of time (or even more when you raise the rent). Please say, “Yes, I’d do that!”

By adding \$400-1,200 a month you also increase your property's value substantially, as much as \$100,000 or more. The value of student housing is tied to its income generating potential which is most appropriately gauged by CAP rates. (CAP rate: Capitalization rate = annual net operating INCOME after all expenses except mortgage / by the property's VALUE). There would be virtually no additional monthly operating expense for adding a bedroom. So, if CAP rates close to campus are 7.5%, an increase in annual income of \$5,400 (\$450 per month) equals an increased valuation of \$72,000 ( $5,400 / .075 = 72,000$ ) and if CAP rates are 6.5% the increased valuation would be \$83,076!

Given the priority of THE BEDROOM, keep living areas modest in size. Students can go to their friends' houses to party and you can potentially use the extra first-floor square footage to carve out another bedroom in the living room—oops, I meant another \$450 a month in rent (and as much as \$72,000 or more in value)! Not all houses lend themselves to the transformation of the dining room into a bedroom, but some will, especially those with large kitchens and dining rooms. Be on the lookout for such transformative, value-add spaces.

Students view apartments similarly: What will their particular bedroom/bath/living space include? Apartments do not usually provide the same opportunity for bedroom additions the way the houses do, but that isn't always the case. How about that very valuable storage area? Could it be another unit? Is one of the larger units inefficiently laid out and with the potential of carving out a studio? I've turned a 27-unit campus building into a 29-unit by employing such an efficiency mindset. I always ask myself, "Is too much square footage given to living space and not enough to bedroom space?" and I always hope the answer is, "Yes!"

### **CHANGES I'VE MADE TO CREATE BEDROOMS "OUT OF THIN AIR"**

--Transform a one bedroom side-by-side duplex to become a five-bedroom, two-bath house by "putting it back together," taking the better of the two living rooms, the better of the two kitchens and rearranging the rest into the most functional floor plan possible.

--Create two bedrooms and a bath out of a garage and carport.

--Carve out an extra bedroom in a utility room and move walls to take out some room from the existing bedroom, fashioning two bedrooms out of one.

--Transform a dental office into a campus rental with small bedrooms granted. But remember, you can build in bunk/desk units for students which helps use the floor space they have much more efficiently.

--Finish off a third floor attic to create a "cool" bedroom with lots of angles.

--Carve out a bedroom from a garage and leave enough room for bike storage.

--Divide a large family room into two bedrooms and a bath. (When you add two more bedrooms also look to add another bath as well.)

--Dig out a low ceiling basement to change a large storage area into five bedrooms, a bath, washer/dryer area and small den. Yes, this was a big project!

--Divide a very large bedroom into two bedrooms with a small hallway to get to the back bedroom.

--Add a bedroom above the garage that connected to the upstairs of the house.

--Use a large eave storage space to construct an angular ceiling bedroom with a pocket door.

--Carve up a fraternity house into 11 apartments: one studio, two 1-bedrooms, one 2-bedroom, four 3 bedrooms, one 4 bedroom and two 5-bedrooms. We came close to doubling the number of bedrooms in this building by reorienting the apartments with a more efficient layout.

You can see why people have called me "Bedroom Bill." My bedrooms have gone where no bedroom has gone before! To me this moniker simply spells ADDITIONAL CASH FLOW. Some now point to small closets enticing me to perform my magic bedroom appearing act. I say, "Don't tempt me!" They know, I'm open to any and all ideas when it comes to increasing cash flow by adding bedrooms. My rule of thumb for bathrooms per bedrooms in houses is the more the merrier, at least two in a four to five bedroom and three in a seven-plus bedroom house.

In your "bedroom enthusiasm" be aware that many communities have city ordinances not allowing more than five unrelated adults to rent together in certain residential areas. There are even a few cities that limit it to no more than three unrelated adults. Our particular city allows a usage exception called "congregate living," which permits renting to up to nine unrelated adult in certain, higher density areas. Check the particular ordinances in your city.

## **PROPERTY MANAGEMENT FOR CAMPUS PROPERTIES**

How do you become an expert student property manager, or find a property management company that thoroughly comprehends the particularities of this niche market? Here's a list of important considerations:

- Turnover:** Probably the biggest downside to campus rentals is the turnover. We encourage releasing but as much as 75-80% of our student residents move on after a one-year lease. We require year leases on houses. We also seek to get year leases on our apartments. Sometimes, however, we also offer 9 ½ month / 2 ½ month options or even month-to-month apartment leases. We thus find ourselves renting—turning over—re-renting properties continually. We've fully embraced this turnover challenge but it certainly makes for a rollercoaster ride of activity as we follow the student academic calendar year-in and year-out.

•**Fall Lease-Up:** We begin gearing up to rent our campus houses for September by sending out renewal letters in January. Yes, that's eight months prior to the ending of their lease! By the first week of February a house group needs to let us know whether they are renewing the following September or their house goes on our website's availability list and on craigslist. This exceptionally early renewal point is largely driven by our particular campus that has experienced overbuilding which has pushed our competing property management companies to try to get a jump on marketing.

We also "ride" a sliding rent schedule downward, starting with high rents for the "early bird students" who want to secure the most appealing properties for the next fall. It is an advantage to manage our own properties because we can closely monitor how the rent-up is going on a month-to-month, even week-to-week basis, dropping rents as the spring progresses and making the immediate changes in our marketing. Our goal is to have the majority of our houses rented by Spring Break (the 3<sup>rd</sup> week of March) and to have every house rented by July for an August or September move-in date. We also want to have all of our apartments rented by late September before classes begin at the U of O and OSU.

In the years we've struggled to get all our houses rented up, in late spring we've offered incentives such as a free 50" TV or even a free month rent. One year we offered a free \$20 pizza coupon every week for a year. We purchase these from a favorite local pizza place and they cost us \$10 each, making our total out-of-pocket expense \$520 per house. (Of course students had to have one-time rent payments to get each new month's supply of pizza coupons.) If we have a few apartments still to rent, we also offered a free \$20 pizza coupon to anyone who tours one of our places and fills out an application. As you can see, we do whatever we can to insure we have a full rent-up by the first day of fall classes.

•**Marketing:** Given that you are an investor, you might be quite comfortable with marketing. But regardless, make your peace with marketing now because a strong marketing presence is key to getting and keeping your places rented at the highest possible rents.

"For Rent" signs, on-campus classified and on-line ads along with an attractive, well-functioning website boosts your visibility but, more than anything else, a consistent craigslist presence is critical. As long as you or your staff put in the time to develop and post your properties on craigslist regularly they will be there front-and-center when students are looking online for what's available. Consider having a professional photographer take photos of your properties for your website and craigslist ads because it is great photos (and short videos) that will "sell" your rentals. If your rental photos aren't as good as the ones you see on a site such as [airbnb.com](https://www.airbnb.com) then get new ones.

•**Website:** Having a solid rental website is critical to your long-term success. Prospective tenants want to see photos and read descriptions of your properties to "virtually tour" before physically touring your properties. I'd suggest adding a simple YouTube video for individual properties as well. This will give you additional exposure because google promotes their YouTube videos higher up in google searches. (To view our campus rental website, see [StewardshipRentals.com](https://www.stewardshiprentals.com).)

What sophomores are looking for is often different than what more serious-minded seniors are looking for and there are differences between what appeals to women and men. Some houses, for example with fewer bathrooms per bedroom, would not interest women as they might men. In general women (and/or their parents) are pickier initially but cleaner in the long run. Mixed groups can offer the best of both worlds. You could also target grads or foreign students with certain types of campus housing by advertising in places and in ways that appeal to them.

A helpful website is also important because it significantly cuts down on expenses of you and/or your office staff answering basic questions, allows for receiving rental applications and maintenance requests online. Students are on the web every day and they should be (and want to be) visiting your website instead of calling you or your staff about such basic things.

•**On-line Rental Payments:** I remember the day I heard a student exclaim, “That’s the first time I’ve ever written a check.” I couldn’t help ask him, “How old are you?” “Twenty-two,” he replied. Some of today’s students don’t know how to fill out a check. For others, their rent is the only check they write all month. When it comes to paying rent, make it as easy as possible and provide on-line payment through your website/property management software program.

•**Group House Leases:** We require individual rental applications (along with a group application that lists the students planning to live together). Since students don’t usually have independent income, we also require a parental co-signer agreement. So each student in a house and their co-signers are jointly responsible for the lease. Each group designates a “house manager” who acts as a go-between with us and the other tenants in the house.

•**Individual Apartment Leases:** Similar to houses we prefer to rent apartments on group leases and we do so most of the time. On some campuses, however, students expect “individual leases” (leasing by the bedroom). On other campuses there is an oversupply of apartments, and in these cases, you also may need to offer individual leases to compete. For apartments we certainly prefer yearly leases but again, if necessary, we offer flexible lease periods—a 9 ½ school year lease and a 2 ½ summer lease—to appeal to everyone. You can give options: higher rent for month-to-month lease and a reduction for yearly leases. Again, your goal is to get all your places leased for the highest possible rent by the first week of school in the fall.

•**Co-Signer Agreements:** Parents should be co-signers for their particular student which makes them jointly and severally liable to the rent and any damages. This allows you to enjoy 100% economic occupancy or close to it. For ease of use a co-signer agreement should be accessible from your website and deliverable via fax or email.

Be aware that you are renting to both the student and their parents and, at times, parents will assert themselves quite strongly in the leasing process. In some cases, parents are not ready to let their child navigate the new world of being on their own (and especially if they are also on the hook of the lease). Some parents end up evaluating if a property is clean enough or calling you up when maintenance is required. (And it’s amazing how many students have dads or moms

who are attorneys!) Sometimes you have to respectfully let a parent know that their child needs to take the lead. In general parents simply want to know that you are willing to hear out their concerns and to be assured you will deal with the situation at hand.

•**Utilities:** It's universal that landlord's prefer tenants to pay for their own utilities and thus take those costs more seriously. Student housing is no different with the one exception being "quads" where you four students have bedrooms connected to a common kitchen and possibly a common bath. Many of these properties offer all utilities paid. You may decide, as we have in some cases, to rehab quads in such a way to make them three bedroom apartments.

•**Landscaping:** As previously mentioned, the only absolutely critical "amenity" to include in the rent is landscaping service. Students (in houses) will not mow the yard or only do it on an annual basis! This isn't going to, shall we say, cut it!

•**Building a Great Team:** There are certainly pros and cons of whether you manage your own properties or you pay a percentage of rent to a property management company. Either way, you want to hire a Great Team. Hiring is something few of us want to give a lot of time to, we'd all prefer to list a job and have an incredibly talented and motivated person show up on our door step the next day. But it does not work this way.

I would suggest that you be "slow to hire, and quick to fire." Put a lot of time into vetting prospective employees and hire for attitude more than skill especially for basic office jobs. When it comes to employees you get what you get and if you get the right "raw material" you can train them up in your systems. Much more could be said about hiring but realize this: Your team can make the difference between fighting fires all day or being freed up to build a real estate investment empire.

## **YOU CAN DO THIS**

Nobody is self-made and that is certainly true of me. My father provided me a huge head-start with low and no-interest loans and even bought properties in his name when I couldn't get loans. After a few years I hit the wall regarding "going big" and then found a hard (or more like a medium) money lender that help me get critical financing to keep me going. For my first ten years I had the good fortune of a key employee's service who freed me up to expand. I could continue talking about my good fortunate because there has been a lot of it, but suffice to say:

*You'll never know what next step will be there for you until you step on the one in front of you.*

My biggest mistakes: I started later than I should have, I passed up on buying properties I could have found partners on and I sold properties that I could have kept. Of course, there were plenty of other mistakes but the one mistake I didn't make was that I actually went for it. Ultimately I didn't let the unknowns, the challenges, the difficulties of hiring a great team and the eventual setbacks stop me. My encouragement to you is: Don't let them *stop* you either.

*Success is never final, failure is never fatal. It's the courage to continue that counts.*

-Winston Churchill

## **YOUR NEXT STEPS**

- 1) Decide if student housing is a real estate niche that fits your situation at this time.
- 2) If not, move on. If so, explore and evaluate what campus market(s) you will target.
- 3) Put a loan strategy in place via banks, private lenders, family members and/or partners.
- 4) Identify the best kinds of deals with the greatest cash flow potential—a combination of location, value add potential and price—in your target market.
- 5) Become an expert in your target market by looking at dozens/hundreds of properties.
- 6) Make numerous offers through your own marketing and your connections with agents. It can be overstated that finding and purchasing a “great deal” is your first big task.
- 7) Build the necessary back-end: Rehab crew(s) and property management oversight.
- 8) When you’ve developed a “cookie-cutter” campus rental business... “rise and repeat!”

*The secret of getting ahead is getting started. The secret to getting started is breaking your complex overwhelming tasks into small manageable tasks and then starting on the first one.*

-Mark Twain

You can find more out about our company’s history and mission at [StewardshipProperties.com](https://StewardshipProperties.com).