

A top-down photograph of a family of three lying on a light-colored wooden floor. The mother is on the left, wearing an orange crop top and blue jeans. The child is in the middle, wearing a red and black plaid shirt. The father is on the right, wearing a blue denim jacket over a white t-shirt and khaki pants. They are surrounded by several cardboard boxes, some open and some closed. In the top right corner, the number '08' is written in large, bold, yellow font. On the right side of the image, there is a vertical bar with yellow, blue, and dark blue segments.

08

Move Out

The end of your first lease is approaching - you and your tenant have some decisions to make about what comes next.

What happens when a lease ends?

There are three main options when it comes to lease expiry.

Your tenant could:

- Move out
- Switch to a month-to-month lease
- Sign a new lease

But you don't *have* to offer a lease renewal or the chance to be in a month-to-month contract - as long as you give your tenant ample notice.



Giving Proper Notice

Whether you've decided not to renew the lease or it's simply about to lapse, you need to notify your tenant. Your local landlord-tenant laws dictate how much notice you must give, but it's typically at least 30 days.

The notice should include:

- ✓ The date the lease expires
- ✓ The action steps your tenant needs to take (do they have to notify you if they want to renew, or will the lease carry over as a month-to-month without a new signature?)
- ✓ How long the tenant has to take action
- ✓ The consequences if they don't take action

If your tenant doesn't want to renew the lease, don't be discouraged! Make sure they know to give you the required amount of notice so you can start ramping up your marketing efforts accordingly.




Pro Tip: If you had an awesome tenant, don't be afraid to ask if they know someone who needs a place to live! You should still screen their referral as you would any other lead, but birds of a feather often flock together - and you may cut your vacancy cycle down as a result!

Final Walkthrough

One of the most critical parts of the move-out process is the final walkthrough. Ideally, this would be conducted with your tenant so you can highlight issues as you move through the property.



Remember, if there's damage beyond **typical wear and tear**, you can deduct the cost of repair from their security deposit - which is why pointing out the problems live is recommended. No one wants to feel like they've been bamboozled into paying for an issue that wasn't their fault.



Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world."

- Franklin D. Roosevelt, former U.S. President



The Security Deposit

So, what can a security deposit cover? The short answer is that it covers excessive damage caused by the tenant, their guests, and/or their pets.

For example, a security deposit could be used to pay for:

- Rips, burns, or pet stains in carpet
- Damaged hardware
- Broken appliances caused by misuse
- Damaged walls
- Broken tiles
- Cleaning and trash removal services
- Missing blinds
- Overdue rent and unpaid fees



Inspection Checklist

Take pictures of any damage you spot during your inspection, and be sure to check:

- The heating system/radiator
- Carpets/flooring
- Windows
- Carbon monoxide detectors
- Electrical outlets
- Wall paint
- Smoke detectors
- Light fixtures
- Bathroom plumbing
- Kitchen appliances
- Outdoor areas (as applicable, like an attached backyard)

You'll then compare the condition with what you recorded during your move-in inspection to assess potential damage.



Before Your Tenant Moves Out

In the timeframe between giving notice and vacating the unit, there are a few things you and your tenant can do to make saying goodbye easier - namely:

- **Ask them to submit a change of address request to the Post Office.** Your tenant can [complete this step online](#) in most cases.
- **Request their new address.** This step makes it easier for you to send any follow-up information or money, such as their security deposit, directly to the renter.
- **Recommend that they conduct a final deep clean of the rental** so it can be ready for a new tenant.
- **Schedule your move-out inspection,** either on the day the lease lapses or shortly beforehand.



Returning the Security Deposit

After your tenant leaves the rental, you'll have anywhere from 14-60 days to make deductions and return the security deposit to your tenant, depending on your local laws.

That means you need to be quick to:

- 1 Assess the unit for damage
- 2 Make repairs
- 3 Tally any unpaid rent or fees
- 4 Notify the tenant in writing of any deduction you will make to their security deposit



Some states also require you to provide receipts for repairs so that your tenant knows you're deducting things accurately.

Tasks to Accomplish While You Don't Have a Tenant

After the dust settles, it's time to make sure your rental is tenant-ready

You should:

- Make repairs, especially those that would be invasive or time-consuming if someone was living in the unit.
- Consider adding additional amenities, particularly if your previous tenant gave you feedback about anything lacking in the rental.
- **Re-evaluate your monthly rent price** compared to similar rentals in your area. Is it time to raise the rent (or lower it)?

When you feel confident that your rental is ready, it's time to start looking for your perfect tenant. **Leverage our tips** to make the process is tenant-ready again!



A Final Word

Investing in real estate can seem intimidating - but you have everything you need to get started. If you're still nervous even after reading it, that's okay. Investments are inherently a risk!

Here's what Brent D., a six-door landlord, shared about the potential tax benefits of real estate investments, even when nothing seems to be going right:

My best friend approached me a couple of years ago asking, 'Hey, should I buy a rental property and why?' I explained why I had. Interest rates were up at that time, but he decided he had the cash to do it.

Even though he's having to put in a couple hundred dollars every month toward that property, he approached me at the end of last year and said, 'I want to thank you - this year's the first year I did not have to pay taxes.

I actually got a refund back, and I haven't gotten a refund back in seven years.'
Because he's able to depreciate that property, he actually got a refund back on his taxes - even though it's cash flow negative. "

You've got this!



About Us

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