BAY MOUNTAIN HOMES | OWNER RESOURCE

Inherited a Rental Property?

3 ways to turn it into income—and the hidden downsides to understand before you decide.

KEEP THE VALUE.
LEAVE THE HEADACHES.

A practical guide for inherited-property owners, tired landlords, out-of-state owners, and anyone who no longer wants the responsibilities of a rental property.

Thoughtful real estate. Trusted relationships. Shared opportunity.

The property you own—and the job that comes with it

A rental property can be a valuable asset. But if you inherited it, live far away, have grown tired of landlording, or are holding a vacant property, the day-to-day reality may feel very different from the idea of passive income.

The decision is not simply whether to keep or sell. It is how much time, risk, expense, uncertainty, and control you are willing to accept—and what you want the property to do for you next.

This guide walks through three common paths and the tradeoffs owners should understand before choosing one.

1. Keep the property and manage it yourself

The apparent advantage: You retain control and keep the rental income.

The drawbacks to consider:

• Tenant calls, complaints, late payments, and urgent problems can become your responsibility.
• Vacancies mean lost income, and there is no certainty about how quickly a new tenant will be found.
• Repairs, maintenance, insurance, taxes, utilities, and other expenses can be unpredictable.
• A major repair or extended vacancy can quickly consume months of expected rental income.
• You are responsible for making decisions, coordinating vendors, and staying on top of the property.

Ask yourself: Is the income worth the time, stress, and financial uncertainty?

2. Hire a property manager

The apparent advantage: Someone else handles many of the day-to-day tasks.

The drawbacks to consider:

• You generally remain exposed to vacancies and lost rental income.
• You typically remain responsible for ownership costs and many major repairs.
• Management fees reduce your net income.
• You may still need to approve expenses, handle escalations, and make important decisions.
• It can be difficult to know whether the manager is marketing aggressively, reducing vacancy time, or obtaining competitive repair bids.

Ask yourself: Have you transferred the risk—or only outsourced some of the work?

3. Sell through a real estate agent

The apparent advantage: Convert the property into cash and move on.

The drawbacks to consider:

• Agent commissions and other transaction costs reduce your net proceeds.
• Preparing the property may require cleaning, repairs, staging, or other work.
• Marketing, showings, negotiations, inspections, and closing take time.
• Tenant occupancy can make access and showings more complicated.
• There is no guarantee of the price you hope to receive or how long it will take to close.

Ask yourself: Is a traditional listing the best fit for your priorities, timing, and desired net proceeds?

Compare the options against what matters to you

Before choosing, consider these dimensions:

What matters	Questions to ask
Time & stress	How much involvement will I have after the transaction?
Financial exposure	Who bears vacancy, repair, insurance, tax, and operating costs?
Net proceeds	What will I actually receive after fees, expenses, and taxes?
Certainty & timing	What has to happen before I receive money, and what could delay it?
Control & flexibility	Who makes decisions, and how can I exit or change course?
Trust & protections	What is documented, and what happens if someone does not perform?

There is no one-size-fits-all answer. The right path depends on the property, your goals, the numbers, and the obligations you are willing to keep.

We built another way.

We built the partner we wanted. We believe property owners deserve a thoughtful, transparent, collaborative real estate partner—someone who listens first, understands the goals, studies the numbers, and takes responsibility for the risks and obligations they agree to assume.

Bay Mountain Homes is a real estate investment business—not a property management company or real estate brokerage. We work directly with property owners to evaluate the property, understand their goals, and explore whether a tailored transaction may make sense. Not every property or structure will be a fit, but every conversation should be honest, respectful, and focused on finding a workable path.

Depending on the property and your objectives, possible structures may include:

- Agreed payments over time, potentially through seller financing.
- A lease-option or another tailored arrangement, where appropriate.
- An outright cash purchase, subject to review and mutually acceptable terms.

You do not need to know which structure is right before starting a conversation. Tell us what you own and what you want to accomplish. We can evaluate the numbers and discuss what may be workable.

Questions to ask before agreeing to any transaction

- Exactly when does responsibility for operations, repairs, vacancy, insurance, taxes, and other expenses shift?
- What payments are proposed, when are they due, and what secures them?
- What happens if a payment is late or a party does not perform?
- Who holds title, who controls the property, and what rights remain with me?
- What fees, closing costs, taxes, or other expenses should I expect?
- Can I have the proposed documents reviewed by my own attorney and tax adviser before signing?

What could your property put in your pocket?

Share a few details about your property and goals with Bay Mountain Homes. We can start with a conversation about potential monthly income, a longer-term arrangement, cash now, or another structure worth evaluating.

IMPORTANT INFORMATION

This guide is for general educational purposes only. It is not legal, tax, financial, or real estate brokerage advice, and it is not an offer or commitment to purchase any property. Every option has risks and tradeoffs. Actual responsibilities, payments, ownership rights, expenses, and legal or tax treatment depend on the facts and final written agreements. Potential transactions are subject to property review, underwriting, due diligence, and mutually acceptable terms. Seller-financed transactions may or may not qualify for installment-sale tax treatment; consult your own tax adviser. Have an independent attorney review any proposed agreement before signing.