



A KELLER WILLIAMS REALTY NEW ORLEANS GUIDE

How to Invest in *New Orleans* Rental Property

BUILDING WEALTH, ONE LOCAL DOOR AT A TIME

HI, I'M CAMERON

So you've decided to build a *real estate* empire.

Thanks for downloading this guide. I'm Cameron Smith, a REALTOR® with Keller Williams Realty New Orleans, and I help investors buy rental property across the city.

Building a rental portfolio here is different from buying a home to live in – and different from investing anywhere else. Flood zones, short-term-rental rules, historic districts, and rents that shift block to block all matter in New Orleans. I put this together to walk you through the fundamentals, then we can talk specifics for your goals.

I'll be straight with you the whole way: honest answers on every property, plain numbers, and no pressure. The goal isn't to buy *a* house – it's to buy the one that actually pencils out.

When you're ready to run the numbers on a real deal, I'm a phone call away.

YOUR AGENT

A local partner for *local* deals.



Cameron Smith

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I'm in New Orleans neighborhoods every week — tracking what's listed, what's renting, and where the numbers make sense for investors. When you work with me, you get someone who knows this market street by street, not a national average.



NEW ORLEANS RENTAL
INVESTING

“

Ninety percent of all millionaires
become so through owning
real estate.

— *Andrew Carnegie*

PART ONE

01

Buying your *first* rental property

Before you buy your *first* rental

When you buy your first rental property, there's a lot to weigh. The type of property, how you'll find tenants, and how you'll manage it are just the start.

Lenders treat rentals differently than a primary residence. Expect a larger down payment and a higher interest rate — statistically, people are more likely to walk away from a home they don't live in, and lenders price for that risk.

Before you buy a second home as a rental, make sure you have the down payment saved, a contingency plan if you lose a tenant and have to cover the mortgage yourself, and a plan to manage the property. Will you hire a management company, or do it yourself?

IN NEW ORLEANS

Budget for flood insurance and pull the property's flood zone *before* you make an offer — in much of the city it can move your monthly numbers more than the mortgage rate does.

Same goes for short-term-rental plans: NOLA's STR permits are limited and vary by zoning, so confirm what's allowed before you count on Airbnb income.

Pros & cons of becoming a *landlord*

+ Pros

Write off many maintenance and repair costs as business expenses.

Net cash flow after expenses can supplement retirement or other goals.

Rent can offset the mortgage, repairs, and operating costs while the home appreciates.

You don't pay Social Security tax on rental income.

Real estate is less volatile than stocks and often moves opposite the market, helping you diversify.

- Cons

Once a lease is signed, you're responsible for maintaining habitable living conditions, code compliance and honoring the terms of the lease.

You're bound by the lease even if you need to sell fast to free up cash.

Maintaining a house is real work; when something breaks, it's on you.

Investing long-distance usually means paying a management company.

There's no guarantee the property appreciates.

Calculating rental *income*

Put every deal through the same simple math before you fall for it. If the net profit doesn't work on paper, it won't work in real life.

**PURCHASE
PRICE**

**NEEDED
IMPROVEMENTS**

**FINANCING & CLOSING
COSTS**

**TOTAL
COST**

**MONTHLY
RENT**

**MORTGAGE &
FEES**

**MANAGEMENT COMPANY
FEES**

**NET
PROFIT**

In New Orleans, remember to factor flood + homeowner's insurance and property taxes into your monthly fees – they're often the line items that make or break the deal.

“

Owning a home is a keystone of wealth — both financial affluence and emotional security.

— *Suze Orman*

PART TWO

02

7 steps to becoming a *landlord*

Step one

Get to know the area

Don't invest in a home without researching the area. When you buy a property, you invest in the neighborhood too. Find out the average rent, how many renters are nearby, and whether the home is typical of what local renters actually want.

Just because you love a home and the block doesn't mean renters will. It rarely makes sense to buy a rental where most people buy rather than rent — work with a local agent to find out if it's a good area to invest.

01



02



Step two

Fixer-upper or move-in ready?

Both can work – it comes down to your budget, timeline, and appetite for risk. A move-in-ready home costs more up front but starts earning rent right away with fewer surprises. A fixer-upper can be a better deal on paper and lets you force appreciation, but renovation costs and timelines have a way of growing – and a vacant home isn't paying you while you work.

In New Orleans, older homes also bring termite history, dated wiring, pier foundations, and historic-district rules that can add cost and time. Be honest about which project you actually have the reserves and patience for.

Step three

Know rental market rates

You know what you'd *like* to charge for rent – but that doesn't mean it's what tenants in the area will pay. Don't plan to charge more than the average rent for the neighborhood, so do your due diligence before buying.

A licensed agent or appraiser can help you learn the area's average rents. Work the numbers: is the rent enough to cover your monthly mortgage, 1/12th of the taxes and insurance, plus maintenance?

House-hacking – renting out rooms while you live in the property – changes the math too, so figure out whether that rental income is enough to carry the place.

If the numbers don't work, look for a different home. Buying a property that can't command high enough rent leaves you upside down from day one.



Step four

Pay off your debt first

Buying your first rental is exciting – and expensive. As the landlord, everything falls on your shoulders. The water heater breaks, you're responsible. The roof has issues, you fix or replace it.

If you're already carrying a lot of consumer debt, you may not have the cushion for the emergencies a rental will throw at you. Focus on paying that debt down – or off – before investing, for more security and a stronger loan application.

04



05



Step five

Fix your credit

Financing an investment home is a lot different from financing the home you live in. Lenders see investment loans as riskier, so they usually want excellent credit and stable income.

At least a few months before you plan to buy, pull your credit and clean up anything you can:

- Late payments you can bring current
- High credit lines you can pay down
- Collections you can settle
- Mistakes you can dispute with the credit bureau

Step six

Get legal help

A lot rests on your shoulders as a landlord. Know your obligations and your rights before buying your first rental. Having a lawyer review your purchase, the rental agreement, and your strategy helps you confirm that what you're doing is worth it, legal, and fair to everyone involved. Understanding Fair Housing laws is essential, as even unintentional violations can lead to costly complaints, penalties, and legal disputes.



Step seven

Find an agent who thinks like an investor

More agents are helping investors find rental property – but look for one who specializes in the rental market, since many still focus only on buyers and sellers.

A good local agent knows the market and keeps a pulse on new listings. And there are far more deals than the ones that surface in an internet search.

Agents have access to the MLS, and the ones who specialize in income property also keep a list of people looking to sell – plus unlisted units coming to market before they're public.

THAT'S WHERE I COME IN

Finding New Orleans rentals that actually cash-flow is what I do. When you're ready, let's talk.

Why real estate, *still*

Owning real estate gives you flexibility. You can rent it out, sell it, subdivide it, or rezone it — so you can respond to changes in the economy in a way that keeps your investment useful.

A note of caution, though: real estate is a large, expensive undertaking, and as 2008 showed, it's never a sure thing. Especially as a beginner, proceed carefully. Don't stretch your finances too far before you're ready and end up with debt you struggle to repay.

Still, historically real estate has been one of the most dependable paths to wealth — and many of today's millionaires say it's still a smart investment.

For one, it lets you diversify. “Don't put all your eggs in one basket” is tried-and-true for a reason; exposure across different markets helps insulate you from risk.

It also gives you a tangible asset that can appreciate. Watching a stock portfolio tick up is abstract — there's something different about an investment you can see, visit, and improve.

And since people will always need a place to live, real estate tends to hold its value — as long as the property is maintained well and the area stays appealing.

Kind *words*

★★★★★

"I asked Keller Williams New Orleans for an aggressive agent to help get one of my properties rented — and I found that in Cameron. He brings creativity, professionalism, and strategic thinking, communicates clearly, and genuinely feels like a partner rather than just someone handling a transaction. I'd absolutely recommend him."

— EL · RENTAL PROPERTY OWNER

★★★★★

"Cameron was incredibly helpful throughout our rental search in New Orleans. He gave us solid options, smart strategic recommendations, and valuable local insight into different neighborhoods and properties. He was thoughtful, responsive, and knowledgeable throughout — I'd absolutely recommend working with him."

— TH · RENTER

LET'S TALK

Ready to find one that *pencils out?*

If you have questions about investing in New Orleans rental property — or you want me to run the numbers on a specific deal — reach out. No pressure, just straight answers.

Call me — (504) 345-9996

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This guide is general information, not financial, legal, or tax
advice.