

Learning Objectives

- Understand the difference between PadSplit and self-managed approaches
- Know when to use each approach (and when to use both)
- Set up your PadSplit host account (if using that track)
- Identify the tools needed for self-management
- Make an informed decision about which path fits your situation

Why Platform Choice Matters

The platform you use to manage your coliving properties will affect everything: how you find tenants, how you collect rent, how much time you spend, and how much money you keep.

There's no universally "right" answer. Some investors use PadSplit exclusively. Others self-manage everything. Many use a hybrid approach—PadSplit for some properties, self-managed for others.

In this lesson, we'll explore both options so you can make an informed choice.

What is PadSplit?

PadSplit is a technology platform that connects coliving property owners with pre-screened tenants (called "Members"). Think of it as Airbnb for room rentals, but focused on long-term workforce housing.

How PadSplit Works

1. **You list your property** on the PadSplit platform with photos, amenities, and room pricing
2. **PadSplit screens tenants** using background checks, income verification, and rental history
3. **Tenants apply through the app** and PadSplit handles the booking process
4. **Rent is collected weekly** through PadSplit (tenants pay PadSplit, PadSplit pays you)
5. **PadSplit provides tenant support** for basic questions and issues
6. **You receive payments** minus PadSplit's platform fee (typically 12%)

PadSplit Fees & Economics

FEE TYPE	AMOUNT	NOTES
Platform Fee	12% of gross rent	Deducted from member payments
Setup Fee	Varies (often waived)	One-time per property
Booking Fee	Paid by tenant	You don't pay this

IS 12% WORTH IT?

Consider what you get: tenant screening, rent collection, tenant support, booking management, and a marketing platform. Many investors find this saves them 5-10 hours per property per month. At \$50/hour for your time, that's \$250-500 in value. For a property generating \$2,500/month, 12% = \$300. The math often works in PadSplit's favor.

PadSplit Requirements

Not every property qualifies for PadSplit. Here are the key requirements:

- **Furnished rooms:** Each bedroom must have a bed (full or queen), dresser, nightstand, and lamp at minimum
- **Individual locks:** Every bedroom must have a locking door
- **Shared amenities:** Kitchen and bathroom must be accessible to all tenants
- **Utilities included:** You must cover water, electricity, gas, internet, and trash
- **Market availability:** PadSplit operates in select metros (check their website)
- **Property standards:** Must pass PadSplit's quality inspection

PadSplit Pros & Cons

✓ Pros

- Pre-screened tenants with verified income
- Weekly rent payments (better cash flow)
- 24/7 tenant support line
- Automated rent collection
- Handles evictions if needed
- Marketing through their platform
- Less hands-on management

✗ Cons

- 12% fee reduces net income
- Must follow their rules/standards
- Limited to their market areas
- Less control over tenant selection
- Must furnish every room
- Utilities must be included
- Their pricing algorithm sets rates

SELF-MANAGED TRACK

Direct Room Rentals

Self-managing means you handle everything yourself: marketing, tenant screening, rent collection, and communication. It's more work, but you keep 100% of the rent and have complete control.

Self-Management Toolkit

You'll need to assemble your own "platform" using various tools:

FUNCTION	RECOMMENDED TOOLS	COST
Marketing / Listings	Facebook Marketplace, Craigslist, Roomies.com, Furnished Finder	Free - \$99/mo
Tenant Screening	RentRedi, Avail, TurboTenant, Zillow	Free - \$25/ screening
Rent Collection	Zelle, Venmo, PayPal, Cash App, RentRedi	Free - 3%
Lease Management	Avail, RentRedi, DocuSign, custom templates	Free - \$15/mo
Communication	Google Voice, text, email, WhatsApp groups	Free

Self-Management Requirements

- **Time commitment:** Plan for 2-5 hours per property per month (more during turnovers)
- **Responsiveness:** Tenants expect quick replies to inquiries and issues
- **Legal knowledge:** You need to understand landlord-tenant law in your state
- **Systems:** Create your own processes for screening, onboarding, and collections
- **Flexibility:** Can be furnished or unfurnished, utilities included or separate

Self-Managed Pros & Cons

✓ Pros

- No platform fees (keep 100%)
- Complete control over tenant selection
- Set your own rules and pricing
- Works in any market
- Can offer unfurnished rooms
- Flexible lease terms
- Build direct relationships with tenants

✗ Cons

- More time-intensive
- You handle all screening
- You chase late payments
- You handle all tenant issues
- No built-in marketing platform
- Evictions are your responsibility
- Steeper learning curve

 **Head-to-Head Comparison**

FACTOR	PADSPLIT	SELF-MANAGED
Net Income	88% of gross rent	100% of gross rent
Time Required	1 - 2 hrs/month/property	3 - 5 hrs/month/property
Tenant Quality	Pre - screened, verified	Depends on your screening
Vacancy Risk	Lower (platform exposure)	Higher (your marketing)
Control	Limited	Complete
Scalability	Easier to scale	Harder without systems
Market Availability	Select metros only	Anywhere

THE HYBRID APPROACH

Many successful investors use both approaches. They might use PadSplit for properties in supported markets (hands-off income) while self-managing properties in other areas or experimenting with higher rents. Don't think of it as either/or.

Which Should You Choose?

Choose PadSplit if:

- Your property is in a PadSplit market
- You value time over maximum revenue
- You want proven systems without building your own
- You're scaling and can't personally manage each property
- You're new and want training wheels

Choose Self-Managed if:

- Your market isn't covered by PadSplit
- You want maximum control and income
- You have time to dedicate to management
- You enjoy the hands-on landlord role
- You want to offer unfurnished rooms

Choose Both if:

- You have properties in multiple markets
- You want to test which works better for you
- You're scaling and want diversified approaches

Action Steps

1. **Check PadSplit availability** in your target market at padsplit.com

2. **Complete the Platform Setup Checklist** (linked below) to set up your accounts
3. **If using PadSplit:** Create your host account and familiarize yourself with the dashboard
4. **If self-managing:** Sign up for RentRedi or Avail (free tiers available) for screening
5. **Decide your approach** for your first/next property and commit to it

Key Takeaways

- PadSplit charges 12% but handles screening, collections, and support
- Self-management keeps 100% of rent but requires more time and systems
- Both approaches work—the best choice depends on your situation
- Many investors use a hybrid approach for different properties
- PadSplit is great for beginners and hands-off scaling
- Self-management works anywhere and offers maximum control

Complete Your Setup

Use the Platform Setup Checklist to get your accounts ready.