

# The Backus Bulletin

*"Your Management, Your Way"*

## WHY USE A LICENSED CONTRACTOR FOR YOUR RENTAL PROPERTY?

October 2025

A rental property is an important part of your financial portfolio. It generally takes careful planning and a large financial outlay, which is just the beginning. A successful investment takes expertise, which is why you think carefully about who will manage your property and we thank you for choosing our company.

In addition, proper maintenance will play a major role in the lifetime and the success of your investment. Obviously, maintenance costs will affect your return on investment. Therefore, the question most often asked by property owners is, *"why use licensed contractors when you could use non-licensed parties at a lower cost?"*

The answer to this query is similar to that of a medical problem. You may be able to solve a medical issue by consulting your pharmacist or a nurse practitioner but if it is not easily manageable, you want the advice and expertise of a licensed and experienced physician. Why would you not take this same approach when making the decision on whether to hire a contractor? You want the best solutions for your health and it is just as important to make the

best choice for the well-being of your investment.

Just as you may seek more than one opinion for a major medical problem, a common sense approach to property maintenance is to obtain more than one bid for any extensive work required. It is normal to want to pay the lowest price possible so you can realize the best return on investment. However, it is important to compare qualifications, particularly if one bid is so much lower. This important decision could have costly results.

Non-licensed laborers or companies can generally offer much lower prices because they are not bonded or insured or pay into a contractor's recovery fund or worker's compensation. Many do not meet state and federal requirements when it comes to their workers and/or employees. They often do not have the capital and experience for the job. Since they do not have a solid financial background, they do not have the resources to pay for damage or costs if the job goes awry.

Licensed individuals and/or companies know that it is important to have the proper licensing, insurance, knowledge, and be responsible if using other laborers. They understand that underbidding the work can lead to financial disaster and continuing

problems. Why would you trust such an important asset to a non-qualified party?

Another consideration for hiring a licensed contractor is what the state (for the location of the investment property) or federal government dictates. Most states require licensed contractors for the majority of property repairs. Often state and federal legislation mandate the use of specialized contractors - an

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### Backus Properties

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| Property Manager      | Property Manager    |

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| <b>Jana Whitlock</b> | <b>Mary Lynn Pinto</b> |
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**Office Hours: Mon-Fri 9am-4:30pm**  
**Saturday - by appointment**

## Announcements & Services

### ***THINKING OF BUYING OR SELLING?***

If you are thinking of buying or selling, we can assist you. We specialize in residential and multi-residential units and are experienced in conventional sales, purchases as well as short sales. Just call and ask for Bill and we will help you with your Real Estate needs. There is no obligation.

Check out your property value today!

### ***ON-LINE STATEMENTS***

Contact your property manager **Michele Backus**  
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example of this is work on lead-based paint. It is crucial to your investment to follow state and federal laws and regulations. There have been many penalties issued to property owners for non-compliance.

*The bottom line answer to the question on why you should use a licensed contractor is to avoid and reduce liability.* Investors have incurred great financial losses by not using a licensed contractor. There have been many lawsuits against property owners because of improper workmanship. This is also why there is increased state and federal legislation concerning contractors. It is important that the individuals and/or companies working on your property have the qualifications, the insurance, and meet the state's requirements for any work performed on your property.

As your management company, we cannot contract for work with a non-licensed party if a state or federal agency dictates that a licensed contractor is compulsory or the company is not "accountable." In short, we would not be performing our best management for you and your investment. If you have questions on this important subject, let us know and we will be happy to discuss them with you.