

The PR Landlord Playbook

Stop Losing Money on Vacancies and Bad Tenants

A field guide for Puerto Rico FRBO landlords from Harry Carrasquillo Giraud, Five Star Real Estate by Shift Realty PR. License C-20992.

Welcome

If you own rental property in Puerto Rico and you're managing it yourself, this playbook is for you.

I'm Harry Carrasquillo Giraud. I'm a licensed real estate broker (License C-20992) and an accountant. I've worked with hundreds of PR landlords across San Juan metro, Guaynabo, Dorado, Humacao, and the broader Puerto Rico rental market. The patterns in this playbook come directly from what I see working and what I see failing in the field.

The PR rental market has shifted significantly since 2022. Vacancy rates are higher in some segments. Premium demand has moved from local professionals to mainland US Act 60 relocators. Eviction timelines remain long and self-help remains illegal. The cost of doing this wrong is higher today than it was three years ago.

This playbook covers the five things every PR FRBO landlord needs to get right:

1. Tenant screening that actually catches the bad ones
2. Understanding PR eviction law before you need it
3. Pricing your rent against current market, not last year's market
4. Reaching premium tenants including Act 60 relocators
5. Knowing when to hire help and when DIY still pencils out

If you read this and decide you want help with any of these, I'm a phone call away. Number is at the end. No pitch, no pressure. Just a straight conversation about your situation.

Now let's get into the playbook.

Chapter 1: Tenant Screening Checklist

The single most expensive mistake a PR landlord can make is putting the wrong tenant in their unit. Bad tenant cost in Puerto Rico runs \$10,000 to \$30,000 per cycle when you account for unpaid rent during eviction, property damage, legal fees, and post-eviction vacancy.

Professional tenant screening costs \$75 to \$150 per applicant. The math obvious.

Here's the six-component screening every PR landlord should complete on every applicant before signing a lease.

Component 1: Credit Report

What to pull: TransUnion, Equifax, or Experian. For mainland US tenants relocating to PR, this is straightforward. For local PR tenants, credit penetration is lower so you may need to combine credit data with banking history.

What to look for:

- Score above 650 for standard tier rentals
- Score above 700 for premium tier rentals
- No bankruptcies in the last 7 years
- No collections in the last 24 months
- Total monthly debt payments below 40% of monthly income

Red flags:

- Recent delinquencies on rent or utilities
- Multiple credit applications in the last 90 days (signals financial stress)
- High credit utilization (above 80% on revolving accounts)

Component 2: Income Verification

What to require:

- Two months of pay stubs minimum for W-2 employees
- Two years of tax returns plus six months of bank statements for self-employed
- Letter of employment or recent offer letter for new hires
- For Act 60 decree holders, decree number plus CPA or attorney verification

The rule of thumb:

- Monthly rent should be no more than 33% of gross monthly income
- If rent to income ratio exceeds 35%, the tenant will fall behind

Red flags:

- Cash income with no bank deposit history
- Income that "just started" and isn't documented
- Co-signer who lives off the island (you cannot easily collect from them)

Component 3: Employment Verification

What to do:

- Direct call to the employer's HR department, not the manager the tenant lists
- Confirm position, length of employment, salary range

- For self-employed, call their CPA to verify business is real and active
- For Act 60 tenants, verify decree status with their attorney

Red flags:

- Employer "doesn't give out information" (sometimes legitimate, often a setup)
- Recent job change with no prior history at the new employer
- Employer is a startup less than 12 months old (higher failure risk)

Component 4: Eviction History Search

Where to search:

- Rama Judicial public records (PR court system online)
- US national eviction databases (TransUnion SmartMove, etc.)
- Search by full legal name plus any aliases

What you're looking for:

- Any prior eviction filing (not just judgments, even filings matter)
- Pattern of late payment lawsuits from prior landlords

Why this matters in PR: This single check catches roughly one in ten applicants who would have been a disaster. Anyone with a prior eviction in PR is almost guaranteed to repeat the pattern.

Component 5: Prior Landlord Reference

Who to call:

- The landlord BEFORE the current landlord, not the current landlord
- Current landlord has every incentive to give a positive reference to get rid of a problem tenant
- Prior landlord has nothing to lose by telling the truth

Questions to ask:

- Did they pay rent on time every month?
- Did they take care of the property?
- Did you have any complaints from neighbors?
- Did they give proper notice when they moved out?
- Would you rent to them again?

Red flags:

- Tenant "lost the prior landlord's number"
- Tenant says prior landlord "moved overseas" or "passed away" (sometimes true, often a dodge)
- Reference reluctant to answer questions or only gives one-word answers

Component 6: Background Check

What to run:

- National criminal history check
- Sex offender registry
- Identity verification matching photo ID to application

What disqualifies:

- Recent violent felonies
- Recent drug distribution convictions
- Pattern of property crimes (theft, vandalism)

What may not disqualify:

- Very old non-violent offenses
- Single DUI from years ago
- Misdemeanors unrelated to property or violence

PR landlords have the same right as any US landlord to refuse based on relevant criminal history. Document your decision criteria in writing so you apply them consistently.

Screening Checklist (Print and Use)

For every applicant, verify before signing:

- Credit report pulled and reviewed
- Income documents collected (pay stubs or returns)
- Income verified at three times monthly rent or higher
- Employer contacted directly via HR
- Eviction history search completed (Rama Judicial)
- Prior-prior landlord reference completed
- National background check completed
- Photo ID matches application
- All red flags addressed or accepted with eyes open

If any item is incomplete or unresolved, do not sign the lease.

Chapter 2: Puerto Rico Eviction Law (Field Summary)

This is not legal advice. For your specific situation, talk to a PR-licensed attorney. But here's the operating framework every PR landlord needs to know.

Why PR Eviction Is Different

Three things make PR eviction different from most mainland US states:

1. **Self-help is illegal.** You cannot change locks, remove tenant belongings, shut off utilities, or use any other force. Doing so opens you to a counter-suit you will lose.
2. **The court process is slow.** Even uncontested evictions take 90 to 120 days. Contested evictions stretch to 6 months.
3. **PR courts often side with tenants on procedural issues.** Sloppy paperwork or missing notice periods restart the clock.

The Standard Eviction Process

Step 1: Demand letter (carta de requerimiento). Send written notice giving the tenant a specific deadline (typically 15 to 30 days depending on lease terms) to cure the breach. Send via certified mail with return receipt. Keep proof.

Step 2: File desahucio in PR court. After the demand period expires without cure, file the eviction lawsuit (desahucio) in the local Court of First Instance (Tribunal de Primera Instancia) for the district where the property sits. Filing fee is small (\$50 to \$150).

Step 3: Service on tenant. The court issues summons. A court process server (alguacil) serves the tenant. This can take 2 to 6 weeks depending on the court and how easy the tenant is to find.

Step 4: Hearing. Court schedules a hearing typically 30 to 60 days after service. Tenant can appear and contest. If the tenant fails to appear, you usually get default judgment.

Step 5: Judgment and execution. If you win (which you should if your paperwork is clean), the court issues judgment. The court marshal (alguacil) executes by physically removing the tenant and their belongings. This can take another 2 to 4 weeks after judgment.

Total realistic timeline: 3 to 6 months from demand letter to physical removal.

Costs You'll Incur

- Demand letter: \$0 to \$150 (DIY or attorney drafted)
- Filing fee: \$50 to \$150
- Process server: \$50 to \$200
- Attorney fees (typical): \$1,500 to \$3,500 for an uncontested eviction
- Marshal execution: \$200 to \$500
- Locksmith after marshal removes tenant: \$100 to \$300

Total cash cost: \$2,000 to \$4,500.

This does not include the unpaid rent during the process, which is your biggest exposure.

What You Can and Can't Do During the Process

You can:

- Continue trying to collect rent
- Document property condition with photos and video
- Communicate with the tenant about voluntary move-out
- Offer cash for keys (sometimes the cheapest path)

You cannot:

- Change the locks
- Remove or store tenant belongings
- Shut off water, electric, or gas
- Threaten or harass the tenant
- Enter the unit without proper notice

When to Use Cash for Keys

If your tenant is not paying and not contesting but also not leaving, offering them \$1,000 to \$3,000 to vacate by a specific date is often the fastest and cheapest option. Calculate the cost of 3 to 4 more months of unpaid rent plus legal fees and compare.

Document the cash for keys agreement in writing. Have the tenant sign before you pay anything. Pay only when keys are returned and unit is verified empty.

The Lawyer Question

Can you handle a PR eviction without a lawyer? Technically yes. Practically, almost never worth it. The procedural requirements are strict and any misstep restarts the timeline. Attorney fees of \$1,500 to \$3,500 are small compared to losing another 60 days of rent because of a paperwork error.

If you self-manage and own multiple units, find a PR landlord-side attorney before you need one. Have their number on file.

Chapter 3: Rent Pricing Guide by Neighborhood

Pricing your rent against current market, not last year's market, is the most underrated lever in landlord profitability. Below is a snapshot of average rents across PR's main rental submarkets as of Q1 2026, drawn from FRBO inventory I track weekly.

These are AVERAGES across mixed inventory. Your specific property may rent for more or less based on size, condition, building amenities, and exact location.

San Juan Metro

Condado:

- Studio: \$1,800 to \$2,500
- 1BR: \$2,500 to \$4,000
- 2BR: \$3,500 to \$7,000
- 3BR oceanview: \$6,000 to \$12,000+
- Luxury oceanfront 3BR+: \$10,000 to \$25,000+

Ocean Park:

- 1BR: \$2,200 to \$3,500
- 2BR: \$3,200 to \$5,500
- 3BR: \$5,000 to \$8,500

Old San Juan:

- 1BR: \$2,000 to \$3,200
- 2BR: \$2,800 to \$5,000
- 3BR with parking: \$4,500 to \$8,000

Punta Las Marías:

- 2BR: \$3,500 to \$5,500
- 3BR: \$5,000 to \$8,500
- Luxury beachfront: \$8,000 to \$15,000

Miramar:

- 1BR: \$1,800 to \$2,800
- 2BR: \$2,500 to \$4,500
- 3BR: \$3,500 to \$6,000

Santurce:

- 1BR: \$1,500 to \$2,500
- 2BR: \$2,200 to \$3,800
- 3BR: \$3,000 to \$5,500

Hato Rey:

- 1BR: \$1,500 to \$2,500
- 2BR: \$2,200 to \$4,000
- 3BR: \$3,000 to \$5,500

Río Piedras:

- 1BR: \$900 to \$1,500
- 2BR: \$1,200 to \$2,200
- 3BR: \$1,800 to \$3,200

Outside San Juan Metro

Guaynabo:

- 1BR apartment: \$1,200 to \$2,000
- 2BR apartment: \$1,500 to \$2,800
- 3BR townhouse: \$2,200 to \$4,500
- 4BR single family: \$3,000 to \$6,500

Dorado (Town):

- 2BR: \$1,500 to \$2,800
- 3BR: \$2,200 to \$4,000
- Beach area 3BR: \$3,500 to \$6,500

Dorado Beach Resort and Plantation:

- 2BR condo: \$4,000 to \$7,500
- 3BR condo: \$6,000 to \$12,000
- Plantation home 3BR+: \$8,000 to \$20,000+

Palmas del Mar:

- 2BR: \$1,800 to \$3,200
- 3BR: \$2,800 to \$5,500
- Beachfront premium: \$5,000 to \$12,000

Bahia Beach Resort:

- 2BR: \$4,500 to \$7,500
- 3BR: \$6,500 to \$13,000

Humacao (Town):

- 2BR: \$900 to \$1,600
- 3BR: \$1,300 to \$2,500

Bayamón:

- 2BR: \$1,000 to \$1,800

- 3BR: \$1,500 to \$2,800

Carolina:

- 2BR: \$1,000 to \$1,800
- 3BR: \$1,500 to \$2,800

Caguas:

- 2BR: \$900 to \$1,500
- 3BR: \$1,400 to \$2,500

Fajardo / Luquillo:

- 1BR: \$850 to \$1,400
- 2BR: \$1,200 to \$2,200
- 3BR: \$1,800 to \$3,500

Isabela / Rincón / Aguadilla (West Coast):

- 1BR: \$700 to \$1,300
- 2BR: \$1,000 to \$2,000
- 3BR: \$1,500 to \$3,000

How to Price Your Specific Unit

Three steps:

1. Find five comparable rentals (same neighborhood, same bed count, similar size and condition) currently listed
2. Find three comparable rentals that closed in the last 90 days (ask a local agent for this data)
3. Set your asking rent at the median of recently-closed comps, not the median of currently-listed comps

Listings sit because they're priced wrong. Closed comps reflect what the market actually pays.

If you're getting no inquiries in the first two weeks, you're 5 to 10% over market. Drop the price or expect 60 to 90 more days of vacancy.

Chapter 4: How to Attract Premium Tenants (Including Act 60 Relocators)

The premium tenant segment in Puerto Rico (\$3,000 to \$15,000 per month rent range) is dominated by Act 60 decree holders. These are mainland US relocators using PR's tax incentive program. They pay top of market, sign long leases, treat properties well, and pay on time.

If your unit fits this segment, here's how to reach them.

What Act 60 Tenants Expect

Property standards:

- Modern kitchen with stainless appliances
- Updated bathrooms
- AC throughout (not just bedrooms)
- Backup power for hurricane season
- Fiber internet capability
- Secure parking
- Building has 24/7 access control or doorman

Lease terms:

- 12 to 24 month initial lease
- First month, last month, plus security deposit at signing
- Furnished or partially furnished options preferred
- Pet-friendly preferred
- Flexible move-in dates aligned with their decree timing

Communication:

- Responsive landlord (email replies within 24 hours)
- Professional showings (not "come by anytime")
- Written lease in clear English
- Clear maintenance request process

Where Act 60 Tenants Actually Search

This is where most landlords lose. Act 60 tenants do not find rentals through:

- Clasificados Online
- Generic Zillow search
- Facebook Marketplace
- Local newspaper classifieds

They find rentals through:

- Real estate agents who specialize in mainland US relocations
- Relocation concierge services
- Act 60 private Facebook groups and forums
- Direct referrals from CPAs and attorneys handling decree applications
- Specialist listing aggregators serving the PR luxury market

If your premium property is only listed on Clasificados and Zillow, you're missing this entire demand pool.

Marketing Channel Mix by Tier

Standard tier (\$1,500 to \$3,000): Clasificados Online + Zillow + Facebook Marketplace + good photos. Local-focused channels work fine.

Mid-market tier (\$3,000 to \$5,000): Above plus MLS listing through an agent + targeted Facebook group posts in PR rental groups + direct outreach to relocation services.

Premium tier (\$5,000+): Agent representation that includes Act 60 buyer access + relocation concierge relationships + curated listings on premium aggregators + professional photography. Generic rental sites are a waste of budget at this tier.

Photo Quality Matters More Than Anything

For premium tier rentals, professional photos are non-negotiable. The difference between a unit with phone photos and a unit with professional photos is often \$500 to \$1,500 a month in achieved rent and 30 to 60 days in time-to-fill.

Cost of a photo shoot: \$200 to \$500. Payback: usually within the first month of the lease.

The Act 60 Pipeline (Why Five Star)

I represent both sides of this market. On the buyer side, I work with mainland US relocators evaluating PR property. On the landlord side, I place those same relocators into rentals during their pre-purchase period.

When you list a rental property with Five Star, your unit gets visibility to:

- The active Act 60 buyer pipeline (relocators searching for rental and purchase)
- The PR specialist agent network for cross-referrals
- Act 60 community channels where vetted listings are shared
- Relocation concierge firms needing rental inventory

This is not visibility you can buy through any single platform. It takes years of active participation in the Act 60 community to build.

Chapter 5: When to Hire Professional Management

The hardest decision for most FRBO landlords is when to stop managing themselves and hire help.

Here's the framework I use when landlords ask.

The Three-Question Test

Question 1: How much of your professional time does this property cost you per month?

- Under 5 hours: keep DIY managing

- 5 to 15 hours: look at tenant placement only for next vacancy
- More than 15 hours: look at full management

Question 2: What's your effective hourly rate at your day job?

- Under \$40: DIY can pencil out
- \$40 to \$100: tenant placement saves you money on net
- Over \$100: full management saves you money on net

Question 3: How many units do you own in PR?

- One: DIY or tenant placement
- Two to three: tenant placement plus rent collection makes sense
- Four or more: full management almost always wins

If two of three answers point to professional help, the math is telling you something.

Service Tier Breakdown

Tenant Placement Only:

- Fee: one month's rent, paid only when tenant signs
- Includes: marketing, showings, screening, lease drafting, move-in inspection
- Best for: landlords who want to handle ongoing rent collection but need professional tenant selection

Screening Plus Placement:

- Fee: one month's rent placement plus 5 to 7% of monthly rent
- Includes: everything above plus rent collection, late payment follow-up, lease renewals, quarterly inspections
- Best for: remote landlords or owners with 1 to 3 units who want hands-off rent collection

Full Property Management:

- Fee: 8 to 10% of collected rent
- Includes: everything above plus maintenance vendor coordination, 24/7 emergency response, full tenant turnover, annual market analysis
- Best for: mainland US owners, multi-unit portfolios, Act 60 investors

Vacancy Cost Calculation

Use this to figure out what self-management is actually costing you.

Take your monthly rent. Multiply by your average vacancy days per turnover (use 74 if you don't know). Divide by 30. Multiply by your turnovers per year (usually 0.5 if you have stable tenant who renews, 1 if you turn over annually).

Example: \$3,000 monthly rent, 74 day vacancy, 0.5 turnovers per year. $\$3,000 / 30 = \100 per day. $\$100 \times 74 = \$7,400$ per turnover. $\$7,400 \times 0.5 = \$3,700$ per year in vacancy cost.

If that number is bigger than your tenant placement fee would be (one month's rent), you're losing money to self-management.

When to Stay DIY

Self-management still makes sense if:

- You own one unit only
- You live within 30 minutes of the property
- You have flexible time during business hours
- You enjoy managing the property
- Your effective hourly rate is under \$40
- The unit has been with the same tenant for 3+ years and likely will renew again

For everyone else, the math usually favors professional help.

Bonus: The Five Most Common FRBO Mistakes

Quick reference list of the patterns I see costing PR landlords the most money.

Mistake 1: Setting rent based on what the unit rented for two years ago instead of current market comps.

Mistake 2: Accepting cash upfront in lieu of income verification. Cash today is not a substitute for verified ongoing income.

Mistake 3: Skipping the prior-prior landlord reference because the current landlord said good things.

Mistake 4: Listing premium properties only on Clasificados and Zillow, missing the entire Act 60 tenant segment.

Mistake 5: Trying to handle a PR eviction without an attorney to save fees, then losing 60+ extra days due to procedural errors that cost more than the attorney would have.

If you avoid these five, you'll outperform 80% of PR FRBO landlords on net rental income.

What Five Star Does

I'm Harry Carrasquillo Giraud. License C-20992. Five Star Real Estate by Shift Realty PR.

I run tenant placement, screening, rent collection, and full property management for landlords across PR. I'm both a licensed broker and an accountant with tax-strategy expertise, which gives a unique perspective

on landlord operations and tax structure together.

The Act 60 buyer pipeline I represent is the strongest competitive advantage I bring to landlord clients with premium properties. No other PR property manager has direct access to this tenant pool.

If you'd like a free consultation about your specific property and situation, call me. Fifteen minutes is enough to figure out if Five Star is the right fit and what your numbers should look like.

Free Consultation

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Service area: All of Puerto Rico, with focus on San Juan metro, Guaynabo, Dorado, Humacao, Palmas del Mar, and the broader luxury rental market.

This playbook is for general information only and does not constitute legal, tax, or financial advice. For your specific situation, consult a licensed PR attorney, CPA, or financial advisor.

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