



Easy tips and tricks of Property Management

by Patti Widget, Marketing Director

The duration of a tenancy can be divided into five major areas. Understanding what is required of the property manager/landlord at each of these areas can ensure a smooth tenancy with minimum problems. For purposes of this article we have broken down the tenancy into the following five phases: application and screening, the rental agreement or move in process, the duration of tenancy, ending the tenancy, and finally, after possession.

Phase I Application and Screening.

Answer your phone "Property Management" when advertising a unit rent. Deceiving applicants will simply hang up if they think a management company will be reviewing their application. They may be able to fabricate or hide information from a private owner.

Use Google to get work phone numbers and verify employment for an applicant. If you call the phone number provided by the tenant, you have no idea who you are calling. It could be a relative ready to lie and answer all the right questions. This same logic applies when calling previous landlords. If you use the phone numbers provided by the applicant, then you are only calling who the applicant wants you to call.

If the applicant wants to make payments on the deposit, the tenancy is predestined for failure. No matter what the story is---because there always is one---if they don't have the full rent and deposit, this tenancy just shouldn't happen. Similarly, if they want to pay a few months in advance, be cautious. You may not get another dime and have to start an eviction.

Have the applicant sign a holding deposit agreement when you take a deposit. Do this only if you are not collecting the rental deposit and signing the lease all at the same time. Should the tenant back out, the holding deposit agreement allows you to charge daily rent for the time the unit was taken off the market.

Phase II Rental Agreement and move in Process

Do not have the tenant sign a rental agreement until you have received all of the money. Do not sign before you have completed the move in inspection and it is signed by all parties. Now you are ready to hand them the keys and the lease starts on that day.

Prorate the 2nd month's rent and take the full deposit and full month's rent up front. The move in walk- thru inspection can work wonders when the tenant vacates. The walk-thru becomes a great piece of evidence if an eviction trial is needed. The tenant signed and confirmed all conditions when they moved in. Do this inspection with the tenant. Hold on to the inspection report as it is worth its weight in gold when needed. Do not leave this for the tenant to do as they may not do it, and worse yet, they will assess conditions as poor so they have no liability.

Take lots of photos--- not necessarily of what's wrong---but showing what's right. Stand back in a room and try to get as much of the room in the photo, the carpet, ceiling fan, closet doors, fresh painted walls etc. When they move out you can take photos in the same manner to properly document the difference in conditions.

Remember to use blue ink to sign all your documents as it is very easy at a quick glance to know which one is the original.

Phase III During the Tenancy

It is very important to keep good records, on maintenance, inspections, repairs, late notices, NSF checks, etc. Somewhere down the line you may need to prove that repairs were done in a timely manner, or there are previous inspections where the damage in question was not noted. Sometimes the best records you have to assist you are those you have previously compiled. Having them all in one place makes them easy to find and refer to.

From time to time a tenant will be late on the rent. This can happen to anyone but remember this is a business transaction. You must keep a balance between your emotions and business. Keep records of when tenants are late and why they are late. If your tenant's mother passed away more than three times in the tenancy, I would raise an eyebrow. These records will also show history of the tenant's character.

It is an easier process to do a simple rent increase of \$50.00 per year than to affect an increase of \$200.00 increase all at once. When the rent is raised, the tenants will tell you about everything that is not working or broken. These two items go hand in hand, so be prepared that whenever rent goes up so do requests for service and maintenance.

Phase IV Ending Tenancy

There are several notices which can legally end a tenancy. However you must use the one that fits your needs the best. If you have any doubt as to the proper notice to use, contact your legal firm or association for direction. Remember in cities with special ordinances which modify state law, i.e. rent control, ending a tenancy can become very costly, very quickly. So make sure you are aware of the local law where your income property is located.

If the tenant gives you a notice to vacate, you are required to send them the "right to an initial inspection" notice and acknowledgement of the notice to vacate. Failure to do so it can cause problem in a small claims action where the tenant is trying to get the security deposit refunded. This notice of "right to Initial inspection" also needs to accompany a 30, 60, or 90 day notice to vacate. These notices are not required during an eviction or when a tenant surrenders or abandons the property. The tenant owes rent until the end of the notice date or until they turn in keys, whichever is later.

Phase V After Possession

You have ONLY 21 days to have the envelope post- marked with the disposition of security deposit or the tenant can sue you for up to 3 times the amount of the deposit.

If the tenant owes you money, this disposition of security deposit can also act as a demand for payment. This disposition also becomes the cause of action or defensive evidence in a small claims action.

If you do not have all the final invoices ready in the 21 days you must send out an ESTIMATED disposition within the 21 days and then a FINAL disposition of security deposit within 14 days of receiving the final invoice.

If you are having trouble understanding wear and tear vs. damages you can also visit the Department of Consumer affairs website regarding security deposit refunds.

Try not to advertise the house until it is "rent ready" or set up as drive by only. Tenants can be manipulative when there are still repairs to be done and they will try to work a deal. This almost never works out and can cause more problems for you in the long run.

***About the Author:** Patti Widget is the marketing director for Fast Evict.com Law Group. She has 22 years' experience as a regional property manager. Patti teaches several training classes, and has published articles for various apartment associations.*