

Ask Dr. Cash Flow
Tenants' Gifts and the Holidays
by Nick Sidoti, R.A.M.

Q: Dear Nick – What is your opinion on tenants' gifts and the holidays? I've talked to other investors that give their tenants a reduction in rent, some who give their tenants candy and others who do nothing. Any ideas? S.C. Woodridge, IL.

A: I've thought about this many times and have changed my mind and approach many times. Therefore, let me just give you some ideas and guidelines on what you can do and let you decide what is appropriate for your tenants (customers).

NEVER reduce the rent as a way of giving a tenant a holiday gift. This gives them the idea that you don't need it and can lead to problems later on!

Let me start off by saying that I think it is important to remember your tenants during the holiday season. There are several schools of thought on this topic. Some folks think you should give gifts, but only to your good tenants. Others think that you should remember all tenants because by promoting goodwill, your not-so-great tenants may decide to change their ways. You choose. I can see merit in both.

NEVER reduce the rent as a way of giving a tenant a holiday gift. This gives them the idea that you don't need it and can lead to problems later on! I think it is much more appropriate to remember your tenants during the holidays (any time between Thanksgiving and New Years) in any of the following ways.

1. **Greeting Cards:** This is a good way to remember your tenants. Be selective in the type of card you send. The safest way is to find a card that says Happy Holiday and is not religious in nature. Best wishes for the coming year are acceptable too. You don't want anyone to take offense. You should also be aware that you may not want to send the same card to the college students that you do to the senior citizens. Seniors usually appreciate more conservative cards.
2. **Candy:** This is great and could be really inexpensive. I have given candy to my tenants by going to the bulk foods section of the grocery and buying hard candy in bulk. Then I repackage it into decorative boxes.
3. **Wine:** There are some folks who like to give wine or other liquors at the holidays. My feeling is the same on this topic as it was on the reduction in rent. **NEVER.** I would rather not promote drinking, or feel even remotely responsible for the problems that come with it.
4. **Fruit Baskets:** Good idea. Almost everyone likes fruit and it doesn't hurt or offend anyone. Jane tells me that she usually gives her tenants boxes of oranges that she buys from the local Rotary. This serves a dual purpose. It supports the charity and it gives a nice present to the tenant.
5. **Pizza, Theatre Tickets, Movie Rental Certificates:** Get some gift certificates from the local merchants. These are convenient, easy to deliver and fit the tenant's schedule.
6. **Plants, Wreaths or Ornaments:** Can be great, but watch for religion problems.

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