

MRLANDLORD.COM Tips on Management **by Jeffrey Taylor**

GET AND GIVE ACCURATE HOUSING REFERENCES

- Resolve to get a housing reference for every application that you receive.
- If the references are poor, do not rent to that person; odds are they will bring their poor habits with them.
- It is also important that you provide accurate, objective information to other owners screening for housing history.
- Do not leave necessary information out, just to “get rid of a resident.” Be complete and honest, but don't just say, “Resident wrecked the place.” Instead, give information that you can document such as “Had to withhold \$500 from deposit because of property damage...” or “Had to serve notice on multiple occasions regarding upkeep of yard.”

WARN THE NEXT LANDLORD

I was reading some of the MrLandlord.com Q&A discussion forums about landlords helping each other out by sharing info on bad tenants. I just went to quite a bit of trouble to track down the new landlord for my deadbeat tenants. He was unlisted. I followed the deadbeats to the new address. I pulled the address up on the city website and got the owner's name from the Treasurer's Office. I called the water company and they spilled the beans - they gave me the unlisted number and two cell phone numbers!

Then, I contacted the next landlord and told him what he just signed up for. Turns out the tenants lied to him too and now he's having a fit thinking of what they might do to him based on my experience and ongoing problems with these perpetual problem residents. It was a bit time consuming to track the landlord down but I sleep a little better at night knowing those deadbeats didn't get to mess me over and then fade into the sunset only to ruin someone else's property. Stick together, take the time to find the next poor landlord if you have a bad experience.

WHEN DIVORCED RESIDENTS SPLIT

If a married couple divorces during the term of a lease resulting in one of the residents departing, the landlord is well advised to evaluate the credit worthiness of the individual remaining resident in deciding whether or not to renew the lease.

If the lease is renewed without the signature of the former spouse/tenant, the landlord may be deemed to have released the former resident from liability and will only have recourse to the assets of the spouse who remains as the resident.

WHEN SECTION 8 FAILS TO PAY

I used to get stuck with an uncollectible debt when Section 8 quits or fails to pay the rent for a resident who had been participating in the program. Now I require all Section 8 tenants to have the financial ability to pay the entire rent even if it means bringing me a cosigner for the lease. Haven't had a payment collection problem since. I have had cosigners who pay when Section 8 quits.

ASK FOR AND KEEP COMMENTS FROM CURRENT OR VACATING RESIDENTS

Make written notes of any nice comments shared by your new or old residents. Also ask for comments from residents that move-out (at same time they are asking for their security deposits, usually prompts nice comments). These nice quotes are perfect to include in a rental brochure or resident newsletter and makes for great reading, for both current and prospective residents. Your current or prospective residents will feel better about living in your rentals as they perceive that others feel good about your rentals. Plus, news travels fast and so will the sterling reputation you build with your residents.

WHEN YOU REJECT APPLICANTS, ALWAYS USE OBJECTIVE CRITERIA

When rejecting an applicant, you want to have objective criteria to base your denial, not simply that you did not like the person. For example, if you are consistent in your policies, it's permissible to reject someone who uses profanity during the application process. Simply document word usage on the application. ***[Editor's Note: Please be sure to give a written rejection slip to all applicants to whom you refuse to rent.]***

GET TO KNOW THE RIGHT PEOPLE

It's not WHAT you know, it's WHO you know. According to real estate advisor Robert Shemin, there is definitely truth to that statement. When it comes to real estate investing, who you know is often the biggest difference between whether or not you strike it big. You have to know the right people, where to find the deals, who will give you the loans, who can help you with the projects, property maintenance, who can you learn from. It's all about getting to know the right people. Make it a point to talk to another real estate investor at least once a week, for a reference or contact that has been helpful to him or her. Do this and your success can't help but increase!

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