

14 Ways to Avoid Unauthorized Tenants by Chris McGoey

Multihousing crime studies have repeatedly shown that consistent moderate to high-crime problems can usually be traced back to a small percentage of your residents. Many times those causing the crime problems are the acquaintances, ex-spouses, or boyfriends of a legal resident who decided to move in without your knowledge. The best way to head off this problem is to have good resident screening and clearly defined and articulated community rules that are emphasized during the lease application process. If residents know up front that their tenancy may be in jeopardy if they bring in an

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unauthorized (and unscreened) occupant, then most will not run the risk of losing their apartment. Proof of this method is well documented in apartment properties all over the country, as police calls for service seem to fluctuate proportionally as resident screening standards and rule enforcement vary following management changes. Good resident screening involves checking credit, employment, rental history, and criminal background, if available. A good screening plan should call for all non-dependent occupants to be included on the lease and subject to the same resident qualifications. All children should be identified on the lease along with maximum occupancy limits. In this day and age, resident screening is more than establishing the ability to pay rent. In my experience, properties that tend to have a higher percentage of unauthorized occupants have lowered their screening standards on credit, rental and employment history, and don't do available criminal background checks. A policy of collecting double deposits or getting co-signers for an otherwise unqualified applicant is asking for trouble down the road and is unfair to the other residents.

When career criminals (usually young males) cannot qualify to rent, they will try to infiltrate your property by secretly moving in with a legal resident. As you might expect, these undesirable occupants tend to attract other unsavory characters. From there the character of your property can change drastically, if left unchecked. The problem becomes acute when these unauthorized occupants are unemployed criminal types who hang out all day and all night and begin to ply their trade within your community. A symptom of this condition is high traffic in and out of a unit or group of units.

To fix serious illegal occupancy problems, sometimes you have to clean house and evict residents for non-compliance with your residency requirements. You need to re-emphasize your occupancy standards and then fairly but firmly enforce the rules. A lease addendum with a comprehensive set of community rules can be legally enforced. Eviction rates as high as 60 percent have been necessary to regain control over seriously troubled properties. As financially painful as this sounds, landlords get big paybacks in the long run. It is common to see a property return to profitability after a few months with 98% occupancy rates and a waiting list.

A fair question often asked is how do you identify an unauthorized occupant versus a short-term social guest? The answer is to "know your residents". Your community rules should have a written procedure for notifying management when a social guest has an extended stay and to arrange for a parking space. To solve this identity crisis, property managers around the country have found creative ways to get to know their residents.

What follows are some ideas to help you identify and deal with unauthorized occupants.

1. Don't let emotion or concern about a long vacancy effect your policies on renting to new tenants.
2. Establish written community rules for visiting social guests.
3. Add new occupants/roommates to the lease only if they pass screening.

4. Regularly audit units for unauthorized occupants (formally and informally).
5. Photograph each resident for the lease file for ID purposes (helpful for lockouts).
6. Assign coded parking spaces and record vehicle information (easy to spot new cars).
7. Require parking permit decals on cars and motorcycles.
8. Require overnight guests to park in designated guest spaces only (get vehicle info).
9. Train staff to be alert for illegal occupants, new vehicles, and new children.
10. Periodically, inspect units (smoke detectors, A/C filters, furnace ventilators).
11. Always follow up all verbal occupancy warnings with a letter.
12. Serve non-compliance notices for every occupancy violation.
13. Evict residents who violate community rules and house illegal occupants.
14. Be fair, firm, consistent, and document, document, document.

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