

North Chicago Housing Authority HCV Program

Landlord Tips

Ten "Musts" for Successful Property Management

1. Before you rent, check credit history, references, and background.

Learn what type of tenant you are renting to BEFORE you offer a lease! Once they are in your unit, you will have to evict or wait for the end of the lease term to remove a bad tenant, putting your investment at risk. Checking these items may take a little time and cost a few bucks, but isn't a few dollars upfront worth saving potentially thousands in repairs and missed rental payments?

2. Put it in writing. Keep good written records of all your transactions and dealings with your tenants. The first place to start is your rental application and lease, which should lay out the important terms of your rental agreement with the tenant. Also document tenant complaints and your response to those complaints, as well as any agreements you may make that are not listed in the lease. If there is a disagreement, a written document can be extremely valuable in a court dispute.

3. Collect a security deposit. You are agreeing to rent a piece of property to someone. A good way of ensuring that the tenant has a stake in the maintenance of your property is by requiring a security deposit for damages to your unit beyond normal wear and tear. The security deposit provides you with some protection against financial loss. If a tenant cannot pay a security deposit, there are assistance programs that may be available to help that household. You may also choose to allow the tenant to make payments towards the security deposit, rather than requiring the money at lease signing, but you should collect and hold the deposit. Also, do not allow the tenant to convince you to use the deposit to pay for repairs or late rents while they still occupy the unit, or you run the risk of having no deposit left when the tenancy ends.

4. Respect the privacy of your tenants. Remember, you have agreed to rent your tenants a home. In their minds, your rental unit has become their castle. Respect their point of view by providing as much advance notice as possible. You must give a minimum of 48 hours notice when you or workers need to enter a unit for inspections or repairs. Failure to do so may alienate your tenant and landlord relationship and even lead to claims of harassment, trespassing, invasion of privacy or even theft. Even if you give notice properly, a nice gesture

is to bring along a note describing what was done while you were there, the times you were in the unit, and whether the job task is completed or will require further visits.

5. Make repairs promptly and keep up with regular maintenance. Making property maintenance a priority will cost money, but will save you money and aggravation later on by stopping problems before they happen or before they become a crisis. For example, an investment of \$70-100 for furnace servicing at the start of winter may save you calls in the middle of a winter weekend night from a tenant with a furnace that won't light. Keeping a property in good repair allows you to justify higher rents, attracts better tenants, and provides some protection from legal action.

6. Purchase enough and appropriate liability and other property insurance. Make sure that your investment is protected from loss caused by physical damage to the unit through storms, fire and criminal act, as well as personal injury and discrimination. Insurance protection should be a key part of your property management strategy.

7. Hire employees carefully. If you hire a property manager, maintenance or other employees, do background checks and use a well-written job description and training to ensure that your property and practices are followed. A person who commits a crime while in your employment may make you financially responsible for damages.

8. Protect your property from crime. No defense is foolproof, but efforts to prevent your tenants and property from being victimized by criminals will help defend you in case you are held liable for arising from a criminal act. A good preventative practice can be as simple as, good working locks on doors and windows and pruning vegetation that may hide intruders.

9. Address hazards in the home, such as lead. Health departments and HUD are both making greater efforts to make homes safer from hazards such as lead. Health departments are expanding tests for children to detect lead poisoning, and HUD has a goal of eliminating housing as a source of lead poisoning in America. Follow appropriate disclosure requirements for rental properties and take appropriate measures in dealing with lead, carbon monoxide and other home hazards.

10. Talk to your tenants. Before problems become a conflict involving lawyers and courts, attempt to discuss these issues with your tenant. If the problem can be solved informally, you may avoid being sued, or you may be able to get the tenant to change a behavior before it becomes an issue for eviction. Again, document what you discuss and agree to in case the problem re-surfaces, but attempting to resolve a problem informally may save you money and time.