

This Week in Real Estate: Ten Things Every Landlord Should Know

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By James A. Landon

This Week in Real Estate's current series is focusing on Leases. This week, we'll focus on residential leasing and the Top Ten Things Every Landlord Should Know.

1. Become familiar with your jurisdiction's Landlord-Tenant Code.
2. Don't rent to anyone before checking his or her credit history, references and background. Haphazard screening and tenant selection too often result in problems.
3. Get all the important terms of the tenancy in writing. Beginning with the rental application and lease or rental agreement, be sure to document important facts of your relationship with your tenants.
4. Establish a clear, fair system of setting, collecting, holding, and returning security deposits. Inspect and document the condition of the rental unit before the tenant moves in to avoid disputes over security deposits when the tenant moves out.
5. Stay on top of repair and maintenance needs to make repairs when requested. If the property is not kept in good repair, you'll alienate good tenants. And they may have the right to withhold rent, sue for any injuries caused by defective conditions, or move out without notice.
6. Respect the privacy of your tenants. Notify tenants whenever you plan to enter their rental unit and provide as much notice as possible. Make sure you are aware of your jurisdiction's minimum notice requirements.
7. Disclose environmental hazards such. Landlords are increasingly being held liable for tenant health problems resulting from exposure to environmental poisons in the rental premises.
8. If you choose to obtain one, choose and supervise your manager carefully. If a manager commits a crime or is incompetent, you may be held financially responsible. Do a thorough background check and clearly spell out the manager's duties in writing to prevent problems down the road.
9. Purchase enough liability and other property insurance. A well-designed insurance program can protect your rental property from losses caused by everything from fire and storms to burglary, vandalism, and personal injury and discrimination lawsuit.
10. Treat your rental property like a business. It's important to remain professional and consistent with your tenants. Everyone falls on hard times, but allowing tenants to not pay rent or break rules is a recipe for disaster.

