

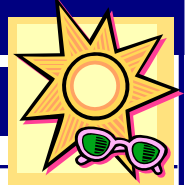
Dave Poletti & Associates Presents

The Seattle Landlord Report

A Monthly Publication to Keep Our Clients Informed

TENANTS PERFORMING MAINTENANCE

June 2011



Many times tenants offer to perform maintenance on properties. While it may seem to be an excellent idea at the time, promoting thoughts of saving money, and an easy repair - it can lead to many problems down the road.

Landlords need to ask themselves why the tenant is offering to absorb the time and expense of the work. There are tenants who are honest and capable, but often there are underlying motives that property owners should question.

A prospective tenant wants to entice the owner to accept their application

They are looking for a reduction in rent and have financial problems.

They wish to avoid having someone in the property because of their upkeep.

As they say, "there is no free lunch," and there are questions to ask and answer before accepting a tenant's offer to do maintenance. Do you *really* know if the tenant is capable of the work? Is it a

simple maintenance item or a job for a professional? Are there any EPA Lead law requirements? Will the IRS view this as an employer / employee relationship?

The easiest way to approach tenant maintenance is to treat it entirely as a business matter, not a personal or emotional one. The questions to ask are:

Will this really save me money?

Will this create a landlord/tenant issue?

Will this create any liability?

Will it cost me more to fix a bad repair?

At first, it may seem that the landlord is getting the best of the bargain. The tenant does the work for perhaps only the cost of the materials. If they are capable, this could work out for the owner's benefit. What if tenant does not know how to do the repair correctly? Different scenarios could now develop and *none* of them attractive.

A Truly Sad Situation

The property owner paid for materials and possibly reduced the rent. The job is either incomplete or causes another

problem. Now, to complicate matters, more money is required to hire a competent and licensed tradesman because the tenant has caused more damage.

Will this now lead to a landlord/tenant issue? The repair has gone sour, more repairs are necessary, the owner feels the tenant should reimburse him for the damage, and a bad owner/tenant relation develops as a result.

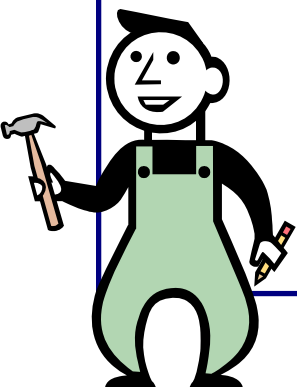
It can get worse! The tenant

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Seattle Area—Fewer Apartment Vacancies, Higher Rents

For the first time in a few years, the rental market is really starting to pick up. Although November and December of 2010 were relatively slow for everyone, we saw a big jump in demand shortly after the first of this year. The only market that seems to be lagging still is in the high-end homes and condos where there is simply very little demand or an overabundance of supply. We have not seen rents increase quite yet but it may be on the horizon.

The Reason: Supply & Demand

“Supply and demand always counts for something,” says Mike Scott of Dupre+Scott, “and this year there isn’t going to be much new supply.”

The number of new apartments in King & Snohomish counties slated for completion this year is just one-third the number of 2009, according to Apartment Insights.

What’s more, demand is growing. “The continuing decline in home values will ensure the overall preference for renting,” Tom Cain, president of Apartment Insights, writes.



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moves out, the owner deducts the damages from the security deposit, and the tenant sues the owner. Even if you are completely in the right, it may take considerable time, money, and aggravation to defend yourself in court.

Perhaps liability has occurred. The tenant is now claiming pain and injury suffered while doing the repair. The owner has paid a non-licensed person to perform work and the court looks very dimly on the situation. The insurance company is now involved and the policy may not cover this issue.

Perhaps this entire scenario sounds ridiculous and you are having a good chuckle, but as Property Managers, we know this can happen. We hear it from self-managed owners, from our Property Managers peers, read it in the papers, and know that trying to save a few dollars can ultimately cost the property owner more money, not to mention great stress. Therefore, we take the steps to “*Protect Your Investment*,” by providing reasonable repairs with competent vendors and avoiding unnecessary problems.

