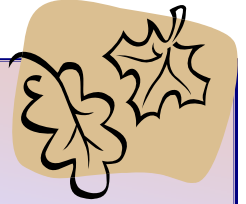


Dave Poletti & Associates Presents



# The Seattle Landlord Report

A Monthly Publication to Keep Our Clients Informed

## What IF The Tenant Quits?

September 2011

It is the first of the month and the rent is due. The rent does not come in and a notice to pay rent or quit is served. The majority of tenants pay the rent. But what if the tenant decides to "quit?"

The first reaction is usually anger and outrage on this unfair turn of events because the owner will not have the rent and there is a high probability there will be damage. When the initial emotion passes, it is more productive to take a different perspective

It is better to have a sudden vacancy than go through the strain of waiting to see if they are going to pay, working through the excuses and behavior of a tenant stalling for time, and then having them vacate anyway.

The property manager and owner now do not have to make the agonizing decision to start formal eviction proceedings or spend time waiting for the rent.

Bypassing an eviction means avoiding more expenditures and time to remove the tenant.

If the current tenant is not going to pay the rent, it is better to have the property back so a paying tenant can be procured and the tenancy can be improved.

The security deposit can be applied to damages and loss of rent.

### Can you take possession?

Yes, if a tenant abandons the property, you can take possession. If they have left personal property in the residence, then consideration has to be given to the value of what is left behind and how to dispose of it. It is important that a property owner does not rush into selling off the personal items of a tenant to regain what the tenant owes them. There may be legal ramifications as a result.

### Do they still owe the rent?

If they are on a lease, the tenant will still owe the rent until the property is re-rented or the ending date of the lease plus related costs, whichever comes first. If they are on a month-to-month tenancy, the rent is normally due for what is specified in the rental contract regarding the amount of notice required.

### Do you still have to send a statement on a security deposit?

Yes!!! Even if it is to the property address with a "please forward and/or address correction required." This way, the property manager and/or owner are covered for itemizing the monies deducted against the amount of the deposit. Not only is it required by Washington state law, it is always good business to itemize security

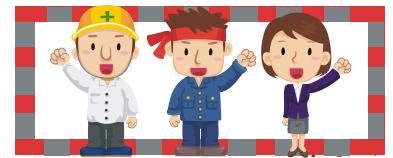
deposit damages whether the tenant vacates suddenly or follows the terms of the contract.

### Can you report them to a credit reporting agency?

Yes, as long as there is written documentation, attempt at notification, and if the rental agreement and/or notice to quit contains important wording notifying the tenant that the landlord has the right to report them to a credit reporting agency. This is required under Federal Credit Reporting Act law.

### Can you still seek damages?

Yes, you can always seek damages in any situation if a tenant owes rent or damages. The first step is to obtain a judgment in small claims or



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## Seattle's Best Rentals

### Dave Poletti & Associates

1200 Westlake Ave N, Ste. 1001  
Seattle, WA 98109

**Toll Free: (888) 286-5300**

Bus: (206) 286-1100

Fax: (206) 286-4555

**info@davepoletti.com**

**www.DavePoletti.com**

### NWMLS – Just released statistics 2011

Based on the latest statistics from the Northwest Multiple Listing Service, it looks like the market is down about 5% from a year ago. Here are the actual numbers:

Year-to-date pending sales are slightly under the total for the first five months of 2010 when sales were boosted by a federal tax credit. Through May 2010, Northwest MLS members had reported 35,454 mutually accepted offers; this year's total for five months is 33,612 (down about 5.5 percent).

Members reported 5,015 closed sales during May, about 5 percent fewer than the year-ago total of 5,290 completed transactions. For the first five months of this year, a total of 20,473 transactions have closed, which compares to 21,861 for the same five months of 2010 (down about 6.8 percent).

For the four-county Puget Sound region (King, Kitsap, Pierce and Snohomish counties), pending sales through five months are at 97.6 percent of year-ago levels, while closed sales are at 95.6 percent of year-to-date totals for 2010.

Northwest MLS reports both pending sales (mutually accepted offers) as a barometer of the most recent sales activity, and closed sales (completed transactions).

*(Continued from page 1)*



report the loss to a credit reporting agency.

### **How can you collect damages?**

The best solution is to use a collection agency since they have the tools and expertise to track people who owe money. Although the agency does collect a fee, it is better to receive some remuneration rather than nothing at all.

### **How do you avoid this situation?**

As your property management company, our solution is to prevent this by obtaining a qualified tenant upfront. However, no one can guarantee this will work. People often encounter difficult situations, such as divorce, drugs, loss of employment, high medical bills, and more that often lead to poor judgment in handling their personal situation. But if the tenant quits, it is better to take the most productive course of action and move on to a better tenancy for your investment and your peace of mind.

