



TRS NEWS

THE ILLEGAL TENANT

March 2009

The tenants sign the lease and move in. Sometime during the tenancy, another resident appears to be living in the property. This is a clear violation if the rental agreement contains wording that does not give the tenant the authority to do this. This situation can have different scenarios.

- The legal tenant could have just moved someone or several people into the property but remained in the residence with the new residents.

- Another situation is that the tenant "sublet" to another party without permission of the property manager and or owner, then vacated the property, and allowed the other party to move in.

Find Out the Facts

The first step is to find out WHO is currently residing in the property. If the legal tenant is still residing in the property, then the first step is to make immediate contact, find out more information, and immediately let them know they are in violation of the lease.

- How many new people have moved in?
- Are they temporary guests or intended to be permanent residents? If so, when will they be leaving?
- Is the current tenant planning to move?

If the legal tenant has moved out and sublet to other parties, then once again, it is imperative to make contact as soon as possible and find out what is happening in the property. While it may seem that the tenant did the property owner a favor at first glance, there are several problems with these actions.

- You know nothing about the illegal residents – income, his rental history, and credit. Our tenant screening covers these important items.

- There is no signed agreement with the illegal tenant. Therefore, they have not agreed to the terms in the rental agreement.

Plan a Course of Action

The uncovered facts regarding the illegal residents will determine a plan to take. It is also imperative that all actions comply with current landlord/tenant law.

If it appears that the people who moved in with the tenant are compatible with the property and there is no property damage, then the simplest action is to notify the legal tenant in writing that all new residents of legal age must fill out applications and go through the application process. If the screening produces positive results, then the next step would be to have them complete the rental agreements and become legal tenants in the property. Generally, most property

managers encounter this scenario when a tenant fails to notify their manager that they want another party to move in. It is also important to stress to everyone once this situation is resolved, it is not to happen again.

Alternatively, if the uninvited residents do not pass the

(Continued on page 2)

TRS Staff Serving You

Michael Mengden

MPM[®] RMP[®] GRI[®]

President/Broker
(800) 275-7776 x 305

Jamie Dominy

Property Manager
(800) 275-7776 x 308

Jennifer Steward

Property Manager
(800) 275-7776 x 306

Bridget Mengden

Accounting
(800) 275-7776 x 304

Carolyn Marsh

Assistant Property Manager
(800) 275-7776 x 303

info@terraresidential.com

terraresidential.com



*Specializing in
Investment
Brokerage
& Management
Since 1990*

Announcements & Services



Certified Residential Management Company

14655 NW Frwy., Suite 124
Houston, TX 77040

(800) 275-7776 - Toll Free

(713) 895-9966 - Office

(713) 895-9320 - Fax

info@terraresidential.com

terraresidential.com



Building Your Real Estate Portfolio

We have helped many of our clients in the last few years to build up their real estate portfolio by buying more properties or selling the property they bought years ago in order to buy newer properties using a 1031 tax deferred exchange. Many clients that bought their homes years ago now have a lot of equity built up in that property and want that equity to be invested buying more properties.

Whether you buy more properties with existing money, or sell the older properties and buy newer properties, *we can help you*. On the other hand, some clients just want to make a change in their portfolio and wish to sell. We can help there also. Just contact us and we will have someone contact you to discuss your real estate needs. There is no obligation.

Looking for Management Elsewhere?

You, or someone you know, may need a property manager in other states. Because of our proud affiliation with NARPM, The National Association of Residential Property Managers, we have contacts throughout the country and may be able to assist you.

(Continued from page 1)

screening process or they refuse to comply, then it is time to issue a notice requiring the legal tenant to remove all parties not listed on the rental agreement from the property. If they fail to comply, it may be necessary to take legal action. Consulting an attorney who specializes in landlord/tenant law is extremely important at this point.

The steps are similar when the tenant has sublet the property to unknown residents. It is more common to have more difficulties when the legal tenant has vacated and moved in unknown parties. It is also imperative not to accept rent from illegal residents unless they become legal tenants. To do so will only give claim to their tenancy and once again, seeking legal advice is imperative. It is necessary to take action, even if it means going to court because having illegal residents will only lead to more problems.

The majority of the time, good tenant screening eliminates unwanted tenants appearing in the property. Screening the applicants carefully is our first step in preventing this problem. However, people and their circumstances are unpredictable. There are times when you have to evaluate what is happening and take the most practical steps to correct a difficult situation.