



TRS NEWS

SHOULD YOU ALLOW A TENANT TO PAINT?

July 2009

Often current or prospective tenants will negotiate with property owners on painting. The owner usually will consent to this with one thought in mind – saving money. However, they do not realize the problems that it can create, particularly if they do not outline any limitations when it comes to the painting.

If while showing the property to rent, the paint is in poor condition, a prospective tenant will offer to paint to offset the rent or the security deposit. While this may sound like an ideal situation, landlords should consider many factors about an offer to paint.

- Can the tenant properly paint the property?
- What type of paint and color will the tenant use?
- Who will monitor the painting job to see that it is completed and properly done?
- Are there any legal issues that could arise from allowing a tenant to paint?
- Why would a qualified tenant pick a property in poor condition and offer to paint?
- Here is a true story about an owner allowing a tenant to paint the property. Property owner, Mr. Johnson, agrees to allow the new tenant, Mr. Morton, to paint in lieu of paying a security

deposit and reducing the first month's rent by fifty percent. The tenant does actually buy the paint and do the work. While painting, Mr. Morton damages flooring, woodwork, and more. The paint job is sloppy with poor quality paint. To make matters worse, he decides to use intense paint colors in the teenager's bedrooms - fuchsia and black – because it makes them happy.

- Mr. Johnson inspects the property, is appalled with the condition, and demands that Mr. Morton repaint and clean up the damage. Mr. Morton, of course, refuses. Mr. Johnson had not put anything in writing on what was required for the paint. The tenant has moved in and now there is no security deposit. Mr. Johnson decides to give the tenant notice to vacate. Mr. Morton challenges the notice as retaliation and it goes to court. The court decides the tenant has not violated his rental agreement and Mr. Johnson loses the court action and ends up paying all attorneys' fees. Eventually, Mr. Morton, not being the best of tenants, defaults on his rental payments and forces Mr. Johnson to evict him. He leaves the property in even poorer condition.

- Now, the owner has a poor paint job that will require more

money in the future to clean up any damage and put the walls in good condition. The flooring and woodwork need major cleaning and they may not clean up. Special primer and additional coats will be necessary to remove the bright colors. In addition, there is no security deposit to cover the

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On-Line Payments

We recently teamed up with PayLease Inc. to streamline our rent collection by allowing online payments via credit/debit card or e-checks from checking or savings accounts. In addition to the rent payments, many of our clients have requested some way for us to accept credit cards when performing make readies on their properties. We now have that option right through our website. There is a small convenience fee (to PayLease, not TRS) to give us the ability to accept these transactions, but the amount is much smaller than the lost rent experienced by waiting until you can get the funds to us another way. In the short time we have had this our collection rates for our tenants has improved and we expect that to continue as more and more of them see the value of getting their rent paid on time and not having to pay late fees.

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.

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painting damage, other repairs, and loss of rent. This was a costly lesson to Mr. Johnson.

- This horror story simply did not have to happen. One mistake was not having a specific agreement in writing on the type and color of paint, as well as requiring the tenant to fix any damage. To compound this mistake, the tenant was allowed to move in without a security deposit for any future damage or loss of rent. The first and worst mistake was not asking why a good tenant would accept a property in poor condition. Good clean properties attract good tenants. Mr. Johnson was so anxious to rent the property and save money that he did not check out Mr. Morton's qualifications.

Whether the tenant is renting the property or has lived there several years, it is simply more cost effective to have painting done by a professional. It eliminates many problems. In some states, allowing a tenant to paint in lieu of payment could cause payroll or tax problems.

Our company will always advise and promote putting the property in the best condition to obtain quality tenants. After all, our goal is to avoid horror stories and provide you with happy endings for your investment.