



Tenant Verification Service Inc.

THE SUCCESSFUL LANDLORD'S GUIDE



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A Landlord's Responsibilities

A Landlord's main responsibility is to provide a safe and livable dwelling.

The dwelling should include:

- Weather and waterproofing systems
- A working plumbing system
- Hot and cold running water
- A working heating system
- A working electrical system
- No infestations of insects and rodents
- Sufficient trash cans
- Floors, stairways and railings in good repair
- Natural lighting in every room
- Working windows or proper mechanical ventilation
- Safe emergency exits
- Working security locks at main entrance
- Working security devices on windows
- Working smoke detectors



A Landlord's Rights

Every Landlord has the right to expect a Tenant to follow the general and legal terms of the Rental Agreement, as well as tenancy laws that are established by each individual Province.

The following are the most standard legal terms found in a Rental Agreement:



- Amount of rent, date due and length of rental term
- Maintenance and cleanliness of dwelling
- Respect the rights of neighbors
- Tenant to pay cost of repairs due to neglect or damage
- Limit number of occupants
- Pet policies
- Smoking policies

ALWAYS Conduct Background Checks - Credit & References

High Risk Tenants that use Landlords as a revolving line of credit are accomplished at giving a good impression and can fool even the most experienced Landlords. Always ask for references and take time to follow up on them.



Credit reports are a critical part of the background check process. TVS can obtain credit, criminal and where available tenant pay habit reports on prospective tenants.

To determine credit and Tenant worthiness, visit us at www.Tenantverification.com and www.aTenantscreen.com.

Know the Tenancy Laws in Your Area

Many Landlords end up paying thousands of dollars in arbitration and court awards because they make the BIG mistake of not having familiarized themselves with their Provincial Tenancy Laws.

This usually happens when the Tenant takes legal action against a Landlord who is unaware of his/her responsibilities. Landlords should be aware that there are tenants who target Landlords who don't know the law.

It is incumbent upon every Landlord to know the applicable laws so that liability and risk is minimized and/or completely prevented. There is no excuse for not knowing your Provincial Tenancy Laws.

Attached is a link to Provincial Tenancy Laws - find your Province and take the time to educate yourself about them. Your Landlord Criteria should incorporate these laws so you do not appear to be discriminatory in any part of your rental process.

<http://www.landlordsresourcedirectory.com/AreaLinks.htm> or Google tenancy laws British Columbia or whatever Province you are looking for.



How to Resolve Tenant Disputes

A successful Landlord will be prepared for disputes that will inevitably arise with new Tenants. Being prepared will help you avoid being caught unaware in a stressful dispute.

Instead of immediately going to court, there are many other options in resolving property disputes. You can even state in your rental agreement what steps you will take to remedy a dispute.

Here are some tips for handling disputes between Landlords and Tenants:



1. Avoid Disputes by Knowing the Law

The best way to resolve disputes is by avoiding them before they even begin. Many problems arise because one party does not know they have broken the agreement or they are not aware of their rights under the law. Taking the time to learn the law will help you avoid disputes and make you a successful Landlord.

2. Keep Your Cool

When a situation arises, never lose your temper, even if your Tenant does. Try to be as calm as possible and always do your best to take care of the situation on your own. If you are having difficulty, or if your Tenant is not cooperating, you may need to seek assistance in court. However, by keeping your cool, you are representing yourself in the best possible light and there is less chance the situation will escalate.

3. Talk It Out

Many problems with Tenants can be resolved if the issue is discussed thoroughly on both sides. Do not let your temper flare, even if you are justifiably angry. There may be a simple answer to a problem, and both of you may be blowing it out of proportion. Working it out between two parties is almost always cheaper and easier in the long term.

4. Meet Face to Face

If you have traded angry words over the phone with your Tenant, a face-to-face meeting may help. Hold the meeting in neutral territory where both of you will feel safe.

5. Get a Professional Mediator

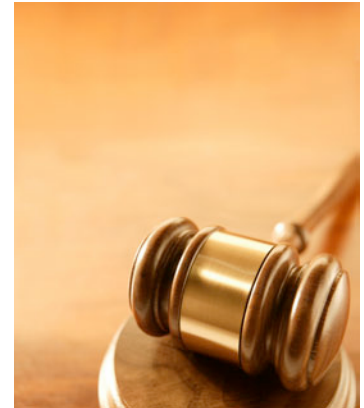
If you have tried without success to resolve the dispute, a Professional Mediator may be able to assist you.

Many Provinces now provide Mediators who are trained to deal with situations that can arise with rental properties.

6. Submit to Arbitration

Arbitration is similar to mediation, but arbitration is binding. An Arbitrator will hear both sides of the case and issue a binding ruling to which you must adhere.

If you are worried you are in the wrong, you probably won't want to take this step. Instead, own up to the problem and try to settle with your Tenant.



7. Document Everything

A paper trail is your best defense. If your Tenant has repeatedly broken the rules of your Tenancy or Lease Agreement, or if they have made unreasonable demands, thorough documentation can help prove your case. Keep a file on each Tenant and record all that transpires. Presenting this documentation to your Tenant may even dissuade them from taking you to court.

8. Let the Lawyers Decide

Many cases can be resolved through a mutual agreement to settle which is negotiated through Lawyers. If you and your Tenant are both represented by a Lawyer, they may be helpful in settling the case out of court.

9. Small Claims Court

In most cases, disputes arising from rental properties fall under the jurisdiction of Small Claims Court. This option is usually cheaper than a higher level court battle and it may be the quickest alternative to an acceptable solution.

10. Proceeding with Litigation

If you have exhausted all other avenues, you may have to take your case to civil or criminal court. The actions of your Tenant will dictate your decision. Make sure that your lawyer is well versed in Residential Tenancies Law and capable of representing your case successfully.



Taking the time to work through a problem with a Tenant may save you time, money, and effort.

Costly Legal Mistakes That Can Sink a Landlord Business

Being a successful Landlord requires lots of practical know-how, business sense, and familiarity with the market.

The following is a list of the top ten mistakes that can sink your business.



1. Using Generic or Outdated Lease Forms

Most Landlords know it's important to have a written lease or rental agreement, but using the wrong form can get you into big trouble.

So-called "standard" forms that are sold everywhere probably aren't compliant with the laws in your Province. If you use a stationery store agreement that short-cuts Tenants' rights, you could find yourself at the losing end of a lawsuit because of an unenforceable clause. On the other hand, some standard forms actually impose greater obligations and restrictions on you than your Provincial law does.

2. Asking the Wrong Questions During Applicant Screening

Thorough Tenant screening is the most important part of your business — if you choose poorly, you're in for nothing but headaches with Tenants who don't pay the rent, trash the place, or worse. But there are limits to what you can ask. Many Landlords don't realize that even well-meaning questions (such as asking a disabled person about his disability or asking if a couple is married) can be illegal forms of discrimination. If the applicant doesn't get the rental, even though your rejection had nothing to do with the offending question, the disappointed Tenant now has ammunition for a Human Rights Act complaint.

3. Setting Policies that Discriminate Against Families

Even though it is illegal to discriminate against families, many Landlord practices are far from family-friendly and are downright illegal.

Excluding families because you feel children will cause more wear and tear and you prefer a "mature, quiet" environment is illegal. And while you're permitted to limit the number of residents in a unit (in most situations, two occupants per bedroom), you may not apply that standard differently when dealing with families.

The cost of this mistake can be another trip to your Lawyer's office or the Residential Tenancy Branch.



4. Making Promises That You Don't Deliver On

It is fine to be enthusiastic about the benefits of your property, and it's necessary to do so in competitive markets, but understand that your enthusiastic promises will become binding if applicants rely on them when deciding to rent. For example, you may have to deliver the goods if you assure an applicant of a parking space, satellite service, or a new paint job. A Tenant who feels ripped off may legally break the lease or sue you for the difference in value between what he was promised and what you delivered. Whether the Tenant will win is hardly the point — you'll have to respond, which will cost time and money.

5. Charging Excessive Late Fees

Late fees can be a powerful tool to motivate Tenants to pay the rent on time. And while a higher fee can be a better motivator, some Landlords cross the line, by setting fees that bear little resemblance to the actual damages they suffer when Tenants pay late. Courts are increasingly invalidating excessive late fees that can't be justified with hard evidence. You're better off setting a modest fee that reflects your true damages, and dealing with chronic late-payers with pay-or-quit notices. Refer to [Notice to Tenant form](#) in the TVS website on how to prevent late fees in the first instance. (Forms section)



6. Violating Tenants' Rights to Privacy

Most Provinces have detailed rules on when, for what reasons, and with how much notice you may enter a Tenant's home. Yet many Landlords stop by unannounced, asking to check things over, perform an on-the-spot repair, or show the place to prospective Tenants.

Repeated violations of a Tenant's privacy (or even one outrageous violation) can excuse a Tenant from any further obligations under the lease and may also result in court-ordered money damages against the Landlord.

7. Using Security Deposits for the Wrong Projects

The most frequent types of cases heard in small claims court are arguments over security deposit retentions. Yet the basic rule - that deposits should be used only to cover damage beyond wear and tear, needed cleaning, and unpaid rent isn't hard to understand. Still, Landlords routinely use the deposit to cover appliance upgrades, cosmetic improvements and other refurbishing, not repairs. Not surprisingly, many of these Landlords lose these cases in small claims court. A landlord has to be seen to be **REASONABLE** in instances like this.

8. Ignoring Dangerous Conditions In and Around the Dwelling

Landlords in virtually every Province are required to offer and maintain housing that meets basic health and safety standards, such as those set by Provincial and Local building codes, health ordinances, and Landlord-Tenant laws. Refer to [Landlord responsibilities](#) on page 2.



If you fail to take care of important repairs, deal with environmental hazards, or respond when your property has become an easy mark for criminals, Tenants may break the lease and, in many Provinces, withhold the rent or make the repair themselves and deduct the expense from the rent.

Landlords who have failed to make their properties reasonably secure in the face of repeated on-site crime are often ordered to compensate the Tenant-Victim when yet another criminal intrudes. These are expensive ways to learn the law.

9. Keeping Security Deposits When Tenants Break a Lease

When Tenants break a lease and leave early, Landlords often keep the entire deposit, reasoning that the Tenant's bad behavior justifies doing so, and that they'll ultimately need it anyway to cover rent.

In most Provinces, this is illegal - you must take reasonable and prompt steps to re-rent, and credit any new rent toward the Tenant's obligation for the rest of the lease. Keeping a two months' rent deposit and re-renting within a month is not legal.

10. Failing to Return Security Deposits According to Law

Not only are they used improperly, they're often not returned according to Provincial Tenancies Law either. Many Provinces have deadlines by which Landlords must itemize their use of the deposit and return any balance. It's not uncommon for Tenants to wait many weeks or months for this accounting.

In some Provinces, the deliberate or "bad faith" retention of the deposit will result in harsh penalties against the Landlord, such as an order that the Landlord pays two or three times the deposit to the Tenant.

Tips on Being a Successful Landlord

The key to being a successful Landlord is taking time to pick the best Tenants, keeping the rental property well maintained and limiting your risk of liability where you can.

If you do not have the time to keep up a property on your own, or if you own several rental properties, you can quickly become overwhelmed.

The tips provided below are the most common ways to ensure your success as a Landlord:

1. Get It in Writing

In order to protect your interests and the interests of your Tenants, get everything in writing. This means everything from a rental application to a code of conduct.

If a Tenant needs to have something fixed in their dwelling, ask them to provide the request in writing in addition to telling you on the phone or in person. This will help you with your income tax deductions and create a history for each Tenant.



2. Provide a Clean & Secure Residence

Keep the grounds of the property clean and free of debris. This will help you with property liability and keep your rental property attractive. You should provide additional safety & security measures and take the [Crime Free Multi Housing Course](#) which is facilitated by your local Police Office if available in your area. Your building is certified that it meets crime free standards and it can be an excellent advertisement to attract good tenants. Limit Liability!



3. Pick Your Managers Carefully

If you do not have the time to personally manage your rental properties, you will need to hire a Property Manager. But your success as a Landlord will hinge on your choice. Make sure to hire the absolute best Company for the job. Let them tell you how they will protect your asset and ensure that the rent payment is received monthly. Will they conduct monthly site inspections of the property?

4. Be Insured

Make sure that you have the maximum amount of rental insurance, property liability insurance, and any other type of insurance that may be required in your Province. This can help protect you from devastating losses. Remember this is your responsibility!

5. Make Repairs Promptly

Your Tenants deserve to have decent living conditions. In the case of furnaces and other necessary appliances and fixtures, repairs simply cannot be put off. Try to imagine yourself in your Tenant's position. Could you live without running water for three days? This could also be considered a breach of the lease agreement on your part and the Tenant may be able to withhold rent payments and you will have no re-course.



6. Respect the Privacy of Your Tenants

Adhere to your Province guidelines for entry into a rented dwelling. Most Provinces require at least a 24 hour notice before a Tenant is required to allow their Landlord to enter their rented dwelling.

7. Do Not Discriminate

Follow the rules of the Residential Tenancies Act in Your Province when you screen Prospective Tenants. A discrimination lawsuit is extremely costly and completely avoidable. You should know this Human

Rights information to avoid discrimination. <http://www.unac.org/rights/actguide/canada.html>

Give everyone an equal chance to rent your property.

8. Have a Well-Drafted Lease

It is imperative that the form of lease you use with Tenants be well-drafted and pro-Landlord-oriented.

9. Always Be Fair & Reasonable

In addition to avoiding discrimination, strive to treat all of your Tenants fairly and in a reasonable manner. Try to understand their position and keep in mind how they may perceive your actions. While you may not be able to get along with everyone, having a good rapport and being reasonable with your Tenants will reduce vacancy problems.

10. Know your Province's Tenancies Law <http://www.canlaw.com/tenants/tenantinfo.htm>

Only you have the true desire to make your Landlord business succeed, so take the time to set up a proper course of action that will reduce income loss that is generally associated with High Risk Tenants. Have a look at the Deterrent and Incentive forms that TVS has on its website, they are very beneficial in preventing rental income loss.

How to Retain Tenants and Improve Your Bottom Line

Research shows that the majority of Tenant turnover is controllable and that Management's performance in delivering service plays the primary role in Tenant Agreement renewal decisions.

With a move-out costing you \$3,000-\$6,000, controllable turnover cannot be overlooked.

Here are some tips from seasoned Property Managers on what works to retain your Tenants:



1. Spell out incentives in the Agreement so Tenants have a goal to work towards. Create Tenant incentives like a point system for timely rent payments that converts to a renewal rebate, or a [Certificate of Satisfactory Tenancy](#) from the TVS website.
2. Keep the property in good repair and use the common sense and what is reasonable methodology to keep tenants happy.
3. Allow some personalization of the unit. Minor modifications such as offering a choice of wall colors gives Tenants a sense of belonging. Decide ahead of time the range of colors you are willing to consider. Whatever you find that works!
4. Communicate during the term of the lease. Tenants often feel distant or alienated once they've moved in. Find ways to get in front of them on a regular basis outside of rent collection. Compliments or a card saying "Thanks for paying on time. I appreciate it!"
5. Negotiate deals with local vendors for discounts for your Tenants like pizza delivery or movie rentals. Provide them with a list of nearby amenities if they are new to the area.
6. Offer an incentive each time a Tenant offers a suggestion.
7. Develop loyalty by ensuring tenant satisfaction.
8. Resident Managers/Apartment Managers can set up functions to include fun events. If you have a single unit, offer a restaurant certificate on a birthday or special occasion for your Tenant and a Guest. Use your imagination and think of what would work for your business.



9. Resident Managers/Apartment Managers can consider dedicating a sunny spot for a garden, where tenants can meet and enjoy their environment.

A shady area where grass doesn't grow well is perfect place of a Zen garden retreat. Add decorative stone and a water feature. Attractive spaces can be very low maintenance, and a highly effective way of keeping your Tenants happy.



10. Involve Tenants in community functions. Publicize a walk/run for charity, and sponsor your team'. Give out T-shirts, throw a victory barbeque afterwards. Publicize the money your Tenants collected for the local humane society, toy drive or fire department by sending a press release to the papers. One such Maple Ridge BC Apartment Owner does this and has had amazing feed back from the tenants.
11. Publish a community newsletter/blog. If you have single-family rentals, provide links to Tenant community websites or to other beneficial websites.
12. Find out well in advance if the Tenant is considering moving out at the end of the lease term. Give yourself time to consider the Tenant's options and develop a counter offer. If you cannot convert the Tenant, conduct an [exit interview](#) so you can find out what would have made a difference for them. That way, you avoid having the same complaint from the next Tenant. Few if any landlords/managers do this, how do you know what's wrong if you don't ask?

What Do Tenants Want?

Nothing impacts the renewal likelihood more than how service requests are handled. And the work order process begins and ends with the office, not maintenance staff.

How work orders are handled with residents regarding service requests have a strong relationship with retention.

The top eight items, in rank order are:

- promptly responding to calls
- emails
- office follow up on completed requests
- office staff responsive
- dependable
- office staff courteous
- professional
- apartment condition
- appearance
- community safety
- quality of maintenance work
- speed of handling the request



Residents might not notice a “job well done,” but they certainly remember negative experiences. Thus, the goal must be to minimize dissatisfaction...and when a bad experience occurs, to rise to the occasion and deliver a “remarkable recovery.” We know this to be true from our own experiences don’t we?

Reference: Doug Miller, SatisFacts

What Is Your Criteria for Prospective Tenants?

Credit Worthiness:

To be a successful Landlord, you will need to determine if a prospective Tenants' credit history and payment pattern is acceptable and ensure that it meets your criteria.

To establish credit worthiness:

- ✓ Obtain a credit report to determine payment patterns and credit worthiness
- ✓ Request a T4 or Employer Pay Stub to establish income level
- ✓ Request a Bank Account Statement that shows deposits being made every pay day
- ✓ Request a letter from Employer giving letter of employment and salary status

Tenant Worthiness:

This is different than Credit Worthiness, some tenants do not have a good credit history for various reasons, but they have a good job, stable income and always pay their rent on time. Tenant Worthiness should be a *REQUIRED* criterion that every single prospective Tenant must meet for occupancy of your rental unit.

To establish tenant worthiness contact the current and (where applicable) previous Landlord(s) and ask these questions:

- Did the prospective Tenant meet all of the terms in the lease agreement?
- How many times was rent payment late?
- Was the security deposit returned in full?
- Were there any problems with the Tenant?
- What was the reason for the Tenant leaving?
- Would you rent to this Individual again



If the Tenant has been evicted from a previous lease as per landlord inquiries, then that probably does not meet your criteria for tenant worthiness.

Conduct a criminal record search, if a criminal record exists, what is it for? History of violence, drug trafficking, sexual assault or fraud? If so then this likely does not meet your criteria for Tenant worthiness.

Other Criteria to Consider:

- ✓ Do you allow pets?
- ✓ Smoking policies?
- ✓ Occupancy maximum?
- ✓ Noise policy?
- ✓ Parking policy?

Education for Landlord & Tenant

In many cases a Landlord and Tenant can become adversaries when there is a lack of education regarding rights and responsibilities. This often results in a Tenant leaving the Landlord stuck with unpaid rental fees and/or damaged rental property.

A loss of income, stress, hassle and other unpleasant experiences are the result of many such instances which are unnecessary and totally avoidable.

Of course there are other reasons for discontent with either one party or the other such as lack of respect, cooperation, cleanliness etc. To minimize or alleviate the possibility for these unnecessary problems, it is incumbent upon the landlord to educate himself and the Tenant.

When both Landlord & Tenant know the rules, play by the rules and respect the rules, the Tenant and Landlord experience is a much more pleasant and profitable one.

www.tenantsinfo.com is a website that has been designed for the benefit of both Landlord & Tenant. It is not enough for Landlord or Tenant to just know their own rights & responsibilities; they should also know the rights & responsibilities of the other party. This scenario will likely eliminate many problems in your rental business.

Have your Tenant review the website as part of the lease or tenancy agreement; this will save you time, money and sleepless nights.

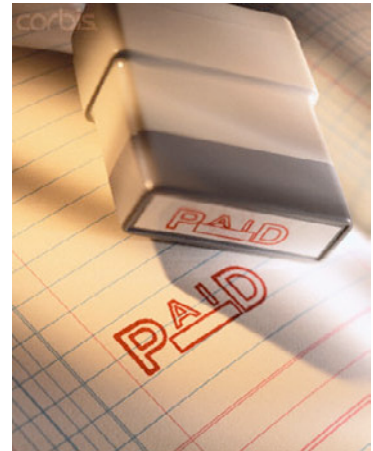


Education is the path that leads to being a successful Landlord.

Reporting Tenant Pay Habits Reduces Income Loss

TVS Tenant Verification Service Inc. one of the premier Tenant Screening Services in the Industry has developed a program that allows Landlords to report Tenant pay habits on a monthly basis. This is important for a number of reasons:

- Major Credit Bureaus do not accept Tenant pay habit reports.
- There is no other major repository that reports Tenant pay habits.
- Landlords can network via TVS to identify high & low risk Tenants by reporting pay habits.
- Advising a Tenant that pay habits are reported to a Credit Reporting Agency on the 3rd day of each month will reduce the amount of late payments and the risk of non payment. TVS is a credit reporting agency.
- Reporting good pay habits benefits good Tenants and reporting late payments or non payment impacts high risk Tenants.
- Many Tenants have poor credit histories but they are good Tenants and make rent payments on time, these Tenants can now build a good Tenant history which is important to a Landlord when determining Tenant worthiness or conducting Tenant background checks.
- When a Landlord reports that the Tenant has paid on time at the end of a lease period, he/she has the option of completing and presenting a [Certificate of Satisfactory Tenancy](#) to the Tenant which can be found in the Forms Section after Sign Up. The Tenant can show this to the future Landlord and the satisfactory tenancy can be verified by TVS.
- Previously there has not been a consequence for high risk Tenants who use Landlords as a revolving line of credit, now there is when Landlords report non-payment of rent or a debt resulting from damaged rental property. This is a fraud prevention tool and it serves to minimize the risk of income loss.



In addition to reporting Tenant pay habits and where the Tenant does leave a Landlord stuck with unpaid rental fees, you can report the debt to a collection agency that will pursue the debt for you.

Find us here: www.tenantverification.com

Contact Us: info@tenantverification.com

Successful Landlord's Checklist

Applicant's Name _____ Co-Applicant _____

Completed TVS rental application received on DD ____ MM ____ YR ____

If Applicant meets landlord criteria based on information contained in the rental application, then conduct tenant screening as outlined below.

Credit Report Obtained Yes ___ No ___

Criminal Record Check Obtained: Yes ___ No ___

Address Verification Obtained: Yes ___ No ___

Employment Verified: Yes ___ No ___ How long employed here? _____

Pay Stub Requested: Yes ___ No ___ bi weekly income is \$ _____

Current Landlord Contacted: DD ____ MM ____ YR ____ Tel ph. # _____

Notes From Conversation with Current Landlord:

- Noise problems: _____
- Paid rent on time: Yes ___ No ___ how many times late: _____
- Was security deposit refunded? Yes ___ No ___
- Would Landlord rent to this individual again? Yes ___ No ___
- Ask for the Landlord's address to compare to what the applicant put on application and to ensure that it is a Landlord that you are speaking with and not a friend. A friend likely will give a wrong address, or hesitate giving you one. _____

Lease Reviewed with Tenant(s): DD ____ MM ____ YR ____

Rent & Security Deposit Paid: DD ____ MM ____ YR ____

Move-In Inspection Form Completed: DD ____ MM ____ YR ____

Maintenance issues required prior to move in:

Tenant has read and signed **Notice to Tenant**: DD ____ MM ____ YR ____

Tenant has been advised of **Certificate of Satisfactory Tenancy** DD ____ MM ____ YR ____

Tenant was referred to www.tenantsinfo.com for responsibilities and rights information Yes ___

Notes: _____

This checklist is available in the forms section at www.tenantverification.com.