

AVOID LAWSUITS WITH GOOD TENANT RELATIONSHIPS

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April 15, 2016

Investing the time and money required to maintain and cultivate a positive working relationship with your tenants can be the difference between amicably settling differences and a costly lawsuit. Working on the relationship also creates value by maximizing tenant cooperation with timely rent payments, property upkeep and longer lease terms.

SCREENING POTENTIAL TENANTS

Conducting a background check on prospective tenants is a wise way to ensure a mutually successful experience for you and the applicant, and it is an effective risk management tool. Background checks do present some costs, but the risk of not performing the screening on tenants could have more serious financial consequences, resulting in lost income, property damage and litigation costs. Elements of a thorough background check include the following:

- ▶ Criminal history
- ▶ Credit check
- ▶ Previous landlord verification
- ▶ Identity verification
- ▶ Employment verification

TAKE CARE OF YOUR PROPERTY

Taking measures to properly maintain the premises sends a powerful message to tenants. It proves that you take your role as building manager seriously and encourages them to take pride in the condition of their rented space. Better, it could bolster relationships and lessen the probability that they will take legal action in the event of an incident or dispute. Take these measures to be prepared for maintenance issues:

- ▶ Establish a procedure for dealing with maintenance requests that guarantees prompt service to tenant requests and maintenance issues.
- ▶ Create, clearly communicate and promptly enforce policies regarding shared spaces.

SECURITY MEASURES

States and municipalities have differing legislation regarding the

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duties of building owners and managers. Although you may not be expected to guarantee the safety of tenants, visitors and guests, you must exercise reasonable care to protect them from foreseeable events. What's more, security measures make tenants feel safe, strengthening your relationship with them and lowering the likelihood of a lawsuit. They can also potentially lower your insurance premiums.

FOCUS ON CUSTOMER SERVICE

Taking extra steps to make tenants feel welcome helps to create a cooperative relationship that is unlikely to end in legal litigation. Small gestures such as the following can dramatically improve the relationship you have with tenants:

- ▶ Prompt, polite responses to requests
- ▶ Support during moves
- ▶ Clearly outlined policies and swift enforcement for all tenants

TRANSFERRING RISK

Even with positive landlord-tenant relationships, there are potential exposures that must be addressed with well-designed property and liability insurance policies.

For more information about vacant property insurance and other strategies to help protect your assets and mitigate loss, contact us today at (856) 489-9100.

For more information, contact:



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