

From the V.I.P.

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THE LEADER

Evaluating potential tenants

By PETER ROSENTHAL



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A recent column was devoted to my caution against lending money to a friend or relative.

David Paul of Re/Max Realtors (Toluca Lake) sent me a poem that his dad gave him several years ago. It sums up, in a few sentences, my whole column. I think it is cute and, unfortunately, too true.

You have your money and your friend.

You lend your money to your friend.

You ask your money of your friend.

You lose your money and your friend.

Now that you have digested the above advice, let me tackle one of the "age old" apartment owner's problems. Imagine that you have three vacant apartments and you receive an application from a tenant who is 21 years old, has a child, no job, and "makes" \$528 on AFDC (welfare). This girl has never worked and has lived at home all her life and has established no rental history. Another applicant shows up who claims to be handyman and would love to fix up one of your apartments for a \$50 a month reduction in rent. That apartment could use some paint and handyman-type work. That tenant's credit is fair. He wants the apartment because he is living with friends. He had previously lived at one address in Montrose for three years.

If one of the apartments is getting shabby and the apartment owner hasn't been "around the block" a time or two, the self-proclaimed handyman sounds like the better of the two applicants. After all, he lived in one place for three years and, after all, the apartment does need some TLC which he can provide. It is possible that the handyman is okay, but it is a sloppy and somewhat dangerous practice to reduce the rent for somebody in exchange for services they may, or may not, provide.

It is *critical* when evaluating a tenant to do a credit check and an eviction check. "Living with friends" is one of my danger signs that I look for when evaluating a tenant. An eviction check might show that he did live at one address for three years but was evicted for non-payment of rent a month or two ago. Would he really paint the apartment after he moved in? If so, his idea of painting might include painting light

switches, doorknobs, and part of the kitchen floor, sink, and a spill or two on the living room carpet.

We were faced with a choice like this in the last few days and, interestingly enough, the "welfare gal" seems to be a real winner. The gal's father was giving her a reasonably large sum of money to "get her started". The prospective tenant volunteered to pay six months rent "in advance". That certainly got our attention.

Six months advance rent can cause other problems. However, we did rent to the young lady as follows: We received one month's rent and a security deposit equal to two months rent. In addition, the young lady signed a six-month lease and we had her parents guarantee the performance of the lease. This young lady was conversant and seemed dedicated to getting on with her life. If she performs as

promised, she will have a good rental reference in the future. If she does not perform as promised, we have her parents to fall back on and a somewhat larger than normal security deposit.

The purpose of this article is to remind you not to set inflexible rules and regulations, but to set guidelines. If a job applicant, prospective tenant, prospective real estate transaction, or prospective spouse falls outside of your guidelines, take a second look instead of "just rejecting out of hand".

It would be appropriate at this point to close with the following joke: A woman was inspecting a chicken that was for sale in a butcher shop. The lady was poking, prodding and sniffing the chicken. After a moment or two the butcher finally got exasperated and inquired, "Hey lady, can you pass an inspection like that?"



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