



HOW TO
HANDLE

THAT



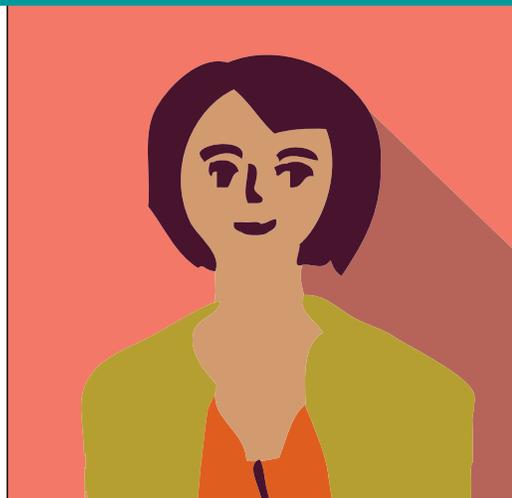
RESIDENT

Your latest vacant property is clean and ready for your newest tenant. You place your final touches on the unit and hand over the keys. Everything should go smoothly, right?

ENTER

“That One Resident...”

While you do your best to attract high-quality renters, unfortunately, the classically difficult tenant is far too common and can bring along destructive behavior, poor communication, and questionable decision-making. This renter can be detrimental to your property’s reputation and profitability. However, there are ways to help mitigate and potentially avoid these types of repeat offenders.



The best way to maneuver any roadblock is to show up prepared. Scan these five common tenant profiles, and learn how to address the challenges they bring, or better yet, learn how to avoid them altogether.

Profile #1



**The tenant in
a constant
state of
delinquency.**

NOTORIOUS FOR:

- › Racking up high, unpaid balances
- › Failure to pay rent
- › Being a victim of circumstance

THE FIX:

Don't make special exceptions for tenants like Owen. Instead, keep a consistent process and always follow rules and regulations.

Send notices and charge late fees, no exceptions. Communicate with him in writing for record-keeping purposes.

It will serve you well if you file for an eviction or send him to collections and need proof of your claim.

Profile #2



The tenant who owes rent and leaves in the middle of the night.

NOTORIOUS FOR:

- › Being a serial skipper (without notice)
- › Leaving owing money
- › Breaking a lease
- › Indebted to multiple unsuspecting landlords

THE FIX:

Know your state's laws to properly confirm abandonment. Do a little investigative work and contact the post office or Skip's utility company to find a forwarding address. Follow your state's rules on dealing with an abandoned property, re-taking possession, and handling any personal property left behind.

Gather evidence, document the process, and report him to the credit agencies to inhibit repeat offenses.

Profile #3



The tenant known to threaten frivolous lawsuits.

NOTORIOUS FOR:

- › Being a nuisance
- › Playing the victim
- › Refusal to consent
- › Bogus claims

THE FIX:

Know the ins and outs of your lease agreement. Be familiar with Fair Housing laws and the Fair Credit Reporting Act (FCRA). Document everything in writing and establish legally appropriate policies and procedures.

And don't forget: a good attitude goes a long way. Stay positive and friendly while handling requests and maintaining the property. Nice property managers get sued less often!

Profile #4



The tenant whose culinary creations unfortunately spark trouble.

NOTORIOUS FOR:

- › Accidentally starting a kitchen fire
- › Not having renters insurance to cover the damages
- › Unable to pay for the required repairs

THE FIX:

Know the facts: According to NFPA, there's an estimated 1.24 million residential fires every year, with the average loss for fire claims at about \$40,000. However, only 41% of renters had renter's insurance in 2016.

Protect your property and roll out a lease requirement for proof of insurance. In the meantime, be sure to document the damages with photos and keep track of all invoices involved in repairing the unit.

Profile #5



The tenant known to leave a path of destruction and mayhem.

NOTORIOUS FOR:

- Damaging property
- Neglecting to tell manager of growing issues
- Leaving behind belongings
- Failure to pay for repairs
- Requiring cleaning in excess of security deposit.

THE FIX:

Get the property restored to rent-ready condition. Document all damages and needed repairs with photos, and make sure to save invoices. Collect the remaining balance by promising further action if there's a failure to pay. Consult these options for pursuing delinquent balances:

- 1. In-House Process:** Attempt to locate past resident and get them to agree to payment
- 2. Small Claims Court:** File paperwork, go to court, and obtain a judgment (does not ensure recovery)
- 3. Third-Party Debt Collector:** Leverage the professionals, and report to the credit bureaus

HOW YOU CAN STAY A STEP AHEAD

While it's unfortunate that these difficult renter personalities are common, you can

arm yourself to handle, or prevent, these sticky situations altogether. Here are the key takeaways for every property manager's toolkit:

Screen Tenants Properly

Adhere to internal best practices. A bad tenant can be much more costly than an empty property.

Enforce Policies Quickly and Consistently

Have a foolproof, emotionless process for collecting rent, filing for evictions, and recovering unpaid balances.

Protect Your Property

Make sure your properties are covered by tenant insurance to avoid costly situations.

Keep Complete Records

Gather comprehensive information from applicants and maintain a thorough, organized, and updated file for each tenant. This will reduce time spent resolving disputes and prevent delays in debt recovery.

Seek Professional Assistance

Don't try to do it all yourself. Tenant debt is time consuming and not very cost-effective to collect. Get the most experienced people working hard to recover your revenue.

It's important to implement these effective protocols and preventative processes before a crisis occurs. Having the best tools and practices in place can help you avoid troublesome renters, and if one does slip through the front door, you're prepared to handle the situation effectively and lessen the negative impact to your business.

Learn how AppFolio can prepare you with modern tools like built-in Tenant Screening and Tenant Debt Collections.

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