



Kenosha Landlord Association

A Local Chapter of the Wisconsin Apartment Association

Volume 25, Issue 2

March 2013

The Return Of The Renter

Go To Page 2

Form: Non-Renewal of a Month to Month Tenancy

From Tenant Resource Center
Go To Page 3

Termination of Leases

Go To Page 4

Landlord Entry

Go To Page 6

March Meeting Has Been Moved To March 27, 2013

DISCLAIMER: The Kenosha Landlord Association publishes this newsletter to create awareness of issues relating to the rental housing industry. Information is compiled from a variety of sources and the views and concerns expressed by the contributors do not necessarily reflect those of the editor or the Association. When necessary, we suggest you consult an attorney.

The Return Of The Renter

posted December 7, 2011 on Rentalprop.com

We can trace the origin of the return of the renter to 1977 with the passage of the Community Reinvestment Act. But the act's passage and initial enforcement didn't have any particular effect on home ownership. That had to wait 28 years.

There were fewer and fewer renters for about 30 years as the homeownership rate climbed from 62.1 percent in 1970 to 69 percent in 2004. Now, with the housing market crash, the millions of underwater homeowners, and the millions of foreclosures, the tide is turning. Renters are coming back.

We are poised this year to drop past the year 2000 when 66.2 percent of the population were homeowners. At the end of the third quarter of 2011, it was 66.3 percent. There are 110 million households in the United States, reports the Census Bureau. With that drop in homeownership, it means another 308,000 households must find a place to live. (At 2.58 people per household, according to the Census Bureau, it is almost 800,000 people, or about the population of Austin, Texas.) That is enough to fill 308 100-unit apartment complexes, 77,000 four-plexes, or 154,000 duplexes.

But this is not all good news for rental owners and investors. We have seen the fallout affecting the entire housing market, not just the owner-occupied part of it. We have seen investors overextended, with a lack of qualified renters, forcing them into bankruptcy and foreclosure. We have seen a decline in the number of available rental units as a result.

But wait. That's a good thing, isn't it? Fewer rental

properties mean higher demand for those rental properties, which means, in this case anyway, 308,000 more prospective tenants chasing the same vacant units, which means landlords can charge higher rents, which means landlords can raise the rental standards to eliminate the marginal tenants they had to accept just a few years ago. It is a good thing for those who have survived the

downturn and for those looking to invest. However, the housing crisis has spilled its goo over the entire economy, not just homeowners.

It is interesting to go back to the beginning. Nothing much happened with the Community Reinvestment Act (CRA) until 1993, the first year of the Clinton Administration. CRA was passed to watch out for discrimination in real estate

Informational Article Regarding The Renter and A Breakdown of the Governmental Changes

loans, both residential and business, in low- and moderate-income areas. The FDIC watched and evaluated how banks were doing as per Sections 802(b) and 804(1) of the act.

Section 802(b) reads, "It is the purpose of this title to require each appropriate Federal financial supervisory agency to use its authority when examining financial institutions, to encourage such institutions to help meet the credit needs of the local communities in which they are chartered consistent with the safe and sound operation of such institutions."

Section 804(1) follows with, "In connection with its examination of a financial institution, the appropriate Federal financial supervisory agency shall—

(1) assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution; and if the FDIC were to find a lender had done something "bad,"

(2) take such record into account in its evaluation of an application for a deposit facility by such institution.

—USC Title 12 ? Chapter 30

Everything went on relatively innocuously until Roberta Achtenberg became Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development (HUD). The Clinton administration's agenda was to "increase home

Continued on page 7

BOARD

PRESIDENT—Brian Hervat; ; **1ST VICE PRESIDENT**—Alex Sadowski; **2ND VICE PRESIDENT**— Doug Powell; **TREASURER**— Eric Belongia; **SECRETARY**— Ron Eorowski; **WAA DIRECTOR**— Brian Hervat; **MEMBERSHIP DIRECTOR**— Mark Nausieda

FORMS REPRESENTATIVE— Lawrence N Cappozzo—
262-658-9000

NEWSLETTER EDITOR— Liza Thober—
lthober@gmail.com; **PAST PRESIDENTS**— Chuck Powell

Kenosha Landlord Association, Inc.
P.O. Box 1505, Kenosha, WI 53141
262-657-7886

Visit Us At: www.kenoshalordassociation.ws
and www.waonline.org



Town & Country
Glass Co. Inc.

3/08

Lisa Sikorsky
Manager

7516 - 39th Ave
Kenosha WI 53142

Ph. (262) 694-1624
Fx. (262) 694-0457
E-mail: tcgls@msn.com

Nonrenewal of Month-to-Month Tenancy

Date _____

Tenant Name(s) _____

Address _____

Dear _____,

This is to notify you that the month-to-month tenancy for the address listed above is terminated as of midnight on _____. As provided under Wis. Stat. 704.19, you have been given written notice of termination at least twenty-eight (28) days before the end of the rental period.

If you provide me with your forwarding address, it will assist in the return of your security deposit, or an itemized list of authorized deductions for unpaid rent or damages to the premises beyond normal wear and tear, which shall be mailed to you within twenty-one (21) days after you vacate the premises.

State law does not require disclosure of a reason for termination as long as it is not discrimination or retaliation because a tenant enforced or tried to enforce his or her rights. However, we wish to inform you of the reason your tenancy is being terminated. The reason is as follows:

Thank you for your cooperation.

Sincerely,

Landlord/agent _____ E-mail _____

Print name _____ Phone _____

Address _____

Date served _____

Signature of server _____

Signature of recipient _____

TERMINATION OF LEASES

from <http://wis-law.com/tenanttermination.html>

As was explained earlier, there are general requirements that all written leases must meet. These statutory requirements greatly influence how leases are terminated. However, in all actions where the lease is prematurely terminated, the landlord is required to make reasonable efforts to re-rent the premises, pursuant to [Section 704.29 Wisconsin Statutes](#), this is known as mitigating damages. This means that oftentimes the tenant cannot be held liable for the future rent that would have been paid had the lease been fulfilled.

The four most common reasons for the termination of a lease are: one, **breach by landlord**; two, **breach by tenant**; three, **unfit living conditions**; and four, **voluntary termination**.

1. Breach by Landlord

If the provisions of one's lease do not specify anything that the landlord is required to provide, then it is difficult to prove that the landlord has any obligation to the tenant, but it has been done. In the Wisconsin case of *Bruckner v. Helfaer*, the court decided that the landlord could not sue the tenant for the remainder of the rent due, when the tenant was forced to move out before the lease was up, because of the loud neighboring tenants. The tenant had previously complained to the landlord several times, and nothing was done. The basis for this argument is [Section 704.05\(3\) Wisconsin Statutes](#), which provides that tenants cannot unreasonably interfere with the use of the building by other occupants. Notice that this statute also gives the landlord the authority to control this "unreasonably interference."

Oftentimes leases contain provisions that require the landlord to provide certain things for the tenant, such as heat, water, air conditioning, or making certain repairs. Such provisions can create an obligation upon the landlord that should not be ignored. Courts have upheld the



Continued on pg 6

award of damages to tenants and allowed tenants to move out before the end of the lease, when the breach by the landlord seriously interfered with the enjoyment of the property.

2. Breach by Tenant

A. Failure to Pay Rent.

The most common breach by a tenant is the failure to pay the required rent on time. If the tenant is a month-to-month or a week-to-week periodic tenant does not pay rent on time, usually as provided for in a oral or written agreement, then the landlord can give the tenant what is known as a pay-or-vacate notice. This notice provides at least a 5-day period in which the tenant can pay the rent or move out. Once the time stated in the notice has past, the lease is considered terminated and a proper eviction will be upheld. A month-to-

month tenant's lease can be terminated if the landlord gives the tenant a 14-day notice to vacate before the tenant pays the rent. [See Section 704.17\(1\)\(a\) Wisconsin Statutes](#).

If the tenant is a year-to-year periodic tenant or has a lease for a year or less, then [Section 704.17\(2\)\(a\) Wisconsin Stat-](#)

Continued on page 5

Custom Window Treatments and Flooring Design Center

CARPETS PLUS OUTLET

- *Attention Landlords: Discounted Rental Quality Carpet & Flooring
- *Laminate
- *Hardwood
- *Vinyl Flooring
- *Ceramic Tile
- *Carpet & Padding
- *Professional Service and Installation
- *Carpet Base Binding
- *Window Treatments

Website: www.carpetsplusoutlet.com

262-883-9494 * 1241 22nd Avenue, Kenosha WI

CITY OF KENOSHA HOUSING AUTHORITY

625—52ND Street, Room 98, Kenosha, WI 53140

(262) 653-4120~ FAX (262) 653-4114

akenoshahousing@wi.rr.com

kitchenCubes

Factory Direct Cabinets & Countertops

Main: 262-694-3736
 Cell: 262-496-0225
 Fax: 262-694-3746
mike@kitchenCubes.com

7600-75th St. Suite 102
 Kenosha, WI 53142

Michael Buzzell
 Sales

TERMINATION OF LEASES

Continued from page 4

[utes](#) applies. The provisions are similar as above, and also provide that if a second default occurs within a year of the first, then the landlord can give the tenant a 14-day notice to vacate, if the tenant is still in default.

If the tenant has signed a lease for more than one year, then the landlord must give the tenant a 30-day pay-or-vacate notice.

Notice: Tenants and landlords alike should keep in mind that the seizure of property for the failure to pay rent is strictly prohibited by the Wisconsin Statutes, unless expressly provided for. [See Section 704.11 Wisconsin Statutes.](#)

B. Failure to Obey Lease. Another common breach by the tenant, occurs when specific provisions of a lease are violated. These violations, of course, depend upon the specific lease agreement that has been signed. If the tenant is a week-to-week or a month-to-month periodic tenant, then the landlord can give a 14-day termination notice, and the tenant must vacate. If, however, the tenant is a year-to-year tenant or under a lease for a year or less, then the landlord is required to give the tenant a 5-day notice to remedy the problem. The tenant must take reasonable steps to remedy the problem within the 5 days, or the lease may be terminated. A tenant under a lease for more than one year is given a 30-day notice to remedy the fault.

Notice: Tenants may be held liable for future rent after eviction for failure to obey the lease provisions, if the lease agreement specifically states this.

C. Tenant Nuisances Related to Drugs.

Landlords are now allowed to evict tenants for nuisances related to drugs. The tenant is given a 5-days notice to vacate. If the tenant contests the eviction, then the landlord must have a written notice from a law enforcement agency, stating that the nuisance exists.

3. Unfit Living Conditions

Sometimes the rental premises may be damaged during the tenancy, by no fault of the tenants. The lease may contain certain provisions relating to just such an incident. The [Wisconsin Realtors Association \(WRA\)](#) standard form Rental Agreement, which is used by many landlords, contains just such a provision:

If the premises are damaged by fire or other casualty to a degree which renders them untenantable, Tenant may terminate the lease or vacate the Premises and rent shall abate until the Premises are restored to a condition comparable to their prior condition. Landlord shall have the obligation to repair the Premises and if repairs are not made this Agreement shall terminate. If the Premises are damaged to a degree which does not render them untenantable, Landlord shall repair them as soon as reasonably possible.

The word untenantable is used to describe the conditions that allow a tenant to voluntarily vacate. Wisconsin courts have interpreted this word in a variety of ways. [Section 704.07 \(4\) Wisconsin Statutes](#) does help to define this word. In some cases it may be necessary to look to the Wisconsin case law, or an attorney, to determine whether a particular type of damage results in the premises being untenantable.

4. Voluntary Termination

Sometimes both the landlord and the tenant may agree to end the lease prior to the date specified in the lease. If this is the case, then this agreement should always be made in writing. While oral agreements can be upheld, the courts will look to the length of the lease and the actions of the landlord and tenant after the alleged oral agreement was made. [Section 704.03 \(4\) Wisconsin Statutes](#) deals with voluntary terminations, also known as surrenders.

RIZZO & DIERSEN, S. C.
ATTORNEYS AT LAW

EXPERT ADVISORS.
SERVING YOU. 12/06

Kenosha Office: 3505-30th Ave. Kenosha (262) 652-5050
Burlington Office: 197 W. Chestnut, Bur. (262) 763-0883

10/07

TOM HESSEFORT
Sales Consultant

GRAND APPLIANCE

"We Service What We Sell"

7320 - 75th Street
Kenosha, WI 53142

(262) 656-1661
Cell (262) 496-9234
Fax (262) 656-1159

Sherlock Home Inspection INC

Solving the Mystery of your Home's History

Robert C. Becker

262-652-6378

rcbecker@hotmail.com

WI Lic 2224-106

Licensed in WI and IL

IL Lic 450.010128

Landlord Entry

<http://tenantresourcecenter.org/pc/entry.html>

Purple **bold** or **strikethrough** language indicates changes under SB107 (Wis. Act 108). These apply to leases written after 12/21/11 **or** events that occur after that date, unless otherwise indicated in your lease. Have your lease available when calling the Tenant Resource Center so we can help you know what your rights are.

Red **bold** or **strikethrough** language indicates changes under SB466 (Wis. Act 143). These typically apply to leases written after 3/31/12 **or** events that occur after that date, unless otherwise indicated in your lease. Have your lease available when calling the Tenant Resource Center so we can help you

know what your rights are.

The real deal with Landlord Entry

Tenants in Wisconsin have the right to exclusive possession of their apartment. This means that a landlord cannot enter without advance notice and that they can only enter at reasonable times and for certain purposes. This notice provision can be waived on a temporary case-by-case basis or, if outside the City of Madison, through a NONSTANDARD RENTAL PROVISION clause where the tenant and landlord agree to alternative rules in writing. [Wis. Stats. 704.05(2), ATCP 134.09(2)(c), MGO 32.05(1)].



How much notice is required for a land-


Continued on page 8

**Effective November 2012
Non-Members of
Kenosha Landlord Association
Will No Be Charged \$20 At
The Door for each meeting.**

**Members of KLA are allowed
to bring a guest for free.**



Certified Public Accountants
&
Consultants



Joseph D. Clark, CPA

8035 22nd Avenue
Kenosha, Wisconsin 53143
262-652-7000 Fax 262-652-7100
Email: jlark@tfcepa.com

A Limited Liability Company

4-08



LAW OFFICES OF
TIMOTHY R. EVANS
A Professional Corporation

WISCONSIN OFFICE
1119 60th Street
Kenosha, WI 53140
262.925.0500

ILLINOIS OFFICE
438 N. Sheridan Road
Waukegan, IL 60085
847.244.5088

E-Mail tim@trevanslaw.com
Fax: 847.637.1921



Your Investment Property Specialist

Liza Thober
Broker/Owner




**MY PROPERTY
MANAGEMENT
COMPANY LLC**

Office: 262-891-0299 Fax: 764-0358
Email: mprcw@gmail.com

www.mprcw.com
2518 Springbrook Rd
Pleasant Prairie, WI 53158

Management That Cares!

The Return Of The Renter

Continued from page 2

ownership among the poor, and particularly among blacks and Hispanics." Messing up that agenda were the conservative lending policies of banks. Blacks and Hispanics often could not come up with the cash deposits and regular payments banks required. Clinton wanted banks to be more creative.

In order to accomplish that goal, Achtenberg set up regional offices, each with investigators and attorneys, to be on the lookout for discriminatory lending practices. Any intimation of "bad behavior" could result in the banks being prosecuted.

That worked. Banks began to quit all the rigorousness in their lending criteria. Mortgages went to 3 percent deposit requirements and then to no deposit requirements. Banks couldn't wait to get into the game of handing out loans to people who could meet the requirement of breathing and being able to sign their names.

Banks began to be rated on how much lending they did in low-income neighborhoods. A good Community Reinvestment Act rating meant that banks got on the good side of regulators when the banks wanted to expand, merge and open new branches.

It got even more interesting in 1995 when the Clinton administration suggested to Fannie Mae and Freddie Mac that they even make loans to people who might not even have qualified with the "breathe and sign your name" criteria. To protect Fannie and Freddie, banks were allowed to securitize the loans, slicing them up and marketing them to investors around the world. All that creativity caused an 80 percent increase in the number of bank loans going to low- and moderate-income families.

Russell Roberts, an economics professor at George Mason University, added even more. He wrote in the *Wall Street*



Journal that in 1996 HUD gave Fannie and Freddie "an explicit target" that 42 percent of their mortgages had to be to borrowers "with income below the median in their area." Russell reported that the target was increased to 50 percent in 2000 and 52 percent in 2005

The National Housing Institute at Harvard University adds even more interesting information. In a 2003 article "Has Homeownership Been Oversold" by Winton Pitcoff in *Shelterforce Online*, Pitcoff pointed out that "Some HUD programs originally designated for rental subsidies have been adapted for homeownership." Section 8 allowed people to use funds that would have gone to renting to be used for mortgage payments. Pitcoff reported, "Forty-nine percent of HUD's HOME program funds were

used for rental housing in 1995; that number declined to 36 percent by 1997." Two-thirds of the HOME program money was going to homeownership as opposed to only about half two

Attention Landlords and Flooring Contractors!

Cut the cost of re-carpeting!

We now offer a special selection of rental quality carpet at incredible low "material only" prices. This is your opportunity to upgrade the floors in your rental properties. Visit us this week and save!

- BERBERS
- PLUSHES
- FRIEZES

CARPETS PLUS OUTLET

"GET TO KNOW US!"

Including attached back, 12 and 15 foot rolls

www.carpetsplusoutlet.com

1241-22nd Avenue, Kenosha, WI * Phone 262-883-9494
Hours: Mon. 10-8 / Tues., Weds., Thurs. 10-6 / Fri. 10-8 / Sat. 10-5 / Sun. 11-4

COIN APPLIANCES, INC.

COMMERCIAL LAUNDRY EQUIPMENT SPECIALIST
LEASING • SALES • SERVICE • PARTS



OUR
58TH
YEAR

GEOFFREY ERDMAN

6580 NORTH 40TH STREET
MILWAUKEE, WI 53209
TOLL FREE: 800-242-5453
WWW.COINAPPLIANCES.COM

PHONE: 414-353-2205
FAX: 414-353-2214
CELL: 414-313-6778
GERDMAN@BIZWI.RR.COM

Landlord Entry

Continued from page 6



Landlord to enter my rental unit?

Wisconsin landlords cannot enter an apartment unless they give **at least 12 hours notice** to the tenant. Notice may be verbal (including leaving a message) or in writing. There is no requirement that the tenant actually receive that notice (for example, during an extended absence). [ATCP 134.09(2)].

Your local ordinances may require additional notice. In the cities of **Madison and Fitchburg** landlords must give **at least a 24-hour notice** to enter the tenant's premises to inspect or make repairs. To show the apartment for sale or rental only requires **12 hours notice**. [MGO 32.05(1)(d), FO 72-29(4)].

What are the reasons my landlord can enter my rental unit?

State law [Wis. Stat. 704.05 (2), ATCP 134.09 (2)(a)1] permits landlords to enter a rental unit **only** for the following purposes:

- To inspect (example: a routine inspection, to check out a problem prior to making requested repairs, or to inspect for occupancy.)

- To make repairs, including required maintenance requested by or promised to a tenant.
- To show the premises to prospective tenants or buyers.

A landlord may only enter without advance notice under the following circumstances:

- If the tenant, knowing the proposed time of entry, requests or consents to the entry.
- If a "health or safety emergency" exists. (ATCP 134 does not define a "health or safety emergency").
- To protect the premises from damage when the tenant is absent.

What can I do if my landlord enters without proper notice?

1. Write your landlord a letter citing the dates of illegal entry as well as the law prohibiting it [violation of ATCP 134.09(2) & MGO 32.05(1)(d) or FO 72-29(4)].

2. File a written complaint with the Department of Agriculture, Trade and Consumer Protection at 1-800-422-7128 or <http://>

STACEY STANICH
 3404 Roosevelt Road
 Kenosha, WI 53142
 Ph: 262 652 7214
 Fax: 262 652 2425

STACEY STANICH
 APPRAISAL SERVICE, INC.

Continued on page 9

MENARDS®

Vince Lambrechts
 COMMERCIAL / CONTRACTOR
 SERVICE DEPARTMENT MANAGER

7330 74TH PLACE, KENOSHA, WI 53142-3523

BH BELONGIA-HERVAT
 Realty, Inc. • Properties LLC • General Contractors, Inc.

Eric Belongia
 Broker

Phone (262) 652-8000 / Fax (262) 652-8003
 6113 14th Avenue / Kenosha, WI 53143
 www.b-hgroup.com

11/0

The Return Of The Renter

years earlier.

The creativity continued when George W. Bush in 2003 pushed the “American Dream Downpayment Initiative” providing up to \$200 million to encourage homeownership among low-income, first-time buyers to help pay closing costs and down payments.

Many, if not most, people believed it could go on forever. That housing prices would continue to skyrocket and that real estate was an investment that would never decline—all because of a real estate market artificially inflated by loans to people who either had no business borrowing money or people who gambled on an eternally rising real estate market.

Then it all came apart. The housing bubble popped, leaving slippery goo all over the economy and vacant, foreclosed properties lining some cities’ neighborhood streets.

People have to have some place to live. If they are closed out of being home owners, or simply out of the notion of homeownership because of the experience they have had, they must either live with someone else or rent. The point is, they are coming back to us and making being a real estate investment property owner look like a much better idea.

Apartment complexes are raising standards and getting a higher quality of tenant. As prices decrease and rents increase, it is a good time to get into the rental business. The renters are returning in the hundreds of thousands and chances are many of them are flat out of the business of homeownership forever.

For more information on the origins of the housing crisis and its aftermath, see the book *House of Cards* by William D. Cohan. 2009, Anchor Books, 468 pages.

Copyright 2012 Cain Publications, Inc., used by permission.
“Robert Cain is a nationally-recognized speaker and writer on property management and real estate issues. For a free sample copy of the Rental Property Reporter or Northwest Landlord call 800-654-5456 or visit the web site at rentalprop.com.”



Landlord Entry

Continued from page 8

www.datcp.state.wi.us.

3. Call the police. The police may say that this is a civil matter, but the tenant can at least request that a police report be written documenting the illegal entry. You can also call the police if you're home when the landlord tries to enter illegally.

4. Illegal entry does NOT allow you to get out of your lease. See more about ending your lease on our [Ending Your Lease page](#).

Announce and Identify - before

entering, the landlord must announce his or her presence to persons in the unit and identify him or herself upon request. [ATCP 134.09(2)(d), MGO 32.05(1)(f), FO 28.05(1)(f)].

FAQ: Is my lease void if a landlord enters without proper notice?

A: No



Phone
262-694-8003

BOB & JUDY BUSCHE
Process Server

P.O. Box 972 • Kenosha, WI 53141
Fax 262-694-7578

Milwaukee Lead/Asbestos Information Center, Inc.

10/07

Stephanie Pansley

2223 S. Kinnickinnic Avenue
Milwaukee, WI 53207

(414)481-9070
fax (414)481-1859

PROVIDENCE CREDIT REPORTS

EQUIFAX System Affiliate

www.providencecreditreports.com

Accurate-Convenient-Economical

5803 52nd St. Kenosha, WI 53144

262.658.9000 **800.995.9283** Fax: 262.658.8290

LAWRENCE N. CAPPOZZO - President

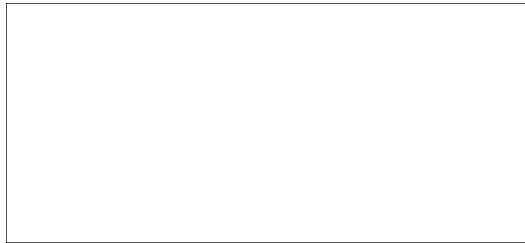


Kenosha Landlord Association

P.O. Box 1505

Kenosha, Wisconsin 53141

RETURN SERVICE REQUESTED



Next Meeting
NEW Location

VFW

6618-39th Ave

On our regular
3rd Wednesday the month

February 27, 2013

6:30 P.M. for food

7:00 P.M. for meeting

NEW MEETING PLACE

VFW

6618-39th Ave, Kenosha, WI

Appetizers & Networking at 6:30 pm Meeting will start at 7 pm

Legislative Day Update

Meeting Day

**has been moved from
March 20 to March 27**

www.kenoshalandlordassociation.ws

Free Food Or Snacks Provided At Meetings