



Kenosha Landlord Association

A Local Chapter of the Wisconsin Apartment Association

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Kenosha Landlord Association, Inc.
P.O. Box 1505,
Kenosha, WI 53141

www.kenoshalandlordassociation.org
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To Our Members

Our holiday party on January 21st was another fun filled evening with drawings for door prizes from our associate members as well as introductions of the 2015 board members.

Birchwood Grill provided us with a cozy party room and a great dinner/dessert buffet. We were pleased many of our members and associate members chose to join in the festivities.

Our next membership meeting is Wednesday, February 18th. Our guest speaker is Kathy Haines from Landlord Services LLC. Kathy has been in the credit industry for over 30 years and will be discussing the various services her company can provide to landlords, including credit reports, criminal and eviction reports.

Next meeting: Wednesday, February 18 at VFW, 6618 39th Avenue. Appetizers and networking 6:30 p.m. Meeting at 7 p.m.

REMINDER: KLA Membership renewals are due. If you have not sent in a renewal please do so or bring it along to the meeting. See Page 2 for an application. Tell your landlord friends about our organization and encourage them to join the KLA and see for themselves the many benefits of being a member.

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.

RAISING THE RENT, IT'S A MORAL IMPERATIVE



Source: <http://www.landlord.com/tipoftheweek.htm>

Do not forget to raise your rents. The reasonable rental value of your property is what a willing tenant is willing to pay a willing landlord to reside in the rental unit. It has nothing to do with your costs of owning and maintaining the unit. These costs do not determine what the rent will be, they only determine whether you can stay in business.

It follows that your decision to raise the rent, or lower it if market conditions demand, should have nothing to do with whether or not your cost of doing business has increased. If market rents have increased in your area, your rents should increase as well. Why? Keep reading.

There are a number of good reasons why you should increase your rents, if the market so dictates, on an annual basis. If it is a multi-unit building, the value of your property is largely determined by the amount of rent it generates. It is this cash flow that investors will buy when it comes time to sell. If you procrastinate and allow rent to fall significantly below market levels, you may still be able to sell the property, but it will not fetch nearly what it might if you keep up with the market because any buyer will have to take into account the problem of giving a massive rent increase after he buys the property. This may not bother you, but it will definitely bother your heirs. If you give regular rent increases, then they will be relatively small. Waiting may necessitate a large rent increase later on, when you finally realize what is happening. This is a perfect formula for the creation of a tenant's union. On the other hand, if the increases are small, then your tenants will have an easier time gearing up to the new rate. Regular, moderate rent increases are a favor to your tenants. Rare, shocking increases are a disservice to them.

Increase your rents regularly and modestly. Provided you keep within the market, your tenants may grumble a bit, but they more than likely won't move.

Kenosha Landlord Association Membership Application & Associate Membership Application



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A Landlord Has Every Right to Enter his Rental Property.... In Certain Situations

Source: Tristan R. Pettit, Esq.

Unbeknownst to many tenants, a landlord has a legal right to enter his tenant's rental unit in certain circumstances. The rental unit is still the landlord's property and the law provides a landlord with the right to access that property.

Implied in all residential rental contracts is what is referred to as the "covenant of quiet use and enjoyment". This covenant basically means two things:

1. That the landlord guarantees that the tenant can take possession of the rental unit and has the right to privacy and exclusive use and possession of that rental property, and
2. That the landlord will not interfere with the tenant's privacy and right to exclusive possession.

There are important exceptions to this covenant however, and that is the part that many tenants tend to overlook. Both the Wisconsin Statutes (sec. 704.05(2)) and the Wisconsin Administrative Code (ATCP 134.09 (2)) carve out exceptions to the covenant which allow a landlord limited rights of entry to the tenant's rental unit.

A landlord may enter a tenant's rental unit upon advance notice and at reasonable times, in order to do the following:

- a. Inspect the premises
- b. Make repairs
- c. Show the rental unit to prospective tenants or purchasers

Advance notice is typically 12 hours unless the tenant consents to a shorter period. Some municipalities like the City of Madison require a longer notice period of 24 hours. I strongly recommend that your advance notice be in writing. Having a written 12 hour notice indicating the reason for your entry and the estimated time of entry goes a long way should a tenant later say that you had no right to enter her unit. You now have some documentary evidence to support your version of events besides just your "word" because rest assured, your tenant's "word" will be the exact opposite of yours.

"Reasonable times" has not been defined but I would argue that entry during normal business hours between say 8:30 am – 5 pm would certainly be reasonable. Also entry on a weekend between 10 am and 5 pm by a landlord that works a full-time job during the week, would also appear to be reasonable to me. I have a nagging suspicion however that 2 am on a Saturday morning would not be considered "reasonable."

A landlord should only remain in the tenant's unit for the amount of time reasonably required to complete the repair, showing, or inspection.

Tenants do not need to be present during the landlord's entry. Many tenants mistakenly believe that their presence is required. They are wrong. A landlord can enter a tenant's rental property even if the tenant is not present as long as the aforementioned requirements have been met. If a landlord wants to accommodate a tenant's request to be present, he can choose to do so, but it is not required. Personally, my schedule does not always allow me to limit my expenses, showings or repairs to the times of day that my tenants are home. "If a tenant is home at the time that you are trying to enter their unit and refuses you entry what can you do? Legally, you are still allowed to enter. The better question is, what should you do? I would never force myself into a tenant's unit (even if I legally have the right to do so) if they had changed the locks on me or if they are standing there yelling at me not to come in. Maybe I am a bit risk adverse but I didn't become a landlord to have a tenant throw a frying pan at my head nor to have the cops arrive at my rental property with guns drawn because the tenant told them I was an intruder.

Continued on page 4

A Landlord Has Every Right to Enter his Rental Property.... In Certain Situations (Con't)



If a tenant denies you entry to their rental unit after you provided them with the proper advance notice, then they are in breach of their rental agreement and state law. This is grounds for an eviction.

Since I may not want to go to the length of evicting a tenant for denying me entry, I have included a provision in my rental agreement that if a tenant denies me entry after I have provided them with proper notice that they will be assessed a fee of \$100. I have never had to assess the fee but it has been helpful to be able to show my tenant that provision in the rental agreement. After reviewing the provision with the tenant and explaining why it is necessary for me to enter, and how I legally have the right to enter, the problem is usually resolved. If for some reason it was not resolved, then that tenant would not be living in my rental property much longer.

When entering, I am a big proponent of the “knock and announce” rule. What is the “knock and announce” rule, you ask? Here is a dramatization . . . KNOCK, KNOCK, KNOCK (or ring, ring, ring if the tenant’s unit has a doorbell). I then insert my key and slowly open the door a crack and announce loudly “Hello, this is your landlord, I’m coming in to . . . show the unit . . . unplug the clogged drain . . . make my spring inspection, is anyone home.” Wait a few seconds and then enter the unit. Being extra cautious upon entry will hopefully negate the chances of walking in on a tenant showering, being in a state of undress, or engaged in other forms of extra-curricular activity.

Under Wisconsin law, there are even a few situations in which it is not necessary for a landlord to provide advance notice in order to enter a tenant’s unit. These situations include the following:

1. When the tenant, knowing of the proposed time of entry, consents in advance to an earlier entry
2. A health or safety emergency exists
3. The tenant is absent and the landlord reasonably believes that entry is needed in order to protect the rental unit

An example of such a situation would be if a tenant was not present, and the tenant in the rental unit below her called you and told you that water is leaking from her ceiling. You are legally allowed to enter the tenant’s unit in that situation to determine the source of the water intrusion. A landlord has every right to enter without notice in that type of situation, to protect his rental property.

Landlord/Crime Free

Multi-Housing Rental Seminar

Saturday January 10th (9:00am-2:00pm)

Saturday January 17th (9:00am-12:00pm)

*Location: Boys and Girls Club
1330 52nd St.
Kenosha, WI 53140*

The KPD Crime Prevention Unit and the Kenosha Landlord Association designed this Seminar to help landlords make better decisions when managing their rental units.

The following topics will be discussed:

- Property Maintenance Codes
- Crime Prevention Techniques
- Applicant Screening
- Leases and Evictions
- Crime Free Lease Addendums
- Process Serving
- C.P.T.E.D. (Crime Prevention through Environmental Design)
- Fire Safety
- Waste and Disposal



To register for the seminar please call:

Crime prevention Unit at 657-3937

or e-mail: watch@kenoshapolice.com.

Coffee, soda, water, and lunch will be provided!!!!!!!

This seminar will help landlords and property managers in the following ways:

- Satisfied tenants build stable neighborhoods
- Active management leads to less turnover
- Stabilized property values and rents
- Lower maintenance and repair costs
- Everyone is safer
- Peace of mind from spending less time on crisis control.

Come and learn about all of the new laws!!!!!!

Enough Is Enough

Source: rentalpropertyreporter



Here's a New Years Resolution you may not have thought about. Create Rental Policies and Standards for existing tenants, based on the property and the type of tenants it usually attracts. Then you'll know for sure when it's time to keep one or give one the boot.

How do you know when it's time to get rid of a tenant? Obvious motivations are dealing drugs, tearing up the unit, and not paying the rent for three months and refusing to answer the phone. Those are easy ones.

Somewhere along the continuum from the ideal tenant who pays the rent on time, takes pride in his or her home, and is a good neighbor to the opposite end is the spot where you say "enough is enough." Where that spot is, the line that a bad tenant has crossed, is different for every landlord, every property and every market. But there is a clearly defined spot. Do you know where it is for you? How would you know?

If you have rental standards that applicants must meet before they can be considered for tenancy, that is a good place to start looking for criteria as to when a tenant has earned booting out. Would you accept an applicant whose previous landlord reported that he or she had been late with the rent three times in a year? Would you accept an applicant whose previous landlord reported that he had harassed other tenants? Would you accept a tenant whose previous landlord reported she had wild parties every weekend?

Maybe number of times late with the rent is a good criterion to start with for your decision as to booting out time. Likewise with harassing and disturbing neighbors.

Some leases contain a clause that specifies under what circumstances the lease will not be renewed. A deciding factor may be something such as being late with the rent three out of 12 months or having had x number of complaints for rule violations. Those are specific and measurable. Can we do the same thing with existing month-to-month tenants or tenants who don't have such a clause in their leases? Absolutely. We simply have to decide when enough will be enough.

What happens all too often, and I get emails asking the question regularly from landlords, is that they do not know what to do about a tenant who pays the rent late, when he pays it at all, or who intimidates other tenants or neighbors. I can't tell them what to do, partly because I don't know the whole story, only the parts they wrote. There's always more to tell. And I don't know the market or personal situation the landlord and property are in. All I can suggest is what they can do, not what they should do.

Often the deciding factor for landlords is "I need the rent." A known quantity is often preferable to one we do not or cannot know. So they let a bad tenant stay, hoping he or she will mend his or her ways. Sure, that will happen. The fact is, the rent is not being paid. Or it is being paid so late that they have to float the mortgage payment until the rent finally does trickle in.

Time to do some calculations. If you are not getting any rent at all, there is absolutely no point in keeping the tenant. It is cheaper to have a vacant unit than one occupied by a nonpaying tenant, due to the wear, tear and stress (yours). Even if the unit sits vacant for three months, you are better off than if the bad tenant was living there. The damage is stopped and you had to take the mortgage payment out of your pocket, anyway.

If the rent is late every month, or comes in fits and starts, could you do better than that by booting the tenant and looking for a good one? That depends on the current market and the property itself. Only the owner of the property knows.

So how about that New Year's Resolution? It could even be a February or March resolution. Anytime we do something to take more control of our investments is a good time. When is enough enough?



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11 NEW RENTAL FORMS

Approved Rental Forms conforming –ACT 76 Mandatory March 1, 2014

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A “New” Twist on Deposits

Source: rentalpropertyreporter /Robert L. Cain



It is axiomatic that we collect security deposits from new tenants. We do that so we are protected against any number of tenant activities or lack of activities, such as paying rent, so we don't lose money. It's just good business.

But a security deposit only makes it a break-even event. What if we could actually come out ahead, even just a little? That might make collecting security and other deposits a profit center. What I'm about to suggest is all legal and ethical and shows tenants we run a well-organized business.

Here are five things to do to come out on the plus side with deposits.

1. **Deposit all security deposits in an interest-bearing account. You keep the interest.** Some states require that you deposit security deposit money separately from operating and rent money. But too many times landlords don't think of a way to make this work for them. Put the money in an account that earns the highest interest rate possible. With today's interest rates, that "highest interest rate possible" might be .5 percent, but why not?
2. **Take deposits to hold units.** You undertake a number of responsibilities when you do that, but it is legal and helpful to both you and applicants. You can have consistently full units and the applicant will get the unit he or she wants.

Even so, when you accept deposits for holding a unit, you undertake four legal and ethical responsibilities.

- a. You must provide a written statement detailing the terms of the agreement and a receipt for the money, plus the conditions for your refunding or retaining the deposit
 - b. If the applicant rents from you, either apply the deposit towards rent or refund it.
 - c. If the applicant changes his mind about renting from you, you get to keep the money.
 - d. If you change your mind or cannot provide a unit within the time allotted in the deposit agreement, you must refund the money.
3. **Create a price list for all damages to a unit, amounts that will be deducted from the security deposit.** Build in a profit.

The late Chris Wales, a Spokane, Washington, landlord gave me this, something I thought was a terrific idea. The figures here are his and over 20 years old (he gave me the list when I was doing seminars in Spokane some 20 years ago), so updating to current costs is in order



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A “New” Twist on Deposits (con’t)

General Cleaning: \$25.00 per hour plus supplies and mileage

Repairs: \$30.00 per hour plus supplies and mileage

Carpet Cleaning: \$0.16 per square foot, plus mileage

Painting: \$60.00 per room, plus mileage. Adjusted down one-fourth for each year since the room painted. (For long-term tenants, you might want to forget about this one since you will probably repaint the interior during the tenancy as a thanks for being a valued customer for so long.)

Yard work: \$25.00 per hour plus mileage and dump charges

Keys: \$25.00 per lock plus \$2.50 per key

Light Bulbs: \$2.50 each

I was particularly intrigued with charging for light bulbs. How many times have you gone into a recently vacated unit only to discover the previous tenant had absconded with every light bulb in the place? I believe that new fluorescent bulbs cost at least \$2.50 each at a local supermarket, so having to replace a houseful is not only costly but a needless expense.

The essential thing to do here is attach the price sheet to the security deposit form and receipt, and then remind the tenant of the price list when he or she gives notice to move.

4. Make sure that all deposits are “deposits,” not “fees.” If you collect a fee that is all you can collect. Numerous courts have ruled and many state laws include definitions that fees are full payment for a service. A deposit, however, is just that. If it pays for the damage, fine. But if it doesn’t, you can go back for more.

5. Match the deposit to the tenant’s rental history. You have to forewarn each applicant, of course, but if you have a marginal tenant, you can charge a higher deposit than someone with a sterling rental history. Figure out in advance an objective standard for calculating the higher deposit to avoid Fair Housing complaints; then put a warning on your rental policies and standards.

The following is something to think about:

No late rent payments or damage reports: \$500

Late rent payments to previous landlords: \$50 for each occurrence

Damage to properties: \$250 extra

Eviction: one month’s rent (Of course, nothing says you have to even consider an applicant with an eviction.)

A security deposit is to protect our bottom lines. If we can build in the opportunity to come out ahead, even a little, by collecting them and other deposits, then it is just good business sense. Disclosing how we operate to applicants is also good business because it shows tenants that we run a well-organized business. That’s a plus to good tenants and something that may send less-than-good tenants off to a landlord who isn’t so diligent.

John Michael Kisting
Territory Manager-Pro
john.kisting@ppg.com

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Kenosha Landlord Association

P.O. Box 1505

Kenosha, Wisconsin 53141

RETURN SERVICE REQUESTED

Next Meeting

VFW

6618-39th Ave

On our regular
3rd Wednesday of the month

February 18, 2015

7:00 P.M. for meeting

Kenosha Landlord Association

Kathy Haines

Landlord Services LLC

Wednesday, February, 2015 at 7:00pm

Cocktails at 6:30 pm

www.kenoshalordassociation.org

Free Food Or Snacks Provided At Meetings