

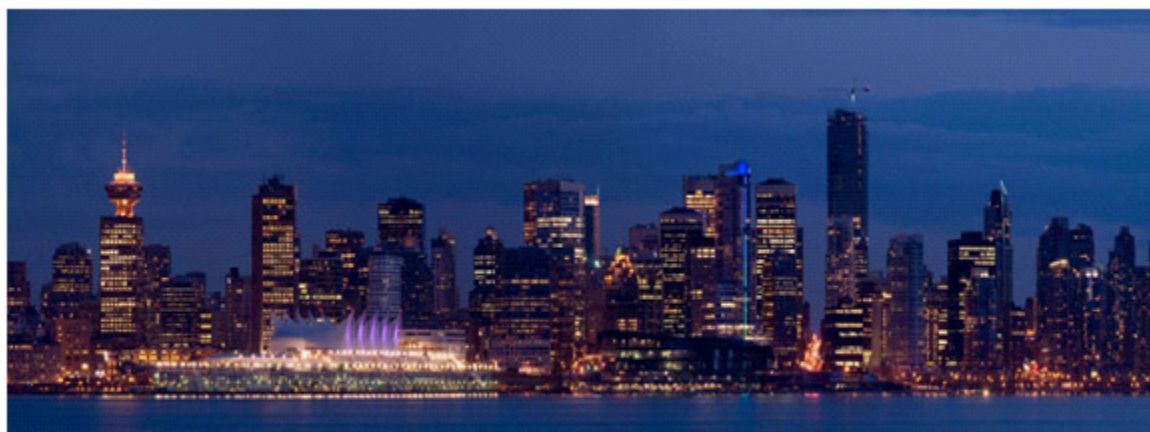


Tenant Verification Service Inc.

The Successful Landlord's Guide



Table of Contents



> A landlord's responsibilities & rights	3
> Know the tenancy laws in your area	4
> How to resolve tenant disputes	5
> Costly legal mistakes that can sink a landlord business	7
> Tips on being a successful landlord	10
> How to retain tenants & improve your bottom line	12
> What do tenants want?	14
> What is your criteria for prospective tenants?	15
> Education for landlord & tenants	16
> Reporting tenant pay habits reduces income loss	17
> Successful landlord's checklist	18

A Landlord's Responsibilities

A landlord's main responsibility is to provide a safe and livable dwelling. The dwelling should include:

1. Weather and waterproofing systems
2. A working plumbing system
3. Hot and cold running water
4. A working heating system
5. A working electrical system
6. No infestations of insects and rodents
7. Sufficient trash cans
8. Floors, stairways and railings in good repair
9. Natural lighting in every room
10. Working windows or proper mechanical ventilation
11. Safe emergency exits
12. Working security locks at main entrance
13. Working security devices on windows
14. Working smoke detectors



A Landlord's Rights

Every landlord has the right to expect a tenant to follow the general and legal terms of the tenancy agreement, as well as tenancy laws that are established by each province

The following are the most standard legal terms found in a tenancy agreement:

- Amount of rent, date due and length of rental term
- Maintenance and cleanliness of dwelling
- Respect the rights of neighbours
- Tenant to pay cost of repairs due to neglect or damage
- Limit number of occupants
- Pet policies
- Smoking policies





ALWAYS Conduct Credit & References Checks

High risk tenants that use landlords as a revolving line of credit are accomplished at giving a good impression and can fool even the most experienced landlords. Always ask for references and take time to follow up on them.

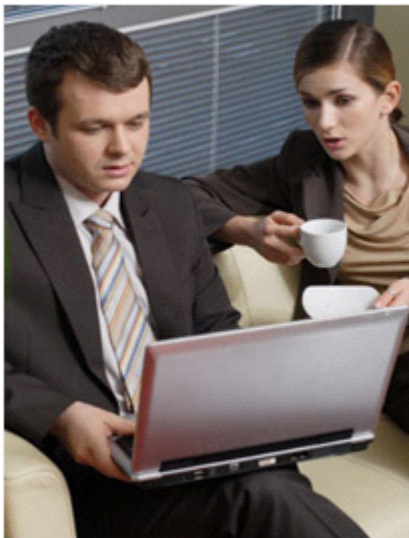


Credit reports are a critical part of the background check process. TVS specializes in obtaining the most comprehensive credit report in the industry.

To determine credit and applicant worthiness, visit us at

www.Tenantverification.com
www.aTenantscreen.com

Know the Tenancy Laws in Your Area



Many landlords end up paying thousands of dollars in dispute resolution and court awards in British Columbia and Alberta because they make the BIG mistake of not having familiarized themselves with their provincial tenancy laws. This usually happens when the tenant takes legal action against a landlord who is unaware of his/her responsibilities. Landlords should be aware that there are tenants who target landlords who don't know the law.

It is incumbent upon every landlord to know the tenancy laws so that liability and risk is minimized and/or completely prevented. There is no excuse for not knowing your provincial tenancy laws.

Attached is a link to provincial tenancy laws - find your province and take the time to educate yourself about them. Your landlord criteria should incorporate these laws so you do not appear to be discriminatory in any part of your rental process.

<http://www.landlordsresourcedirectory.com/AreaLinks.htm>
or Google tenancy laws British Columbia or whatever Province

How to Resolve Tenant Disputes

A successful landlord will be prepared for disputes that may arise with new tenants. Being prepared will help you avoid being caught unaware in a stressful dispute. Instead of immediately going to arbitration or court, there are many other options in resolving property disputes. You can even state in your tenancy agreement what steps you will take to remedy a dispute.

Here are some tips for handling disputes between landlords and tenants:

1. Avoid Disputes by Knowing the Law

The best way to resolve disputes is by avoiding them before they even begin. Many problems arise because one party does not know they have broken the agreement or they are not aware of their rights under the law. Taking the time to learn the law will help you avoid disputes and make you a successful landlord.

2. Document Everything

A paper trail is your best defense. If your tenant has repeatedly broken the rules of your tenancy agreement or if they have made unreasonable demands thorough documentation can help prove your case. Keep a file on each tenant and record all that transpires. Presenting this documentation to your tenant may even dissuade them from taking you to court or arbitration.

3. Keep Your Cool

When a situation arises never lose your temper, even if your tenant does. Be as calm as possible and always do your best to take care of the situation on your own. If you are having difficulty or if your tenant is not cooperating you may need to seek assistance in court. However, by keeping your cool, you are representing yourself in the best possible light and there is less chance the situation will escalate.

4. Talk It Out

Many problems with tenants can be resolved if the issue is discussed thoroughly by both parties. Do not let your temper flare even if you are justifiably angry. There may be a simple answer to a problem and both of you may be blowing it out of proportion. Working it out between two parties is almost always cheaper and easier in the long term



5. Meet Face to Face

If you have traded angry words over the phone with your tenant a face-to-face meeting may help. Hold the meeting in a neutral territory where both of you will feel safe, such as a coffee shop.

6. Get a Professional Mediator

If you have tried without success to resolve the dispute a professional mediator may be able to assist you. Many provinces now provide mediators who are trained to deal with situations that can arise with rental properties.

7. Let the Lawyers Decide

Many cases can be resolved through a mutual agreement to settle which is negotiated through lawyers. If you and your tenant are both represented by a lawyer they may be helpful in settling the case out of court.

8. Submit to Arbitration

Arbitration is similar to mediation, but arbitration is binding. An arbitrator will hear both sides of the case and issue a binding ruling to which you must adhere. If you are worried you are in the wrong you probably won't want to take this step. Instead, own up to the problem and try to settle with your tenant.

9. Residential Tenancy Branch or Equivalent

In most cases, disputes arising from rental properties fall under the jurisdiction of the residential tenancy branch or equivalent. This option is usually cheaper than a higher level court battle and it may be the quickest alternative to an acceptable solution.

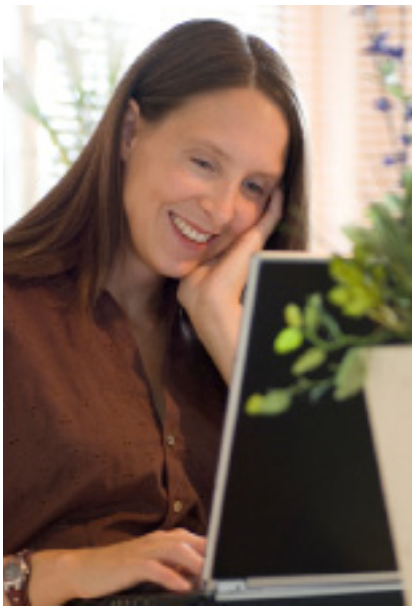
10. Proceeding with Litigation

If you have exhausted all other avenues you may have to take your case to civil or criminal court. The actions of your tenant will dictate your decision. Make sure that your lawyer is well versed in residential tenancies law and capable of prosecuting your case successfully. Taking the time to work through a problem with a tenant may save you time, money, and effort.



Costly Legal Mistakes That Can Sink a Landlord Business

Being a successful landlord requires lots of practical know-how, business sense, and familiarity with the market. The following is a list of the top nine mistakes that can sink your business:



1. Using Generic or Outdated Tenancy Agreement Forms

Most landlords know it's important to have a written lease or tenancy agreement, but using the wrong form can get you into big trouble. So-called "standard" forms that are sold everywhere probably aren't compliant with the laws in your province. If you use a stationery store agreement that short-cuts tenants' rights, you could find yourself at the losing end of a dispute because of an unenforceable clause. On the other hand, some standard forms actually impose greater obligations and restrictions on you than your provincial law does.

2. Asking the Wrong Questions During Applicant Screening

Thorough applicant screening is the most important part of your business. If you choose poorly you're in for nothing but headaches with tenants who don't pay the rent, trash the place, or worse. But there are limits to what you can ask. Many landlords don't realize that even well-meaning questions (such as asking a disabled person about his disability or asking if a couple is married) can be illegal forms of discrimination. If the applicant doesn't get the rental, even though your rejection had nothing to do with the offending question, the disappointed person now has ammunition for a human rights complaint.

3. Setting Policies that Discriminate Against Families

Even though it is illegal to discriminate against families for over 20 years, many landlord practices are far from family-friendly and are downright illegal.

Excluding families because you feel children will cause more wear and tear and you prefer a "mature, quiet" environment is illegal. And while you're permitted to limit the number of residents in a unit (in most situations, two occupants per bedroom), you may not apply that standard differently when dealing with families.

The cost of this mistake can be another trip to your lawyer's office, residential tenancy branch or human rights tribunal.



4. Making Promises That You Don't Deliver On

It is fine to be enthusiastic about the benefits of your property and it's necessary to do so in competitive markets, but understand that your enthusiastic promises will become binding if applicants rely on them when deciding to rent. For example, you may have to deliver the goods if you assure an applicant of a parking space, satellite service, or a new paint job.

A tenant who feels ripped off may legally break the tenancy agreement or sue you for the difference in value between what he was promised and what you delivered. Whether the tenant will win is hardly the point; you'll have to respond, which will cost time and money.

5. Charging Excessive Late Fees

Late fees can be a powerful tool to motivate tenants to pay the rent on time. While a higher fee can be a better motivator, some landlords cross the line by setting fees that bear little resemblance to the actual damages they suffer when tenants pay late. Courts are increasingly invalidating excessive late fees that can't be justified with hard evidence. You're better off setting a modest fee that reflects your true damages and dealing with chronic latepayers with pay-or-quit notices. Refer to Notice to Tenant form in the TVS website on how to prevent late fees in the first instance (forms section). The amount of late fees may be limited by residential tenancy laws.



6. Violating Tenants' Rights to Privacy

Most provinces have detailed rules on when, for what reasons, and with how much notice you may enter a tenant's home. Yet many landlords stop by unannounced, asking to check things over, perform an on-the-spot repair, or show the place to prospective tenants.

Repeated violations of a tenant's privacy (or even one outrageous violation) can excuse a tenant from any further obligations under the tenancy agreement and may also result in court or tribunal ordered money damages against the landlord.



7. Security or Damage Deposits

In provinces that permit the collection of security deposits, the law also requires they be returned to the tenant at the end of the tenancy, unless the landlord has a legitimate claim against them and obtains a legal order that they can retain some or all of the deposit. Claims can range from unpaid rent or fees to dirty carpets and actual damage beyond reasonable wear and tear. Landlords must ensure they are familiar with the laws in their province regarding collecting, returning or claiming against deposits. In some provinces, failing to follow the law will result in a significant penalty being assessed against the landlord.

8. Ignoring Dangerous Conditions In and Around the Dwelling

Landlords in virtually every province are required to offer and maintain housing that meets basic health and safety standards, such as those set by provincial and local building codes, health ordinances, and landlord-tenant laws. Refer to landlord responsibilities on page 2.

If you fail to take care of important repairs, deal with environmental hazards, or respond when your property has become an easy mark for criminals tenants may break the tenancy agreement and withhold the rent or make the repair themselves and deduct the expense from the rent.

Landlords who have failed to make their properties reasonably secure in the face of repeated on-site crime are often ordered to compensate the tenant-victim when yet another criminal intrudes. These are expensive ways to learn the law.



9. Tenants Breaking Tenancy Agreements

When tenants give short notice or leave early under a fixed term tenancy agreement, as noted above, landlords cannot unilaterally apply any deposits to the amount owed. However, tenants will generally be held responsible for any rent lost by the landlord, ranging from next month's rent, to all rent owing for the remainder of the term. Under Canadian Civil Law, landlords are required to "mitigate" their loss by taking all reasonable steps to find new tenants as soon as possible.

Tips on Being a Successful Landlord

The key to being a successful landlord is taking time to pick the best tenants and keeping the rental property well maintained. If you do not have the time to keep up a property on your own or if you own several rental properties you can quickly become overwhelmed. The tips provided below are the most common ways to ensure your success as a landlord:

1. Get It in Writing

In order to protect your interests and the interests of your tenants get everything in writing. This means everything from a rental application to a code of conduct. If a tenant needs to have something fixed in their dwelling ask them to provide the request in writing in addition to telling you on the phone or in person. This will help you with your income tax deductions and create a history for each tenant.



2. Provide a Clean & Secure Residence

Keep the grounds of the property clean and free of debris. This will help you with property liability and keep your rental property attractive. You should provide additional safety and security measures and take the Crime Free Multi Housing Course which is facilitated by your local police office if available in your area.

3. Pick Your Managers Carefully

If you do not have the time to personally manage your rental properties you will need to hire a property manager. But your success as a landlord will hinge on your choice. Make sure to hire the absolute best company for the job. Let them tell you how they will protect your asset and ensure that the rent payment is received monthly. Will they conduct monthly site inspections of the property?



4. Be Insured

Make sure that you have the maximum amount of rental insurance, property liability insurance, and any other type of insurance that may be required in your province. This can help protect you from devastating losses. Remember this is your responsibility!

5. Make Repairs Promptly

Your tenants deserve to have decent living conditions. In the case of furnaces and other necessary systems, appliances and fixtures, repairs simply cannot be put off. Try to imagine yourself in your tenant's position. Could you live without running water for three days? This could also be considered a breach of the lease agreement on your part and the T=tenant may be able to withhold rent payments and you will have no recourse.



6. Respect the Privacy of Your Tenants

Adhere to your province's laws for entry into a rented dwelling. Most provinces require at least a 24 hour notice before a tenant is required to allow their landlord to enter their rented dwelling.

7. Do Not Discriminate

Follow the rules of the Human Rights Act in your province when you screen prospective tenants. A discrimination lawsuit is extremely costly and completely avoidable. You should know this human rights information to avoid discrimination: <http://www.unac.org/rights/actguide/canada.html>

8. Have a Well-Drafted Tenancy Agreement

It is imperative that the form of Tenancy Agreement you use with tenants be well-drafted, comply with the law, and protect your interests.

9. Always Be Fair

In addition to avoiding discrimination, strive to treat all of your tenants fairly and in a reasonable manner. Try to understand their position and keep in mind how they may perceive your actions. While you may not be able to get along with everyone, having a good rapport and being reasonable with your tenants will reduce vacancy problems.



10. Know your Province's Tenancies Law

<https://www.tenantverification.com/can/links/>

Only you have the true desire to make your landlord business succeed so take the time to set up a proper course of action that will reduce income loss that is generally associated with high risk tenants. Have a look at the deterrent and incentive forms that TVS has on its website. They are very beneficial in preventing rental income loss.

How to retain tenants and improve your bottom line

Research shows that the majority of tenant turnover is controllable and that management's performance in delivering service plays the primary role in tenancy agreement renewal decisions. With a move-out costing you \$700-\$1,200, controllable turnover cannot be overlooked. Here are some tips from seasoned property managers on what works to retain your tenants:

1. Spell out incentives in the agreement so tenants have a goal to work towards. Create tenant incentives like a point system for timely rent payments that converts to a renewal rebate or a Certificate of Satisfactory Tenancy from the TVS website.
2. Keep the property in good repair and use the common sense and reasonable methodology to keep tenants happy.
3. Allow some personalization of the unit. Minor modifications such as offering a choice of wall colors, give tenants a sense of belonging. Decide ahead of time the range of colors you are willing to consider. Whatever you find that works!
4. Communicate during the term of the lease. Tenants often feel distant or alienated once they've moved in. Find ways to get in front of them on a regular basis outside of rent collection. Compliments or a card saying "Thanks for paying on time. I appreciate it!"
5. Negotiate deals with local vendors for discounts for your tenants like pizza delivery or movie rentals. Provide them with a list of nearby amenities if they are new to the area.
6. Offer an incentive each time a tenant offers a viable suggestion.
7. Develop loyalty by ensuring tenant satisfaction.
8. Resident Managers/Property Managers can set up functions to include fun events. If you have a single unit offer a restaurant certificate on a birthday or special occasion for your tenant and a guest. Use your imagination and think of what would work for your business.

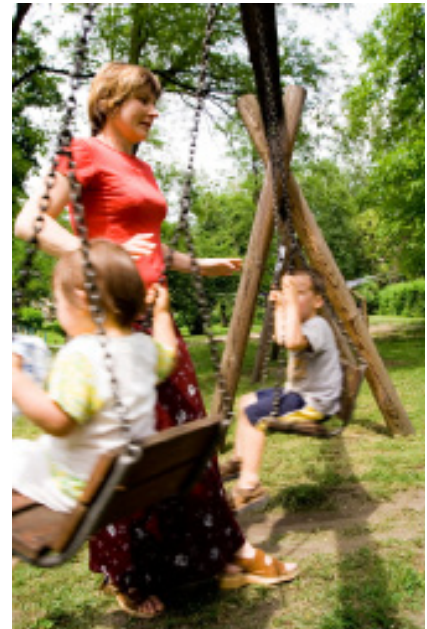


9. Resident managers/Property managers can consider dedicating a sunny spot for a garden, where tenants can meet and enjoy their environment. A shady area where grass doesn't grow well is a perfect place for a Zen garden retreat. Add decorative stone and a water feature. Attractive spaces can be very low maintenance and a highly effective way of keeping your tenants happy.

10. Involve tenants in community functions. Publicize a walk/run for charity and sponsor your team. Give out t-shirts and throw a victory barbeque afterwards. Publicize the money your tenants collected for the local humane society, toy drive or fire department by sending a press release to the papers. A Maple Ridge BC Apartment Owner does this and has had amazing feedback from the tenants.

11. Publish a community newsletter/blog. If you have single-family rentals provide links to Tenant community websites or to other beneficial websites.

12. Find out well in advance if the tenant is considering moving out at the end of the lease term. Give yourself time to consider the tenant's options and develop a counter offer. If you cannot convert the tenant conduct an exit interview so you can find out what would have made a difference for them. That way, you avoid having the same complaint from the next tenant. Few if any landlords/managers do this. How do you know what's wrong if you don't ask?



What Do Tenants Want?

Nothing impacts the renewal likelihood more than how service requests are handled. The work order process begins and ends with the office, not the maintenance staff. How work orders are handled by the office and their communications with residents regarding such has a strong relationship with retention.

The top twelve items in ranking order are:

- promptly responding to calls
- promptly responding to emails
- office follow up on completed requests
- office staff is responsive
- office staff is dependable
- office staff is courteous
- office staff is professional
- apartment condition
- apartment appearance
- community safety
- quality of maintenance work
- speed of handling the request

Residents might not notice a “job well done,” but they certainly remember negative experiences. Thus, the goal must be to minimize dissatisfaction and to rise to the occasion and deliver a “remarkable recovery” when a bad situation arises. We know this to be true from our own experiences don't we?



What are your criterion for prospective tenants?

Credit Worthiness:

To be a successful landlord you will need to determine if a prospective tenants' credit history and payment pattern are acceptable and ensure that they meet your criteria.

To establish credit worthiness:

- Obtain a credit report to determine payment patterns and credit worthiness
- Request a T4 or employer pay stub to establish income level
- Request a bank account statement that shows deposits being made every pay day
- Request a letter from employer giving letter of employment and salary status

Tenant Worthiness:

This is different than credit worthiness. Some tenants do not have a good credit history for various reasons, but they have a good job, stable income and always pay their rent on time. Tenant worthiness should be a REQUIRED criterion that every single prospective tenant must meet for occupancy of your rental unit.

To establish tenant worthiness contact the current and (more important) previous landlord(s) and ask these questions:

- Did the prospective tenant meet all of the terms in the tenancy agreement?
- How many times was rent payment late?
- Was the security deposit returned in full?
- Were there any problems with the tenant?
- What is/was the reason for the tenant leaving?
- Would you rent to this Individual again?

If the tenant has been evicted from a previous tenancy as per landlord inquiries then that probably does not meet your criteria for tenant worthiness.

Other Criteria to Consider:

- Do you allow pets?
- Smoking policies?
- Occupancy maximum?
- Noise policy?
- Parking policy?

Education for Landlord & Tenant

In many cases a landlord and tenant can become adversaries when there is a lack of education regarding rights and responsibilities. This often results in a tenant leaving the landlord stuck with unpaid rental fees and/or damaged rental property.

A loss of income, stress, hassle and other unpleasant experiences are the result of many such instances which are unnecessary and totally avoidable. Of course there are other reasons for discontent with either one party or the other such as lack of respect, cooperation, cleanliness etc. To minimize or alleviate the possibility for these unnecessary problems it is incumbent upon the landlord to educate himself and the tenant.



When both the landlord and the tenant know the rules, play by the rules and respect the rules the tenant and landlord experience is a much more pleasant and profitable one.

www.tenantsinfo.com is a website that has been designed for the benefit of both landlord & tenants. It is not enough for landlord or tenant to just know their own rights and responsibilities; he/she should also know the rights and responsibilities of the other party. This scenario will likely eliminate many problems in your rental business.

Encourage your tenant to review this website, stressing that you abide by the laws and requirements of being a landlord and your tenants are responsible to do the same, ensuring an effective and amicable relationship during the tenancy.



Education is the path that leads to
being a successful Landlord.

Reporting tenant pay habits reduces income loss

TVS Tenant Verification Service Inc., one of the premier tenant screening services in the industry, has developed a program that allows landlords to report tenant pay habits on a monthly basis. This is important for a number of reasons:

- Major Credit Bureaus do not accept tenant pay habit reports.
- There is no other major repository that reports tenant pay habits.
- Landlords can network via TVS to identify high & low risk tenants by reporting pay habits.
- Advising a tenant that pay habits are reported to a credit reporting agency on the 3rd day of each month will reduce the amount of late payments and the risk of non payment.
- TVS is a credit reporting agency.
- Reporting good pay habits benefits good tenants and reporting late payments or non payment impacts high risk tenants.
- Many tenants have poor credit histories but they are good tenants and make rent payments on time. These tenants can now build a good tenant history which is important to a landlord when determining tenant worthiness or conducting tenant background checks.
- When a landlord reports that the tenant has paid on time at the end of a tenancy period he/she has the option of completing and presenting a Certificate of Satisfactory Tenancy to the tenant which can be found in the Forms Section after Sign Up. The tenant can show this to the future landlord and the satisfactory tenancy can be verified by TVS.
- Previously there has not been a consequence for high risk tenants who use landlords as a revolving line of credit; now there is when landlords report non-payment of rent or a debt resulting from damaged rental property. This is a fraud prevention tool and it serves to minimize the risk of income loss.



In addition to reporting tenant pay habits where the tenant leaves a landlord stuck with unpaid rental fees, you can report the debt to a collection agency that will pursue the debt.

FIND US HERE www.tenantverification.com
CONTACT US info@tenantverification.com

Successful Landlord's Checklist

Applicant's Name _____ Co-Applicant _____

Completed TVS rental application received on DD ____ MM ____ YR ____

If Applicant meets landlord criteria based on information contained in the rental application, then conduct tenant screening as outlined below.

Credit Report Obtained: Yes No
 Criminal Record Check Obtained: Yes No
 Address Verification Obtained: Yes No
 Employment Verified: Yes No How long employed here? _____
 Pay Stub Requested: Yes No bi-weekly income is \$ _____
 Current Landlord Contacted: DD ____ MM ____ YR ____ Telephone# _____
 Previous Landlord Contacted: DD ____ MM ____ YR ____ Telephone# _____

Notes from conversation with current landlord:

- Noise problems: _____
- Paid rent on time: Yes No How many times late: _____
- Was security deposit refunded? Yes No
- Would Landlord rent to this individual again? Yes No
- Ask for the Landlord's address to compare to what the applicant put on application and to ensure that it is a landlord that you are speaking with and not a friend. A friend likely will give a wrong address, or hesitate giving you one. _____

Lease Reviewed with Tenant(s): DD ____ MM ____ YR ____

Rent & Security Deposit Paid: DD ____ MM ____ YR ____

Move-In Inspection Form Completed: DD ____ MM ____ YR ____

Maintenance issues required prior to move in:

Tenant has read and signed Notice to Tenant: DD ____ MM ____ YR ____

Tenant has been advised of Certificate of Satisfactory Tenancy DD ____ MM ____ YR ____

Tenant was referred to www.tenantsinfo.com for responsibilities and rights information Yes

Notes: _____

This checklist is available in the forms section at www.tenantverification.com.