

Insider Tips & Advice from a Professional Property Manager

For: Anyone Considering Renting-Out Property in British Columbia

Be advised: The advice in this short report
and the emails that will follow may save you
from months of stress and expense.

Prepared by:

**Andy Schiller Personal Real Estate Corporation
and Associates**

Royal LePage Wolstencroft Realty

110-11925 Willowbrook Drive
Langley, BC, V2Y 1A7

Phone: 604.530.0231

Not intended to solicit properties already under Contract nor provide legal advice. Residential Tenancy rules, regulations and legislation may be found at <http://www.rto.gov.bc.ca>

Thinking About Letting Your Property? Could be a very smart move.

Having a rental property is an excellent investment.

You can leverage monies, of course, the classical role in letting your property; the property may provide needed cash flow when there is an economic downturn; and it provides a useful temporary strategy if your property value has dropped below your target price.

People may not always be able to afford to buy a Home but they will always need shelter; so they will rent instead. Here in BC's Lower Mainland and Fraser Valley, prices are certainly a challenge to many buyers so the rental market is appealing to many, and that isn't going to change any time soon.

On the surface a rental should be a relatively simple process:

- Put out an ad
- Meet the potential tenant(s)
- Write up a tenancy agreement
- Collect rents

So ... if the plan is executed successfully, the upsides are very attractive.

However, in BC (as everywhere) ... what you don't know CAN hurt you. There can be MAJOR PITFALLS if/when things go wrong.

Our value to our clients is to a large degree that: We know the issues (after 30+ years, we should!).

- ✓ We know how to avoid what can be avoided, and how to minimize the remaining risks.
- ✓ We know exactly how to respond when an unavoidable problem does arise.
- ✓ We have resources, local knowledge, relationships and experience that make our response fast, appropriate, and effective.

But we also know that some people will want to go it alone.

So, we are documenting some issues to help the DIY'ers to be successful.

Or at least, to help them make a better-informed decision between using Professionals and going it alone.

What follows are just a few "Did You Know" topics to illustrate the importance of being well-informed, and the nature of some of the issues, if you are going the self-managed route.

(Be aware: We go into more depth in some of these issues in the emails we'll send to you.)

And to be clear – you can unsubscribe from our emails at any time, there is a link at the bottom of every email in the series that lets you un-subscribe easily.

1. Did you know ... A credit check can tell a LOT about a potential tenant? And one obvious question is, do you have the ability/legal authority to provide one?

A credit check is MUCH, MUCH more than just a check on someone's credit. This is an essential step in any vetting process; one we would NEVER omit.

An intelligent analysis reveals a great deal about the applicant ... in fact, it may even reveal whether or not the applicant has sufficient funds to cover the rent.

We go into more detail in our email series.

2. Did you know ... A standard BC Government tenancy agreement does not cover a lot of things you may consider important?

Such as NSF and late fees. Yard maintenance. Insurance. And more.

These can all become contentious issues, and you are vulnerable if you don't address them.

So, these must be dealt with.

The way to do this is by an addendum. And if you don't do it correctly, the addendum may not be enforceable.

3. Did you know ... A tenant can stop paying rent, **yet you as the owner cannot physically evict them without due process** under the Act?

Now, that “due process” can take 2 – 6 MONTHS. And, it’s EXACTING.

So, first of all your vetting process has to be rock solid. It makes a lot more sense to avoid the problem than to deal with it.

And, you’d better know EXACTLY how to deal with it properly, or you could end up with the type of Rental nightmare you’ll hear stories about.

We discuss this a little more in our emails.

4. Did you know ... If a tenant is late paying the rent or they are continually late in paying, **there are totally different forms and procedures necessary in dealing with either specific problem?**

This is one that you don’t want to learn the hard way.

Again, the case for solid up-front vetting is obvious. But it highlights that knowing the correct response procedures and forms is essential.

5. Did you know ... A tenant can be under eviction, owe you considerable back rent, **yet can void the whole process with payment of just a small amount of money ... unless handled correctly?**

How frustrating would that be? (Do you think some Renters – the ones you do NOT want under any circumstances – might know of this reality?)

Once again, the first defense is the vetting process – making sure the problem is unlikely to ever arise. But knowing how to avoid the consequences if it should happen is vital.

6. Did you know ... A tenant can owe you money for rent and / or damages to your property, **yet still receive double their deposit back for up to a year** if the end of tenancy is not dealt with properly?

Sounds absurd, doesn’t it? But it’s real. And no joke for the property owner.

This is another topic that we expand on in our emails. There are highly time-sensitive procedures involved, and it’s crucial to adhere to the letter of the Law in the Residential Tenancy Act.

7. Did you know ... Any communication or notices from Landlord to Tenant ***must be done in the designated manner and on proper forms as specified by government legislation or be unenforceable?***

It is far too easy and far too tempting for someone handling his or her own rental property tasks to not take this seriously. It doesn't seem like too big a deal.

But it becomes a big deal when things go sour and the owner simply doesn't have a solid grasp of the nuances in procedures and forms and timing. It doesn't take a lot to transform a friendly relationship into a contentious one; but by then, the damage may already have been done.

8. Did you know ... If you are not a resident of Canada as defined under the Income Tax Act there are monthly and annual procedures and forms that need to be addressed?

As professional Property Managers we have to tell you that these are complicated and time-consuming requirements.

Not to mention that any communications with the Canada Revenue Agency are a source of stress for some.

We are fortunate in terms of experienced internal resources to deal with this, routinely; and since rules and regulations and even Laws do change, we benefit greatly from our associations with Royal LePage Canada, PAMA and The Real Estate Council of BC in terms of staying informed as to the changes.

9. Did you know ... Only the Owner or an agent of the Owner by way of a duly licensed Rental Property Manager may deal with a rental property?

This is one of those issues that can slip under the radar ... until it matters. It's too easy to have a colleague or friend or relative act on an Owner's behalf, without realizing that this carries a lot of potential problems.

This is just a taste of the type of issues you need to be on top of if you go it alone.

But if, nevertheless, you ARE going to go it alone, we strongly recommend that you at least follow these 8 guidelines:

1. In British Columbia, Landlord / Tenant relationships are covered by the Residential Tenancy Act and administered by the Residential Tenancy Office.

You need to make time to be THOROUGHLY aware of the Act. See <http://www.rto.gov.bc.ca>

2. Properly vet the potential Tenant by way of credit bureau and reference checks. This is not optional – it is crucial.
3. Have a legal, all encompassing Residential Tenancy Agreement and addendum and collect proper security/ pet deposits as allowed.
4. Perform an initial Condition Inspection Report as per the Act and take and store move-in pictures of the property.
5. Keep on top of rent collections. People often find this to be difficult; but remember, this is business.
6. Deal with any complaint or maintenance issues in a timely manner during the tenancy.
7. Conduct periodic inspections.
8. End the tenancy in a proper manner by dealing with a move-out report and pictures as well as processing applications for any disputes within designated time frames.

As we said at the outset, the upside of renting-out your property is very attractive.

It's a smart decision. Even, a **very** smart decision.

But like all investments, there can be downsides.

So it simply makes sense to take those downsides “out of the game.” While you can never do this 100%, ... you can go a long way towards this goal by using professional, experienced Rental property managers.

As you can see, based simply on “What you don’t know can hurt you” we can make a strong case for using the services of experienced, professional Property managers.

But that’s only a part of the whole business case.

- ✓ As duly licensed Rental Property Managers we have the **Experience**, the **Resources**, the **Local knowledge**, trade and professional **Connections**, and **the Tools** necessary to let you sleep at night knowing your investment is being properly looked-after.
- ✓ Personally we have over 30 years of real estate and management experience.
- ✓ On a corporate level, Royal LePage is celebrating their 100-year anniversary.
- ✓ We have the proper trust accounts, E/O insurance and bonding to deal with any monetary concerns.
- ✓ We are also registered with the Residential Tenancy Office so that any Tenancy Dispute Resolution Hearings can be electronically applied for and placed at the top of the pile without a time-consuming review ... thus minimizing any monetary or eviction hearing process.

If you have any questions at all about your particular situation please do not hesitate to contact us using the contact information below or the Contact Us Form on our website,

<http://fraservalleypropertymanagement.ca>

We would be pleased to arrange a free consultation with you, to go into as much depth as you choose on your property and circumstances.

I hope you have found this interesting, and valuable.

Andy Schiller

Personal Real Estate Corporation

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Toll Free: 1.877.611.5241

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