



Independent Rental Owners Council

Sometimes It Pays to Negotiate a Solution Midstream



DEBBIE NORTON
IROC

Editor's note: *The suggestions contained herein are meant as guidelines and are based on the experience of Independent owners. Please send your comments and questions to Debbie Norton, Realtor, John Hall & Associates, at 602-995-7400 or dn012@yahoo.com.*

In the perfect world, we run an ad, have a window of time to show a property, give out lots of applications, get three back with great references, adequate income and other favorable qualifications, pick one, and enter into a lease that the individual keeps renewing year after year. Unfortunately, life is rarely perfect.

I leased a property six months ago to a person with reasonable credit and job history. He was a nice guy and everyone was happy, until the day his job ended. His company went out of business and gave him no notice. When I didn't have the rent by the third day of the month, I called him. He told me he was pulling money from his 401K to pay the rent. Now, we are at month three, and we needed to talk. There comes a time when it's best to start negotiating out of a lease for the best interest of all the parties.

In this case, my resident could no longer afford the rent. After considering different scenarios, he decided to start packing up, clean the property, and let me market it while he was in it. He paid the rent and had enough deposit to cover the cost of getting a new renter. Because of continued communication, the situation ended on a high note, and both of us came out winners. Life

is not easy; however, together we can get through the hard times. His credit will be unharmed and this property will continue to be leased.

I had another renter who lost his job and had no plan. I served him the necessary notices in a timely manner and he moved within three weeks when we went to court. I tried to keep the lines of communication open; it isn't personal, it's business. He left the property clean and undamaged.

Throughout the negotiation process when working with a resident, it is important to give

the correct legal notices. There is a library of forms available to AMA members on the association Web site, www.azama.org. Login to the member area and click on the "Forms" link found in the member menu.

In the above cases, I started with a five-day notice to pay rent. At any time, the situation can develop into a standoff. I have found it really helps to keep everyone focused on the timelines. **AMA**

IROC MONTHLY MEETING SCHEDULE
INDEPENDENT RENTAL OWNERS COUNCIL

Do you own fewer than 20 rental properties? Do you want to spend 90 minutes each month with fellow real estate investors to get ideas on operating your property more efficiently and at a greater profit?

If you answered yes to the above, you will want to attend the monthly IROC networking luncheon.

CENTRAL REGION	SOUTHERN REGION
<p>11:15 A.M. - 1 P.M.</p> <p>TUESDAY, APRIL 18 TUESDAY, MAY 16</p> <p>LONGVIEW COMMUNITY CENTER 4040 N. 14th St., Phoenix (Indian School Road and 14th Street)</p>	<p>11:15 A.M. - 1 P.M.</p> <p>FRIDAY, APRIL 7 FRIDAY, MAY 12 FRIDAY, JUNE 9</p> <p>TITLE SECURITY AGENCY 6390 E. Tanque Verde Rd., Tucson</p> <p>Reservations Required for Southern Region <i>Contact Anne Spiker at 602-296-6208 or aspiker@azama.org</i></p>

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