



# Independent Rental Owners Council

## Consistency Helps Management Run Smoother



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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 at 602-995-7400 or dn012@yahoo.com.*

When I was young, I found consistency to be absolutely boring. As I've gently aged, the consistencies in my life are now embraced! If for nothing else, I find when I have a consistent plan, I can put parts of my busy schedule on coast.

When the subject of having criteria for renters comes up, the first question is why. I know managers of real estate who have been in the business for over 15 years who have never had one, at least in writing. We often define the reasons, usually when a group of us meet, and agree we need one, especially if there is an attorney present. However, it usually doesn't go any further than this. Utilizing criteria provides consistent rental policies.

As my lease addendum grows with issues, so do my criteria. My biggest objection with preparing one is exceptions to the rule. One of these is an individual convicted of a felony. I have rented my properties to several individuals convicted of felonies in the 1980s, and the moral of these experiences is I don't rent to felons, who are not a protected class.

I once mentioned to a prospective resident that I don't rent to most felons. (The most was

for the rare exception, although I'm not sure what it could possibly be.) Imagine my surprise when the individual's girlfriend called me the next day and asked what kind of a felon would I not rent to. I asked her what type of felony her boyfriend committed, and she said assault. My mind raced back to an incident the day before when I showed the individual the property. He complained that the neighbor was too close, and wanted a fence even though there was no need of one. Needless to say, I declined his rental application.

Another consistency I embrace, and cannot stress enough, is payment of rents on the first day of the month. If I receive payment on the second day of the month, I consider it late. The exception to this rule is renters who receive Social Security payments, which arrive on the third day of the month. In these cases, rent is due on the third day of the month, and considered late if received on the fourth day of the month.

With the exception of residents receiving Social Security payment, I will send notice on the fifth day of the month to those residents that I have not received rent payment from. I give renters the option of coming to my office and

signing the five-day non-payment notice to avoid the \$25 fee, which I add to the amount due with a daily late fee. This works out well for both of us.

This system appears to work, as I have renters who say they pay the rent before any other expenses, such as car payments. This brings up another criteria issue: no unpaid judgments to landlords. I view a landlord going through the court system to obtain a judgment as my lesson.

I'm sure many of you have criteria that you implement in the daily operations of your rental properties. IROC is putting together ideas on resident criteria. This smorgasbord of ideas will be available at the Feb. 21 meeting in Phoenix. If you utilize criteria, please e-mail it to me at dn012@yahoo.com, subject line Criteria, or fax it to 623-399-4331.

Please join us at the meetings. If you don't already use criteria in your rental practices, the information at the meeting might make you think about implementing one. For those of you who already use one, you might get some ideas on modifying it. **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.*

<p><b>CENTRAL REGION</b></p> <p>11:15 A.M. - 1 P.M.</p> <p><b>TUESDAY, FEB. 21</b> <b>TUESDAY, MARCH 21</b></p> <p><b>NOTE: NEW LOCATION</b></p> <p><b>LONGVIEW COMMUNITY CENTER</b> 4040 N. 14th St., Phoenix (Indian School Road and 14th Street)</p>	<p><b>SOUTHERN REGION</b></p> <p>11:15 A.M. - 1 P.M.</p> <p><b>FRIDAY, FEB. 10</b> <b>FRIDAY, MARCH 10</b> <b>FRIDAY, APRIL 7</b></p> <p><b>TITLE SECURITY AGENCY</b> 6390 E. Tanque Verde Rd., Tucson</p> <p><i>Reservations Required for Southern Region</i> Contact Anne Spiker at 602-296-6208 or <a href="mailto:aspiker@azama.org">aspiker@azama.org</a></p>
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