Mama Didn’t Raise No Fool

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In the process of landlording many of us put ourselves at risk in ways we wouldn't think of doing in any other aspect of our lives. And we often do it without even thinking about what we are doing. To illustrate this let me ask you a few questions.

If a total stranger called you and asked you to meet him at an unoccupied property, alone, after dark, would you do it, or would you say *"My mama didn't raise no fool!"!* Okay, if the same stranger called from a rental ad you were running online would you go meet them alone at an unoccupied property? Many of you will have to answer "yes" to this seemingly ridiculous question, because you've done it. And many of you have sent your spouse, or children to meet this stranger. Is this a necessary business risk, or are you a fool?

Would you get all spruced up, go alone to a vacant property, unlock all the doors, put a sign in the yard telling everyone that passes by that you are there and they should come in, and even do a bunch of marketing telling the public that they should stop by and visit you? Have you ever held an open house?

Would you casually go to a bank and withdraw $1,000 or more in cash and let other people know you were carrying it around? Would you collect the first month's rent and security deposit in cash, in person, at a property? Do you regularly collect rents in person? Do you let tenants pay you in cash at your office?

Do you do rehab work that involves climbing on ladders, strenuous labor, heavy lifting, or use of power tools? Do you work alone? Do you have a phone with you to call for help if you need it and are able to use the phone?

Do you deliver eviction notices by yourself, all alone?

Why do we take these kinds of risks? Do we do it once out of necessity, and then gradually develop an attitude that nothing will happen to us? Or is it just a necessary part of the business? Over the years we have heard about landlords being raped, mugged, beaten, robbed at gunpoint and even killed. Some of these crimes may have been preventable with slightly different business practices.

The fact is that you do need to deal with people if you are going to be a landlord. Some of these people are going to be strangers, and some of them are going to be adversarys. You are often going to be dealing with people who are, or perceive themselves to be, poorer than you. You are going to be working on, or showing vacant property at some point in your career. Some of you will be dealing with properties in poor areas. Some of you will be victims of crime.

The solution is to minimize your exposure as much as possible, without getting out of the business. Avoid high risk situations, or hire someone to take the risk. As a normal course of business, take precautions that will allow your friends, family, or the police to come to your assistance if needed.

When meeting strangers at vacant **property,** don't go alone. Take a friend, coworker, employee, or family member, if possible. At the very least take your phone, tell someone where you have gone, who you are meeting, and arrange with them to check on you at a prearranged time.

Find out as much as possible about the strangers you will be meeting before you go. Pre-screening will save you the drive for unqualified lookers. Not every potential tenant will be cooperative, but do you really want those that aren't?

Arrange to meet several qualified candidates at the same time. Criminals are less likely to try things when there are lots of people around. Besides the safety benefits this is good marketing. Your property will look like a hot commodity, and interested parties will be less likely to procrastinate.

If you hold **open** houses at property you are trying to sell or lease, arrange for a friend to join you. We find that open houses are a useful marketing tool, but you are taking unnecessary risks if you man them alone.

If you must **work on** vacant **property** alone, lock the doors, keep a phone on your person, tell someone where you are, and arrange for someone to check on you at prearranged times, by phone or in person. Take extra precautions to make sure that you are following normal safety rules in your workplace. Be particularly careful using power tools. Save heavy lifting or ladder work until you can get someone to help you. Whenever you work on property, make sure it is equipped with working smoke alarms, fire extinquishers, and bring a first aid kit.

Never **confront problem tenants alone.** Too many landlords have been injured or killed by angry tenants. Handle the problem by phone, with a friend, or hire a professional to serve the appropriate notices. Do not get in the middle of an argument between tenants. This is a no-win situation. Let them work it out alone, or let the police handle it. After you have assessed the situation, and determined what the real problem is, send the appropriate notice to the offending party or parties.

Keep a low profile. Many folks advocate that you should never let your tenants know that you own the property. Many of the reasons behind this are for financial privacy. For safety reasons you are better off if the tenants don't think you are the owner. If at all possible **do not let tenants know where you live.** (Of course if you live in your owner occupant rental property this is a tough one.)

In a fit of anger a tenant is unlikely to go through the court house records to find your address, but he may look you up online or in a phone book. As you start practicing financial privacy you will want to own your properties in a trust. Get the tax bills sent to the trustee of the trust, or to a management company at a post office box in a neighboring town.

Change your business practices to **avoid personally collecting and handling** cash. Don't collect rents in cash! Arrange with a bank in the area to accept rent deposits, or get the tenants to mail them to your post office box. Even those tenants that don't have bank accounts can get money orders. Let them take the risks handling the cash.

If you have an office in the building, still insist on checks or money orders. There is nothing that says "cash available here" any stronger than your "Rental Office" sign on the first of the month.

Encourage new tenants to give you their deposits enough in advance that the bank will clear them before you need to give the tenant the key. If this is not possible, insist on certified or cashier's checks for their initial rent and security deposit. There is no reason that you should take the risk of carrying these funds around in cash.

**Take sensible precautions when hiring contractors.** Know who you are meeting at the property. You are not in as much risk meeting someone that you have called, as meeting someone that has called you, but this does not mean that you can throw caution to the winds. If you are going alone, let someone know where you are going, who you are meeting and when to expect to hear from you. Before hiring anyone get references from previous customers and do your due diligence to evaluate their work and reputation.

If you are having problems with a contractor, and are needing to confront them about the quality of the work, or their job performance, do not do it alone. If possible set some ground work by phone so that any anger has a chance to dissipate.

Try to catch quality and performance problems early, so that corrections can be made before they become expensive.

Tenants and strangers answering your ads are only one source of potential trouble. Workers are another. We've had one friend who killed by a disgruntled resident maintenance man he had fired.

Consider taking some classes in self-defense. At the very least read about it. Basic self defense classes are like defensive driving classes. They make you more aware of your surroundings and escape routes. Through this awareness you can often avoid problems by anticipating them.

Last, but not least, keep it in perspective. There are risks that we all take to be in this business. The instances of landlords being attacked or killed are certainly the exception, not the rule. Your level of risk depends on the neighborhoods you work in, and the people you deal with. Many of you are far more likely to be injured while working on your property. Whenever you can, take sensible precautions. The financial rewards, as good as they are, are not worth your life or health.

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