Best Practices for Rental Property Management

A Manual for Northeast Ohio Landlords

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About the Housing Research & Advocacy Center

The Housing Research & Advocacy Center (the “Housing Center”) is a 501(c)(3) non-profit organization whose mission is to promote fair housing and diverse communities, and to work to eliminate housing discrimination in Northeast Ohio by providing effective research, education, and advocacy. The Housing Center works to achieve its mission through work in three primary areas: research, education and outreach, and enforcement of fair housing laws through testing and litigation. In addition to addressing traditional issues of housing discrimination and segregation, the Housing Center also provides research, education, and analysis of subprime and predatory lending practices and trends in the region.

This manual provides general information. For legal advice, please consult an attorney.

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FOREWORD

This manual will help property owners and managers understand the rights and responsibilities regarding their rental property. The goal of this manual is to show how property owners and managers can implement active property management and follow fair housing and landlord-tenant laws.

Why active property management?
The elements of active property management will not only result in rental units that are safe and habitable, but also rental property that attracts the best possible tenants. A property that is actively managed will draw tenants who are more reliable and responsible. Active property management deters irresponsible tenants who will damage property, annoy neighbors, break lease terms, and reduce property values.

With Active Management, Property Owners will...
- Attract tenants more likely to pay rent on time
- Attract tenants who respect the rules of the property

With Active Management, Renters will...
- Find better quality housing
- Live in stronger communities
- Develop better relationships with property owners

This manual is based on a national training manual that was developed to help landlords deal with the problems of illegal activity on their property. These activities can have an incredibly detrimental effect on the surrounding community, not to mention the property itself.

Often, we think that only the police or other authorities can eliminate the things that burden communities. But neighbors and landlords have a range of tools available to help keep communities safe and vibrant.

While the police and authorities have their role in ensuring a healthy community, it’s the private citizens—the landlords, the tenants, and the homeowners—who will be the primary drivers of a happy and healthy community.

It’s the citizens who decide the problems that require action. Typically, city authorities will only respond after citizens recognize and report illegal activity.
Coordination is Key

Few neighborhood problems can be solved by a single person, no matter how committed they are. Problems that stem from illegal activity on rental property are no different.

Many landlords think their hands are tied when it comes to irresponsible tenants. But a coordinated effort that involves landlords, police, and neighbors, can stop irresponsible tenants from harming property, reducing property values, and damaging the neighborhood.

Stop

Police
Address problems in residential neighborhoods

Landlords
Attract honest and conscientious tenants

Neighbors
Take proactive measures to prevent neighborhood crime

Problems get solved when neighbors take responsibility for preventing crime. Problems get solved when the police readily address crime on rental properties.

What you do as a landlord is learn how to work with community members who care and tackle problems together before they get out of hand. But even more importantly, you can learn how to attract honest and conscientious tenants who will be assets to the community.

Abuses of landlord/tenant agreements come from both sides. Sometimes landlords can be irresponsible, and sometimes tenants can be irresponsible. But most landlords want what’s best for their tenants and the community the tenants live in. And most tenants are good people.

Responsible property management benefits everyone.
If the information in this manual is used responsibly, then tenants, landlords, and owner occupants will all enjoy safer, more stable communities.
CHAPTER 1
WHY ACTIVE MANAGEMENT MATTERS

Keep your tenants happy and get the most out of your investment

Why bother with active management?
At first glance, the series of practices, techniques and actions that go into active property management may seem like more trouble than they’re worth—especially for landlords and property managers who are already busy enough.

But landlords and property managers who effectively implement active management can reap many benefits. Time saved is one of them. By focusing on prevention, active management can identify and solve problems before they become too much to handle. But that’s just one benefit. This chapter will outline the others.

The Basics
This chapter introduces active management and details why it is important for landlords. It describes:

1. The costs of irresponsible and inattentive property management
2. The benefits of active management
3. Why knowing fair housing and landlord-tenant laws matters

Applying the information in this manual can benefit:

- **Tenants** who can enjoy better housing.
- **Landlords** who can enjoy greater business success.
- **Communities** that can become safer.
1. THE COSTS OF IRRESPONSIBLE AND INATTENTIVE PROPERTY MANAGEMENT

Irresponsible landlords and property managers will attract irresponsible tenants

And when that happens, the whole neighborhood suffers. There are other costs too. These include:

- **Declines in property value.** Particularly when the activity begins affecting the reputation of the neighborhood.
- **Property damage** that stems from abuse, retaliation, or neglect.
- **Fear and frustration** that stems from dealing with irresponsible tenants and/or illegal activity.
- **Resentment and anger** between neighbors and property owners/managers.
- **Civil penalties,** including fines and assessments on property.
- **Loss of property** and property damage resulting from police enforcement.
- **Loss of rental income** during eviction, turnover, and repair periods.
- **Criminal fines and jail time** due to Housing Code and other local code enforcement violations.

2. THE BENEFITS OF ACTIVE MANAGEMENT

Active management stops most irresponsible and illegal activity on rental properties.

But developing an active management system requires commitment. Here are the benefits of active management as reported by landlords who have made the switch:

- A **stable, more satisfied** tenant base.
Increased demand for rental units. Particularly for multi-family units that have a reputation for active management.

Lower costs for maintenance and repair.

Improved property values.

Improved personal safety for tenants and neighbors.

Peace of mind from spending more time on routine management and less on crisis control.

Appreciative neighbors.

3. WHY KNOWING YOUR LOCAL FAIR HOUSING AND LANDLORD-TENANT LAWS MATTERS

Knowing the laws is the best way landlords can protect themselves.

A familiarity with the laws and the procedures that govern rental property can result in more profit, less work, and more satisfaction. You’ll find that tenants will appreciate your willingness to “follow the rules,” and the community will welcome the steps you take to keep your rental units safe and sound.

As an Ohio landlord, the state laws that directly affect you are:

- The Federal fair housing laws
- State and local fair housing laws
- Ohio Landlord Tenant Law
- Ohio’s Forcible Entry and Detainer Statute

Fair housing laws are designed to protect all people from discrimination when they are trying to rent or buy housing.
Landlord-tenant laws, including the Ohio Landlord Tenant Law, are designed to equally respect the rights of rental owners and tenants. Owners are secure in their rights to control, protect, and benefit from their investments, while tenants are secure in their right to control, protect, and enjoy their private homes.

This balancing act of landlord-tenant laws may at times result in some dissatisfaction on both sides. Often, this is due to misinformation about what the laws require.

Landlord-Tenant Laws: Misconceptions on Both Sides

**Landlords** claim that the laws “tie their hands”

**Tenants** claim that the laws give landlords application rejection or eviction powers that the laws do not

Much of the tension between landlords and tenants stems from misunderstandings of the rights granted to landlords and tenants under current fair housing and landlord-tenant laws.

If you need legal assistance, find an attorney who specializes in landlord-tenant issues

If you need information about a specific landlord or rental property ownership issue, contact a local nonprofit that specializes in local landlord-

Get a copy of your local landlord-tenant laws

The full texts of these laws can be found at the Cleveland Tenants Organization website: clevelandtenants.org.

For more information about fair housing laws, or for additional information, visit the Housing Research and Advocacy Center at thehousingcenter.org.
CHAPTER 2
PREPARING THE PROPERTY

An attractive property attracts good tenants

THE BASICS

Want honest renters? Then show you care about keeping your property maintained and your tenants safe. This chapter covers how to:

1. Keep your property looking habitable and maintained
2. Implement Crime Prevention Through Environmental Design (CPTED) techniques

1. KEEP YOUR PROPERTY LOOKING HABITABLE AND MAINTAINED

Let your tenants know you care about your property

Attracting and retaining good tenants requires keeping your rental property in good condition. Landlords who let their properties deteriorate will attract tenants who will think they can get away with illegal or inappropriate activity. Stop problems before they start by making sure your property is within current habitability standards and is well-maintained.

KEEP YOUR PROPERTY LEGALLY HABITABLE

A substandard rental unit is more likely to attract irresponsible tenants and illegal activity. Poorly-maintained units let prospective tenants know that a landlord is inattentive or unconcerned with the property. It gives a green light to inappropriate or illegal tenant behavior.
Know your Standards

Before renting your property, make sure it meets these requirements:

- The codified ordinances in the municipality where you own your rental property.
- The habitability requirements in the Ohio Landlord Tenant Act.
- The U.S. Department of Housing and Urban Development (HUD) Housing Quality Standards for “decent, safe and sanitary” housing if you rent to tenants using Section 8, or Housing Choice Vouchers.

Evicting a tenant can be difficult. Evicting a tenant from a unit that is not up to code can be even more difficult. If a landlord has to evict a tenant from a poorly-maintained unit, a court will weigh the behavior of the tenant with the inattentiveness of the landlord.

**KEEP YOUR PROPERTY MAINTAINED**

Keeping your property maintained goes beyond just complying with all the ordinances. It means showing that you care about the property. It indicates that the property owner takes an active role in the property’s upkeep, and that the property is “safe, quiet, and clean.” These signals of active management will discourage problem tenants, and crime and will impact the community in a positive way.

**Keep the Exterior Looking Clean and Fresh**

When you do this, you let potential tenants, neighbors, and others in the community know that your property is maintained by someone who cares about what happens on the property. You can do this with:

- Fresh Paint
- Trash Receptacles
- Litter-Free Grounds
- Well-Tended Garden Strips
Make Repairs Quickly
Reasonably quick repairs aren’t just a good idea. They’re required under law. If a landlord fails to make repairs within a reasonable amount of time (30 days under Ohio law) tenants have the right to obtain a court order, or even terminate their lease.

Prevent Sewer Backups
Just because you know how to prevent sewer back ups doesn’t mean that every tenant does. Be sure to let your tenants know what they can and can’t send down the drain. This includes not flushing paper towels or commercial wipes (baby, automotive, etc.). In addition, do not flush or dump grease down any drains.

Know Your Local Maintenance Resources
A well-maintained rental house has benefits that extend beyond the property and into the greater community. That’s why many cities are wiling to offer assistance to landlords who are interested in keeping their properties looking good. Cities often offer free technical assistance, grants for fixing code violations, energy efficiency improvement assistance, free classes on home repairs, contracting assistance, and low interest loan programs. Contact your local government for more information.

2. IMPLEMENT CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (CPTED) TECHNIQUES

Simple techniques to protect your property and tenants
Crime Prevention Through Environmental Design, known as CPTED (pronounced “Sep Ted”), is a multi-disciplinary method of preventing crime based on architectural and design features. CPTED techniques are designed to send a signal to potential criminals that a property is well cared for and actively defended. That means these techniques can both prevent crime committed against a property, like burglary, and crime on a property, like drug dealing.*

The fundamentals of CPTED are based on building design, lighting, and landscaping. When effective, these designs combine to present a property that makes criminals uncomfortable.
There are four components to CPTED. The following sections will briefly describe each one:

### 1. Natural Surveillance

Effective natural surveillance gives residents the ability to survey their property, from inside and from outside. Crime is deterred when criminals feel that they can be easily observed.
Examples of natural surveillance include:

**Installing glass peepholes** so residents can see who is at the door before they open it. Make sure that at least one peephole is low enough for children to use.

**Keep shrubs, bushes, and hedges trimmed** so that views from windows, porches, or doorways aren’t obstructed.

**Prune tree branches** below six feet. This will make all areas of the yard more visible from both the residence and from the street. It will also reduce hiding spots.

**Keep drapes and blinds open** during the day so residents can better view their surroundings.

**Install see-through fences.** These further reduce places criminals can hide. Also consider a lower fence height. A four foot fence offers better natural surveillance than a six-foot fence.

Some cities have ordinances that restrict fence height and design. Contact your city’s planning department before proceeding to install a new fence to make sure...
Lighting: The Cornerstone of Natural Surveillance

A key component to natural surveillance is proper lighting. Criminals don’t like to be seen. A well-lit property will illuminate all entryways and surrounding areas. But make sure lights don’t shine into any windows—including neighbor’s windows.

Be sure to explain to all prospective tenants that all exterior lighting is installed for their security and must be left on. Areas that should have lighting include:

- All entryways
- Walkways
- Activity areas
- Rear yards
- Parking areas

Lighting should be installed in areas that are difficult for vandals or others to reach. For example, if you have covered parking on the property, install lighting under the canopy, not on the outside.

2. Access Control

Access control involves the ability to easily control entry and exit points. Property crime is less likely to occur if a criminal feels it will be too difficult to get in or out of a residence. Controlling access ranges from installing deadbolts on all exterior entryways to installing a remote-activated gate. The most important aspect of access control is making sure the residence is outfitted with effective locks. Examples of effective access control include:

- Install keyed locks in windows. Deadbolt window locks are also available.

Leaving a porch light on at night will help deter criminal behavior.

When setting up lighting for natural surveillance, be sure to think about how future plant growth may obstruct lights.

Outdoor floodlights are an affordable and energy-efficient natural surveillance solution. You can purchase motion sensitive lights that turn on when they detect movement or light-sensitive lights that turn on at sundown.
Install auxiliary dead-bolt locks in all exterior entry-ways. Make sure the locks have at least a 1” throw. These second locks are often the simplest and cheapest way of boosting security on your properties.

Install double-cylinder locks on doors with glass panes. Keys should be required for both inside and outside access. You can give tenants an extra key to keep nearby if they need to exit in the case of an emergency.

All sliding glass doors should be lockable from the inside. Provide a length of wood to place on the bottom rack that will prevent the doors from being forced open. You can also purchase “locking bars” for extra security.

Install “buzzers” in high rise apartments. These allow residents to open the doors for guests. Consider installing buzzers and intercoms in two-family units if you think the added security will make your tenants feel safer.

Controlling Traffic Flows in Large Complexes

Controlling access is crucial to helping tenants in large rental complexes feel safe. These structures should be designed and built to deter pedestrian passerbys from entering or cutting across
3. Territoriality

When you establish territoriality, you are letting others know that you care about your property and you care about defending it. The basic steps to territoriality are covered in the previous section “Keeping Your Property Looking Habitable and Maintained.”

In addition to these regular maintenance steps, here are additional ways you can convey territoriality:

- Encourage tenants and neighbors to greet and politely question strangers. This lets visitors know that residents care about their neighborhood. It also lets potential criminals know that the neighborhood is monitored.

- Bring all maintenance and repair tools inside at night. Tools may signal that a unit is unoccupied and ripe for burglary. In addition, put all tools, and outdoor furniture away. Chain lawn mowers and snow blowers to a wall.
4. Activity Support

Activity support encourages tenants, neighbors, and other community members to engage and keep an eye on the neighborhood. With more vigilant, law-abiding citizens in a neighborhood, the opportunities for illegal activity decrease. You can foster activity support and help build a safer community by:

- **Close garage doors.** Empty garages indicate an unoccupied unit and attached garages provide access to the residential unit. Install electronic garage door openers for additional security.

- **Make sure addresses are clear.** Addresses that are faded, hidden by foliage, not illuminated at night or cause problems. Police or other support services may have difficulty locating the unit. Make sure addresses are clear and well-lit.

- **Organize events and gatherings** for your tenants and the neighborhood. You can hold a cookout in a nearby park or a school yard.

- **Accommodate bicycles, joggers, and walkers.** The more people out and about in your neighborhood, the more eyes you have on the street.
CPTED: Final Notes

Not all of the techniques and recommendations outlined in this chapter will apply to you or your property. What you can do to ensure a safe property and a more secure neighborhood will depend on the existing landscaping and building type. In addition, the presence of resident managers and security personnel will affect your ability to implement certain aspects of CPTED.
CHAPTER 3
MARKETING THE PROPERTY

Market effectively and you’ll attract the right tenants for your property

THE BASICS

The right marketing strategy can save you time and money. It can also help guarantee you’re attracting the tenants best-suited for your property. This chapter covers:

1. Know how to evaluate and promote your property
2. Know where to market your property
3. Know whether Section 8 is right for you

1. KNOW HOW TO EVALUATE AND PROMOTE YOUR PROPERTY

Identify your property’s strengths

When you market your property, you must account for several factors. These include:

- What you and your property offer tenants
- What type of tenants will be attracted to your property
- The best method for finding the right tenant for your property
The first step to a successful marketing campaign is knowing your property. This means knowing your property’s competitive advantages and disadvantages. You can uncover these through thorough property evaluation. Think about the entire property, its location within your city and your neighborhood.

- What makes it different from other properties?
- Are there particular amenities your property offers?
- Is it close to schools or an employment center?
- Is the rental price competitive?

**Know your selling points**

When marketing your property, you need to put your best foot forward. Here are features that you should mention in all ads and other marketing materials:

- **Hot water or steam heating.** These will benefit people with respiratory conditions.
- **Hardwood floors.** Also good for people with respiratory conditions, or people with pets.
- **Central air, air conditioning units, or ceiling fans.** Especially if you are in a warm climate.
- **A laundry facility.** These eliminate time-consuming laundromat trips.
- **Appliances.** Units with appliances, especially new appliances, will find tenants faster.
- **Garage parking.** These increase tenants’ safety and convenience.
- **Nearby public transit.** Not everyone has reliable private transportation. A property within walking distance to a bus or rail stop can be a big plus.
- **Nearby schools and libraries.** These may be big selling points for families.
- **Nearby retail, employment centers, or other landmarks.** Many people don’t want a long commute. If you property is near an office complex, include it in your marketing literature. You may attract nearby employees.

*Remember, the better your property looks, the better chance you have of attracting responsible tenants.*

Your property’s strengths won’t stand out if your property is not well-maintained and up to code.
2. WHERE TO MARKET YOUR PROPERTY

Save time and money by finding the outlets best-suited for you

These days, there are lots of places you can advertise your property. And most of them are relatively affordable. But the time involved in contacting every newspaper, magazine, and website can be more trouble than it’s worth. But you can save yourself the hassle if you target the places where you will get the best results if it is free or cost-effective.

Here are the main types of advertising and marketing to consider:

**Internet Advertising**

By far, the fastest-growing way households are finding rental units is online. Internet rental listings allow prospective renters to narrow their search by geography, amenities, or price.

**Attract Relocating Renters with Online Ads**

The internet is particularly useful for people moving to new metropolitan areas. Keep this in mind when you post online rental ads. Don’t assume that everyone reading is familiar with your neighborhood. Include general directions to help out-of-towners, like whether the property is north, south, east, or west of downtown or your region’s central city. Also mention nearby landmarks (stadiums, museums, parks) that out-of-towners may be familiar with.

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**What marketing methods work? Other landlords might know.**

This guide lists the many marketing and advertising outlets available to landlords. But effective marketing strategies will vary by city and by region. You can get a good idea of what works by talking to other landlords in your area. What worked for them may work for you.

**Remember:** Discriminatory statements in advertisements are illegal.

Be sure that you do not convey a preference or exclusion for any type of person. You could face liabilities just for discriminatory language in advertisements or marketing materials.

More info on fair housing laws will be discussed in Chapter 4.
Some internet resources include:

**Craigslist.com** There is a separate Craigslist website for every major metropolitan area in the United States. The site offers free postings for just about any thing you can imagine. And the rental units section is one of Craigslist's most popular. Posting rental classifieds is free, but you must register first.

**Rent.com** charges landlords a fee, but only if someone rents your unit after finding it through rent.com. In other words, you’re only charged if you find a tenant through the service.

**Apartments.com** is another rental site. Registration is required, and landlords who post ads must pay a fee, but postings on apartments.com appear on a range of other real estate sites like Yahoo! Real Estate and in local newspapers.

**Local newspapers** also have online classifieds. Larger newspapers may charge, or may be part of a service like apartments.com, listed above. But smaller local newspapers may have a free classifieds section. Local free weekly newspapers may also have free rental classifieds.

**Local government websites** sometimes will list available rental units within their city. These websites may require your property to meet certain standards.
Signs
“For Rent” signs are still used by almost every landlord for one reason: they work. They are cheap and highly visible. They let anyone passing by know that a unit is available. Some studies found that “For Rent” signs account for half of all prospective tenants.

The drawbacks to these signs are that they cannot provide much information. That’s why it helps to have a plastic tube attached to the sign with flyers inside.

Flyers
Flyers are another inexpensive way to announce a unit for rent. And they can offer a lot more information than “For Rent” signs. In addition, once you have made a flyer for one unit, it can be easily modified for any other units you may have vacant in the future.

Target Qualified Tenants with Your Flyer
To help ensure that you find qualified tenants for your rentals, be sure every flyer includes:

- Rent amount
- Information about security deposits and other fees
- Lease information
- Photographs of the unit and property

See the next page for an example of a flyer that includes the basic information that will make it stand out.

There may be local laws that limit what types of signs you can display and how long you can display them. Check with your local municipal government to make sure you are not violating any laws or ordinances.

Photographs are particularly effective at getting people’s attention. On a crowded bulletin board, people will tend to look at the rental flyers with large, attractive photos first.

Be sure to include at least one photo of the exterior and if you have room, between one and three photos of interior rooms.
Townhouse for Rent

$1100/month

- 2 bedrooms (1 walk-in closet)
- 1 full bath, 1 half bath
- Two stories, single car garage
- Large kitchen, stainless steel appliances, solid surface countertops, garbage disposal
- Washer and Dryer Included
- Formal dining room
- Hardwood floors
- Approx. 1600 sq. ft.
- Great location, minutes from I-271, within walking distance of RTA transit
- Shaker Heights City Schools

$250 refundable security deposit to secure dates

Available from: August 1, 2012
Location: *** ***** **, Shaker Heights, OH 44118

216-555-5555
landlordemailaddress@email.com
Posting Flyers

Where should you post flyers? Basically, you should post them wherever you think potential tenants will see them. Target a broad cross-section of potential tenants by posting in places that attract such visitors. Before you post any flyers, be sure to check to see if there are any rules or regulations regarding what you can post and how long your flyers can stay posted. Places you can post you flyer include:

- Grocery stores
- Restaurants and cafes
- Local colleges and universities
- Employment centers and nearby office parks

Be sure to check your postings every couple of weeks or so to make sure they haven’t been covered up or taken down.

Referrals

Referrals may not have the same reach as paid marketing, but they are free. You can attract good tenants by letting your current tenants, neighbors, or other colleagues know that you have a vacancy.

Nearby universities and business centers are great opportunities to find good tenants who are engaged in the community. Many large businesses and universities have rental information packets that they distribute to employees and students. You can contact the largest employers in your region and local universities to see if your property can be included.

The Emerald Development & Economic Network, Inc. (EDEN), provides another great referral opportunity. As private non-profit housing development agency, EDEN oversees a number of housing assistance programs designed to expand housing opportunities for
Newspaper Advertisements

Newspaper advertisements can also be effective, especially if you place ads in local and community papers. Newspaper advertisements may cost more than the other marketing methods. You can also take out advertisements in a larger metropolitan paper, although these are often more expensive.

Advertise Smarter and Save Money

Advertising in large-circulation newspapers can be expensive, but it can be an effective way to get your properties in front of prospective tenants. And there are cost-effective ways of advertising. If you have multiple vacant units, write a consolidated ad instead of an ad for each property.

For example, let’s say you have three units to rent in the same neighborhood:

- A 2 bedroom at $950
- A 2 bedroom at $1200
- A 3 bedroom at $1400

You could produce a single classified ad that looked like this:

| Highland neighborhood: 2-3 bedroom units available from $950-$1400. Call 555-555-5555 |

This saves you money by reducing the word count and it allows you to offer potential tenants a choice based on their budget or other preferences.
Make your classified ads stand out with the right words. While a smaller word count will save you money, the best way to make sure your properties get the attention they deserve is to offer information that will make your ads stand out. In addition, consider using a different background color to make your ad the first thing potential renters see when they open the rental classifieds page.

| 3BR upper, close to Rapid & shopping, $1200, 555-5555, evs. |

The ad above is unlikely to stand out. Chances are, there are dozens—if not hundreds—of ads on the page that look just like this one. Use more expressive words and a larger typeface to make your classified ads distinct. Consider the following ad for the same property:

<table>
<thead>
<tr>
<th>WALK TO WARRENSVILLE RAPID STATION!</th>
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<tr>
<td>3 BR/1½ bath upper, $1200/mo, attached garage. Quiet, comfortable, close to parks and shopping! Landscape maintenance, major appliances included. Small pets ok. Call 216-555-5555.</td>
</tr>
</tbody>
</table>

Affirmative Marketing: What is it? How do you do it?

While discriminatory language in rental advertisements is illegal under federal fair housing law, affirmative marketing isn’t. In fact, affirmative marketing is encouraged!

Affirmative marketing includes language in rental advertisements and marketing materials that indicates that the rental unit is open to all types of people. That means that prospective tenants will feel comfortable applying for a unit regardless of sex, disability, race, family status, or their membership in another protected class, especially members of a class least likely to apply.

Readers know that the landlord or property manager abides by fair housing law. Examples of affirmative marketing statement include:

- “We offer equal opportunities in housing”
- “Persons with disabilities welcome”
- “Households with children welcome”
- “Accessible unit available”
**Real Estate Offices**

Check for real estate offices in your community. Most will list your property for a fee of about 50%-100% of one month’s rent. While that may sound like a lot, this method lets the real estate office do all the work for you, a good option if you find yourself with little time to pursue other marketing methods.

**Locator Services**

Paid locator or referral services are another hands-off method of filling vacant units. This is often the most expensive method of finding tenants, and is only a last resort for many small landlords. But even if the costs are steep, it may be worth trying if you are having trouble filling particular units.

**Housing Choice Vouchers (or “Section 8”)**

Housing Choice Vouchers are a range of federal subsidies that allow low- and moderate-income households to rent housing units. The name of the current program that distributes these subsidies is actually The Housing Choice Voucher Program, but the term “Section 8” is still commonly used by landlords, tenants, and government officials.

The U.S. Department of Housing and Urban Development (HUD) oversees the program, but vouchers are administered at the local level, most often by city or regional public housing authorities.

Some landlords are reluctant to rent to tenants using vouchers. But if a landlord has initiated a comprehensive applicant screening process (see chapter 5), and practices active management, he or she can have success with tenants who use vouchers.

**The Benefits of Accepting Housing Choice Vouchers.** First and foremost, landlords who rent to tenants using Housing Choice Vouchers are providing a valuable service. They are offering a safe and decent housing unit to good tenants who otherwise could not afford it. But landlords get more than just a “good feeling” by renting to voucher holders. Other benefits include:

- **Reliable rent.** Renting to voucher holders means that a portion of the monthly rent—sometimes all of it—will be guaranteed by the federal government. Once you accept a tenant with a voucher and all the paperwork is filled out, you’ll get the subsidy payment on time every month.
**Fair Market Rent.** HUD works with local and regional public housing agencies to determine that the voucher’s payment standards are sufficient to meet rental costs in the area. This means that you can be sure you’ll be getting a fair price for your property.

**Housing Choice Vouchers: Know the Facts. Not the Misconceptions.** There a lot of misunderstandings related to what landlords can and cannot do when they have tenants using vouchers. In short, these renters can and should be treated the same as any other renter.

### Misconception #1:

**Public housing agencies prescreen their voucher users as thoroughly as most landlords**

**False.** Public housing agency screenings are usually just for eligibility, which essentially is an income assessment and certain criminal convictions. It is still the landlord’s job to screen prospective tenants.

Landlords must perform the same kinds of background checks for their tenants using vouchers that they do for all other tenants.* Landlords are allowed to turn down tenants if they do not meet the screening criteria.

### Misconception #2:

**Landlords renting to Section 8 participants must use the public housing agency’s lease**

**False.** HUD revised the guidelines for landlords renting to Section 8 voucher holders in order to allow landlords to use their own lease.

*However,* landlords are required to attach a lease addendum provided by the local housing agency that may add to or modify the conditions that a landlord uses with non-subsidized tenants. These lease addendums are designed to meet HUD requirements and won’t necessarily include every provision in a typical to a rental lease. But it is important that landlords are aware of the conditions that landlords rent to subsidized ten-

### Misconception #3:

**Section 8 tenants can’t be evicted**

**False.** Section 8 users are bound by the same state and local landlord/tenant laws that govern all other renters. **But there are instances when evicting Section 8 tenants may be more complicated.** Your best approach in these situations is to speak with an experienced landlord/tenant attorney prior to the eviction process.
CHAPTER 4
KNOW YOUR FAIR HOUSING LAWS

Establish a good relationship with your tenants and community by being versed in fair housing laws

THE BASICS

1. Fair housing law: An overview
2. Know the classes protected under fair housing law
3. Know how to comply with fair housing law

1. FAIR HOUSING LAW: AN OVERVIEW

Keep your Property Safe—Know Your Fair Housing Law
When can a landlord turn down a tenant? With the range of federal, state, and local laws related to housing, this simple question can become confusing. For example, some landlords believe that fair housing laws require them to accept all applicants. This belief is generally the result of rumor and anecdote. But it’s not true. Landlords can reject tenants on many grounds, which will be discussed in Chapter 5.

There are many misconceptions among both landlords and tenants about what is legal undercurrent fair housing laws.

This section provides the information landlords need to understand their obligations and their rights under fair housing laws.

Landlords are in the business of providing rental properties. As such, they should be familiar with the laws, including fair housing laws, that govern their business. Being familiar with fair housing laws can help landlords avoid common mistakes, reduce their liability, help protect their assets, and build strong, diverse communities.
Fortunately, landlords can attend free trainings that are offered by the Housing Research and Advocacy Center in Cleveland. Visit www.thehousingcenter.org for more information.

This chapter provides a simple but thorough overview of current fair housing laws. It has the information landlords and property managers need in order to understand their fair housing rights.

**Fair Housing Laws: What they do**

Fair housing laws were designed to counteract the effects of housing discrimination. The first fair housing law was signed in 1968 by President Lyndon Johnson. Called the Fair Housing Act, it prohibited discrimination in renting or selling a housing unit based on race, color, religion, and national origin. The law was expanded in 1974 to include sex and again in 1988 to include persons with disability and families with children. Specifically, these fair housing laws are designed to:

- Protect applicants from being unfairly rejected in the screening process or treated differently during tenancy
- Ensure that all qualified applicants feel invited to apply
- Ensure that tenants are not treated unfairly based on the characteristics of their protected class
- Counteract segregation in the housing market

Fair housing laws are found at the federal and state levels and in some local jurisdictions. The laws that apply will depend on a particular situation, including where the property is located and where an alleged discriminatory act took place. While laws at different levels of government differ in some areas, there is a lot of overlap. Here’s a general guide to fair housing laws:

**Definition of “dwelling”:** All fair housing laws apply to dwellings. These are buildings or other structures (or a part of a building or structure) that occupied as, or designed or intended for occupancy as, a residence. This definition also includes vacant land intended for construction of such a building or structure (
see 42 U.S.C. §3602(b)) and housing-related services such as mortgage lending and homeowner’s insurance.

**Fair Housing Act also applies to:**
- Group homes
- Shelters for the homeless
- Hospices
- Shelters for battered women
- Nursing homes
- Residential Co-ops
- Vacation homes

**The Fair Housing Act does NOT apply to:**
- Hotels, motels or any place of “transient occupancy”
- A dwelling owned by a religious organization in which occupancy is restricted to its membership
- A dwelling owned by a private club in which occupancy is restricted to its membership
- A single-family home that its owner rents or sells without using a realtor
- Certain types of senior housing *

*But*, none of the exemptions listed above applies if an overt, discriminatory statement is made.

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**The Mrs. Murphy Exemption: Not applicable in Ohio**

It is a common misconception among Ohio landlords that there is an exemption for dwellings with four or fewer rental units if the owner lives in one of the units.

However, this is not true. The Mrs. Murphy Exemption is part of the federal Fair Housing Act but is not included in Ohio’s fair housing laws.

Landlords who would normally fall under the Mrs. Murphy Exemption should bear in mind that fair housing laws are still applicable to them and that they may not discriminate on the basis of someone’s protected class when renting a unit.

The exercise of the Mrs. Murphy Exemption can be confusing because *while the Mrs. Murphy exemption is a part of the federal Fair Housing Act, it does NOT apply in Ohio.*
What’s illegal under fair housing law: Nearly all houses, apartments, condominiums, and other residential units are covered by the provisions and statutes of fair housing laws. Under fair housing laws, it is unlawful, on account of one of the classes protected by fair housing statutes to:

- Refuse to sell or rent a dwelling
- Refuse to negotiate for the sale or rental of a dwelling
- Otherwise make unavailable or deny a dwelling
- Discriminate in the terms, conditions, or privileges of the sale or rental of a dwelling
- Make discriminatory advertisements or statements with respect to the sale or rental of a dwelling
- Indicate any discriminatory preference or limitation with respect to the sale or rental of a dwelling
- Misrepresent the availability of a dwelling
- Engage in “blockbusting”
- Discriminate in the financing of residential real estate transactions
- Coerce, intimidate, threaten, or interfere with any person in the exercise of his or her rights under the Act or retaliate against an individual for exercising his or her rights under the Act
2. KNOW THE CLASSES PROTECTED UNDER FAIR HOUSING LAW

Protected classes may include more people than you think

What are protected classes? Protected classes are characteristics upon which landlords and housing providers are prevented from discriminating against in the provision of housing. The protected classes listed in federal fair housing laws are:

- Race
- Color
- Religion
- National Origin
- Sex
- Familial Status
- Handicap/Disability

In addition, state and several local governments have fair housing laws that establish additional protected classes within their jurisdiction. Ohio also protects ancestry and military status. The most common additional protected class protected by local governments are:

- Sexual Orientation
- Gender Identity

While many of these provisions are straightforward, such as discriminating based on race, color, sex, or religion, other provisions like familial status, disability, ancestry, gender identity, and sexual orientation may be less clear to many property owners. Each of these will be discussed in the following section.

Familial Status

Under fair housing law, familial status refers to households with one or more persons under the age of 18 living with a parent, legal custodian, or the designee of such a parent or legal custodian.
In other words, familial status is a household with at least one person under the age of 18. Also protected are households in the process of securing legal custody of a minor and individuals who are pregnant. Familial status is important to understand because a landlord cannot refuse to rent to a household because they have children.

Q. Do fair housing laws based on familial status mean that a landlord must accept any size family in a unit?
A. No. A landlord can deny rental due to the number of occupants, but only if the family size is greater than that permitted by occupancy codes. For example, many local occupancy codes will allow a maximum of two people per bedroom. So for example, under this occupancy code a landlord would be unable to refuse a household of two adults and two children from occupying a two bedroom unit.

Q. Can a landlord discourage families with young children from moving into a particular complex or congregate families with children into certain areas of the complex?
A. No. There are prohibitions on discouraging families with children from any area of a residential complex, or clustering families in a particular area of a residential complex. This is prohibited even if done for reasons the landlord considers helpful, like placing families near playground equipment or next to other families with children. Along the same lines, it is also against fair housing laws to reserve particular units in a complex for families.

People with Disabilities
Fair housing laws define a “handicap” as a physical or mental impairment that limits one or more major life activity, a record of having such an impairment, or being regarded as having such an impairment (42 U.S.C. §3602(h)).

Federal fair housing laws provide three main protections for people with disabilities:

- Local occupancy codes in a municipality are usually based on dwelling/unit size. Often it is based on the square footage in a house as well as the number and size of bedrooms.
- If you are unsure of your local occupancy codes, visit the Housing Research and Advocacy Center at thehousingcenter.org for local occupancy codes in Northeast Ohio or contact them at 216-361-9240.
1. **Landlords may not discriminate against people with disabilities.** A landlord can not turn down, discourage, or mislead a potential tenant from renting a housing unit simply because:
   - The tenant has a disability
   - Someone in the tenant’s household has a disability
   - The tenant associates with people with disabilities

2. **Landlords may not inquire about an existing or prospective tenant’s disability.** Tenants and prospective tenants with disabilities have the same right to privacy as any other tenant. This means that a landlord is not allowed to inquire about the cause or severity of a disability, or ask about the nature of a disability if a tenant mentions that he or she receives Social Security disability payments.*

3. **Landlords may be required to make “reasonable accommodations” and “reasonable modifications” to allow individuals with a disability to use the housing unit.** These two changes are discussed in more detail below.

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**Reasonable accommodations.** Reasonable accommodations are changes that will allow a person with a disability to more fully enjoy his or her housing unit and surrounding premises. An accommodation requested by a tenant must be related to their disability, and tenants can request a reasonable accommodation at any time, including before they sign a lease, during tenancy, or to prevent eviction.

Examples of reasonable accommodations include:

- **Re-routing or copying and sending tenant mail.** If a tenant is blind or has difficulty reading, they may request that notices and mail be sent to another person of their choosing.

- **Reserved parking space.** If a tenant has a disability that affects mobility, a parking space near his or her unit may be requested.

- **Allowing a service animal.** Even if the apartment has a strict “no pets” policy. Service animals are not pets, but rather accommodations. In addition, a tenant with a service animal can not be charged a “pet deposit” or “pet rent” even if generally required of other tenants.

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* There is a limited exemption for inquiring about disabilities with regard to housing specifically designed for people with disabilities. Owners and managers of those properties may make some inquiries in order to ensure that the applicants and residents have a qualifying disability.

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**Check The Appendix for a glossary of terms related to housing for people with disabilities.**
So what isn’t a reasonable accommodation?

There is no limit to the amount or types of reasonable accommodations a landlord would have to allow. The only underlying qualification is that it must be “reasonable.” But what is reasonable? Courts have defined a reasonable accommodation as one that does not put an “undue financial or administrative burden” on a landlord. An undue burden is something that doesn’t result in a “fundamental alteration” of the landlord’s operations.

Examples of undue burdens include:

- A tenant who becomes disabled, can no longer care for his dog, and asks the landlord to walk it daily.
- A tenant loses her job due to a disability and requests a reduction in rent.
- A tenant with a mobility impairment asks a landlord to transport him to the grocery store.

Q. Can a landlord require that a tenant or potential tenant show proof of a disability before responding to a reasonable accommodation request?

A. Yes. If the tenant or potential tenant’s disability is not apparent or known, a landlord may request proof of a disability and proof that the accommodation is necessary because of that disability.

Information offering proof can include statements or notes from a medical doctor, psychologist, or other medical professional; a social worker or a psychologist; or some other source, such as a non-medical service agency.

While landlords may request proof of disability, they do not have a right to know medical history, medication, diagnosis, or any details other than those needed to determine disability and whether a reasonable accommodation is necessary.
Reasonable modifications are similar to reasonable accommodations, but instead of changing rules and policies to accommodate people with disabilities, reasonable modifications are changes to the rental premises required so that a disabled person can fully enjoy the facilities.

Reasonable modifications can either be made to a tenant’s unit or to the surrounding area, including common entryways, laundry facilities, hallways, and pools. Examples of reasonable modifications include:

- Installing automatic shut-offs on faucets
- Installing grab bars in the bathroom or bedroom
- Replacing orbital doorknobs with lever doorknobs
- Installing or removing carpeting to allow greater walker or wheelchair access
- Installing a wheelchair ramp
- Widening doorways for wheelchair access
- Lowering cabinets in the kitchen or bathroom

Who has to pay for reasonable modifications? The landlord or the tenant?

Typically, tenants are responsible for paying for and arranging for the modifications, but landlords must permit the modification when it is reasonable and necessary due to a tenant’s disability.

Lever door handles and grab bars in bathrooms are examples of reasonable modifications that can allow disabled tenants to fully enjoy their residence.
In some instances, landlords may require that a tenant returns the rental unit back to its original state when leaving. Landlords are allowed to ask that money be put into an escrow account to cover the cost of reverting a unit after a reasonable modification.* But there are stipulations:

- The tenant can only be asked to make changes that would interfere with the next tenant’s use of the unit, like raising countertops
- The tenant cannot be asked to make changes that are not “reasonable,” like reversing the widening of a doorway
- The amount of the deposit must only cover the costs of reverting the physical changes
- The amount of the deposit must be “reasonable”
- The tenant must be allowed to pay the deposit “over a reasonable period”
- All interest earned on the deposit must go to the tenant

Ancestry

In addition to prohibiting discrimination based on all of the classes protected by federal law (race, color, religion, national origin, sex, handicap, and familial status), Ohio’s fair housing laws also prohibit discrimination based on ancestry, a somewhat different and potentially broader category than national origin. Under this provision, it would be illegal to discriminate against someone based not only on where he or she was born (national origin discrimination) but also where his or her parents (or other ancestors) were born or trace their lineage.

Sexual Orientation and Gender Identity

Under fair housing ordinances in some municipalities (the City of Cleveland, amongst others), discrimination against individuals based on their sexual orientation and/or gender identity is also illegal.

How to Ensure that You Comply with Fair Housing Laws

The purpose of these laws is to prevent discrimination on the basis of a person’s membership in a protected class.

Nothing in the law forbids you from setting fair screening guidelines and applying them equally to all applicants.

Keep in mind that every person belongs to these various classes—each of us can be defined in terms of our race, color, sex, national origin, familial status, disability, etc. So any time you deny an applicant, you have, in a sense, denied someone who belongs to a protected class. The question is whether or not you treat applicants or tenants adversely because of the class to which they belong.

* Keep in mind that reasonable modifications for one tenant may make the unit more attractive and accessible for future tenants. Grab bars installed in the bathroom and widening doorways do not limit the next tenant’s use of the unit and broaden your base for potential future tenants.