

The Backus Bulletin

"Your Management, Your Way"

MAIL FRAUD / LEASE BREAK

April 2019

Mail Fraud:

Do you still get a check from us each month for your rental proceeds?

Please consider switching to electronic transfer. Your money would be automatically put in your checking or savings account each month and you would still get a statement.

One of our owners had their mailbox broken into and wouldn't you know it, our check was one of the items stolen. The perpetrator was able to duplicate the check under their name. The bank caught it, but because someone unauthorized clearly had access to our account information, the account had to be immediately closed. You cannot imagine how much work it is to transfer accounts when you have so many items going in and out each day. Checks had to be cancelled and reissued; tenants had to be notified of the change. So please-- call us and say "transfer to electronic, please!"

Lease Break:

What happens when a tenant vacated before their lease is up? California law says that the tenant is responsible for all costs until the property is re-rented and owners are responsible to attempt to re-rent the property as quickly as possible with the same terms and conditions.

What costs are the tenants responsible for? Rent until it is re-rented, utilities, yard care;

move in and out inspections, marketing fees, management fees, lock change and similar fees.

What if I want to raise the rent? If you raise the rent, the law says you are not attempting to re-rent the property under the same terms. It may take longer to rent at a higher rent and therefore the tenants are not held responsible for the term. You can offer the current rent for the term of the lease and then raise the rent at that time. Rent is \$1,500.00 per month until July 31st and then will increase to \$1,600.00 per month.

How do you handle the security deposit if it is not re-rented yet? The security deposit statement must go out within 21 days of the vacancy. However, you can send a "preliminary" statement with a charge for the rent for the balance of the term. That will keep the tenant from getting a deposit refund until after the property is rented. At that time a final statement would be sent.

Do you start showing the property right away? No, just like a regular vacancy, the property is not shown until it is vacant and ready for the new tenant.

Do you have to rent to the first person that applies? No, the normal qualifications and requirements are made and used.

What if one tenant wants to move and one wants to stay? Until the lease expires, both tenants are responsible for the lease. When the rental agreement is month to month, and two or more persons are on the agreement, one can request to be removed. The remaining tenant(s) must qualify for the property without the help of the leaving party. If they do not, they will be given notice to

vacate. If they stay, the exiting tenant and remaining tenant(s) must agree in writing that the remaining tenant has full responsibility for the deposit i.e. they get a full credit when they vacate and full responsibility if there are damages in excess of the deposit.

What if they want the property inspected at the turnover? If one or more tenants are staying, the property will not be inspected when the one tenant moves nor will any determination be made regarding the security deposit.

What if the departing tenants find their own replacement? It is handled the same way; the new tenant must qualify and pay a security deposit. There is no "roll over" of deposits. The property must be vacant between tenants.

Can tenants ever break the lease with no penalty? Yes, it is law that the tenant cannot be held to a lease if they are active military and have received orders to move more than 20 miles away from the property. This does not happen often in our area because military personnel

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Backus Properties

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Office Hours: Mon-Fri 9am-4:30pm
 Saturday - by appointment
 Sundays & Holidays - closed

Announcements & Services

WHAT CAN WE DO TO MAKE OWNING A RENTAL PROPERTY EASIER FOR YOU?

We won't know unless you tell us! Don't forget we have an "Eviction Protection" plan for \$20.00 per month that covers the \$1,000-\$1500 attorney fees if you have to evict a tenant. We also have "Rent Protection" at 2% additional management fee that means we will pay the rent if the tenant does not pay on time or not at all. Call or email our office: info@backuspm.com or 831-455-2052.

THINKING OF BUYING OR SELLING?

If you are thinking of buying or selling, we can assist you. We specialize in residential and multi-residential units and are experienced in conventional sales, purchases as well as short sales. Just call and ask for Bill and we will help you with your Real Estate needs. There is no obligation. Check out your property value today!

ON-LINE STATEMENTS

Contact our office or e-mail our office at info@backuspm.com to sign up or for further information.

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assigned to this area are generally assigned for two or three years.

What if the owner does not want to re-rent the property? Not a problem; but the exiting tenant cannot be charged the cost of the lease break.

What if there is only a month or two left on the lease? For the tenant to be held liable, the property must be marketed as available for that length of time.

What if the owner wants to break the lease? You are out of luck here. The tenant has the right to occupy the property for the term of the lease. Financial incentive to move early, however, can be successful.



Any questions? Call or write Sally---- she loves to talk about this stuff!!!