

The Backus Bulletin

"Your Management, Your Way"

Who is responsible for rent?

February 2021

We have a published author! Our Broker, Sally Backus, submitted a Guest Commentary to the local paper, the Salinas Californian. They published it, and being a member of the USA Today network, sent it in for syndication.

The following was published:

With the recent financial stresses caused by Covid 19, many tenants have struggled to pay rent and avoid eviction. This fact has created pressures for national, state and local authorities to create regulations requiring landlords to allow rents to be delayed, partially paid, extended pay-back and to disallow evictions.

The problem is—this is a community problem. Why is the solution placed on one small part of the community, the landlord? If people lack money for food, they do not expect the grocery store to give food to them and request payment in six months. The community takes up the slack.

Granted, the amounts for rent are much more, but all the more reason that the funds needed should be shared by all and not just the limited number of people that have invested in rental

housing. How does the community know who really needs the help? Landlords are required to take the tenants word for it so that should work for the community as well.

Farmers invest in farmland and expect to be paid for their crop. Car dealers pay for cars and do not give them away for free.

The community gets together and provides food because it is an essential need—as is housing. The cost of providing the essential need of housing should not solely be on the owners of the houses.

Many people think of "landlords" as being big corporations when actually over half are individuals or family groups. For instance, my mother planned for her retirement by investing in rental houses. She is now 95 years old and requires full time care. The rent pays for that care. We cannot tell her caregivers "we hope to be able to pay you in six months but can give you 25% of your salary now."

Granted, she could evict the tenant not able to pay rent (with some penalties), sell the house (and pay taxes) and use the remainder for her care. But how would that benefit the current tenant or the alternate tenant out there that is able to pay the rent but cannot find housing?

Limiting rent increases during this time makes sense. Avoiding evictions makes sense as well but the cost burden should be borne by the entire community, not just the landlord.

The last concern—what crisis are we creating by allowing tenants to accumulate months of past due rent that they may never be able to pay? We preach living within our means but we are allowing people to build up a mountain of debt. If they can't pay, they will end

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up with an eviction on their record and the landlord has been forced to solve a community crisis at the landlords' expense.

The solution is harsh and may seem draconian. Either the national, state or local community steps up and offers substantial relief at substantial cost, or we encourage tenants to revise their budgets and rent something less expensive or move in with family—whatever is necessary. Difficult, but when things are better they would not be saddled with debt. It might also have the effect of lowering rents because of fewer people in the rental market.

- Sally Backus