

Monthly Newsletter

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A property owner must take at face value a tenant’s claim that they have a “companion animal” necessary for accommodating a disability or risk losing tens of thousands of dollars in litigation expenses.

Landlords may be required to allow a “companion animal” if that is a “reasonable accommodation” for a person’s disability.

The Federal Fair Housing Act requires property owners to make reasonable accommodations for persons with a disability.

The difficulty for property owners is that the laws are not clear on what exactly is a “reasonable accommodation” or a disability.

Lately, many tenants have begun utilizing this law to claim that they suffer from social anxiety or some other condition that requires them to have a “companion animal.”

When California West faces this issue, the only practical solution is for us to take the tenant’s claim at face value and allow the animal at the property with no additional security deposit.

Asking a tenant to prove their disability or to justify the need for an accommodation is not allowed.

This presents a frustrating situation for property owners. There is an appearance of a double standard when some tenants are allowed to have “companion animals” but others are not allowed to have pets. There is also the risk of property damage from the “companion animal.”

Those problems, however, are outweighed by the fact that even a simple mistake about what is a “reasonable accommodation” can result in tens of thousands of dollars of litigation expense.

Therefore, as frustrating as it may be, the practical reality is that property owners must allow tenants to have “companion animals” even if such animals are most likely nothing more than an ordinary household pet.

Rent is not the only income source for many investment properties.

Rent is the primary source of income for investment properties, but there are other potential sources of income as well.

Laundry income, vending income, parking income, and utility billings are all other ways for properties to generate income. Each of these sources is unique:

Rent is not the only source of income for investment properties.

Laundry income: When it comes to laundry machines, property owners need to decide whether to contract with an outside vendor or whether they will be servicing the machines themselves. Contracting with an outside vendor is the easiest solution and the way this usually works is that the outside vendor provides the machines, services the machines, and collects the coins. In this scenario, the property owner usually pays for water, electricity, and/or gas to operate the machines. Depending on the size of the property, the vendor may also pay a one-time bonus if the property owner signs a long term contract. After that, the revenue split is often in the neighborhood of 50/50 or 60/40.

Vending income: Even on large apartment buildings, vending income is very minimal. However, it is sometimes a benefit to tenants and so makes sense in that regard. This generally makes sense only by contracting with a third party who services various machines in the area.

Parking income: At larger properties, parking spaces can be sold individually or included as part of the rent. The decision of whether to do this is really one that must be made in the context of total rent and whether it makes sense from a marketing perspective to include parking with each apartment.

Utility billings: For single family residences, it rarely makes sense (if ever) to pay for a tenant's utilities. It is better for tenants to pay their own utilities so they have an incentive to conserve resources. However, this is not always possible in a multi-family environment. In a perfect world for property owners, each multi-family apartment would be sub-metered. When that is not the case, in some multi-family environments it is sometimes still possible to pass on the cost of utilities to tenants by taking the entire utility bill and then dividing it among the residents and the property owner by certain percentages. This requires additional billing procedures and only makes sense in some situations.

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