

Important Information For Our Landlords

Investment Property Risks

Owning investment property comes with inherent risks. As your Broker, we are well aware of our local landlord/tenant laws and work to mitigate your risks. As a landlord, it is important for you to be informed on all the laws related to your ownership and operation of rental property. This information can be found in the Seattle and state of Washington landlord/tenant laws. Please let us know if we can answer questions or provide additional insight.

Preparing To Rent Your Property

Property Condition

As a landlord, you have the obligation of providing your tenant with a dwelling that is habitable. Whether you are renting your property for the first time or turning the property in between tenants, the following are some of the more common items that will need to be addressed prior to a tenant occupying your property:

- Remove all personal items from the property that are not to be used by the future tenant
- Deep clean ALL surfaces in and out including closets, cabinets, drawers, base trim, blinds and appliances (hiring a professional service is strongly recommended)
- Repair any damaged fixtures or leaky pipes/faucets
- Re-caulk and/or re-grout tub/shower surrounds
- Replace all light bulbs
- Professionally clean the carpets or replace the carpet if damaged by excessive use, mold, mildew or stains
- Repaint or touch-up all walls removing existing nail holes and repairing chips
- Make sure all appliances are in good working order
- Make sure all the doors and windows are operating properly and re-key the locks
- Install/test smoke alarm
- Clean fireplaces and sweep chimneys
- Replace filters as needed and check the dryer vent, A/C unit, stove hood and room fans

Should you need referrals for addressing the items above, please reach out to your Leasing Specialist as they will be happy to provide you with information on quality local service providers.

Utilities

You will want to contact your utility providers to see what policies are in place for switching accounts into your tenant's name. All landlords with properties served by Seattle Public Utilities will need to keep accounts in the landlord's name. The bill can either be mailed to the property for the tenant to pay directly or to the landlord's address to be billed to the tenant with the next monthly rental payment. When a tenant vacates, it is important to contact your utility providers to make sure all debts have been paid prior to releasing your tenant's deposit refund. At that time, if your property has not been rented, it would be a good idea to put the account(s) back in your name until a new tenant has taken possession.

Condominium Associations

For condominiums, you will want to contact your resident manager or concierge staff to learn of any building restrictions that would prevent you from renting your condo. Typically condominium buildings will have a set of rules that need to be followed when it comes to renting and moving into the building along with a move-in fee, so it is imperative to have this information prior to marketing.

Mail Forwarding

If moving from the property, don't forget to notify the US Postal Service of your forwarding address!

Security Deposit, Checklist & Move-out Procedures

It is very important that as an owner of rental property and the holder of your tenant's security deposit you are aware of specific laws related to how you hold and handle the return of your tenant's security deposit. Should you not adhere to these requirements you will lose your right to retain any portion of the tenant's deposit and subject to the requirement of returning up to two times the tenant's deposit amount as well as any attorney fees incurred by the tenant for pursuing the return of their deposit (RCW 59.18.280).

The following information is provided by Seattle Rental Group as an outline to the procedures related to the handling and disposition of your tenant's security deposit. This information is not intended to serve as legal advice and is simply provided to you for your benefit. Please seek legal advice of an attorney that is well versed in Washington landlord/tenant laws should you have questions.

- **No Checklist, No Retention of Deposit-** In the state of Washington if you receive and hold a security deposit from your tenant you must also have a Move-in Condition Checklist that details the condition of the unit at the time of move-in that has been signed by both landlord and tenant. A fully signed copy must also be provided to the tenant and one free copy must be provided during the tenancy if requested by the tenant. We have provided this checklist to your renter but it is imperative that you retain a fully executed copy signed by both the tenant and the landlord in order to retain any legal right to use the security deposit to cover any monies owed to you from the tenant including damage to the property. If you do not have a checklist that has been signed by both parties and a copy provided to the tenant you will not have the right to retain any monies from the tenant's security deposit regardless of any damage the tenant may have caused to your property.

- **Held in Trust Account-** It is a requirement that your tenant's security deposit is held in a trust account separate of your personal account and kept in an account that is located in the state of Washington.
- **Interest Earned-** As the landlord you are entitled to keep any interest earned from the security deposit.
- **Security for Tenant's Obligations-** The security deposit is intended to provide security for the landlord for the obligations of the tenant under the lease agreement. A landlord may use the security deposit to offset costs incurred by the landlord as a result of the tenant not fulfilling their obligations under the lease agreement. Included but not limited to these costs are damage to the property, unpaid rent, late fees, etc. Should you intend to use a portion or all of the deposit to cover costs you have incurred, there are very defined procedures of how to do this so please contact Seattle Rental Group or consult an attorney regarding the retention of monies from your tenant's security deposit.
- **Return Within 14 days-** From the date your tenant vacates the property (not the end date of the lease) you are required to return the tenant's security deposit within 14 days. Failure to do so relinquishes all of your legal right to retain a portion or all of the deposit regardless of damages to the property or any money that may be owed to you from the tenant. In addition, if you delay the return of your tenant's deposit you may be required to pay your tenant twice the amount of their deposit in addition to attorney fees. It is always best to get a receipt that shows you mailed the summary and/or security deposit monies to the tenant's forwarding address. If your tenant does not supply you with a forwarding address then mail to the property address as you will have met your legal obligation and the tenant should have placed a forward on their mail from your property.
- **Include Written Summary-** When returning the deposit you must include a written summary of any monies that you intend to retain. If you have already paid a contractor to fix or replace damaged property it is best to include receipts for those expenditures as well. If you are unsure of the costs that will be incurred for damage and you have not been able to get estimates within the 14 day window, you must still send a summary statement within the 14 day time frame. In this situation it is usually best to retain a generous estimated amount to cover damages or monies owed to you, state this in the summary, get estimates in a timely manner and follow-up with the return of any additional monies that may be owed to the tenant in a timely manner.
- **Damage vs Normal Wear and Tear-** As the Owner of the property you are entitled to retain money from the tenant's security deposit for damages that they caused to the property. You are not entitled to keep money for normal wear and tear. Damage vs normal wear and tear is often a point of disagreement between landlords and tenants. Below is a list of what the courts often distinguish between damage versus normal wear and tear. If you intend to retain money from the tenant's deposit it is a good practice to contact the tenant in advance to discuss the issue. When a tenant receives a big surprise they are often ready to fight over this and many disagreements can be resolved with a discussion. Keep in mind it is often less expensive to work out an agreeable resolution than to battle in court. In addition, the courts historically have sided with the tenant over the landlord.

Examples of Damage vs Wear & Tear:

Wear & Tear

Worn out keys
Loose or stubborn door lock
Loose hinges or handles on doors
Worn carpeting
Carpet seam unglued
Slightly scuffed wood floors
Linoleum worn thin
Worn countertop
Water damage (not caused by tenant negligence)
Plaster cracks from settling
Faded, chipped or cracked paint
Loose wallpaper
Faded curtains and drapes
Dirty window or door screens
Sticky window
Loose or inoperable faucet handle
Closet bi-fold door off track

Damages

Lost keys
Broken or missing locks
Damage to a door from forced entry
Torn, stained or burned carpeting
ALL stains on carpet
Scratched or gouged wood floors
Linoleum with tears or holes
Burns and cuts in countertop
Water damage (caused by tenant negligence)
Holes in walls
Unapproved painting
Ripped or marked-up wallpaper
Torn or missing curtains and drapes
Blinds with bent slats
Torn or missing screens
Broken window
Broken or missing faucet handle
Broken toilet seat or tank top
Smoke, urine or pet odor
Damaged or missing bi-fold door

For more details or information regarding Seattle Landlord/Tenant Laws, please visit: seattle.gov/dpd/Publications/Landlord_Tenant