

## Battling Bedbugs and Bad Tenants

Once scofflaw residential renters, deadbeat commercial tenants, and especially bedbugs take up residency, evicting them requires Herculean effort.

Indeed, if owners of investment real estate want to sleep easier, they need to devote considerable time and resources to preventative measures. Yet, as three speakers at a recent investment real estate symposium noted, too many property owners favor shortcuts that often guarantee problems.

“Be careful who you put in your property,” said Jim Walls, with Walls Property Management, one of the experts at the symposium presented by the Commercial and Investment Division of the Southland Regional Association of REALTORS®. “There are pitfalls, but you can avoid them if you are careful.” For example, he said, only about 20 percent of owners and property management companies conduct background checks or find out if prospective buyers, sellers, renters or tenants have a criminal record. Because he reviews everyone’s history, Walls said; “Now, thankfully, I know who I’m putting in properties. Evictions are a scary thing. You don’t want to go down that road.

The already difficult, costly, and time-consuming eviction process recently turned even more impossible. With staff cutbacks and court closures, including in Van Nuys, San Fernando Valley eviction cases now are handled in Santa Monica. Walls cited one recent eviction that took seven months to get the Sheriff to post a five-day order to vacate and a lock-out. “We even tried bribing them to leave,” he said, “which is the best, easiest way.”

To avoid an eviction nightmare, a landlord should always put on the hat of the tenant, said Alan Gecht, senior vice president at Corporate Realty Associates. “Every property is unique, it’s special, and you need to find out what sets your building apart so you attract the right tenants.” Toward that end, Gecht reminded investment property owners that they have to make a solid first impression with desirable prospective tenants. Unfortunately, he said, too many property owners lack imagination; they don’t see their property’s defects and flaws, the dirty carpet, the cracked curbs, the dark rooms or the mounds of debris.

“Commercial tenants, though less emotional than residential buyers, still get excited,” Gecht said. “You need to create the sizzle, not the steak itself. Take care of repairs, don’t let them wait, don’t alienate existing tenants. Treat them with respect, because prospective tenants will go to them for an opinion.”

Gecht said owners also need to be mindful of their tenant makeup. Don’t mix a high-end beauty salon with a low-end liquor store. Don’t expect a top-drawer law firm to lease space alongside a boiler-room call center.

Eric Dean, an attorney with The Wolf Firm, a Law Corp., said he cringes when an investment property buyer or seller boasts that they got a great bargain or that it will be a quick escrow. "They have to realize it's an adversarial relationship," he said. The parties have to "be focused on due diligence," they have to look at the underlying documents. "Sellers have to check out buyers," he said, because some are unethical and could tie the property up for years and years.

But of all the pests to be avoided, one stood out – bedbugs. Walls said there's no way to prevent bedbugs. They come along with furniture, clothes, and personal possessions. The minute a traveler checks into a hotel, even high-end hotels, he said they should lift up the mattress, check the box springs, and inspect. Bedbugs love any place that is dark and warm. "Yes you can see them," he said, cautioning travelers to always elevate luggage rather than ever leaving it on the floor.

"When you lease a property, an addendum should say it is bedbug free and that the tenant is responsible for their personal possessions if there is a subsequent infestation." Once bedbugs invade, he said, they are very, very costly to eliminate and represent a serious problem, even with the cleanest of tenants. One trouble-free renter in an expensive property had three bedbug invasions. "We think," Walls said, "she's bringing them from a friend's house or from work."