

When You and the Property Manager Butt Heads

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Say you plan to schedule a meeting with the property manager of your office building. You want to know what can be done if you can't meet the monthly rent. Or, you plan to ask for modifications to a common area. Or, want to dispute an unexpected charge for snow removal.

A good manager – one concerned about the tenant's interests and the owner's investment -- will likely remark: "Let's see what's written into the lease," then proceed according to the stipulations within the document. In most cases, commercial tenants who fall behind on rent, ask for favors or challenge predetermined lease covenants have very little recourse. A lease essentially is a legally binding agreement signed by an officer of the company. Tenants must live up to the terms or risk being in default.

Property managers operate under the theory that they must work at renewing every tenant's lease every day. Property managers also are stewards of the owner's investment and will take whatever steps the agreement will allow to ensure the investment remains profitable.

On the other hand, you do have some recourse if management fails to hold up its end of the contract: costly and time-consuming litigation. Professional property managers, however, build their reputations on service, and the reputable ones rarely balk on providing tenants services outlined in the lease.

Understanding the financial ramifications of all clauses within a lease is essential to avoiding problems down the line. All leases are negotiable, but the negotiations stop once you sign on the dotted line. A well-written lease will be void of gray areas.

It bears repeating, but always retain an attorney experienced in commercial properties before agreeing to a lease. And, be cautious of overly aggressive leasing agents who are more focused on closing the deal than explaining complex triple-net formulas for rent increases or seasonal charges for common area maintenance. (A net lease requires that the tenant must pay a share of taxes, insurance, maintenance and other operating expenses along with a fixed rental amount.) Disputes can arise when unanticipated invoices arrive from the management office for expenses not related to rent.

Collection of rent, unexpected operational charges and challenges to signage covenants are among the most common reasons for landlord-tenant conflicts.

Efficient rent collection and recording procedures outline the rental due date, the date rent is considered delinquent and a schedule of late penalties/charges that conform to local laws. If you fail to deliver the full rent within the prescribed timeframe, expect the manager to initiate eviction proceedings, which more than likely will end with a writ of eviction from the local circuit court.

Additional charges for maintenance, tax increases and related costs cannot be challenged if specified in the lease agreement. Problems surface if the tenant did not comprehend or expect these expenses. Signage regulations (especially involving lighted signs) often are written to conform to local building codes, which make them difficult to challenge by the tenant.

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