

Mind Your Business – Setting Healthy Boundaries

By Tia Politi, ROA President, Rental owner,

Do you have problems? I do. My life isn't perfect, and I suspect yours isn't either. Illness, injury, death, divorce, job loss, these things touch everyone's lives. We either muddle through or give up. No one escapes life unscathed. So, when you have challenges in your personal life, do you go to your tenants for say, a loan? Not likely. That would be inappropriate, right? And so it is in reverse.

Many problems that arise between landlords and tenants come from a failure to set proper boundaries, and the burden for setting those boundaries falls mainly to the landlord. Some rental owners have trouble knowing how to do that, and end up too involved in their tenants' lives. But inappropriate levels of assistance and involvement creates a dependency that actually prevents a healthy relationship with your tenants.

Many of those who come to me for help with a bad situation with a tenant have been manipulated, lied to, and cheated out of time, life and money. But they have only themselves to blame. By giving in time and again to accommodate a tenant's problems, the dynamic of the relationship changes from 'Housing Provider and Customer', to 'Benefactor and Beholden One.' This creates a power imbalance between landlord and tenant that starts with gratitude, but leads to resentment. And with some tenants the problems never end. It starts with the repeated offering and accepting of excuses and is often accompanied by charm and attempts to get friendly. Month after month it's something else, some new story, some new problem. In the end, the landlord's supportive, kind actions end up fostering in their tenant either a sense of entitlement or of inferiority, and the bad behavior escalates to intimidation, threats and abusive, uncaring actions to the property.

What leads to such dysfunctional outcomes? Mostly, misplaced compassion and fear of confrontation. While the slur of 'slumlord' is often cast upon housing providers, the stereotype of the greedy, uncaring landlord is rare in my experience. Most often, I see people with big hearts giving marginal tenants chance after chance, until they finally realize they have failed to help the object of their charity in any meaningful way, and are left with a damaged home and financial losses running into the thousands of dollars.

One of the strongest indicators of success in life is the ability to solve problems. When people intervene and solve other people's problems for them, they stop the learning process. And while appropriate intervention, such as entering into a one-time late payment agreement or some other one-time accommodation can be helpful to solve a short-term problem, rental owners should beware of creating dependency in the relationship. People make choices,

choices have consequences, painful outcomes lead to personal growth. Don't be an impediment to someone else's schooling in life management.

Landlords are not tenants' social workers, financial counselors, or friends (usually). They are business associates who are exchanging a commodity for reasonable compensation. Successful landlords keep the relationship professional and business-like. They aren't afraid to initiate the tough conversations, and take action, but treat their customers with consideration and respect. In a way, managing property requires acting like a sheriff, keeping the peace and telling other people what they can and cannot do, and in some ways how they can live their lives. People will not always be pleased with this intervention and will make their displeasure clear. That's a tough thing and some people find they can't bring themselves to endure it.

How can a rental owner act compassionately within the landlord-tenant relationship while maintaining healthy boundaries? By being friendly but not familiar; sympathetic, but proactive. Remember that you are running a business, not a charity. I once evicted a client's tenant for non-payment of rent. We had reached out to her on multiple occasions with no success and so went forward with the court process. Once it was complete, I finally heard from the tenant's daughter, who angrily informed me that her grandfather had died and her mother had been away dealing with his arrangements, forgot about the rent, and how dare I evict her mother. I calmly told her that I was sorry for the loss of her grandfather, and that I didn't mean to sound unsympathetic, but when my mother died I didn't forget to pay my mortgage. I gently reminded her that we all have bad things happen to us and we all have to take care of our responsibilities anyway. She paused for a moment, took a deep breath, and quietly replied, "You're right, I'm sorry." We then went on to discuss ways her mom could redeem the situation.

Really terrible tragedies will happen to residents: the death of a spouse, the loss of a job, a cancer diagnosis. These are all horrible events that can derail a formerly smooth tenancy and especially bring out the guilt in caring rental owners. Help if you wish in whatever way makes sense to you, but I recommend a one-time gift as opposed to say an ongoing rent reduction, as these types of concessions sometimes lead down a slippery slope to a tenant requesting more and more assistance.

Sometimes you are able to offer relief or want to show appreciation to a long-term tenant. I manage a property where a tenant had been in place for 19 years. He was married when he moved into the home, but after many years got divorced and started absorbing the full cost of the rent. He subsequently lost his job, muddled through a couple of months, and finally hit a month where he couldn't make it work. He had been a great loyal tenant for a very long time, and fortunately had compassionate, generous landlords who forgave a month's rent. When I told him about their gift, he got tears in his eyes and was so grateful. He found another job and we moved him to a cheaper place. But he had earned that kind of assistance through many

years of great history. Joyful exceptions that are rewards for good behavior are the best way to get the feel-good while rewarding positive histories and relationships.

What creates healthy boundaries? Consideration, respect, reciprocity, honesty, and mutual accountability. I currently violate the rule against renting to family or friends and have my niece and her daughter living in one of my rentals. But, I set clear boundaries in advance, establishing separate relationships: niece/auntie and landlord/tenant. I hold her to the same standards and offer her the same responsiveness that I do to any tenant. She understands that if she doesn't pay the rent, she will have to move out or be evicted. She knows I love her to bits, but will not be manipulated into taking action contrary to my best interest. We haven't had a problem, largely due to her being a stand-up person, but also from clear boundaries set in advance. You should be so lucky. In these situations, it is the exception not the rule that these things work out to be mutually beneficial.

The point is that you need to set and defend clear boundaries in your relationships with your tenants, and when you choose to make exceptions, make sure that you are doing the choosing, and that the exception is made with intelligent forethought. Don't let yourself be pressured, cajoled or manipulated into contradicting your best sense. There's lots of great people out there who can be your renters, don't settle for the bad ones. And if one sneaks in, take action to protect yourself sooner rather than later.

This column offers general suggestions only and is no substitute for professional legal assistance. Consult an attorney for advice related to your specific situation.