

Guide to a Successful Rental 2023

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Introduction

Part of the mission of Narragansett 2100, Inc. is to provide a forum for landlords and property managers to share their thoughts, concerns and ideas to better improve the quality of life in Narragansett. In this regard, Narragansett 2100 also serves as a resource for landlords by providing information about what is going on in town.

We continue to receive many great comments and suggestions from our members and are reissuing this document of Best Practices for Landlords for 2023.

This guide is intended to provide both necessary information as well as suggestions you may want to consider to improve your rental experience.

Narragansett2100, Inc. makes no representation concerning the legality or effectiveness of these suggestions offered by landlords and property managers. The contributors simply wish to share their experience in dealing with tenants and educate other landlords on protecting property and neighborhood quality of life.

One of the most important aspects of renting property is the rental lease. It protects both the landlord and the tenant. For those who do not use a property manager or rental agency to manage the property, we have reviewed leases from realtors and provided some important items for you to consider including in your own lease. If you do not want to interact with students, it is best to hire a local property manager or rental agency to do this for you.

In Appendix 2, we have provided the benefits of using a local property manager or rental agent along with a listing of those who are local to Narragansett. The most successful rentals are when the owner is involved and engaged with the students. Be a responsible landlord.

<u>SECTION I – REGULATIONS, LEASES AND ORDINANCES</u>

Rental Registration Requirements & Regulations

- 1. You must complete a Narragansett Rental Registration form each year. Go to www.narragansettri.gov, click on departments, building inspections and rental registrations and the form is the first link. This form is due by August 31st of each calendar year. If you miss the deadline, you will incur a \$300 fine.
- 2. If you live outside the state of Rhode Island and own rental property within the state, you are required to complete a form to designate a local agent. The form can be found at http://sos.ri.gov/documents/business/misc/34-18-22.pdf. It should be mailed to the Narragansett Town Clerk, Narragansett Town Hall, 25 5th Ave., Narragansett, RI 02882.
- 3. If you rent your property for less than 30 days, your property is considered by the state of Rhode Island to be a "short term rental" or STR. If you host your property on a 3rd party listing site such as Air BnB, VRBO, etc., you must register as a STR with the state. The following link provides more information along with the required registration form. https://dbr.ri.gov/real-estate-and-commercial-licensing/short-term-rentals
- 4. If you rent your property for less than 30 days and collect the income yourself, you need to register with the state, file an annual report and submit 7% Rhode Island state sales tax and 1% hotel/motel tax on your rental income. This tax must also include the income collected for cleaning and pet fees. Use the following link to review questions and answers about the law and how to obtain the application you need to submit your payments. http://www.tax.ri.gov/Tax%20Website/TAX/notice/Short-term%20residential%20rentals%20--%20FAQs%20--%2007-24-15%20revised.pdf.
- 5. The state of Rhode Island requires all owners who rent residential dwelling units to obtain a general liability insurance policy with minimum coverage of \$100,000 to cover injuries within the dwelling or on the property as a result of the landlord's negligence. Landlords are required to provide a copy of the declaration page to all tenants.
- 6. Ensure that your rental home meets all town regulations. All bedrooms must meet fire codes in terms of egress, and the home must have adequate smoke and CO detectors. Check the expiration date of the alarms. This is not only for liability, but also to provide a safe environment for your tenants. Any questions about alarm requirements should be directed to the Fire Marshal at 401-789-1000.
- 7. A Narragansett town ordinance requires a copy of the page of the lease which identifies the renters as well as copy of the completed rental registration form along with a list of town ordinances be posted next to the front door. A list of ordinances can be obtained by calling the Building Inspector's office or visiting the town's rental registration page at https://www.narragansettri.gov/82/Rental-Registration.

8. Review the list of applicable ordinances with the students. They will be enforced. See Appendix 1.

Beware of Scams

Some landlords who have advertised their rentals online fallen victim a scam where pictures of their house along with rental details have shown up on Craigslist without their knowledge. The scammers pretend to be the landlord and obtain payment for renting without the landlord's knowledge. The unsuspecting renter shows up at the home only to be told that it was not rented to them. To prevent this scam, consider marking your photos indicating you do not advertise on Craigslist.

It is highly recommended to hire a property manager to help manage your property and assist with abiding by all regulations and ordinances.

Winter Leases

- 1. All leases not provided by a property manager or rental agency should be reviewed by an attorney.
- 2. Have parents/guardians co-sign or guarantee the lease.
- 3. An important resource for landlords is the URI Off-Campus Housing webpage found at http://web.uri.edu/commuter-housing/. It contains a sample lease, information on scams, Narragansett codes and regulations along with information for students about town ordinances. This site also allows a landlord to advertise their home for a fee of \$75 for a 6 month period. Read the section on 'Living in South County' to see what URI shares with students about renting. It is informative and may provide ideas you want to emphasize.
- 4. Provide students with an "Initial Condition Checklist" where they can note any issues they find with the house. Request they return the completed form within 72 hours of move-in. This protects you at check-out against damages which students may claim were there when they checked in. It also protects students at check-out for damages which were present when they arrived. Consider taking dated photos prior to student move-in.
- 5. Include the total value of the lease so students know that they are responsible for the full amount should any of them leave school before the lease expiration date. Even though one student may cause damage, all students on the lease are accountable. This is known as "Joint and Several Liability."
- **6.** Most realtors structure their lease to have students pay by semester instead of monthly to make it easier to collect payments. End the lease one or two days after graduation to prevent students from remaining at your property with nothing to do. Consider allowing them to move-in on Labor Day to allow extra time to settle-in before classes start.

- 7. Identify all tenant activities which you prohibit in, and around, your home and those which would result in non-compliance of the lease. Items such as smoking, pets, parking on the lawn, candles, use of the fireplace, climbing on the roof, kegs, waterbeds, fraternity/sorority parties, etc. Use of fire pits are on the rise, so consider prohibiting them to avoid safety and liability issues. These restrictions will allow you to legally pursue non-compliance of the lease and subsequent eviction if necessary.
- **8.** When students apply for the lease, review the student's class level, major and GPA. Ask for references or names of past landlords and contact them. These steps can be a predictor of behavior. Review their social media accounts as well.
- 9. In the lease, highlight the specific times of the year when you will be inspecting the house (October, November, December, March, May). Also, allow access at any time by giving a 48 hour notice; immediately if emergency repairs are needed. If you can, drive by your house(s) on a regular basis. Choose Friday or Saturday nights along with special dates like Homecoming, Halloween, Greek Week, Cinco de Mayo, Senior Week, etc.
- 10. If your home has oil or propane gas service the students are responsible for, require they sign up for an automatic delivery plan to ensure that they do not run out of fuel and cause the pipes to freeze. If you don't specify a company, have them provide you with the name of who they choose. Ensure you have a service contract for your equipment to protect both the students and your property.
- 11. Many landlords are requiring students pay for a monthly cleaning service to clean the common areas. This will help maintain the condition of the house and provide you with a form of regular inspection. It also shows that you are serious about keeping your house neat, clean and in good condition. Even if you don't include this in your lease, consider paying for it yourself. It can save money in the long run.
- **12.** Include a clause under 'fees' which indicates that if the landlord is fined by the state or town for any ordinance violation, the fees will be passed on to the students.
- **13.** Consider implementing a fee if the students are issued a formal police report or are served with an Orange Sticker by the Town. Municipal fees currently only apply to the issuance of a second Orange Sticker.
- **14.** Put a clause in the lease stating that if an orange sticker is received or if there is action by URI., you reserve the right to void the lease and keep all deposits.
- **15.** Include a clause in the lease stating that if, upon inspection, the house needs to be cleaned, you can have it cleaned at the tenant's expense.

Summer Leases

- 1. Include in your lease the 7% RI sales tax and the 1% hotel/motel tax which is applied on the rental amount. This 8% tax must be applied to cleaning fees as well as pet fees, if applicable to your rental. Refer to "Rental Registration Requirements & Regulations" at the beginning of this document.
- 2. Make sure you register with the state if you are an out of state landlord. If you do live out of state, you must designate an in-state rental agent.
- 3. If you rent your property for 30 days or less and do not use a rental property manager, you must apply for a sales tax permit from the RI Division of Taxation and file sales and hotel/motel tax returns monthly. If your rental property manager collects the rent, he or she is responsible for remitting sales and hotel/motel taxes.
- 4. Make sure that an adult signs the lease and will be living in the house. We are aware of instances where an adult signed the lease and allows minors to live in the house. This creates a potential liability with underage drinking. If the adult isn't going to live in the house, be vigilant. Ask the renters in the application process to tell you more about their group.
- 5. Summer problems often involve overcrowding, loud noise and property damage. In your lease, be sure to include any restrictions you want to enforce such as pets, smoking, RVs, boats, parking on the lawn, fireworks, fire pits, etc..
- **6.** Collect a security deposit.
- 7. During the summer when activities are outdoors and when more owners occupy their homes, there is an increased concern in the neighborhoods about loud noise. Emphasize with your tenants they need to respect the neighbors and the neighborhood.
- **8.** Summer renters should be informed of the town ordinances, since they can also receive an orange sticker. See Appendix.
- **9.** Renters prefer free wireless internet, cable, HDTVs, air conditioning, queen size beds, gas grills, beach chairs and toys. Providing these items will increase the attractiveness of your rental.

NOISE CONTROL (Neighborhood Quality of Life)

Be in touch with police if there is a problem or a complaint about your property. Let them know you want to work with them and find out what they need from you. Be sure they have your contact information or that of your property manager. Make sure you and your property manager are on the same page regarding expectations if a problem arises.

<u>SECTION II – MAKING YOUR HOME AN ATTRACTIVE RENTAL</u>

Tips for Renting to Students

Remember that you are competing for the student's rental business. Students always look at several houses before they make their final decision. The houses in the best condition will rent first. A well-maintained house has the best chance to stay that way.

- 1. Charge tenants for the 9 months of in-yard trash pick up to eliminate tenants forgetting to take their trash to the curb. Provide fenced in areas of corrals for garbage bins with attached lids to prevent animals and unsightly trash on your property. You can be cited by the town for trash left on the lawn. Provide recycle bins marked with your address.
- 2. Provide a fully furnished home including an ample supply of dinnerware, glassware, pots, pans and cooking utensils in good condition. Consider leaving small appliances for students such as a microwave, toaster, toaster oven, coffee maker, blender, beater, Keurig, etc. This will save students from purchasing these items and make your home more attractive to them.
- 3. Bedrooms should have mattresses in good condition along with lamps and bureaus. Queen size beds are always preferred. Consider placing your mattresses within a plastic encasement. Wooden beds and box springs are easily damaged, so consider using metal platform beds with 8 or 12 inch foam mattresses as an option.
- 4. Provide a vacuum cleaner, brooms, mops, dust pans, cleaning supplies, light bulbs & snow shovels. This will encourage cleaning and proper maintenance by the students.
- 5. Use semi-gloss or eggshell wall paint as it is easier to clean and usually won't be pulled off with tape. When painting bathrooms or rooms prone to dampness, use paint designed for that purpose, or mix a mildewcide additive into the paint.
- 6. Connect bathroom fans to the light switch to make sure fans goes on and eliminates the moisture. Direct the students to leave the fan on for at least 15 minutes after showering to help remove any remaining moisture. Ensure your bathroom fan empties the air outside and not into your attic, basement or crawlspace.
- 7. Ensure the caulking around the tub & shower is in good condition to prevent leaks. Check all tiles to be sure they are secure. If you have moldy caulk around the tub or shower, replace it. Also ensure you leave clean shower curtains, if applicable, upon move-in.

- 8. Make repairs quickly as needed as it shows you care about your tenants and your home.
- 9. If tenants or guests tend to park on your lawn, install large rocks or fencing to stop the activity.
- 10. Provide modern, functioning smoke and carbon monoxide detectors. Replace batteries every year and leave extra batteries for students. Replace smoke and CO detectors every 10 years or as directed by the manufacturer.
- 11. If you replace a refrigerator, consider not purchasing one with a water and ice dispenser. The water line may break or leak without being detected.
- 12. If your home has pipes prone to freezing, insulate the pipes, consider relocating them, or get heat to the area.
- 13. Make sure renters know the location of the main water shut off valve, cable connections, circuit breakers and fire extinguishers. Leave a diagram noting these along with any additional things you want them to keep in mind. Examples of additional items include emptying the dryer's lint filter after each use and reminding them to use the proper detergent if you have a high-efficiency washer.
- 14. Most landlords leave additional TVs for students as an added benefit. If you decide to do this, consider hanging them on the wall so they won't get knocked over.
- 15. Do not use pedestal tables as they easily break or be tipped.
- 16. Provide locks on bedroom doors to provide the students extra security and help eliminate items being potentially stolen by guests.
- 17. Do not use lawn furniture with glass tops. Neatly store the furniture in the winter.
- 18. Include a list of things students should do during school breaks such as:
 - a. Leave an indoor light on a timer to avoid a completely dark home.
 - b. Do not set the thermostat below 60 degrees.
 - c. Make sure all doors, windows and garage doors are locked.
 - d. Remove computers and other valuables.
 - e. Throw away all perishable food items and empty all trash containers.
 - f. Unplug TVs, small appliances and computers in case of a power surge.
 - g. If oil or propane is used for heat, make sure the tanks are full.
 - h. Remove holiday decorations to avoid fire risk.
 - i. Ask neighbors to keep an eye out on your house.

- 19. Post a list of expectations on the refrigerator or on the back of an entrance door. Describe what behavior is not acceptable.
- 20. If you have a deck, post a sign limiting the number people allowed on it.
- 21. Install outdoor motion detector or timed lights to provide additional safety and security for your tenants and your house.
- 22. Drain outdoor shower pipes and put hoses away before winter to prevent freezing.
- 23. Post a "Welcome" note to students on the refrigerator which tells them about the house, includes important phone numbers and provides specific check-in instructions. (See Appendix 3)
- 24. Provide the students with an "end of year" notice informing them what steps they will need to do at year end and what steps you will take once they leave. (See Appendix 4)
- 25. Consider installing a remote-controlled thermostat or purchasing a SensorPush® temperature & humidity sensor to monitor the house. It will alert you when fuel runs out or if the boiler stops working.

Relationship Building with Students

- 1. Meet with the students when they sign the lease or when they move in. Go over your expectations and any unique details about the house that they should be aware of. Let them know that this is 'your' home and you expect them to take care of it as if it were theirs.
- 2. Provide your tenants with a house you would want to live in yourself. This means a clean and neat interior, good curb appeal, decent furniture, appliances, etc. If the house is a mess, it will be treated that way.
- 3. Be present on move-in day to meet students and parents. Make it known ahead of time you want to meet them and set a time.
 - a. Be personable and offer to assist with moving.
 - b. Walk through the house with the students and their co-signers to highlight important items (i.e. breaker panel, washer/dryer operation, thermostats & recommended winter heat setting, lids on garbage cans, garbage pickup days, etc).
 - c. If you have a locked room for personal storage, show them what's inside to not only help establish mutual trust, but also so they don't wonder.
 - d. Have a formal discussion during or after the walk through to establish mutual expectations. Refer to your house as your *home*

- e. Discuss your expectations from students including proper behavior, basic home maintenance and care, respect of neighbors and prompt communication with you or property manager regarding any issues, questions or concerns.
- f. Discuss expectations they should have of you as the owner, including prompt response to their questions or concerns, respect for their privacy and their right to have fun in a responsible way. Also, reinforce that you will not make unannounced visits. This is another good way to establish mutual respect and trust.
- 4. Leave documentation behind which includes the "important items" as mentioned above. Include garbage and recycling info, important contacts (your contact information, utilities, garbage), local parking ordinances, noise ordinances, etc. Put these in a checklist form and have them all initial it after you have reviewed it with them.
- 5. Treat students as mature individuals until they give you a reason not to. Always maintain a respectful and professional demeanor, regardless of the circumstance.
- 6. Post a list of the local ordinances including the procedure they should follow should a party get out of control. Include the police and fire numbers. Narragansett2100 can provide you with a refrigerator magnet which contains these items. Email Narragansett2100@gmail.com.
- 7. Parents are a wonderful resource when it comes to problem students. Call them with issues and consider starting the conversation with: "I'm not calling to complain, I'm calling for help."
- 8. Provide students with a move-out notice before final exams at the end of the school year (See Appendix 4 for a sample).
- 9. Should the students receive a police report or orange sticker, meet with them immediately and explain the consequences and the behavior you expect moving forward. Conduct an inspection of your house for damage. Go over the restrictions in and review the lease with them. Notify your property manager if you have one.

Relationship Building with Neighbors

- 1. Develop a relationship with your neighbors. Give them your contact information and allow them to contact you at any time with any questions or concerns. If they do, address their issues immediately.
- 2. Encourage students to introduce themselves to the neighbors shortly after move-in. Neighbors can be a great asset to you. Narragansett2100 provides "Hello Neighbor" cards which students can give to their neighbors providing their names and phones numbers. This encourages neighbors to contact students directly instead of reporting to the police if there are any issues. If you would like a "Hello Neighbor" card, email Narragansett2100@gmail.com.

3.	. Encourage students to solve any issues they have with neighbors directly, and notify you immediately of the issue and the outcome. Follow up with the neighbor.			

APPENDIX 1

Narragansett Town Ordinances

	<u>ORDINANCE</u>	<u>FEE</u>
1.	Disturbing the peace	\$500/person
2.	Being a public nuisance	\$500
3.	Urinating in public	\$500
4.	Public consumption of alcohol or possession of an open container	\$500
5.	Serving, providing or allowing alcohol (social hosting violation)	\$500
6.	Transportation of alcohol by underage person	\$500
7.	Second police visit to orange sticker home.	\$500/person
8.	Parking violations	Vehicle tow

APPENDIX 2

Benefits of Hiring a Property Manager or Rental Agency

What a property manager does:

- Interact with tenants, parents, URI officials, police officials, fire officials, and the building inspector if issues arise regarding your rental.
- Provides first line of defense with students and police to resolve issues quickly.
- Checks tenants in and out at the beginning and end of rental periods and communicates with them during the year.
- Collects all rental deposits and balances.
- Collects and submits all necessary RI sales and hotel taxes.
- Collects and administers security deposits.
- Arranges for expedited repairs/service using their vast portfolio of LICENSED & INSURED local services. This will only take place with owner consent.
- Physically inspects rentals each semester during the winter rental period.
- Coordinates cleanings between summer check in/out.
- Conducts property inspections in the summer rental period.
- Reports major issues/concerns to you.

Contact List of Property Managers

1. Ann O'Brien Realty, 196 Ocean Rd, Narragansett, RI	401-782-3900
2. Carty Realty, 128 Boon Street, Narragansett, RI	401-783-0044
3. Durkin Realty, 817 Pt. Judith Rd, Narragansett, RI	401-789-6659
4. Lila Delman, 41 Ocean Rd, Narragansett	401-789-6666
5. Narragansett Property Management, 140 Pt. Judith Rd, Narragansett	401-783-1155
6. Residential Properties, 750 Boston Neck Rd, Narragansett	401-783-2474
7. Sunrise Properties, 22A Pier Market Place, Narragansett	401-515-7700

APPENDIX 3

(Sample) Student 'Welcome Letter'

Welcome!

I hope you have a great school year. My house is yours to enjoy but also to respect. I expect that it will remain in its current condition when you leave in May.

Here are a few critical things to remember:

- 1. You must call RI Energy (800-322-3223) <u>before XX/XX</u> to put the electric service in your name. If you don't, it will be disconnected.
- 2. Call RI Energy (800-322-3223) <u>before XX/XX</u> to put gas service in your name. If you don't, it will be disconnected.
- 3. There is ample parking in the driveway for your cars so <u>DO NOT</u> park on the lawn or in the neighbor's driveway or lawn.
- 4. NO SMOKING IN THE HOUSE.
- 5. NO PETS ALLOWED.
- 6. Respect the neighbors. THIS IS YOUR CUMMUNITY TOO! I suggest you introduce yourselves to your neighbors.
- 7. Please re-read your lease about parties and penalties and associated fees. I have posted the town ordinances and fees on the front door for easy reference.
- 8. Please keep shower curtain in the tub to avoid damage to floor tile and ceilings in the rooms below. I recommend that you use a towel or floor mat on the floor.
- 9. If you hang things on the walls, please use removable adhesive. No nails or tacks allowed under any circumstances.
- 10. Keep the area outside the house clean and and keep trash lids on the cans. Neighbors will call the town building inspector should the area become unsightly. This may result in a fine.
- 11. Garbage pick-up will be on XXXXXXX from your side yard. Keep the barrels in their corral and bag all garbage. Put the blue recycle bin near the street.
- 12. A cleaning service will contact you to set up your monthly cleaning.
- 13. If you have any problems, please call your (property manager or owner if no property managers) at xxx-xxx-xxxx.

Enjoy the House!

APPENDIX 4 (Sample) End of Year Student Notice

IMPORTANT NOTICE-PLEASE POST

Good luck on your exams! As the semester comes to a close, here are things that you need to do before you leave in May.

- 1. If applicable, call RI Energy (1-800-322-3223) to take the gas service out of your name. (If oil or propane service, fill the tanks).
- 2. Transfer electric service out of your name into owner's name effective the last day you are there. RI Energy (1-800-322-3223). *Not for print: RI Energy/National Grid offers a "landlord account" which automatically reverts to the property owner when the student's disconnect. This eliminates the owner's need to ever call for connection/disconnection.*
- 3. Cancel your cable/internet service and return all equipment.
- 4. Clean all trash from the yard and from between the bushes. Charges may result if there is trash left behind.
- 5. Start to throw away extra rubbish each week. This will minimize the amount of trash the day you leave and avoids the potential of overflowing the cans.
- 6. Remove all personal items. This includes computer desks, bureaus, etc. You will be charged for removal and disposal fees for items left behind.
- 7. Return all furniture to the location you found it in September.
- 8. Return all house keys to [Property Manager].
- 9. After you leave, the house will be inspected. You will be provided with an itemized list of any issues such as missing light bulbs, excess trash, broken blinds, torn screens, holes in walls, etc.. The house should be left in the condition you found it when you moved in; less normal wear and tear.
- 10. As you approach graduation weekend, keep in mind the police will be extra vigilant enforcing town ordinances. Be responsible and respectful of your neighborhood.