

Lease Listings

I am looking for space for

with square feet from

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Leasing is Real Estate Licensed Activity. Before Starting Leasing Activities Consider...

- Does broker allow?
- Does agent's Independent Contractor Agreement allow?



Leasing vs Property Management

- Leasing activity: marketing property to find a tenant
- Property management: taking responsibility for the owner's property (e.g., resolving tenant issues)

NOTE: Broker policy and Independent Contractor Agreement may permit or prohibit property management



Handling Deposits

- Uncashed checks must be recorded in broker's trust log
- Cashed checks must be recorded in broker's trust log and deposited in broker's trust account
- Deposit checks delivered to owner or owner's authorized 3rd party intermediary must be recorded in broker's trust log



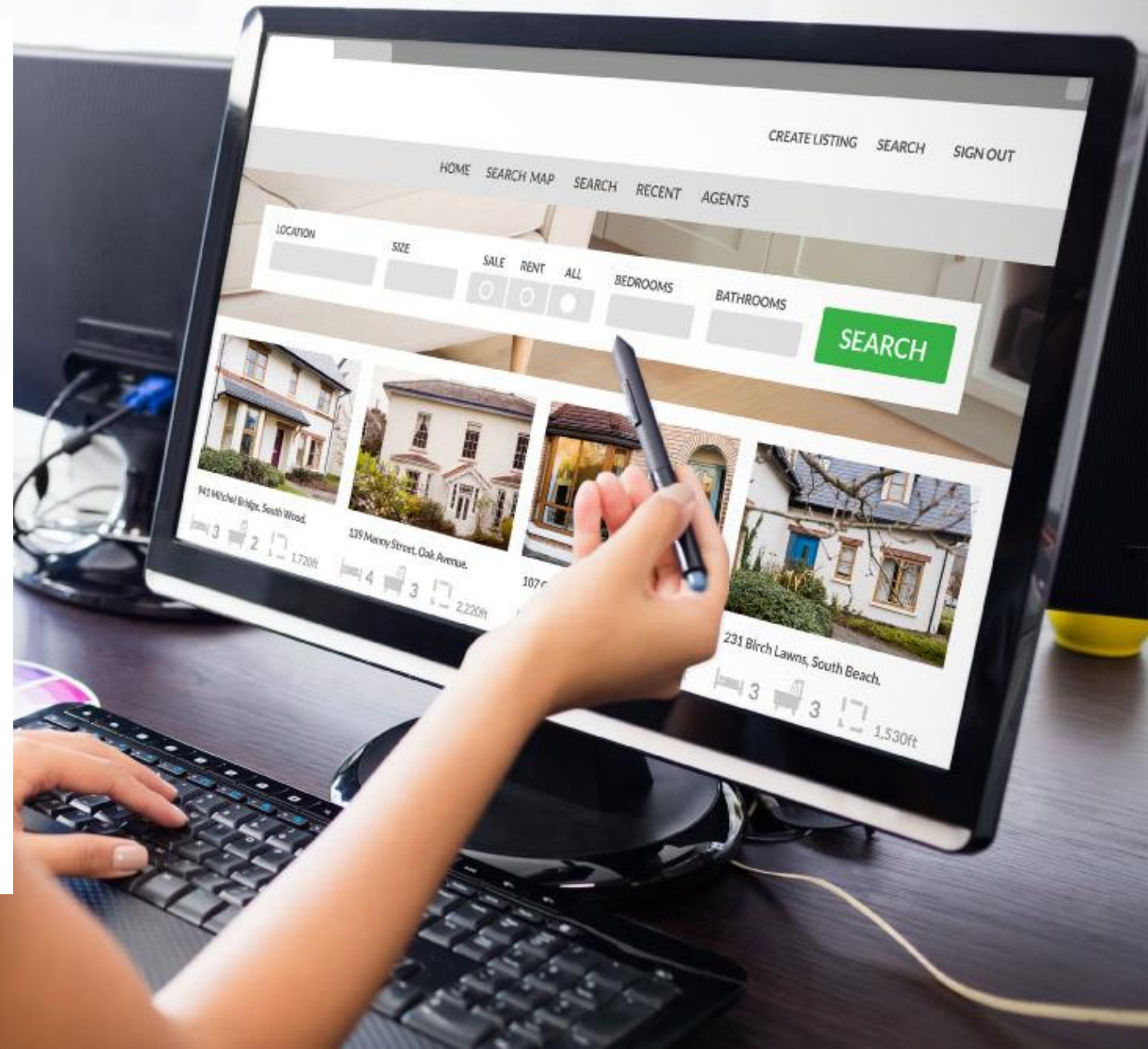


Tenant Screening Considerations

- Options: Direct review, owner review, third party screening
- Have written requirements and enforce equally
- Accept first qualified applicant (considering all at once risks discrimination claim)
- Distinguish animals: Service vs companion vs pet
- Fair housing rules

Multiple Listing Service

- Mandatory submission for residential 1-4 properties
- Voluntary submission for others
- Must include offer of compensation if submitted





Terms of the Listing

- Properly identify property or premises (1 unit among many). Any personal property, parking and/or storage included?
- Compensation: Different rates for fixed-term and month-to-month? Cooperation with other licensees? Compensation required if submitted to MLS

Withholding Requirements

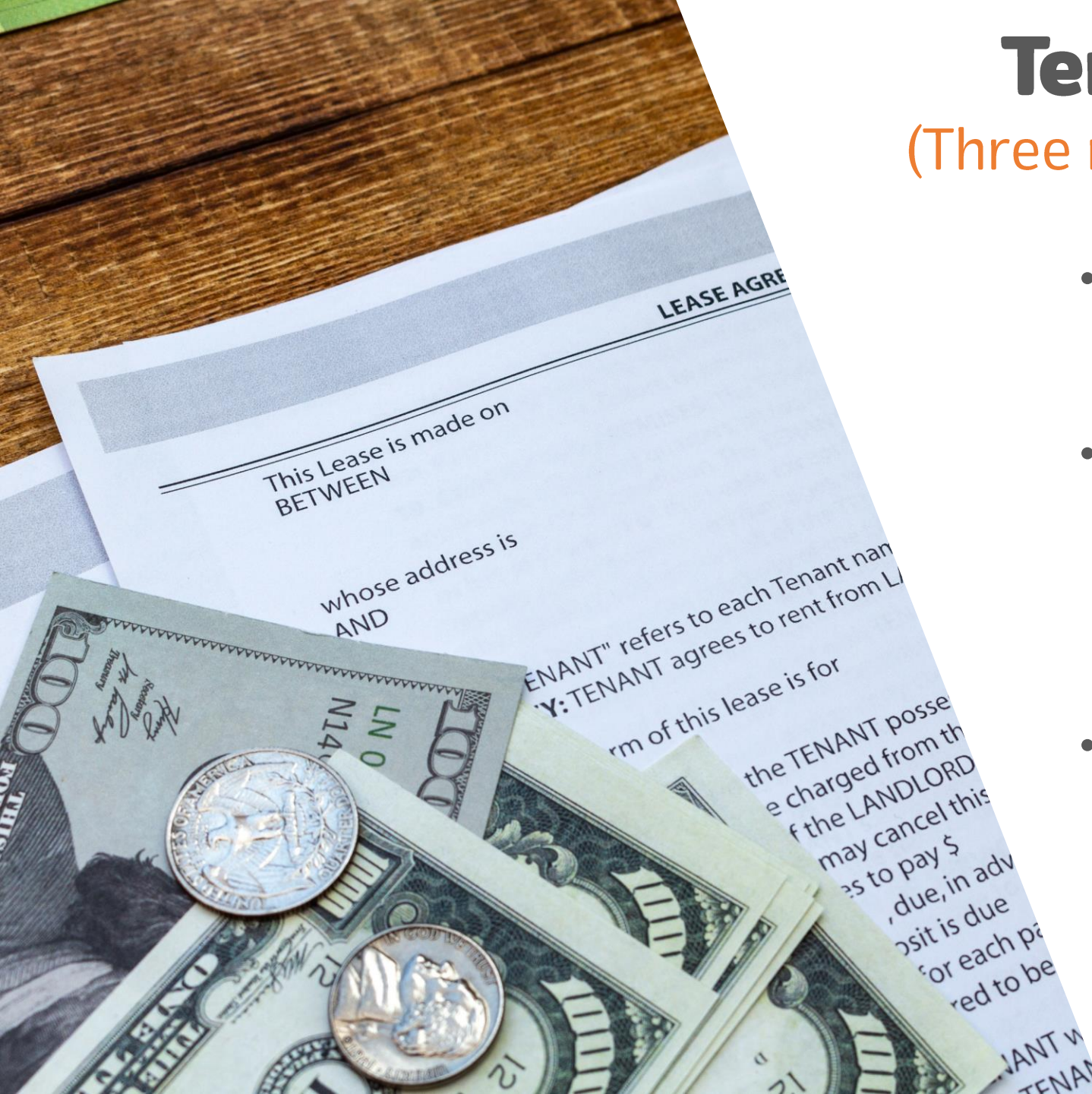


- CA requires 7% of gross payments of amounts collected over \$1,500 to Franchise Tax Board for non-residents (certain exemptions)
- Federal requires 30% of gross rental receipts to IRS for non-resident aliens (foreign owners)(certain exemptions)

Tenant Payments

(Three most common possibilities)

- One check to owner; collect compensation later
- One check to broker who then deposits, withholds, and sends balance to owner after deducting broker compensation
- One or two checks for broker compensation (1 to listing or 1 to listing and 1 to cooperating broker) AND one (or two) to owner for security deposit and rent



Showing and Prepping Property

- Ensure proper notice if tenant-occupied
- Distinguish between referrals to contractors and hiring contractors (don't become a contractor without proper license)
- If hiring contractors, contract should be in broker's or owner's name





Owner Disclosures More Extensive in Listing than in Lease

- Disclosures in both forms: Lead-paint, periodic pest control, meth contamination, bed bugs, water submeters
- Disclosure lease listing only: pool/spa drain, mold, asbestos, CO detectors, smoke alarms, water conserving plumbing fixtures, water heater
- If owner discloses non-compliance with items in (b), broker may have to disclose to tenant in the event of dual agency. If owner won't allow, broker may have to reconsider lease listing

Activities to Avoid (Unintentional Property Management and/or Agency)



- Helping tenant obtain repairs of premises
- Collecting rent
- Negotiating early termination
- Acting as “middle-man” for tenant and owner
- Hiring others for owner to fix/repair property

Additional Resources



C.A.R. LEGAL QUESTION AND ANSWER MEMORANDA

- [Foreign Investor Property Owner Withholding](#)
- [Lease/Rental Disclosure Chart for REALTORS®](#)
- [Nonresident Property Owner Withholding](#)
- [Landlord-Tenant Law: Pets and Service and Support Animals](#)
- [Property Managers & the Contractor's Licensing Law](#)
- [Requirements When Using Credit Reports/Scores to Screen Tenants](#)

C.A.R. Forms

- [Lease Listing Agreement \(LL\)](#)
- [Residential Lease or Month-to-Month Rental Agreement \(LR\)](#)
- [Application to Rent/Screening Fee \(LRA\)](#)
- [Property Management Agreement \(PMA\)](#)

C.A.R. COURSES; ONLINE

- [Fair Housing and Beyond](#)
- [PMC I: Residential Property Management](#)

QUICK GUIDE

- [Lease Listings](#)