

GOOD LANDLORDS



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Buyer Beware

By Gary Heath

Everyone, including landlords, is concerned about life safety. Damage to life or property is of paramount concern to any prudent investor. Most good landlords deal with maintenance issues immediately and take pride in their rental properties. However, recent changes in codes within many communities in our state points to a bleak future for many property owners and lower income housing tenants.

Lobbyist for the NFPA (National Fire Protection Association) and NFSA (National Fire Sprinkler Association) have been successful in encouraging many communities, including Maryville, Tennessee, to adopt the "Life Safety Code." The code targets not only new construction, but also existing properties.

With the Life Safety Code adopted, many property

INSIDE THIS ISSUE

Buyer Beware	1
My Thoughts on Good Landlords	1
October Meeting Details	2
Future Articles	4
Write Your Own Article	4
Submit Your Ideas	4
Contact Good Landlords	4

owners who felt protected from demanding new construction codes by the so called "Grandfather Clause" have a devastating, financial awakening looming just over the horizon.

One of my concerns, as an investor and a property owner, is the sudden impact these demands will have on the value of older properties within our communities. Maryville, alone, has hundreds of locations that can be affected by this single code.

Please see *Buyer Beware* on page 3

My Thoughts on Good Landlords

By State Senator Raymond

I first learned of Good Landlords of Blount County when Gary Heath asked me several months ago to come to your group to discuss property tax assessments. This issue was relatively easy to discuss, because property tax assessment is defined in Article II, Section 28 of the Tennessee Constitution.



Since that initial meeting, I have had contact with Gary and Bill Lyons on several occasions, and I have read your organization's informative Website, www.goodlandlords.com.

I wish we had more organizations like Good Landlords, in which persons engaged in a necessary business come together to study and understand applicable laws and to devise protective standards for themselves and their clients.

Please see *My Thoughts on Good Landlords* on page 2

October Meeting Details

By Gary Heath

With cooler weather finally arriving, Good Landlords is back to its informative meeting schedules.

In keeping with our annual opening meeting routine, Judge William Brewer has agreed to attend. Accompanying Judge Brewer will be Judge Dugan and Judge Gallegos.

We're honored to welcome the judges to our opening meeting. It is always a great opportunity to discuss issues that effect landlords and property managers in this open discussion.

My Thoughts on Good Landlords from page 1

I have relatives and friends who have owned rental property, and some of them tell of true horror stories of tenants who abused property and tenant contractual terms. With landlords trying to understand their rights and protect themselves from the beginning of rental relationships, all persons– landlords and tenants– should benefit.

The market for rental properties will only grow in most of eastern Tennessee. Many of our counties are fast-growing, desirable building sites are becoming less available and more expensive, and homes are more expensive and less affordable for many families. Rental properties become especially attractive options for younger and more transient persons and families. By providing rental properties, you fulfill a valuable need for our community and stimulate our economy.

Your tenants form a valuable part of our community. They work in our job market, pay taxes, and rear families.

You often are one of the first local residents our new neighbors moving into Blount County meet.

One of the important aspects of the opening meeting is to review any changes that may have occurred in the Uniform Landlord/Tenant Act since our last meeting. I hope everyone can attend.

October Meeting Date & Time
Tuesday, October 23, 2007
Blount County Library
6:30 pm

The relationship they have with you helps to set the tone for what it means to be a Blount County resident.

I hope every landlord takes to heart Jesus' teaching of the Second Greatest Commandment– how we are to treat our neighbors (Matthew 22:39): [Jesus said] “And [the second great commandment] is like [the first great commandment]: ‘*You shall love your neighbor as yourself.*’” If Good Landlords members– if all of us– treat each other with love and respect, how much more peacefully and honorably would be our lives.

Please know that I will try to help you to the best of my ability. I am presently preparing bills to introduce in the 2008 legislative session. If you have an idea for a bill, please contact me at www.finneylistens.com/law.html .

Again, thank you for all you do to strengthen Blount County's economy and to provide the security of safe and affordable housing for our citizens.

Buyer Beware from page 1

Although this is a complicated issue, I suppose the best way to describe its impact is to provide you with the following example of a case currently under appeal in Maryville.

Within the city limits of Maryville sits the 1930 construction of the Lane Hotel. Once, a plush accommodation for wary travelers, the property is now an eight unit apartment building for low income housing.

Most of the tenants receive housing rental assistance, prompting regular inspections by HUD. The property is well maintained and presents a nostalgic addition to the neighborhood adjacent to Maryville's historical district.

Last December, through no neglect of the landlord or defect with the property, one of the tenants caused a grease fire on his cooking range while cooking fried potatoes. Although the fire department was called, the fire was contained and out before the fire department arrived. Even though no damage was done to the apartment or the building, the event prompted a thorough inspection by the local Fire Marshal.

Quoting codes found in the International Fire Code, Life Safety Code, International Property Maintenance Code, and the City of Maryville Municipal Code, the landlord was ordered to bring the property up to codes normally reserved for new construction, or demolish the building.

One example of the dozen violations referred to in the letter from the Fire Marshal required the installation of a sprinkler system throughout the building. The Fire Marshal provided the landlord with a short list of qualified sprinkler contractors to contact. Although each contractor was called, only



Eight Unit Apartment Building on the Corner of Magnolia and Sterling Street in Maryville, Tennessee

three visited the property. Out of those, none were interested in providing a quote to the property owner until they received a call from the Fire Chief, and then, only one responded with a quote.

Normally, the cost for sprinklers, in new construction ranges from \$1.00 to \$1.50 per square foot, and in retrofit (existing buildings) up to \$2.00 per square foot. The square footage of this building is around seven-thousand feet. Therefore, the owner expected a quote in the \$15,000 range. When the quote finally arrived, after coaxing from the Fire Chief, the cost was \$58,000; astonishing.

I really don't know if we can do anything about these types of issues, but with hundreds of properties potentially facing enormous and unexpected cost or condemnation, it is certainly worth our effort.

The appeal on this particular case comes to a head on October 9, 2007, at 4:30 pm in the Council Chambers of the City of Maryville Municipal Building when the Construction Board of Adjustment and Appeals meets to consider the matter.

This is an open meeting and falls under the Sunshine Law. It will be advertised in the local newspaper, and concerned members of the community are encouraged to attend. As the landlord requesting this appeal, I hope you can be there.

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Future Articles for Members Include:

- Dealing with Evictions
- The Five Most Common Mistakes Landlords Make in Court
- Jazz it up! Collecting Top Rents for Your Property
- Collecting Bad Debts

We encourage every member to participate in this News Letter by submitting your articles of 400 to 500 words to Good Landlords.

In addition, if you have a particular subject you feel would benefit our members, please forward your ideas to gary@goodlandlords.com.

Thank you for being a Good Landlord!

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Member's Name
Street Address
City, ST ZIP Code