

Orlando Investment Properties

Advertising – Beware!

Spring 2007

You may think advertising is a simple issue. Just put together a few descriptive words and place an ad in a newspaper, on a bulletin board, or on the Internet. However, advertising becomes complicated when it leads to a case for **discrimination!** The Fair Housing Laws set the guidelines on what is unacceptable in advertising. Property owners who do not know the law can find themselves with legal problems.

There are three basic types of advertising – verbal, paper, and electronic. Paper includes newspapers, magazines, flyers, notices on bulletin boards, and more. With the power of the Internet, electronic advertising immediately spreads throughout websites. Verbal marketing can come from anyone who has knowledge and conveys that the property is available for rent.

The safest rule to follow in *any* advertising is to "*describe the property, not the person.*" If you follow the rule, you would avoid terms such as "singles, family, exclusive, executive, near church, great for joggers, etc." Terms such as these imply you only wish to place a certain type or class of people in the property. Substitute words such as "attractive, large, jogging trail, pool, tennis, bedrooms, bathrooms, many amenities, formal dining,

dishwasher, central heat, & air." These terms "*describe the property.*"

Here are examples of discriminatory advertising:

- Great for singles, 2 bed, 1 bath, pool & spa, \$750.00
- Executive home, near church, 3000 sq. ft., four bedrooms, three baths, three car garage, \$1800

A better way to advertise these two properties would be:

- Attractive, large, 2 bed, 1 bath, pool & spa, \$750
- Custom features, 3000 sq ft, 4 bedrooms, 3 bathrooms, 3 car garage, formal dining, \$1800

Verbal advertising - Beware

You may not think that talking with friends, co-workers, or family is advertising. However, when you relay information to any party, they may become your advertising medium if they discuss the property with other people. Here is an example of how discrimination can become a discrimination lawsuit with "verbal" advertising.

Marvin owned a two-bedroom property available for rent near his church. While attending a service at the church, Marvin discussed his rental with Betty, asking her to let people know his property was available and that

married couple, who did not have children. Betty went home and later that day relayed this information to her neighbor. The neighbor, Joan, informed her son, James, who was looking for a rental, that Marvin's property was available for rent. James and Mary, a black couple with one son, looked at the property and submitted an application to Marvin.

Marvin turned down their application despite the fact that they had good income, excellent rental history, and great credit. He rented to a white couple without children, who had poor credit and weak income. James mother then relayed to James the full conversation with Betty.

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"Outstanding Results"

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Are You Thinking of Buying or Selling?

If you are thinking of buying or selling, we can assist you. Just call and we will have an agent contact you to help you with your Real Estate needs. There is no obligation. Check out your property value today!


Looking for Management Elsewhere?

You or someone you know may need a property manager in other states. Because of our proud affiliation with NARPM, the National Association of Residential Property Managers, we have contacts throughout the country and may be able to assist you.

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James and Mary sued Marvin. The judge awarded monetary damages to James and Mary based on discrimination after Betty testified to the original conversation.

When you stop to analyze advertising, what is important to perspective tenants *is* the wording that describes the property. People searching the paper are looking for the number of bedrooms and baths, the amenities, type of parking, area, and of course, the rental price. The prospective tenant will decide if the area is what they want. Property owners should be looking at whether the prospective tenants are able to afford the property and will maintain it, rather than picking a "type" of person.

As your property management company, we know the Fair Housing laws that affect advertising. We will "describe the property" to attract and place a well-qualified tenant in your investment. 



IT ALL ADDS UP!

Here are tax deductions *normally related to residential rental property* . Be sure to consult your tax person or the IRS to verify the legality of any deduction.

- Interest – this includes mortgage interest and interest on credit cards for goods and services
- Depreciation – you can depreciate residential property over 27.5 years
- Insurance – includes fire, theft, flood, and landlord liability
- Employees/Independent Contractors – this includes wages for any work done on the property by an employee, such as a resident manager, or payments to independent contractors, such as plumber, roofer, painter, etc.
- Repairs - those that are ordinary, necessary and within reason
- Local Travel – you can claim expenses incurred while traveling for work related to your rental activity
- Long Distance Travel – includes airfare, lodging, and meals
- Casualty and Theft Loss - includes damage or destruction, such as flood or fire; how much loss may be deducted depends on your insurance policy
- Legal and Professional Services - includes fees paid to accountants, attorneys, property management firms, bankers/investment advisors, or any other professional service used to operate rental property.