BOGDAN NICOLAE RUS · REALTOR® · EXP REALTY

The Landlord's Guide

How to price, lease and run a rental in Hudson County and across New Jersey, and the rules that turn a good building into a problem when they are missed.

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VORBIM ROMÂNEȘTE

A NOTE FROM ME

Before you start, read this.

Owning a rental in New Jersey is a good business run by rules most owners learn the expensive way: the deposit you held in the wrong account, the increase the town would not allow, the eviction the judge dismissed because the registration was missing.

This guide is the checklist I go through with every owner before we list a unit, and the one I wish more of my clients had before they bought. Pricing, marketing, screening within the law, the lease, the money rules, rent control, repairs, and what to do when a tenant stops paying. It is specific to New Jersey and to the towns where I work.

I am a licensed REALTOR® with eXp Realty. I lease units for owners every month, I sell the buildings they are in, and through my concierge network I coordinate the trades that keep them running. English and Romanian.

Read it, then let's talk about your building.

Bogdan

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What is in here.

"A tenant who pays on time for five years is worth more than any rent increase. Everything here is about finding that tenant and keeping them."

Registration and certificates.

Three pieces of paper decide whether you can enforce your own lease in New Jersey. Get them before the first showing.

Landlord registration

Every residential landlord must file a Landlord Identity registration: with the town clerk for one- and two-unit buildings, with the state's Bureau of Housing Inspection for three or more. It names the owner, the managing agent and an emergency contact. You must give a copy to each tenant and post it. An unregistered landlord generally cannot win an eviction.

Certificate of occupancy or rental inspection

Most Hudson County towns require an inspection and a certificate each time a unit changes tenants, and some inspect periodically. Fees and timelines vary by town; some take weeks. Book it the day the old tenant gives notice.

Lead-safe certificate

New Jersey requires rental units built before 1978 to be inspected for lead-based paint hazards, at turnover and at least every three years, by a certified inspector or the town. You give the certificate to the tenant and keep it on file. Some towns run it through the rental inspection; some do not.

Smoke, CO and fire extinguisher

Working smoke and carbon monoxide detectors and a fire extinguisher, per code, at every turnover. It is the same certificate required for a sale.

Insurance

A landlord policy, not a homeowner's policy, with liability, and flood where the map says so. Require renter's insurance in the lease; it keeps small claims off your policy.

Price the unit for the tenant you want.

An overpriced apartment sits, and every empty month costs more than the extra rent would have earned. The right rent is the one that fills the unit in two weeks with a tenant who stays.

01 **Comparables, not wishes**

What similar units on your block actually rented for in the last 60 days, not what they were listed at. I pull them from the MLS and the portals and show you.

02 **What is included**

Heat, hot water, parking, laundry, outdoor space, a renovated kitchen. Each moves the rent; each is worth stating clearly in the listing.

03 **Rent control sets a ceiling**

If the building is covered by a rent-control ordinance, the legal rent is what the town says, and a vacancy may or may not reset it. Check before you advertise a number you cannot charge.

04 **The math of vacancy**

One empty month on a $3,000 unit costs $3,000. Pricing $100 above the market to "see" costs that month and rents to the tenant who could not get in anywhere else.

05 **Timing**

Most leases here start on the first of the month; list about five weeks before the unit is free, with photographs of the unit clean and empty, or staged if it is worth it.

Marketing and showings.

Photographs first

A clean, bright, empty or well-staged unit photographed professionally rents faster and to better tenants than the same unit shot on a phone with the old tenant's things in it. It is the cheapest money you will spend.

Where it goes

The MLS, which feeds Zillow, Realtor.com and the other portals, plus my own database of renters looking now, and the agents who represent them. A small owner listing on one site alone sees a fraction of the market.

The listing that screens

State the rent, what is included, the deposit, the move-in date, pets, parking, and the income and credit you expect. A clear listing gets fewer calls and better ones.

Fees

Who pays the broker fee is a market question and it changes. In a tight market tenants pay it; in a soft one owners do. I tell you what the block is doing right now.

Showings

Grouped into two or three windows, with the current tenant's cooperation and the notice the lease requires. I run them, collect the applications and give you a ranked list within a day.

Fair-housing rules apply to the ad

No "ideal for a single professional", no "no children", no "no vouchers". Describe the apartment, not the tenant.

Screening within the law.

You can and should screen carefully. New Jersey draws firm lines around how. Cross one and the best tenant in the world will not save the case.

What you can ask

Income and its proof, credit, rental history and references, employment, a guarantor, identity. A consistent standard, applied to everyone, in the same order.

Protected classes

Race, religion, national origin, sex, marital and family status, disability, sexual orientation, gender identity, age, and in New Jersey also source of lawful income, which includes housing vouchers. You cannot refuse a voucher holder because of the voucher.

Criminal history: the Fair Chance in Housing Act

New Jersey landlords may not ask about criminal history on the application or before a conditional offer. After a conditional offer, only certain convictions within set look-back periods can be considered, with an individual assessment and written notice. Get the state's form and follow it exactly.

Credit and income

A minimum credit score and an income multiple are lawful if applied evenly. For voucher holders, income tests apply only to the tenant's share of the rent.

Application fees and deposits

Application fees should reflect the actual cost of screening. Holding deposits count toward the security deposit cap.

Write it down

Keep the applications, the criteria, the order received and the reason for each decision. If you are ever asked why, the file is the answer.

The lease, and Truth in Renting.

Use a current New Jersey lease, not a form from another state. A lease can add rules; it cannot remove rights the law gives the tenant, and a clause that tries to is unenforceable and looks bad in court.

- [ ] **Every adult on the lease.** Names, the exact term, the rent, the due date, the grace period, the late fee. Most tenants have a five-business-day statutory grace period before a late fee applies.
- [ ] **The deposit, and the bank.** The amount, and within 30 days the written notice of the bank, account type, rate and amount, as the law requires.
- [ ] **Truth in Renting.** Landlords of buildings with more than two units, or non-owner-occupied smaller ones, must give each tenant the state's Truth in Renting statement and post it. Free from the DCA.
- [ ] **Utilities and services.** Exactly which are included and which the tenant pays.
- [ ] **Maintenance and small repairs.** What the tenant handles, within the warranty of habitability that stays yours.
- [ ] **Entry.** Reasonable notice, except in an emergency. Write the notice period in.
- [ ] **Renter's insurance, pets, smoking, subletting, guests.** Your rules, stated plainly.
- [ ] **Renewal.** How and when the lease renews, and how increases are noticed. Do not write in a right to non-renew you do not have under the Anti-Eviction Act.
- [ ] **Lead-based paint disclosure.** Federal and state forms for pre-1978 buildings, signed, with the pamphlet and your lead-safe certificate.
- [ ] **Flood-zone disclosure.** New Jersey now requires landlords to tell tenants whether the property is in a flood zone and whether it has flooded. Use the state's form.
- [ ] **Window guards and bed bugs.** The notices your town or the state requires, attached.
- [ ] **Registration statement.** Attached to the lease and posted in the building.

The security deposit: the rules.

New Jersey's deposit law is strict, the penalties are double damages plus fees, and the tenant can use it as a rent credit if you slip. Follow it to the letter and it never comes up.

The cap

One and a half times one month's rent, total, however you label it: "last month", "pet", "key". An annual increase in the deposit is limited to 10% and never above the cap.

The account

A New Jersey bank, an interest-bearing account, in trust, never mixed with your own money. Within 30 days of receipt, written notice to the tenant of the bank, the account type, the rate and the amount. Again when you move it, and yearly with the interest.

The interest

Belongs to the tenant. Paid yearly in cash or credited against rent, on the lease anniversary or on January 31 with notice.

Slip, and it becomes rent

Miss the notice or the interest and, after a written demand you do not answer in 30 days, the tenant may apply the deposit plus 7% a year to the rent, and you may not ask for another.

The return

Within 30 days after the tenancy ends, the deposit plus interest, less an itemized list of deductions, by hand or registered or certified mail. Damage beyond normal wear and tear and unpaid rent are deductible; repainting after a normal tenancy and ordinary wear are not.

When you sell

The deposit and interest transfer to the buyer, with notice to the tenant. The buyer is responsible for it either way; make the transfer part of the closing.

Rent, increases and rent control.

Increases at renewal only

Rent cannot change during a fixed lease unless the lease says so. At the end of the term, an increase requires ending the old tenancy and offering the new terms in writing with at least a full month's notice, more in some towns and leases.

Reasonable, always

Outside rent control a judge can still refuse an "unconscionable" increase. Tie increases to the market, document the comparables, and increase steadily rather than in one jump after years of nothing.

Rent control in Hudson County

Jersey City, Hoboken, Union City, West New York, North Bergen, Weehawken, Bayonne and others cap annual increases for covered buildings, typically to a cost-of-living index with a ceiling. Coverage turns on unit count, building age and owner-occupancy; many small owner-occupied buildings and newer buildings are exempt for a period. Check the ordinance and register if required.

Registration and the legal rent

Hoboken and Jersey City require covered landlords to register rents yearly, and Hoboken now asks for proof of rent received. Unregistered or overcharged rent can be ordered refunded. Keep the file current.

Hardship and capital improvements

Most ordinances allow an application for a larger increase to earn a fair return or to recover a major improvement. It is paperwork, it takes months, and it works when the numbers are real.

Late fees, grace, receipts

A five-business-day grace period for most tenants, a reasonable late fee stated in the lease, and a receipt for any cash. Accept rent by a method that leaves a record.

Maintenance, lead and inspections.

The warranty of habitability is yours and cannot be waived. Heat, hot water, plumbing, electricity, a sound roof, working locks, detectors, no infestation. Fix those fast and the rest is business.

01 **Answer in writing, the same day**

A tenant's repair request answered within hours, with a date, prevents the inspector's visit and the rent-withholding letter. Through my concierge network the plumber, electrician and handyman are licensed, insured and already scheduled.

02 **Heat season**

New Jersey code sets minimum temperatures in the heating season. Service the boiler in September, not in January.

03 **Lead-safe every three years**

Pre-1978 rentals: a lead-based paint inspection at turnover and at least every three years, a certificate to the tenant, and remediation if hazards are found. Some towns inspect; some require you to hire a certified inspector. Budget for it.

04 **Town inspections**

Rental certificates at turnover, periodic multi-family inspections by the state or town, fire inspections in larger buildings. Keep the certificates in one folder; buyers and lenders ask for them too.

05 **Entry with notice**

Reasonable notice for repairs and showings, immediate entry only in an emergency. Write the rule into the lease and keep to it.

06 **The inspector's report**

If a tenant calls the town, cooperate, fix what is cited by the date given, and get the re-inspection in writing. Retaliating against the tenant for the call is unlawful and hands them a defense.

When a tenant stops paying.

New Jersey evictions are court cases with rules, and the rules protect landlords who follow them. Self-help, changing the locks, cutting the heat, removing a door, is a crime here and ends the case for you.

A

Talk first, then write

Most late rent is a lost job or a family problem. A call and a written payment plan recover more money than a filing. Put any agreement in writing and keep to the dates.

B

Non-payment

No notice to quit is required for non-payment in most cases; you file a complaint in the county's Landlord-Tenant court. The tenant can stop the case by paying everything owed, including allowable fees, up to the day of trial. Bring the ledger.

C

Other good causes

Habitual late payment, lease violations, damage, disorderly conduct, an owner moving in: each needs a specific written notice to cease and then a notice to quit, with statutory timing, before you can file. Get the notices right or the case is dismissed and the clock restarts.

D

The registration and the certificates

The judge will ask. An unregistered building, a missing rental certificate in some towns, or a rent above the legal rent-controlled rent can end the case regardless of what the tenant did.

E

Judgment, warrant, lockout

If you win, a warrant of removal follows after a waiting period and only a court officer can carry out the lockout. Tenants can ask for hardship stays. Count on months, not weeks, and plan the cash flow.

F

Cash for keys

Often the cheapest and fastest ending: an agreement for the tenant to leave by a date in exchange for a payment and a clean reference. Done in writing, with a signed consent judgment, it is enforceable.

Use a landlord-tenant attorney for anything past a payment plan. The filing fee is small; the mistakes are not.

Turnover, and the numbers that matter.

The turnover checklist

- [ ] Notice received in writing; confirm the move-out date and the walkthrough.
- [ ] Book the town's rental inspection and, for pre-1978, the lead inspection.
- [ ] Photograph the empty unit with the move-in list beside you.
- [ ] Return the deposit with the itemized statement within 30 days, by the method the law requires.
- [ ] Paint, clean, fix, replace: the cheap things completely. A new bathroom fan and fresh grout rent an apartment; a broken buzzer loses it.
- [ ] Photograph the finished unit and list it five weeks before it is free.

Numbers to know

- [ ] **Gross rent** minus vacancy, taxes, insurance, water and sewer, common utilities, repairs, management and a reserve is your **net operating income**.
- [ ] **Cap rate** is that income divided by the building's value. It is how a buyer will price your building one day; know yours.
- [ ] **Reserves.** Set aside a share of rent every month for the roof, the boiler and the tenant who does not pay. The owners who struggle are the ones who did not.
- [ ] **Taxes and abatements.** Reassessments and expiring abatements change the number overnight. Appeal an assessment when the comparables support it.
- [ ] **Depreciation and the accountant.** A rental is a tax structure as much as a building. An accountant who does rentals pays for themselves.

Management, or doing it yourself.

Doing it yourself

Works for an owner who lives nearby, answers the phone, keeps a folder and has a plumber. The rules above are the job. Most small owners do it well until the second building or the first bad tenant.

What I do for owners now

Price, market, show and lease the unit; screen within the law; write the lease with the New Jersey riders; coordinate the turnover trades through my concierge network; and sell the building when the time comes.

A manager

Leasing, rent collection, tenant calls, maintenance dispatch, accounting and the annual registrations, for a share of the rent. Worth it when you are out of town, out of time, or when a mistake would cost more than the fee.

Property management, launching

Full management under House of Rus is launching, in partnership with an operations platform so you see every unit, lease, ticket and dollar in one place. Ask me where it stands; until it is live I will tell you honestly who to use.

Whoever manages, the registrations, the deposit account and the certificates stay the owner's responsibility in the eyes of the law. Check them once a year.

Who you will meet.

Me, your leasing agent
Pricing, marketing, showings, screening, the lease and the turnover trades. English and Romanian.

The town clerk and rent leveling office
Landlord registration for small buildings, rent-control registration and the legal rent.

Bureau of Housing Inspection (DCA)
State registration and inspections for buildings of three or more units.

The town's rental and code inspector
Certificates at turnover, and the visit when a tenant calls.

A certified lead inspector
The three-year lead-safe inspection for pre-1978 units, where the town does not do it.

A landlord-tenant attorney
Notices, filings and anything past a payment plan.

Your accountant
Depreciation, expenses, the 1031 exchange when you sell, and the entity that holds the building.

Your insurer
A landlord policy, liability, flood where required, and a renter's-insurance requirement in the lease.

The trades
Plumber, electrician, boiler tech, painter, handyman, cleaner. Licensed and insured through my concierge network.

The county Landlord-Tenant court
Where a filing goes, and where the registration and certificates are checked before anything else.

NEXT STEP

Let's price the unit.

Send me the address and the move-out date and within 24 hours you have the comparable rents on your block, what I would list at, and the turnover checklist for your town. Free, no obligation. If you are thinking of selling the building instead, the same call covers that.

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