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Spring Cleaning for Landlords: Cost Saving Tips in Light of Winter Woes



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Reduce Damages

Have recent winter blasts damaged your property? As the ice and snow begin to thaw, having your property inspected by qualified experts is key to reducing damages. For example, are there problems with the roof, pipes, buildings or common areas? If there are problems, such as leaks in the roof, potholes in the parking lot, or broken curbs, what are the best solutions and who should pay for those solutions? Before you can answer that question, it is vital to immediately assess and document the damages so that you can find a solution to address any problems caused by the arctic blasts.

Trim Repair Costs

In addition to understanding damages, it is important to review your documents to understand your rights and responsibilities, compared with your tenant, contractor and/or insurance carrier. For example, reviewing your leases, insurance policies, warranties and maintenance contracts can permit you to cut costs and reduce risks.

Can you cut costs by getting your contractor, tenant or insurance company to perform and/or pay for repairs? Can you recover costs by making claims for damages and expenses? Can you recover lost rents? It is critical to review documents to avoid hidden landmines that can hurt you, such as deadlines to give notice and file claims.

Cut CAM Costs

Big snowstorms result in big snow plowing bills. Contractors that removed and treated enormous amounts of snow and ice have submitted huge bills. Although some landlords have leases that contain clauses permitting them to pass certain bills along to tenants as part of common area maintenance (CAM), landlords need to be careful to maximize recovering from tenants the costs of snow and ice removal.

One way for landlords to cut CAM costs associated with snow and ice removal is to review, negotiate and reduce those costs to the extent possible, especially if they are not permitted, or are unreasonable under the applicable contract or agreement. This is important for three reasons. First, some landlords may be prohibited from recovering reimbursement for big bills by limits in leases, such as caps on CAM or language requiring bills to be reasonable. Second, even if the lease language does not limit the landlord, a court may limit the amount that the landlord can recover from tenants. Third, even if the landlord can legally recover the additional CAM from tenants, such big bills can hurt the landlord's efforts to attract and retain tenants compared to other landlords with lower costs. Landlords also need to act quickly to give all notices and take all other steps needed to avoid losing rights and remedies under snow removal contracts, leases or applicable laws.

Appeal Real Estate Taxes

Big snow bills are also resulting in big increases in municipal costs, including increased bills for employees, overtime, equipment, salt and potholes. Are the upcoming increases in real estate and other taxes to pay for these big bills being appropriately assessed? A tax appeal can reduce your property costs and help you and your tenants survive and thrive. It can also add value by helping attract and retain tenants, giving you a competitive advantage over others paying higher taxes.

An experienced tax appeal attorney can help you lower costs and add value by properly evaluating and handling your case, and working closely with experienced real estate appraisers, municipal tax assessors and others. It is critical to call counsel quickly since failure to file a tax appeal or related documents at the appropriate opportunity can result in dismissal.

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