



Property Management Essentials:

Disaster Recovery – Part 3: Tenant Displacement

This report is a continuation of disaster recovery issues. Any type of disaster event can and do have different repercussions to both the landlord as well as the tenant. Depending on the nature of the situation tenant displacement is a common issue as a result.

It is important to note that there are several dimensions of this issue and who might be responsible for the expenses. There are several incidents that can displace tenants due to habitability issues and it's important as a landlord or property manager to be cognizant to the emotional toll it might have on the tenant and their family.

The most common reasons for why tenants might need to be relocated for a certain period of time is usually due to fire, water or natural disaster damage. Less common reasons are mold / toxic environments or HOA required repairs.



A homeowner should purchase individual insurance to cover such things. In a Condo that would be HO-6 coverage. Relocation costs are not something the HOA is generally responsible for, unless there is something in the governing documents that imposes the obligation. As for tenants, they can also get protection for relocation costs in their renter's insurance policies.

And any smart landlord will note in the lease that tenant is responsible to insure for such things, or the landlord will procure the insurance to cover the tenant so no one loses money if such an event arises. There are also public services available to help displaced tenants including a local church and the Red Cross.

It is important to be aware that in many situations the tenant will look to the homeowner or property manager to be at fault and want them to assume all responsibility, liability and accountability for their family's well-being moving forward. In most cases, with the proper insurance in place, the homeowner or property manager will not have to pay for displacement expenses.

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Key Topics

- *Kinds of situations that may cause displacement*
- *Other services*
- *Expense responsibility*
- *Proper insurance*