

Prepared by Dr. Weam Nasan Agha

REA619
Property and Facilities Management

Lecture 6



Real Estate Management

Lecture 6

REA619

Property and Facilities Management

Prepared by

Dr. Weam Nasan Agha

Recap-Lecture 5

Lease Life Cycle *(3) Lease Administration *

Tenant Relationship Management

Concept & Objectives

Relationship-Building Methods

Tenant Retention Programs

Problem and Conflict Resolution

Key Performance Indicators (KPIs) of Successful Tenant Relationship Management

Lease Life Cycle *(4) Lease Expiration / Termination*

Rules for Terminating a Tenancy

Lease Life Cycle *(5) Post-Lease (Recovery & Re-letting)*

Recovering Possession of Property

Pre-expiration inspection

Post-Move-Out Inspection

Return (or Deduction from) Security Deposits

Recap-Lecture 5

Lease Assignments & Subleases – Key Concepts

Concept

Types of Leasehold Interest Transfer

Types of Restriction-on-Transfer Provisions

Reasonable vs. Unreasonable Refusal of Consent

Absolute Prohibition Clause vs. Cancellation (Recapture) Clause

Comparative Roles During the Lease Transfer Stage

Options and the right of first refusal to buy

Concept

Option to Buy vs. Right of first refusal to buy

Conditions for the Validity of the "Option to Buy"

Activation of the Right of First Refusal (ROFR)

Option to Renew vs. Option to Extend

Practical Examples

* Contents *

- ❖ Tenant Leasehold Improvements
- ❖ Implied Warranty of Habitability
- ❖ Responsibility for Defective Building Components
- ❖ Landlord Liability for Dangerous Activities On-Site and Off-Site
- ❖ Fire Safety Programs

Tenant Leasehold Improvements

Tenant improvements are the improvements made to a rented property to meet the needs of the occupying tenant.

When a commercial tenant makes **significant improvements** to a leased property (such as building walls, installing HVAC systems, or changing flooring), **a crucial legal and financial question arises:**

Who owns these improvements upon the expiration of the lease? And does the tenant have the right to remove them?

Ownership of improvements made by the tenant in a leased property **varies depending on :**

✓ The nature of the improvements (permanent or removable)

✓ The terms stated in the lease agreement.

Tenant Leasehold Improvements

General Rule

Any **improvement** that is **permanently** attached to the property becomes **part** of the real estate at the end of the lease term, unless the lease specifically requires the tenant to remove the improvements and restore the property to its original condition.

	Permanent improvements = Real estate fixtures, become part of the property
--	--

	Temporary improvements or those unique to the tenant's business = trade fixtures, which the tenant may remove.
--	---

Tenant Leasehold Improvements

Types of Improvements and Their Legal Consequences

Type of Improvement	Definition	Examples	Ownership at Lease Expiration (unless the lease states otherwise)
Real Estate Fixtures	Permanent improvements that are physically attached to the property and become part of it.	Interior walls, fixed flooring, suspended ceilings, central HVAC systems, basic electrical and plumbing installations, built-in cabinetry.	Transfer to the landlord (Reversion)
Trade Fixtures	Improvements installed by the tenant that are unique to the operation of their business and not essential to the general use of the building.	Salon chairs, large mounted mirrors, dialysis equipment in medical clinics, retail display shelving, manufacturing equipment.	The tenant has the right to remove them, provided removal does not cause substantial damage to the property.

Tenant Leasehold Improvements

The **lease agreement** is the governing document that determines the fate of tenant improvements.

Tenant improvements are classified based on the **type of contractual obligation** into Mandatory Improvements and Permissive Improvements.

Type of Contractual Obligation	Definition	Examples	Consequences of Breach
Mandatory Improvements	Improvements that the lease requires either the tenant or the landlord to perform as an essential part of the lease agreement.	• Tenant required to install specified flooring. • Landlord required to construct internal partitions or install ventilation systems.	If the tenant fails to perform: The tenant is considered in breach of the lease and is liable for the cost of completing the improvements, and may face penalties or possible lease termination. If the landlord fails to perform: The tenant has the right to terminate the lease or seek compensation for damages.
Permissive Improvements	Improvements that the tenant is allowed but not obligated to carry out.	• Decorative upgrades. • Installation of removable interior partitions. • Installation of special lighting fixtures.	Failure to perform does not constitute breach. However, if such improvements cause damage to the property, the tenant is responsible for repairing the damage.

Tenant Leasehold Improvements

A commercial lease typically includes a clause called the **Further-Improvement Provision**.

This clause is the **primary tool** used by the landlord and tenant to define their respective rights and obligations. This clause needs to clearly address the following points:

(1) Who will carry out the improvements (the landlord or the tenant)?

(2) Who will bear the cost of the improvements?

(3) A requirement for the tenant to obtain the landlord's prior approval before starting any work.

(4) How to handle mechanic's liens resulting from contractor work?

(5) The condition of the property at the end of the lease and whether the improvements will remain or must be removed.

Tenant Leasehold Improvements

Clause	Definition	Obligation at Lease Expiration	Examples	Notes
Restoration Clause	Grants the landlord the right to require the tenant to remove improvements and restore the property to its original condition at lease expiration.	If the landlord requests restoration, the tenant must remove improvements and restore the property, otherwise the tenant bears the cost incurred by the landlord.	Tenant installed interior walls or HVAC system; landlord demands removal at lease end.	Gives the landlord authority to determine what must be removed.
Surrender Clause	Requires returning the property in "the same condition as received by the tenant, subject to ordinary wear and tear."	Typically, the tenant is not required to remove permanent real estate improvements, but may remove trade fixtures.	Tenant leaves permanent improvements such as flooring or ceilings; removal not required unless trade fixtures.	Focuses on general condition of the property with normal wear; landlord cannot compel removal of improvements.

Tenant Leasehold Improvements

Advanced Risk Management: Mechanic's Liens

One of the **most significant financial risks** a landlord faces when a tenant makes improvements to the property is a **mechanic's lien**.

Mechanic's Lien is a legal right granted by law to a contractor or supplier to place a lien on the property to secure payment for labor and materials provided to improve the property.

Who bears the responsibility?

	Typically, the lien affects only the tenant's leasehold interest and does not attach to the landlord's ownership of the property.
--	--

Tenant Leasehold Improvements

Advanced Risk Management: Mechanic's Liens

When does the lien extend to the landlord's property?

Mandatory Improvements

If the improvements are mandatory under the lease, the tenant is considered the landlord's agent for making the improvements. In this case, the lien attaches to the landlord's property even if a Notice of Non responsibility has been posted.

Failure to take preventive action

If the landlord becomes aware that improvements are being made and fails to post and record a Notice of Non responsibility within 10 days, the lien may extend to the landlord's property.

Tenant Leasehold Improvements

Advanced Risk Management: Mechanic's Liens

Notice of Non responsibility:

A legal document the landlord must:

- Post in a conspicuous place on the property.
- Record with the county recorder within 10 days of learning about the improvements.

Purpose	

Tenant Leasehold Improvements

Advanced Risk Management: Mechanic's Liens

Landlord Protection from Mechanic's Liens

Action	When it Protects the Landlord	When it Does Not Protect the Landlord
Post and record Notice of Non responsibility	Protects the landlord when improvements are permissive	Does not protect the landlord when improvements are mandatory
Deadline	Must be posted and recorded within 10 days of the landlord first learning of the improvements	

For mandatory improvements, the tenant is considered the landlord's agent, and the lien attaches to the landlord's property.

For permissive improvements, the landlord can protect themselves by timely posting and recording the Notice of Non responsibility

Tenant Leasehold Improvements

Advanced Risk Management: Mechanic's Liens

Scenario	Legal Description
Permanent improvements attached to the land and walls	Become part of the real estate → ownership transfers to the landlord at lease expiration.
Improvements related only to the tenant's business operations	Tenant may remove them (trade fixtures) without causing significant damage to the property.
Tenant refuses to remove improvements upon landlord's request	Tenant is responsible for the landlord's costs to restore the property to its original condition.
Contractor not paid → mechanic's lien	If the improvement is mandatory , the lien attaches to both landlord and tenant; if permissive , posting a Notice of Non responsibility protects the landlord.

Implied Warranty of Habitability

The **implied warranty of habitability** is a fundamental legal principle which states that every residential lease automatically includes a promise from the landlord to provide a living space that is safe, healthy, and suitable for human habitation.

This warranty is **not optional**; it is a **mandatory legal obligation**, and it remains in effect even if the lease agreement attempts to waive or disclaim it.

The purpose of this warranty is to protect tenants, particularly in low-income areas, from landlords who might neglect the maintenance of their rental properties.

Implied Warranty of Habitability

**When is a
Residence
Considered
Uninhabitable??**

A residence is considered **uninhabitable** when it contains serious defects that directly affect:

- ☐ Health
- ☐ Safety
- ☐ The ability to use the property as a place to live

This is different from minor inconveniences or cosmetic issues

Implied Warranty of Habitability

The law sets **minimum standards** that must be present in any residential property to be considered habitable, including:

- ☐ **Protection from Water and Weather** :A roof and exterior walls that prevent leakage, Intact windows and doors that keep out wind and rain
- ☐ **Plumbing and Gas Systems**: A functioning sewage disposal system, Safe and properly connected gas lines
- ☐ **Hot and Cold Running Water**: A system that provides both hot and cold water continuously, Proper connection to the sewage system
- ☐ **Heating Facilities**: A working heating system, especially in cold climates
- ☐ **Electrical Lighting and Power**: Safe electrical wiring and fixtures without exposed wires
- ☐ **Safe Floors and Stairways**: Structurally sound floors, Secure stair railings

Implied Warranty of Habitability

Condition	Explanation
Uninhabitable	No hot water, rodent or insect infestation, blocked sewage pipes, exposed electrical wiring, cracked or collapsing roof or walls
Minor Inconvenience (Not a Breach)	A slowly dripping faucet or a window that needs minor adjustment

This clarifies that a breach **occurs only** when a defect threatens health, safety, or the tenant's ability to live in the residence, **not when** there are minor issues that do not meaningfully affect daily living.

Implied Warranty of Habitability

Tenant's Remedies and Rights When the Warranty of Habitability Is Breached

Remedy / Right	Explanation	When to Use / Important Notes
Rent Reduction (Rent Abatement)	The tenant may remain in the unit and pay a reduced rent amount determined by the court based on the severity of the defect.	Used during litigation or as a defense in an Unlawful Detainer (UD) case. The court determines the fair reduced rent.
Repair and Deduct	The tenant repairs the defect and deducts the cost from the rent.	The cost must not exceed one month's rent , and this is appropriate only for minor and repairable issues .
Rent Withholding	The tenant temporarily stops paying rent because the unit is not habitable, then uses this argument as a defense in court.	Legally risky unless the unit is clearly uninhabitable . Proof is required to avoid liability.
Constructive Eviction	The tenant permanently leaves the unit due to uninhabitable conditions and may sue the landlord for damages.	Used when the defect is substantial and makes continued living unsafe or impossible.

Implied Warranty of Habitability

Tenant's Remedies and Rights When the Warranty of Habitability Is Breached

Remedy / Right	Explanation	When to Use / Important Notes
Defense in Unlawful Detainer (UD Defense)	If the landlord files an eviction lawsuit for nonpayment, the tenant may argue that the unit was not habitable.	Often results in: continued occupancy + rent reduction + landlord ordered to repair.
Additional Damages	The tenant may claim compensation for property damage, relocation costs, or emotional distress when severe negligence or bad faith is proven.	Applies in serious cases or where the landlord knowingly ignored hazards.

Implied Warranty of Habitability

Court-Determined Rent Abatement

To calculate **the fair rent** during the period in which the defect existed, the court applies several factors to determine the appropriate percentage reduction, including:

- (1) The portion of the unit affected by the defect.
- (2) The duration of time the tenant was exposed to the defect.
- (3) The level of inconvenience or disruption caused..
- (4) The seriousness of the defect and its impact on health and safety.
- (5) The extent to which the defect interferes with the tenant's ability to use the unit as a residence.

$$\text{Reduced Rent} = (\text{Contract Rent}) \times (\text{Habitability Percentage Determined by the Court})$$

Implied Warranty of Habitability

Tenant's Duties

A tenant may not stop paying rent without prior notice. The tenant must:

- ✓ Provide the landlord with written notice of the defect or unhealthy condition.
- ✓ Allow the landlord a reasonable amount of time to make the necessary repairs.

Consequence of Breach:

If the tenant causes the damage (for example, a water leak develops and the tenant fails to report it, leading to damage to the flooring), the tenant loses the right to claim a breach of the implied warranty of habitability.

Implied Warranty of Habitability

- ❑ **The implied warranty of habitability** is the cornerstone of residential property management.
- ❑ **Prevention is better than cure:** a proactive maintenance system and regular inspections are the best strategy to avoid costly disputes and court cases.
- ❑ **Prompt response to tenant complaints regarding safety and health** is not merely a contractual obligation—it is a legal duty.
- ❑ **Documentation is crucial:** recording the condition of the unit at move-in and maintaining detailed maintenance and repair records can protect both the manager and the property owner in case of disputes.
- ❑ **Financial penalties can be severe:** reduced rent, along with compensation and legal fees, can make negligence extremely costly.

Responsibility for Defective Building Components

The **relationship between the landlord and the tenant** is built on the **obligation** to provide a property that is **safe** and **suitable** for **habitation** or **use**.

However, buildings contain numerous components and materials that are manufactured and installed by different parties such as producers, contractors, and suppliers.

Some of these components may contain hidden defects that neither the landlord nor the tenant notices until after they are used.

✓ **Who is responsible if such a defect causes injury or damage to the tenant?**

The landlord, because they are the one leasing the property

The manufacturer or supplier, because they produced the defective component?

Responsibility for Defective Building Components

Strict Liability vs. Negligence

Strict liability is a legal doctrine that holds a party financially responsible for damages caused by a defective product **without the need to prove fault or negligence** on the part of that party.

Who bears strict liability?

Manufacturers:

Because they place the product into the market knowing it will be used without being inspected for defects.

Distributors and Retailers:

They are part of the stream of commerce and are in a position to influence the manufacturer to ensure the product's safety.

Responsibility for Defective Building Components

Strict Liability vs. Negligence

Negligence :The failure to act with the level of care that a reasonably prudent person would exercise under similar circumstances.

Landlord's Duty of Care

A landlord owes a **duty of care** to all individuals who enter the property, including tenants, visitors, service workers, and even trespassers, except when the individual is engaged in a serious criminal act on the premises.

This duty requires **the landlord** :

- ✓ To reasonably **inspect the property** to ensure it is **free from hazards**
- ✓ To **repair or correct any dangerous condition** or defect that the landlord knows about or reasonably should know about through proper inspection.

Responsibility for Defective Building Components

Strict Liability vs. Negligence

When Does
Negligence
Occur?

Existence of a dangerous condition: For example, a broken stair step, exposed electrical wiring, or an unusually slippery floor

Landlord's knowledge of the danger: The landlord was informed by the tenant, or the condition was sufficiently obvious such that the landlord should have discovered it during reasonable inspection.

Failure to act : The landlord did not repair the hazardous condition within a reasonable period of time.

Injury: A person (the tenant, a guest, or even a member of the public) was injured as a result of the dangerous condition.

Since the **tenant** reasonably **relies** on the **landlord** to inspect the premises and correct visible or known defects, **the landlord's failure** to do so constitutes **negligence**.

If such negligence results in harm or injury to anyone entering the property, the **landlord** becomes **liable** for compensating the resulting losses.

Once a landlord of residential or commercial premises undertakes to make repairs on the premises to correct a dangerous condition, the landlord is required to complete the repairs in a timely and proper manner.

Nondelegable Duty

A duty which cannot be transferred or assumed by another person. In the case of a landlord, a nondelegable duty cannot be assumed by a property manager or contractor.suitable tenants.

Now consider a commercial landlord who hires a contractor to repair the roof on leased property. A tenant is injured as a result of the contractor's negligence while performing the repair.

The tenant claims the landlord is liable for their injuries since the landlord was responsible for the maintenance which created a dangerous condition.

The landlord claims they are not liable since it was the roofing contractor's negligence while on the job which caused the tenant's injury, not the landlord.

Is the landlord liable for injuries to a tenant caused by a contractor hired by the landlord to perform repairs?

Yes! A landlord's duty to exercise care (not to be negligent) in the repair and maintenance of a leased premises is a nondelegable duty. A nondelegable duty is an obligation which cannot be transferred or assumed by another person, such as a property manager or contractor

Responsibility for Defective Building Components

Strict Liability vs. Negligence

Item	Manufacturer Liability (Strict Liability)	Landlord Liability (Negligence)
Definition	Liability for harm caused by a defective product regardless of fault.	Liability for failure to exercise reasonable care in maintaining the property.
Legal Basis	A manufacturing or design defect exists in the product.	The landlord has a legal duty of care to provide safe and habitable premises.
Responsible Party	Manufacturer, distributor, retailer (part of the stream of commerce).	Landlord (when they know or should reasonably know of the hazard).
Is Fault Required?	No, liability applies even without proving fault .	Yes, it must be shown that the landlord knew or should have known about the danger.
Key Element of Liability	The defect itself caused the injury.	Knowledge of the hazard + failure to repair within a reasonable time.
Social Purpose	Places injury costs on those who control product safety .	Protects tenants and ensures continuous safety and maintenance of the property.
Example 1	A window shatters due to a manufacturing defect and injures someone.	A loose handrail reported by the tenant but not repaired, causing a fall.
Example 2	A bathtub manufactured without an anti-slip surface causes a fall.	An exposed electrical hazard left unrepaired causes an electrical accident.

Responsibility for Defective Building Components

Strict Liability vs. Negligence

Understanding this **distinction** is so essential especially for a *Property Manager* because it determines:

- ☐ The inspection and maintenance duties
- ☐ The limits of legal liability
- ☐ How to handle complaints and safety risks
- ☐ How to protect both the landlord and the tenant at the same time

Landlord Liability for Dangerous Activities On-Site and Off-Site

Criteria for Determining Landlord Liability for Injury

Criteria	Explanation	Illustrative Example
Foreseeability of Injury	Could the landlord reasonably foresee the type of injury that occurred?	The landlord's knowledge of a vicious dog on the property makes injury to another person foreseeable.
Closeness of Connection	The extent to which the landlord's negligence (failure to remove the hazard) is directly linked to the injury.	Failure to remove the vicious dog after being aware of it directly leads to an attack on someone.
Moral Blame	The degree of negligence or fault in the landlord's conduct.	The landlord knowingly ignores the hazard and deliberately fails to act.
Public Policy	The societal interest in preventing future harm.	Imposing liability on the landlord encourages maintaining the property in a safe condition.
Burden on the Landlord	The reasonableness and difficulty of requiring the landlord to prevent the hazard.	Issuing a notice to the tenant to remove a vicious dog is reasonable and not burdensome.
Insurance	The availability of insurance coverage for this type of risk.	-

Landlord Liability for Dangerous Activities On-Site and Off-Site

Landlord's Duty to Inspect & Remove

Situation	Landlord's Duty	Example from Chapter & Outcome
At Lease Execution or Renewal	Conduct a reasonable inspection of the property to identify hazardous conditions.	The landlord failed to perform the annual inspection required by the lease, resulting in a defective floor that caused a customer to slip → landlord held liable.
During the Lease Term (Upon Entry for Any Reason)	Observe hazardous conditions that would be apparent to a reasonable person.	If the landlord enters for maintenance and sees exposed electrical wires but takes no action → liable for any subsequent accident.
Landlord's Knowledge of a Hazard (Direct or Constructive)	Take action to remove or correct the hazard.	Seeing a "Beware of Dog" sign or receiving complaints about a tenant's dog → must issue a 3-day notice to remove the dog or terminate the lease.
Hazard Caused by Tenant Activity	Use a 3-day notice to cure or quit the violation.	Tenant discharges a firearm in the yard → landlord must issue a notice to stop the activity or vacate the premises.

Landlord Liability for Dangerous Activities On-Site and Off-Site

Landlord Liability for On-Site vs. Off-Site Hazards

Point of Comparison	Liability for On-Site Hazards	Liability for Off-Site Hazards
General Rule	Yes, if the landlord knew or reasonably should have known about the hazard and had the ability to remove or correct it.	Generally, no, because the landlord does not control property outside the premises.
Primary Exception	Not applicable.	Yes, if the injury occurring off-site is directly caused by a hazard originating on the landlord's property, which the landlord knew about and could have removed.
Basis of Liability	Direct control over the property and the dangerous conditions on it.	Control over the source of the hazard (e.g., a tenant's dangerous dog or possession of weapons on the premises).

Landlord Liability for Dangerous Activities On-Site and Off-Site

Scope of Landlord Liability On-Site and Off-Site: Practical Examples

Location of the Injury	Condition for Landlord Liability	Illustrative Example
Inside the Property (On-Site)	Landlord knew or should have known of the hazard + had the ability to correct it	A slippery floor or broken staircase causing injury; a tenant's dog attacks a visitor inside the yard.
Outside the Property but Caused by a Hazard Originating On-Site	Landlord knew of the hazard or dangerous behavior + failed to act	A dangerous dog escapes the property and attacks someone in the street; a gun fired from the yard injures a neighbor.
Outside the Property with No Landlord Control Over the Hazard	No liability	A neighbor's dog attacks a child inside the property; a gang gathers in the area and later attacks pedestrians in the street.
On-Site Hazard → Off-Site Injury Where Landlord Controls the Source	Landlord knew of the hazard + had the ability to remove the cause	The landlord allows a dangerous tenant activity (e.g., shooting) that leads to off-site injury → landlord liable.
Public Property Under Landlord's Effective Control	Landlord knew of the hazard + had the ability to correct it	Tree roots maintained by the landlord damage the sidewalk, causing injury to a pedestrian.

Landlord Liability for Dangerous Activities On-Site and Off-Site

Limits of Landlord Liability: When the Landlord Is Not Responsible??

A landlord's liability is not unlimited. The law establishes boundaries to maintain a fair balance between protecting individuals and avoiding unreasonable burdens on the landlord.

These limits can be summarized under three key principles:

Obvious Danger

Comparative
Negligence

Risks or Activities
Outside the
Landlord's Control

Landlord Liability for Dangerous Activities On-Site and Off-Site

Limits of Landlord Liability: When the Landlord Is Not Responsible??

Concept	Exception / Limit of Liability	Legal Rule	Illustrative Example
Obvious Danger	When the hazard is clearly visible and can be recognized by any reasonable person.	The landlord is not required to warn of hazards that can be seen and avoided with ordinary care.	A person slips on a clearly wet floor; or sits on the edge of a low-raised rooftop barrier.
Comparative Negligence	When the injured party's own actions directly or partially caused the injury.	Compensation is reduced in proportion to the injured party's contribution to the harm.	A person climbs onto a barrel or roof not meant for access and falls. Compensation may be reduced or denied.
Hazard or Activity Beyond Landlord's Control	Especially in Net Lease agreements or when the hazard arises from tenant-specific equipment or activity.	The landlord is not responsible for hazards they did not know about or could not reasonably control.	A tenant uses chemicals or dangerous machinery inside the premises without the landlord's knowledge; the landlord is not liable unless aware and negligent.

Fire Safety Programs

The responsibility of the **property manager** in **fire safety** is not limited to merely installing smoke detectors. Rather, it is an **integrated process** that includes equipment, information, and administrative procedures.

Failure to comply with any of these components not only endangers the lives of residents, but also exposes the property owner and manager to legal liability and significant financial penalties.

Safety is not a choice — it is a legal obligation.

When is the landlord liable for damages?

Landlord's liability for damages arising from unsafe housing conditions is triggered only when the landlord has been notified of the defect and fails to take timely corrective action. The mere existence of a hazardous condition does not automatically create liability.

Instead, liability arises when the landlord has knowledge of the defect and neglects to repair it.

Situation	Is the Landlord Liable?	Explanation
The tenant reported that the smoke detector was defective, and the landlord failed to repair it before a fire occurred.	 Yes	The landlord received notice of the defect and failed to act, which constitutes negligence.
The tenant did not report the defect and the landlord was unaware of the issue.	 No	The landlord cannot be held responsible when they had no notice or opportunity to address the problem.

Fire Safety Programs

Responsibilities of the Landlord and the Tenant Regarding Smoke Detectors

Responsibility	Landlord	Tenant
Initial Installation	Responsible for installing a state-approved smoke detector in every unit and common area before the tenant moves in.	No role.
Condition at Move-In	The smoke detector must be fully operational at the time the unit is delivered to the tenant.	Has the right to test it upon receiving the unit.
Maintenance During Tenancy	Not responsible for periodic testing during the tenancy.	Responsible for promptly notifying the landlord if the detector stops working (even if new batteries are installed).
Repair or Replacement	Responsible for repairing or replacing the defective detector immediately after receiving notice from the tenant.	No role, except allowing access for repair.
Liability for Damages	Liable for personal injuries and damage to the tenant's property if the smoke detector was defective and the landlord failed to act after being notified.	Not liable if they provided notice to the landlord.
Fines	May be subject to a \$200 fine for each failure to install or repair the detector after notice.	No fines.

Fire Safety Programs

Emergency Fire Safety Information

Having the devices **alone** is not enough. The **landlord** must provide tenants with the necessary information on how to act in the event of a fire. These requirements vary depending on the characteristics of the building.

Point of Comparison	Multi-Family Residential Buildings (Basic Conditions)	High-Rise Structures
When is it Required?	When the building: (1) has two or more stories, (2) contains three or more residential units, and (3) the main entrance opens into an interior hallway.	When the building rises more than 75 feet above its lowest level of access.
Content of Information	General fire and emergency safety procedures.	Detailed emergency procedures displayed on floor plans.
Method of Presentation	1. Signs using international symbols. 2. Printed materials (brochures, pamphlets, or video materials).	1. Floor plans displayed in designated locations. 2. Appointment of a Fire Safety Director.

Fire Safety Programs

Emergency Fire Safety Information

Point of Comparison	Multi-Family Residential Buildings (Basic Conditions)	High-Rise Structures
Locations for Posting Signs / Plans	• At every stairway and elevator landing. • At the midpoint of hallways longer than 100 feet. • At hallway intersections. • Immediately inside all public entrances.	• At every stairway and elevator landing. • Immediately inside all public entrances.

Lecture Summary: Quick Review

Tenant Leasehold Improvement

Concept

Types of Improvements and Their Legal Consequences

Type of Contractual Obligation

Type of Contractual Clauses

Advanced Risk Management: Mechanic's Liens

Implied Warranty of Habitability

Concept

Minimum Standards

Tenant's Remedies and Rights

Court-Determined Rent Abatement

Tenant's Duties

Lecture Summary: Quick Review

Responsibility for Defective Building Components

Concept

Strict Liability vs. Negligence

Criteria for Determining Landlord Liability for Injury

Landlord's Duty to Inspect & Remove

Landlord Liability for Dangerous Activities On-Site and Off-Site

Concept

Landlord Liability for On-Site vs. Off-Site Hazards

Scope of Landlord Liability On-Site and Off-Site: Practical Examples

Limits of Landlord Liability: When the Landlord Is Not Responsible??

Fire Safety Programs

Concept

When is the landlord liable for damages?

Responsibilities of the Landlord and the Tenant Regarding Smoke Detectors

Emergency Fire Safety Information



Thank You