

Lease preparation is also very important. It is the foundation of your relationship with the tenant and will govern it. While its terms are subject to negotiation, there should be clauses discussing rents, term of lease, security, attorney's fees, late payments, conditions on which the landlord will have access, damages for disruptions of service, and notice to the parties as well as other events which may occur. In addition there some terms that New Jersey mandates appear in a lease.

One needs to apply thought to all of these provisions. For example, New Jersey recently passed a law that if a Landlord includes a provision to shift enforcement costs to the tenant, there is a reciprocal provision to shift costs to the Landlord if the tenant prevails. There is also a mandate as to how this particular provision is written. Whether or not the provision is desirable, depends on the tenant. For example, if your tenant relies on governmental assistance, it is unlikely you will collect your fees and you may end up paying his attorney as well. On the other hand, if the tenant has a job, assets and a stable lifestyle, it may be worthwhile to put the provision in, because you will be able to collect the fees.

The lease should contain all promises by each party. For example, if the Landlord promises to fix certain things, or the tenant agrees to take care of the grounds, etc. There should also be a provision covering what the rental includes, such as, the tenant shall provide a refrigerator, the window air conditioners belong to the landlord. If there are outbuildings, the lease should specify which buildings, if any, the tenant is able to use and for what purpose.

The lease should also list in addition to the tenant, any persons authorized to be occupants, children, his or her spouse etc. The lease should also contain provisions on describing any regulations involving visitors, parking, garbage disposal, or other regulations governing the property. Leases should also contain a provision that the tenant has to notify the landlord when they're going to be away longer than a week or other suitable period.

New Jersey law requires the Landlord to provide a truth in lending pamphlet. The Department of Community Affairs has a prescribed form. One should provide the pamphlet at the signing and the lease should note this. The landlord is also required to give notice where the tenant's security deposit will be held and the rate of interest the security deposit will earn. The landlord can provide a separate letter within 30 days of receiving the security deposit, but it is a better practice to put it into the lease. There are other notices that also need to be provided in the lease, such as the availability of certain insurances, notice about window guards, just to name few.

At the time of execution of the lease, the landlord should collect the first month's rent and security deposit. The checks tendered should be photocopied, in the event post lease enforcement is necessary. It may also be a good time to discuss electronic payment of the rent. It is also a good time to have the tenant sign a W-9 form, which is required by law to open a security account for a tenant and the financial institution will insist on it.