
APARTMENT ANGLES MEDIATION

Confidential Information for Blake Barnaby, Landlord

You are the representative for Atrium Villages, an apartment complex in a mid-size town on the coast. Atrium Villages includes more than 100 units, across its five-story northern and southern building wings, joined in the center by a lobby and services area.

Atrium Villages has filed for eviction and payment of three months of back rent against Toby Reardon and their spouse. The Court Clerk's Office suggested diverting the case to a landlord-tenant mediation program and you agreed. You were informed that the Reardons also agreed to mediation.

Your records indicate the Reardons had been living in the complex for three years, in a furnished second-floor unit on the west side of the building's north wing. The Reardons had paid their \$600 per month rent on time (including power, plus an additional \$80 for cable and internet) but stopped paying three months ago. You heard that Reardon lost their job, but your records indicate their spouse was a teacher. You haven't read about any teacher lay-offs in the area. So, it sounds to you like the Reardons decided that the landlord should take the hit for Ron's unemployment.

A month or two before the rent payments stopped, the Reardons started complaining about noise from the west side loading docks waking them up at night. Even though there's no easy way to stop that, the property managers had started to look into more soundproofing, or even offering them a one-bedroom apartment for the same price several floors higher (normally \$100 more per month) or the other side of the northern wing of the building or a one bedroom for a modest price increase in the more desirable southern wing, where rents are generally in the \$800 range for its larger furnished units, even without cable and internet. Then, when the Reardons stopped paying rent, you figured the noise complaint was a handy pretext for shirking their rent obligations. Besides, if the Reardons aren't paying because one of them lost his job, you're not going to move them to another so they can stiff you on the rent over there.

Frankly, Atrium Villages' biggest business problem isn't renters who skip a payment from time to time. You assume the Reardons will pay something or leave. One problem is that the neighborhood by the Reardon's west side of the north wing of the complex has changed, with some rather bohemian nightlife starting to operate in old warehouse buildings. This does make for some night noise and just a seedy neighborhood feels when you enter and exit on that side of the complex. The bad news is that the market has forced you to adjust the monthly rental price down by about 20% to \$480 or so, even for furnished units, on the Reardons' northern side of the building. The good news is that you haven't had any trouble renting these reasonably priced, small one-bedroom units.

Atrium Villages more challenging business problem is filling the larger two and three-bedroom units on the prime east side of the southern wing of the complex, priced between \$1,100 and \$1,500 per month. (The west side of the southern wing has largely one-bedroom units.) Residents of the southern building wing enter and exit onto a nicer street,

just a few blocks from the bay boardwalk. The only night sounds are of seagulls and waves. But, because of the recession, and perhaps the building's reputation as catering to a younger clientele, you can't seem to rent the larger, more expensive units, which might be affordable by older more stable renters.

Your case is scheduled for mediation. You should reach an agreement only if it meets the interests of Atrium Villages.