



Key Year-End Considerations for Managing Your Investment Property

As we approach the end of the year, it is important to take a proactive approach to managing your investment property. Year-end is an ideal time to review your financials, assess the performance of your property, and ensure you are well-prepared for the year ahead. To help you stay on track, we have compiled a list of key matters to address before year-end to optimize your property's operations and protect your investment.

1. Review and Update Leases

As the year draws to a close, it's a good time to review tenant leases to ensure that all terms are current and accurate:

- **Lease Renewals:** Are any leases up for renewal in the coming months? Start preparing now by evaluating whether you wish to renew leases with current tenants or consider finding new tenants.
- **Rental Increases:** If your lease agreements allow for rent increases, make sure you follow the proper procedures for notifying tenants and documenting the increases.
- **Lease Compliance:** Review your leases for any compliance issues, including insurance requirements, property usage, or violation of lease terms.

2. Financial Review and Budgeting

End-of-year is an ideal time to review your property's financial performance and start planning for the coming year:

- **Income and Expenses:** Review your income statements and expense reports to ensure that everything is accurately recorded. If there are discrepancies or unexpected costs, now is the time to investigate.
- **Tax Planning:** Speak with your tax advisor about any tax deductions or credits you may be eligible for. This may include deductions for mortgage interest, depreciation, repairs, and maintenance. You may also want to plan for property taxes, which can often be reassessed or increase for the following year.
- **Reserve Funds:** Evaluate whether your reserve funds are sufficient to cover unforeseen expenses such as repairs or vacancies. You may want to adjust your reserve allocations as part of your year-end financial planning.

3. Property Maintenance and Capital Improvements

Take this time to assess your property's current condition and address any necessary repairs or improvements:

- **Preventative Maintenance:** Schedule end-of-year maintenance checks for HVAC systems, plumbing, and electrical systems to prevent costly repairs later. A well-maintained property helps avoid emergencies and tenant complaints.
- **Capital Improvements:** If you are planning any capital improvements for your property—such as roofing, painting, or structural updates—consider

whether they can be completed before year-end or early in the coming year. In some cases, making capital improvements before year-end may allow for additional tax benefits or rent increases (if applicable).

- **Compliance with Local Regulations:** Ensure that your property is compliant with local building codes and regulations, including fire safety standards, lead paint, and accessibility requirements. Year-end inspections can help identify any potential compliance issues before they become liabilities.

4. Tax Assessments and Appeals

Year-end is a critical time for reviewing your property's tax assessment:

- **Review Property Taxes:** Property taxes can significantly impact your cash flow. Review your current tax assessment and evaluate whether you should file an appeal if you believe your property is overvalued.
- **Prepare for Tax Changes:** Consider how upcoming changes to local tax laws or reassessments may affect your property. Plan ahead to mitigate any potential increases or disputes.

5. Legal Compliance and Risk Management

As a property owner, it's important to ensure that your property management practices are legally compliant and that you are managing risk appropriately:

- **Review Insurance Policies:** Confirm that you have adequate insurance coverage, including property insurance, liability insurance, and any coverage required under your lease agreements. Year-end is a good time to reassess your insurance needs and update policies as necessary.
- **Tenant Complaints and Legal Disputes:** Address any ongoing tenant complaints or legal disputes before year-end. Proactively resolving issues can help avoid costly litigation or vacancy problems in the new year.
- **Prepare for Legal Changes:** Stay informed about any new laws or regulations that could impact your property. For example, recent changes to rent stabilization or tenant protections in New York may require you to adjust your leasing practices or tenant communications.

6. Tenant Relations and Communication

The end of the year is also a great time to focus on tenant relations:

- **Open Communication:** Check in with your tenants to address any concerns they may have about the property. Happy tenants are more likely to renew their leases, pay on time, and take better care of your property.
- **Holiday Notices:** Consider sending holiday notices or greetings to your tenants, thanking them for their business and reminding them of any end-of-year procedures, such as lease renewals, maintenance schedules, or rent increases.

7. Entity and Ownership Review

If you hold your investment property in an LLC or other business entity, it's important to review the status of your entity at year-end:

- **Entity Compliance:** Make sure your LLC or corporation is in good standing with the state, including filing any required annual reports and maintaining proper documentation.
- **Ownership Changes:** If you have recently made changes to the ownership structure of your entity or added partners, make sure all documentation is updated and in compliance with legal requirements.

How We Can Help

At James G. Dibbini & Associates, P.C., we have the experience and knowledge to assist you in all aspects of managing your investment property. From lease reviews and tax assessments to legal compliance and property disputes, our team is here to ensure that your property is positioned for success in the

coming year.

If you need assistance with any year-end matters related to your investment property, please contact us at (914) 240-8270 or jdibbini@dibbinilaw.com. We look forward to helping you protect and grow your investment.

The attorneys at James G. Dibbini & Associates, P.C. collectively have over 50 years of experience providing legal services in the areas of:

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