

# Landlords Put Renters On Notice About Mold

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From [\*The Wall Street Journal Online\*](#)

Attention apartment renters: you can be held responsible for property damage caused by mold.

As insurers have taken a hard line on offering landlords mold-related coverage, owners from Massachusetts to California are adding sharply worded one-page addenda to leases, giving residents instructions and rules on how to minimize the potential for mold growth.

"PREVENTING MOLD BEGINS WITH YOU" says one, before advising tenants to keep their dwellings clean, remove visible moisture on windows, walls, ceilings, floors and other surfaces as soon as possible and notify landlords -- in writing -- about any signs of water leaks, water infiltration or mold.

"If you fail to comply with this addendum," it says, "you can be held responsible for property damage to the dwelling and any health problems that may result. We can't fix problems in your dwelling unless we know about them."

The move reflects landlords' increasing fears about liability in light of high-profile lawsuits. The Insurance Information Institute estimates that insurers have reported triple-digit increases in the frequency of mold-related claims in commercial buildings in the past three years.

As a result, many insurers have sharply reduced or stopped offering mold coverage in traditional property and liability policies. Instead, a handful of insurers such as New York-based American International Group Inc., XL Capital Ltd. of Bermuda and Chubb Corp. of Warren, N.J., offer it in separate environmental policies.

But some tenant advocates see the move as shifting the burden of responsibility to residents. "While it's a good thing to ask tenants to advise the landlords of problems that arise, it's outrageous to hold the tenant liable for a problem that's not of the tenant's doing," says Charlie Harak, an attorney at the National Consumer Law Center, a Boston-based consumer-advocacy group. "Mold is usually not caused by tenant behavior but usually caused by the structure of the building or a system in the building, things outside the tenant's control. It's so clearly a building problem."

Furthermore, he says, the costs of mold remediation and repairs are "quite significant."

Doug Culkin, executive vice president of the National Apartment Association, denies that landlords are trying to transfer the bulk of liability to tenants. Instead, he says, it's an attempt to share responsibility. "If you as a tenant don't say anything, how do you say logically that it's management's problem?" he asks. "This is just a proactive addendum on our part to explain to residents they have rights and responsibilities, as do the owners."

The mold addendum originated two years ago in Texas, where mold problems have been severe. The National Apartment Association, a federation of groups representing about 28,000 multifamily housing companies with more than 4.6 million apartments in the U.S. and Canada, adopted the addendum last year.

The association, which sells lease forms to apartment owners and property managers, is offering the mold addendum to members in 29 states, including Arizona, Colorado, Florida, Georgia and Pennsylvania, and is planning to eventually make it available in all 50 states. There are no statistics on how many landlords are using it.

Mold is a fungal growth found in damp or wet conditions. It has been blamed for a number of health problems, including breathing difficulties, headaches, nausea, gastrointestinal ailments, skin rashes, severe

allergic reactions and neurological damage. The Centers for Disease Control and Prevention in Atlanta has commissioned a study of the health effects of indoor exposure. It is expected to be completed by late summer or early fall.

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