



Property Management 101

The Origins of Landlording

by Don Beck

Landlording can be traced back to the Feudal System where neither private ownership or the free transfer of title to real property was possible. The king had supreme control of the land and had sole determination of its transfer. The land was divided by the king to the lords who redistributed it to individuals called serfs. Rights to the land flowed downward while services and obligations moved upward.

The lords assumed control of an area and controlled the local economy as well as legal jurisdiction. Hence the land was controlled by the lords. There were no standard procedures among the lords, and so much chaos ensued.

Slowly, a system of royal courts was established with circuit judges presiding. As the number of decisions from actual trials grew, "common laws" became more established.

At the beginning of the thirteenth century, the practice of private ownership of land began. It was called the allodial system. This system survived for more than 400 years. With the allodial system full ownership of property was given to the title holder. Under English common law this meant the landlord owned the land and all that was built upon it.

During the very early colonial days in America only "lords" and "Lords" were allowed to have the privilege of giving a land grant. These nobles rented the land out to "tenants" who controlled the land for a set number of years. This became the equivalent of today's lease. Since each man's word was sufficient to make a contract, no written agreements were used. The tenant's only responsibility was to make payment in the form of crops, crafts, artistry, or military service. A typical year's lease would require the tenant to give to the "landlord" 15 bushels of wheat, four fat fowls, and one day's service with horse and wagon.

Money was very rarely used as payment. The landlord was not required to make any improvements or to change the use for the benefit of the tenant and was not liable for any injuries occurring on the property. If a fire destroyed the tenant's dwelling, the landlord was not obligated to rebuild and the tenant was still required to make full rent payment. If the payment was not received, the landlord could seize all the tenant's crops, animals and property on the land, then terminate the tenant's land. The Barons and Lords commonly used their own militia when it became necessary to "evict" a non-paying tenant. If the tenant objected for any reason the courts would consistently rule in the landlord's favor. It would not be until the late 1800s that tenants would gain any legal footing in the judicial system.

America began to grow, English nobility continued to hold the land but often sold large portions to individuals. William Penn is a good example of how this worked. King Charles II owed William Penn's father an unpaid debt that to-

talied \$80,000. Penn, a Quaker, asked the king if the debt could be repaid with wilderness land in America. They agreed, and Penn told King Charles II he wanted the land named "sylvania" meaning woods. The King added Penn to the suggested name to become Pennsylvania or Penn's Woods. Penn carefully laid out the City of Philadelphia between the Delaware and Schuylkill Rivers with the streets laid out in a gridiron effect. Deeds for individual ownership were created which resulted in few land disputes.

In 1774, the King issued the Quebec Act, which declared that only the Crown could grant land in the western territories. This enraged the colonists. When the Declaration of Independence was drawn up, a clear message was sent to the King of England. The development of the country was being stifled by imposing unreasonable conditions on acquiring new land.

After the American Revolution, representatives from all the states met in Philadelphia to plan a government. The newly created Constitution clearly bolstered the rights of private property owners. When it denotes "life, liberty, and property" it is generally agreed that the term "property" means the rights to hold title to, make legal use of, pledge, mortgage, sell, or transfer. This allodial system of ownership is the distinguishing feature of real estate ownership in the United States, from much of the rest of the world. Private ownership of land is free and absolute, subject only to governmental and voluntary private restrictions.

It wasn't until the early 1900s that landlording took on the characteristics by which we know it today. It started with the construction of multi-family dwellings by rich people who traveled frequently and needed someone to manage their investments at home. With the invention of the elevator, even more high rise buildings and apartments were built and more and more landlords were needed to manage them.

The landlording profession expanded dramatically during the mid 1900s, to all socio-economic levels. Problems developed because most landlords had the same mentality as their "landlord" ancestors and often went too far when dealing with tenants. Over the last few decades laws have been passed which have given tenants more rights. By the 1980s, the trend had swung the other direction and tenants now had more rights than the landlords.

It took three centuries for the tides to do an about face. Three hundred years ago a tenant would immediately be evicted for being lazy (failure to pay rent) while today the laws will not allow landlords to ask even basic questions such as a prospective tenant's birth date and marital status. We must all work to make the laws more equitable for both sides.