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Top Rental Upgrades That Pay Off

KEEPE
You will likely be faced with the need to do a rental property upgrades in the future, so this maintenance tip from Keepe is a look at four upgrades that will help whether you are managing a multifamily apartment, condominium, townhouse or single-family property.

Let’s say your tenant has moved out, and your property is vacant. Before you do the typical make-ready projects, put some thought into rental-property upgrades.

These upgrades may be necessary for improving the general condition of the property or its aesthetic appeal. Notwithstanding, certain rental-property upgrades will offer you potential benefits in the long run.

Below is a list of four rental-property upgrades that are likely to offer you ample benefits in the long run.

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Where Oregon Candidates Stand on Issues Related to Housing

By JENNIFER SHUCH
HFO RESEARCH ANALYST

As Oregon’s May 19, 2020, primary approaches, a large number of local, regional, and national candidates have entered the race with housing as a top priority. Housing affordability, both for renters and homeowners, has become a flashpoint in political debate throughout the country. Rent growth in Portland has begun to slow due to new units coming online. An increasing number of households are rent-burdened—defined by the U.S. Department of Housing and Urban Development (HUD) as spending more than 30% of household income on rent.

At the national level, public housing investment is well below historic levels. But the candidates vying for the Democratic nomination have all unveiled plans aimed at tackling affordability issues. Former Vice President and presumptive nominee Joe Biden has a policy calling for \$640 billion in investments aimed at helping



renters and homeowners.

In the Portland mayoral race, Mayor Ted Wheeler’s reelection may hinge on whether city residents are as enthusiastic

about his housing record as he is. An additional three city council seats are also up for election. Most hotly contested is the

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Many Tenants Staying Put, For Now



RENTAL HOUSING JOURNAL

Apartment tenants are not moving out this time of year as normal patterns would dictate due to the impact of COVID-19, according to an article from RealPage.

“We are seeing a huge spike in rescinded non-renewal notices,” Jay Parsons writes in his blog. “This occurs when renters who previously intended to move out change plans and decide to stay put. Compared to the same time last year, rescinded notices have nearly doubled.”

The U.S. apartment industry has seen

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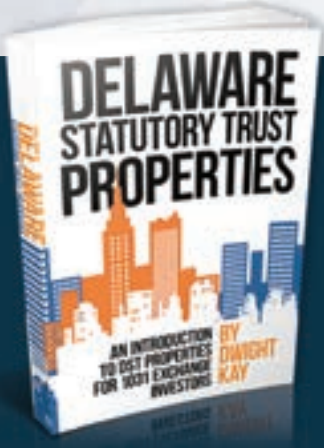
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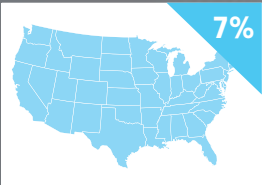
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Kay Properties is a national Delaware Statutory Trust (DST) investment firm. The www.kpi1031.com platform provides access to the marketplace of DSTs from over 25 different sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 115 years of real estate experience, are licensed in all 50 states, and have participated in over 15 Billion of DST 1031 investments.

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Many Apartment Tenants Choosing to Stay Where They Are

Continued from Page 1

an unusual surge in retention rates. This is counter to the normal seasonal patterns. So managers are seeing more rescinded notices, more month-to-month leases, and more renewal demand, Parsons says.

“As property managers have these conversations with renters, they’re finding many want to stay put, but only for the short term while they wait out COVID-19,” Parsons said. “Apartment managers are providing unprecedented flexibility to help them out.

“But they’ve also gone even further. In some cases, they’ve allowed renters to remain in units that were already leased for a future date by a new resident – leading to a scramble to then re-sell the new renter on a replacement unit. Many have waived premiums for month-to-month leases or other short lease terms,” Parsons says.

He cautions this all means a summer leasing season with “heavier exposure and lighter new-lease demand than we would typically see in a normal summer.

“Lease-expiration management becomes more critical now than ever. Under normal circumstances, you would



offer big premiums for short-term leases to help stagger expirations. That may not be an option right now for property managers concerned about both optics and the reality of taking care of residents in need.

“Even without short-term premiums, though, you can certainly incentive longer-term renewal commitments,” he writes.

For more details, visit www.RealPage.com.

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Kay Properties Completes \$32.4 Million DST 1031 Exchange on Behalf of Clients

BY THE KAY PROPERTIES AND INVESTMENTS, LLC TEAM

A husband and wife who have built their net worth using multifamily properties have accessed the Kay Properties 1031 DST marketplace at www.kpi1031.com to complete a tax deferred 1031 exchange into multiple DST 1031 properties.

The Delaware Statutory Trust 1031 exchange investments were completed by Kay Properties and Investments team members Chay Lapin, Senior Vice President, and Steve Haskell, Vice President.

Dwight Kay, the founder and CEO of Kay Properties, stated, “We are honored to have helped another family complete their 1031 exchange into DST investments. Again, the clients chose the Kay Properties team and the www.kpi1031.com marketplace for expertise and access to over 25 different DST sponsors and between 20-40 DST 1031 offerings.”

Kay continued, “These clients were from the Pacific Northwest and they decided after extensive research that the Kay team and [kpi1031.com](http://www.kpi1031.com) marketplace best suited their needs as they were searching for a 1031 exchange solution. We are thankful to the clients as well as the five DST sponsor companies that we worked closely with on this transaction.”

Chay Lapin, Senior Vice President of Kay Properties, stated, “Throughout the years at Kay Properties, we have had the opportunity to work with clients all over the country. In this particular exchange, our clients

had multiple apartment buildings that would be staggered closings. In speaking with our investors, they wanted to make sure that they had all their 1031 Exchange DST 1031 options chosen prior to closing on the sale of their apartment buildings.

“We had the chance to utilize our team expertise and sponsor relationships to successfully line up all the various DST offerings prior to the various buildings they were selling closed in an effort to reduce potential closing risk.

“It was important to our investors to have properties ready to invest so they did not miss too much potential rental income. They would be purchasing over \$32,000,000 of DST properties and missing a few weeks of cash flow on this value would be a significant number and impact. With the help of our entire Kay Properties team, we were able to close into their DSTs within a few days and start to earn their potential income immediately.”*

Steve Haskell, Vice President at Kay Properties, stated, “At Kay Properties, we invest a great deal of resources into educating our clients in each step leading up to their exchange. In this case, our clients were a husband and wife with extensive experience as real estate professionals specializing in multifamily apartments and they appreciated the opportunity to meet our due diligence analysts, underwriters, in-house counsel team, contract coordinators and asset managers. Ultimately the clients decided that a diversified portfolio of 10 unique DST 1031 investments with five different DST sponsor companies made much more sense than purchasing just one property on their own.”*

About Kay Properties and www.kpi1031.com

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*Diversification does not guarantee profits or protect against losses.

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Top 4 Upgrades That Pay Off in Your Rentals

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No. 1 – APPLY A FRESH COAT OF PAINT

Painting has a unique way of transforming any living space.

It is a low-cost upgrade and offers lots of immediate benefits. By using neutral colors on the interior of the home, you’re appealing to the largest possible number of potential tenants.

Remember, the goal is to upgrade the property to attract tenants, not to make a statement. A typical painting procedure for 1,200 square feet with lots of trim details will cost you an average of \$1,000 – \$4,000 plus materials.

No. 2 – INVEST IN BASIC SECURITY SYSTEM

Regardless of the degree of safety in the neighborhood, security is one of the top priorities for any property manager.

In addition, the goal of any renter is to live in a well-secured apartment or environment. Installing basic security systems like alarm systems, security cameras, outdoor lighting, and quality deadbolt locks can go a long way in protecting your tenants and property.

Upgrading the security level of your rental property is a great way to attract potential renters. Most importantly, it doesn’t cost a lot to have security in place. The average cost of installing a monitored home-security system can be around \$300- \$700.

No. 3 – INSTALL QUALITY FLOORING

Flooring can be a tricky upgrade choice, since renters may have different views when it comes to a preferred flooring option.

Usually, the choice comes down to wood floors versus carpets. However, most property managers seem to opt for wood floors over carpet.

While carpeting may be an inexpensive choice, it can easily turn off a majority of tenants and be a pain for property managers. This is because carpet as a flooring option requires regular maintenance and is susceptible to wear and tear.

On the other hand, while wood flooring isn’t cheap, it requires less maintenance and will last longer. An even



more economical option is laminate flooring, which gives your apartment units a stylish hardwood appeal.

No. 4 – INSTALL BETTER COUNTERTOPS

Upgrading your rental property’s countertops can add value to the heart of the home.

There are a variety of options to choose from, depending on your current kitchen decor. You can opt for high-end materials like quartz and cement, which seem to be popular in rental property kitchen renovations. Generally speaking, though, granite tends to be a superb choice.

When shopping for countertop upgrades for your property, keep functionality, durability, and style in mind. As for kitchen cabinets, you should upgrade to modern and functional ones if the ones you have outlived their functionality.

IN CONCLUSION

As a property manager in charge of a rental property, upgrades are a great way to increase the value of your property and improve tenant retention. Renters are more conscious today about their choice of rental properties. And investing in small-scale upgrades for your property may be the secret to an increase in your rental income.

Keepe is an on-demand maintenance solution for property managers and independent landlords. The company makes a network of hundreds of independent contractors and handymen available for maintenance projects at rental properties. Keepe is available in the Greater Seattle area, Greater Phoenix area, San Francisco Bay area, Portland, San Diego and is coming soon to an area near you. Learn more about Keepe at <https://www.keepe.com>



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UNIT NUMBER _____ STREET ADDRESS _____
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<input type="checkbox"/> Pet rent	\$ _____	_____
<input type="checkbox"/> Garage	\$ _____	_____
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<input type="checkbox"/> Storage	\$ _____	_____
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<input type="checkbox"/> NSF fees	\$ _____	_____
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<input type="checkbox"/> Deposit(s)	\$ _____	_____
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<input type="checkbox"/> _____	\$ _____	_____
<input type="checkbox"/> _____	\$ _____	_____
TOTAL	\$ _____	

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How the Candidates Stand on Housing

Continued from Page 1

position held since 2017 by Chloe Eudaly, who campaigned on a platform focusing primarily on issues such as tenant rights and rent control.

Metro—a government entity charged with overseeing regional planning, parks, and some major entertainment venues in Portland’s three-county metro area—passed a \$652.8 million housing bond in 2018. Metro will ask voters again in May for up to \$250 million for homeless services funding. There are currently three races for open Metro Councilor seats.

In light of all this, we have compiled an overview of candidates’ positions on housing issues in races for the City of Portland, Multnomah County, Metro, and the Democratic nominee for U.S. President.

CITY OF PORTLAND

MAYORAL RACE

Ted Wheeler is up for re-election as Portland’s Mayor. Among his 18 competitors are leading contenders Sarah Iannarone, Teresa Raiford, and Ozzie Gonzalez. Both Iannarone and Gonzalez have released housing plans, while Wheeler’s website mainly touts what he sees as his most significant accomplishments so far.

On his website, Wheeler claims that he has more than doubled shelter capacity in the city, prevented 7,000 households from falling into homelessness, helped 6,000 people connect with transitional housing services, and built over 800 units of affordable housing. His office has also touted the city’s progress in exceeding its housing bond goals of creating or preserving 1,300 housing units. So far, however, of the 1,424 bond-funded units, only two complexes with 314 total units are open and occupied as of March 2020. While Wheeler’s campaign website emphasizes what the mayor has accomplished over the last four years, it does not indicate what his plans are for the future if he’s re-elected. And there are differing opinions as to the validity of the mayor’s claims.

Of Wheeler’s challengers, both Sarah Iannarone and Ozzie Gonzalez have released housing proposals, and Teresa Raiford limits herself to commenting on demolition and displacement in her platform statement.

Iannarone’s housing plan calls for a five-year plan to end the housing state of emergency, which has been in place since 2015. She argues that the city needs a task force to assess housing inventory and resident needs, and that city leaders must use this information to solve the problems that are persisting in the city’s



housing market. Iannarone also calls for increased communication between city bureaus, nonprofit organizations, and private-sector stakeholders. Her plan addresses the city’s taxation system – she advocates for recalibration to eliminate inequities between East Portland and other parts of town, as well as land value and real estate transfer taxes. Iannarone’s housing proposal also focuses on eviction prevention and tenants’ rights. She argues in favor of a tenants’ bill of rights, including the right to organize, and she believes that the city should fund the rental registration system and track eviction rates. Iannarone is in favor of using tourism tax revenue to create a rental subsidy reserve, and advocates for re-legalizing SROs throughout the city. She is the only candidate calling for a moratorium on the development of self-storage facilities in mixed-use zones, centers, and corridors. She also seeks the reduction of costs and red tape for small-scale building projects.

Like Iannarone, Ozzie Gonzalez advocates for collaborating with stakeholders to tackle housing issues. His housing plan calls on the city to partner with managers, developers, and real estate firms to establish a housing inventory system. Gonzalez’s strategy focuses on development-side issues – he would like to see more incentives for producing a variety of housing types and an emphasis on transit-oriented development. He also believes the city should find new uses for vacant units.

While Teresa Raiford does not have a comprehensive housing proposal, her policy statement, which she calls The People’s Platform, calls for a moratorium on urban redevelopment. She believes demolitions should await the coming together of communities to decide what should be saved or replaced. She pushes back on “demolition, rezoning, and redevelopment,” which she believes serves only “big investors, large corporations, and the high-income earners.”

Mayor Wheeler was endorsed by The Oregonian for re-election in its op-ed dated Sunday, April 26, 2020.

PORTLAND CITY COUNCIL

PORTLAND CITY COUNCIL POSITION No. 1

Portland City Council Position No. 1 is currently held by Commissioner Amanda Fritz, who is vacating her seat. Of the nine candidates, Carmen Rubio, Candace Avalos, and Timothy DuBois are the only candidates who have put forth housing plans.

Carmen Rubio is assumed to be the frontrunner due to the large number of endorsements she has received from local elected officials. Rubio advocates for coordinating with state, regional,

and federal partners to address housing affordability, and investing in homeless prevention and anti-displacement measures. She argues that the city needs to increase density if residents want better transit and more affordable housing options, and she stresses the need for data-driven solutions to the city’s problems. In a survey conducted by Portland Tenants United (PTU), Rubio did not commit to advocating for an end to the statewide ban on local rent control policies. While she did not explicitly back the state law, she argued that she would need to be sure that increased rent restrictions would not reduce the availability of affordable housing.

Candace Avalos believes the city should fully fund rental assistance programs and collaborate with service providers to support people who may be on the verge of homelessness. She advocates for an innovation hub dedicated to finding new ways to build affordable housing without subsidies. Avalos also believes that the city should incentivize building affordable housing ‘at scale’ and advocates for streamlining the permitting process. Like Sarah Iannarone, she calls on the council to fully fund the Office of Rental Services, which oversees the rental registration program. Unlike Rubio, Avalos has committed to overturning the state preemption of local rent control policies. Avalos argues that local jurisdictions must be allowed to use whatever tools may help keep residents housed.

Tim DuBois believes the city should do more to increase housing diversity and build more housing near transit and job opportunities. He also argues for a streamlined and expedited permitting process.

Carmen Rubio was endorsed by The Oregonian in its op-ed on Sunday, April 26, 2020.

PORTLAND CITY COUNCIL POSITION No. 4

Portland City Council Position No. 4 is also up for grabs this year, with incumbent Chloe Eudaly facing challenges from former Mayor Sam Adams as well as professor and prior public servant Mingus Mapps, Keith Wilson and four other candidates. Eudaly defeated incumbent Steve Novick in 2016, mainly by gaining the support of housing and tenants’ rights advocates. During her time as a commissioner, she has advocated for rent control and increased tenant protections. Eudaly’s staff devised the recent FAIR ordinances governing rental applications and safety deposits. As of March, Eudaly has not released a housing policy platform to indicate her priorities should she be re-elected.

Former Mayor Sam Adams has received an endorsement from Smart Growth Oregon, and his housing plan

See ‘An Overview’ on Page 7

GOT LEAKS?

We are open and providing service through this COVID-19 crisis. We are following CDC guidelines and taking every precaution to protect our techs, our customers and the community.



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An Overview of Oregon Candidates’ Views on Housing

Continued from Page 6

reflects the idea that more housing is needed at all affordability levels to make up for years of underbuilding between 2010 and 2018. While Adams supports the Residential Infill Plan, he believes that the city should also increase density along arterials and near transit stops. He also argues for expediting the permitting process for both affordable and market-rate projects. Adams’s goal, should he be elected, is to bring all stakeholders together to build a long-term plan to determine which type of housing is needed, and who should build it. He also wants to re-evaluate current design rules to make sure they meet city goals. Adams also intends to conduct regular surveys of renters and property owners to track affordability, rent increases, and demographic information, as well as property ROI and the amount an owner invests in updates and maintenance. Adams is also in favor of ending the state preemption on local rent control laws and allowing local jurisdictions to establish individual policies.

Mingus Mapps has released plans on housing and homelessness, both of which emphasize the need for new housing units at a variety of income levels. His Ending Homelessness and Housing First proposal calls for a ban on price gouging in the rental market, as well as an additional 1,500 units of permanent supportive housing. He also believes the city should increase funding levels for short-term rental assistance to keep people in their homes when they may be experiencing temporary setbacks. In his Affordable Housing for All plan, Mapps advocates for fee reductions, streamlining, and faster inspections to increase development activity in the city. He also argues that the city should protect renters’ rights and increase housing density. In his public appearances, Mapps has argued that the City Council has neglected to bring all interested parties to the table to find the best solutions for housing and homelessness issues. In an interview with HFO, Mapps agreed that the city has weaponized housing policy, and made it harder for smaller landlords to operate. He believes the city should do more to understand the consequences of policy decisions.

Also running for Position 4 is Keith Wilson, a University of Portland Business School graduate, world traveler, and President of Portland-based trucking company TITAN Freight. His housing plan focuses on the need for more housing units in the city. He advocates increased flexibility to allow for more SRO, micro, and cohousing units. He also argues for the conversion of single-family homes to multi-generational and multi-family residences and the reduction of development fees.

While an additional four candidates are running for Commissioner Eudaly’s seat on the City Council, none of these contenders have released a housing proposal.

Mingus Mapps won the endorsement of The Oregonian in its op-ed published Sunday, April 26, 2020.

PORTLAND CITY COUNCIL POSITION No. 2

Commissioner Nick Fish passed away suddenly in December. Since then, 13 candidates have filed. Of those candidates,

four have housing policy details outlined on their campaign websites, while an additional two mention housing but do not discuss the details of their housing plans. Loretta Smith, who ran against Commissioner JoAnn Hardesty in 2018, is the highest-profile contender in this race. In her brief list of city priorities, Smith states that she will address homelessness through increased supportive services and affordable housing.

Sam Chase, who has been the Metro Councilor for District 5 since 2013, touts his involvement in the creation and passage of the Metro housing bond as a major highlight of his career. Chase’s housing plan includes implementing a plan originally championed by Nick Fish to create 2,000 permanent supportive housing units for homeless residents. He also believes the city should invest in creating new affordable housing, particularly in transit corridors, with infrastructure already in place to support these new units. He also believes that jurisdictions within the Portland Metro Area should be required to build adequate shelter beds and affordable housing. Chase is in favor of lowering the rent increase threshold that triggers the relocation assistance requirement in Portland and overturning the statewide prevention on local rent control policies.

Another frontrunner in the race is Julia DeGraw, progressive organizer, and director of nonprofit lobbying organization PDX Forward. DeGraw’s housing plan, which she calls Housing for All, argues that developers have too much influence on city policy. She believes housing is a human right, and the city should fully fund rental assistance programs as well as the Rental Services Office and build profoundly affordable housing throughout the city. She also argues that the city should go further in outlawing no-cause evictions and do more to enforce recently passed tenant protections—DeGraw advocates for redirecting subsidies to affordable housing projects and community land trusts. Like Candace Avalos, she believes the city should set up an innovation hub to come up with new ideas for producing affordable housing. She also urges the city to explore a vacancy tax.

Also running is a longtime tenant advocate and former head of Portland Tenants United (PTU), Margot Black. Black advocates for lifting the state ban on rent control so that the city of Portland can enact what she refers to as ‘real’ rent control policies. She also advocates for increased tenant protections, including universal eviction defense, and a collective bargaining process for rental agreements. In addition to increased tenant protections, Black is in favor of a ‘housing wage for all’ and argues that the city should improve accountability for public and affordable housing providers.

Both Jeff Lang and James Davis’s proposals focus primarily on homelessness and include big ideas for turning under-utilized city sites as campuses for homeless residents. Jeff Lang argues that the city should turn the Veterans Memorial Coliseum into such a school, including dorms with locking doors, a medical clinic, teaching facilities, and offices for local nonprofits. Meanwhile, James Davis argues that Concordia University, which will shut down at the end of the Spring semester in 2020, should be purchased by the city

and operated as a housing-first project. Both Lang and Davis also argue that the city should allow for a wider variety of housing types, including co-ops, SROs, tiny home villages, and intentional communities. Davis believes the city can facilitate this by creating a public bank for nontraditional lending.

Sam Chase won the endorsement of The Oregonian in its op-ed published Sunday, April 26, 2020.

OTHER LOCAL ELECTIONS

While candidates in the Portland City Council and Mayoral races are prioritizing housing, candidates in other local races have not yet released housing plans. The vast majority of candidates running for Multnomah County and Metro Council positions have not released many details on how they will address the region’s most pressing issues. But with Metro planning to release housing bonds and homeless measure funding to cities and counties throughout the region, how these candidates propose to address housing needs may become more critical than ever.

MULTNOMAH COUNTY COMMISSIONER DISTRICT 3

Jessica Vega Pederson, who is running for Multnomah County Commissioner in District 3, has released a housing statement (not a plan). Pederson plans to work with community organizations to build coalitions with local government agencies, including Multnomah County,

to address homelessness and affordable housing. She also believes the county should operate as a “one-stop-shop” for connecting residents with housing and social services.

METRO COUNCILOR DISTRICT 3

Gerritt Rosenthal has released a statement arguing that Metro should do a better job of evaluating data and listening to residents and developers when determining whether to expand the urban growth boundary. He also supports Metro’s housing bond.

METRO COUNCILOR DISTRICT 5

Two candidates for Metro Councilor in District 5 answered PTU’s survey about rent control and tenant protections, though they have not put out comprehensive housing plans. Candidate Cameron Whitten is in favor of lowering the statewide rent cap but doesn’t believe local jurisdictions should be able to set individual rent control policies, arguing instead for a stronger relocation ordinance in the city of Portland. Candidate Chris Smith disagrees with Whitten, arguing that housing stability is a crucial part of planning for climate-related investments. Smith believes cities and other local jurisdictions should be able to establish regulations that help keep people in their homes.

Jennifer Shuch is the senior research analyst at HFO Investment Real Estate in Portland. She can be reached at jennifer@hfore.com or (503) 241-5541.

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How to Avoid Crossing Line with Tenants’ Privacy

By Holly Welles

Most state laws grant landlords the right to enter their tenants’ homes under specific circumstances. However, they must still meet certain legal requirements, such as giving enough notice beforehand.

Moreover, renters have a right to privacy. Thus, if a tenant denies access or expresses discomfort, property managers may not be able to enter the home if the issue isn’t serious enough.

Still, many landlords don’t honor these privacy laws and enter their properties whenever they please. Some even resort to spying on occupants to make sure they’re following the rules and stipulations in the lease agreement.

This can, of course, lead to legal issues, accusations of harassment, and even loss of property in some instances.

So it’s incredibly important that property managers respect tenant privacy, approaching everything professionally and legally. Here are a few simple ways to keep your contact respectful.

ADDRESS LONG-TERM GUESTS PROPERLY

At some point, property managers will deal with long-term guests. In this case, a tenant houses someone who isn’t on the lease for an extended period. If this person causes any damage or breaks property rules, there’s very little a manager can do about it. Some nervous landlords might try to keep close tabs on suspect tenants. Of course, this is not a smart approach, as it breaches privacy boundaries – and tenants may notice.



Instead, landlords should confront the problem directly. This might include sending an email or scheduling an inspection or meeting to address the potential issue. Let them explain their guest situation — for instance, maybe they’re in a serious relationship or have a family member stay frequently — and openly communicate your expectations.

Moreover, landlords can avoid similar

situations in the future by outlining guest stipulations in the lease. It’s important to be clear about overnight expectations regarding consecutive stays, the number of visits in a period of time, and subletting. That way, the tenant can see the basis for this discussion and better understand his or her responsibilities.

GIVE NOTICE BEFORE ENTERING

Some landlords also have the bad habit of showing up unannounced at the tenants’ doors. Too often, they check up on occupants without having a specific reason to do so. This behavior is incredibly intrusive and, in many cases, illegal. Certain laws prohibit unnecessary repairs or frequent interruptions that interfere with tenants’ business. Of course, if someone is engaging in unlawful activities, landlords have the right to enter without notice. However, in most cases, the law requires they do so.

In many states, this means property managers must provide 24 to 48 hours’ notice before they come knocking on tenants’ doors. Even then, they should still keep a written record of all repairs and the reasons for intrusions to prove they were necessary. This way, renters can’t claim their landlord is making unnecessary repairs or stopping by unannounced.

DISCUSS SMART DEVICES WITH TENANTS FIRST

As the general public increasingly adopts and accepts technology into the home, landlords are beginning to do the same. Some are installing internet-connected locks, water sensors, thermostats and wireless controls. These smart devices can help save energy and create a more comfortable and convenient home for renters. Plus, they increase property value, allowing landlords to rent or resell at higher prices.

However, landowners should discuss these additions with current tenants before installing them. Many tenants either don’t understand how these systems operate or simply don’t trust them. Smart-home gadgets can collect data and deliver it to third parties, who can misuse the

Some landlords show up unannounced to check up on tenants without having a specific reason to do so. That behavior is not only incredibly intrusive but also, in many cases, is illegal.

information. Often, this entails selling tenant data to advertisers who target them or their demographic as a whole.

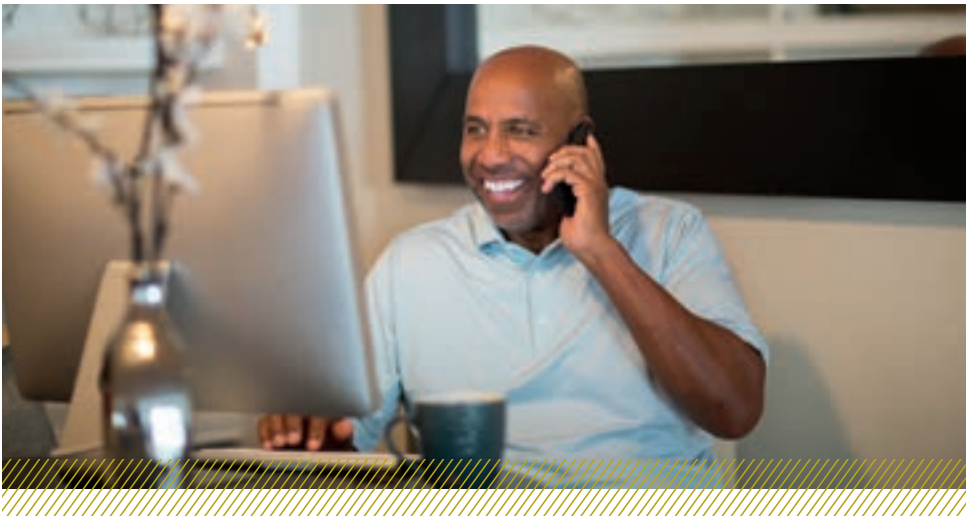
Aside from this being annoying, it also can cause trust issues. Managers can create a more trusting relationship by having conversations about this technology before installing it.

KEEP COMMUNICATION OPEN

The recurrent theme here is communication. To avoid crossing the line with tenants’ privacy, landlords must keep all lines of communication with occupants open. This should happen from the very beginning, when landlords are screening potential tenants. With the right conversations, they can choose the best renters and avoid turnover.

Furthermore, as the relationship between the property owner and tenant grows, both parties should continue to communicate effectively. The above instances are ways in which they might accomplish this. If everyone maintains transparency and a certain level of mutual understanding, they will respect one another and the relationship will be a positive one.

Holly Welles writes about real estate market trends from a millennial perspective. She is the editor behind The Estate Update, a residential real estate blog, and keeps up with the industry over on Twitter @HollyAWelles.



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Rent-Deferral Payback Plan Guidelines: What You Need to Know During COVID-19

By ELLEN CALMAS

With April 1 in the rear-view mirror, the next big challenge for rental-housing operators is figuring out how to implement fair and effective rent-deferral payback plans for their communities.

Finding the right payment plan is critical, although the answers are quite different for smaller landlords than for larger, better-capitalized REITS or privately owned corporations that can draw down lines of credit to smooth out rough patches.

The National Multi Housing Council and the National Apartment Association both offer a host of resources. What both associations agree on is that automated payments fit well with social distancing while providing increased assurance of payment reliability even in the uncertain times of COVID-19.

Selecting the right rent-deferral payback plan requires a clear, disciplined approach that includes defined parameters for rent deferral (percentage and duration) as well as expectations for payback for participating residents who seek relief. Consistency is key in communications and execution to avoid potential fair-housing violations while maintaining reputational equity. Relief that operators receive in the form of mortgage forbearance or government stimulus should be shared, as possible, with the understanding that we're all in this together. Real-time insights of resident status will guide decisions throughout the crisis.

Here are some key considerations for property owners and managers in assessing and adapting deferral-payback plans in these extraordinary times:

LET THE C-SUITE LEAD

Already over-burdened community staff aren't in a position to review each resident's circumstances on a case-by-case basis to determine ability to pay, and the risks of community-based strategies are many. The appearance of bias can be greatest among residents most hurt by job loss or wage reduction, which could lead to fair-housing Issues and also could cause problems with lenders. Offers should be consistent across communities.

COVER YOUR BASES

Involve corporate legal teams to develop documentation to reapply security deposits and accept partial payments for participating residents. Assistance on language for lease addendums is important to ensure that residents fulfill their promises to pay with partial rent deferrals. Consider extending lease duration to give residents time to recover from the current crisis and get caught up



on rent without getting further into debt. As a simple gesture of goodwill, refrain from late-rent reporting for the remainder of the year for residents participating in deferral initiatives. These steps are being articulated by the federal government and may affect the ability to receive relief from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

REVIEW VENDOR SERVICES WITH SCRUTINY

Viable, automated payback solutions that assure timely rent delivery will provide the greatest assurance of payment protection, particularly those that accommodate automated direct deposit for payments from unemployment checks. Removing residents from management of funds for rent and getting to the front the line from payroll and special benefits is critical, so your deferral payback plan should be able to deliver on these priorities.

INSERT CONTROL MEASURES

Speak with your enterprise operators about custom reporting and the ability to adjust systems so that residents aren't constantly receiving late notices. As importantly, determine access to real-time tracking of resident payback to provide insight into when your residents lose their jobs or have a reduction in hours and wages. Your deferral payback plan should be able to integrate with your system provider.

STAY FOCUSED

While March required scrambling to make communities safer, calls for rent strikes and complete rent forgiveness can be distracting and unproductive. Stay

clear of the fray. Rent should be paid. How and when is what's up for grabs.

In this environment, where residents are fearful of being able to get a hospital bed should they need one, it's important that the rental-housing industry communicate the intent to work together to keep a roof overhead.

Ellen Calmas is Co-Founder and Executive Vice President at Neighborhood Pay Services, the

company that pioneered the only rent-from-payroll platform for the rental housing industry, NPS Rent Assurance. She can be reached at ellenc@neighborhoodpayservices.com. In an effort to help landlords in deploying rent deferral/payback initiatives, NPS will defer 30 percent of fees throughout the remainder of 2020, including ongoing disbursement of funds from payroll and/or unemployment benefits.



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How Can You Get Tenants to Clean Regularly?

KEEPE

How to get tenants to clean regularly is a challenge for many property managers, and we have some ideas to help you motivate them so that your rental property stays in good condition.

In fact, with the coronavirus pandemic, now is the best time as a property manager to ensure that your tenants adopt regular cleaning practices.

But how do you get tenants to clean regularly?

Here are five tested ways to get your tenants to clean your rental property regularly.

No. 1 – INCLUDE CLEANING AS PART OF THE LEASE

The truth is that most property managers fail to include this clause in the lease agreement. By not adding this requirement in the agreement, it may not be easy for you to enforce it in reality.

You should add this clause in the lease from the beginning.

Even though you can amend the contract to accommodate a new cleaning requirement, remember that the tenants are under no legal obligation to accept it at this point.

No. 2- COMMUNICATE YOUR EXPECTATIONS

As a property manager, it is necessary that you communicate your cleaning expectations to your tenants.

As the American Bar Association points out, the tenant has the duty not to “commit waste.” In layman’s terms, that means a tenant can’t cause permanent and unreasonable damage to the property.

While statements such as, “When a tenant moves out, the property must be returned in original condition” are usually found in lease agreements, they unfortunately do not clearly communicate your expectations.

In your lease agreement with incoming tenants, clearly state your cleaning expectations and how they can achieve it.

No. 3 – BE VERY SPECIFIC

Including a clause that requires your tenants to clean may be vague and confusing for them to adhere to. Your requirements must be specific and achievable.

Your cleaning requirement must cover the following:

- When to clean
- Where to clean
- How to clean, and other essential aspects.

You may decide to add a clause that allows you to hire a cleaning company with the expense paid by your renters if they fail to keep the premises clean.

Check with your legal representative if it is legal to do so.

No. 4 – DOCUMENT THE MESS

Documenting the mess created by



tenants is a good way to gather evidence either when they are moving out, or you are doing inspections.

It is also advisable that you have documented proof of the mess since your tenant might challenge your right to keep their security deposit.

Taking photos and video may be the easiest way for you to document a mess at no real cost.

No. 5 – EMBARK ON REGULAR INSPECTIONS

You must do regular inspections. This may be at least three to five times a year.

Include a clause in the lease agreement that gives you the right to entry so you can visit regularly.

Usually, you must inform your tenants at least 24 hours before the date of the visitation. Chances are that they may step up their cleaning energy and get the property in an appealing condition before your visit.

What could be a good cleaning schedule?

According to research, it is good practice to have a consistent cleaning schedule.

Whenever possible, deep cleaning every other month is strongly recommended, and this usually requires a professional in order to clean the property more thoroughly. Deep cleaning includes disinfecting less-commonly touched areas like bathroom floors, bathtubs, ceiling fans, refrigerator tops, window sills, etc.

As for more regular DIY cleaning by tenants, vacuuming and mopping commonly visited areas and disinfecting commonly touched objects once a week would be ideal.

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Everything Landlords Should Know Regarding Emotional Support Animals

By Holly Welles

Owning a rental property presents many challenges landlords may not anticipate until they become reality. Landlords may not think about certain kinds of insurance until it’s too late, or value community outreach until tenants leave online reviews when their leases end.

It’s also common for landlords to feel caught off-guard when presented with their first emotional-support-animal (ESA) letter.

Many communities, including those that don’t allow pets, find themselves home to individuals who need support pets to live their daily lives. It may challenge landlords to take a second look at their rules and guidelines while they figure out what is or isn’t allowed under each lease.

Read on to learn everything landlords should know about emotional support animals. After brushing up on federal guidelines, the options available to tenants and landlords will become apparent, and will make the conversation easier for everyone involved.

TENANTS NEED A SIGNED LETTER

Landlords unfamiliar with emotional-support animals may wonder if some tenants want to circumnavigate no-pet rules when they don’t actually require the support. If they present a signed letter, it means they’ve visited with a licensed mental-health professional and have received a diagnosis that requires a companion.

Legally, landlords cannot call the health-care provider unless they receive written and signed consent from the tenant. The doctor may also leave a note welcoming landlords to call him or her with any questions or concerns. During that call, rental management cannot ask for someone’s medical history, even if the tenant gives written consent.

EMOTIONAL SUPPORT ANIMALS DON’T COUNT AS PETS

Some landlords may struggle with allowing an emotional support animal on their property because they’ve already established a no-pet policy.

According to guidelines from the Department of Housing and Urban Development (HUD), assistance animals don’t count as pets because they work to provide service, tasks or assistance to make life easier for people with disabilities.

Whether a person has a dog, cat or another kind of animal, if they’ve received a verified letter from a medical professional, landlords must make changes to accommodate them on the property.

TENANTS HAVE RIGHTS

As long as a tenant meets the definition of being disabled, they’re allowed to have an emotional-support



animal. When they require one, landlords must change their policies and services to accommodate them. This includes strict no-pet communities.

Even if a tenant has already signed a lease and agreed to having no animals in their unit, they can still bring home an emotional-support animal if it’s verified. It’s illegal to nullify a lease based on a person’s need to accommodate their disability or reject a potential candidate because they require a service animal.

LIABILITY INSURANCE MAY INCREASE

Because emotional-support animals don’t legally count as pets, they’re not required to meet any community rules regarding restricted breeds and weight limits. It’s one less barrier for people in need to worry about, but it can cause some concerns for landlords.

Restricted breeds and animals above the required weight limit may increase the property’s liability insurance, causing landlords to pay more or lose their policy altogether. Property managers struggle with this, and it’s often the reason a few of the rare emotional-support-animal cases go to court.

If the court is to rule in a landlord’s favor, the landlord must prove that the increased or lost insurance creates an undue administrative or financial burden. Although this is a legal route for landlords to take, these cases rarely

result in rulings in their favor. Most of the time, tenants are allowed to keep their emotional-support animals as long as they have their verified letter from a mental-health professional.

RULES LANDLORDS CAN FOLLOW

To help navigate these sometimes-tricky situations, HUD has issued an assistance-animal notice to clarify the terms and legal allowances for emotional-support animals. It guides both landlords and tenants by getting into the finer details of common questions regarding what is and isn’t legal.

Landlords should also be aware that they may need to navigate these waters more often. Emotional-support companions are becoming more common each year, causing people to worry that this allowance will be taken advantage of. Federal law has already considered this because it limits one service animal per person, although in some cases people are allowed to have two or more depending on their disability.

As long as the emotional-support animal doesn’t have a documented history of harming others, landlords cannot reject it from living on their property. Any shown history of threats to other tenants must contain overwhelming evidence to hold up in court.

LOOK TO THE FUTURE OF PET POLICIES

It’s smart for landlords to look to the future and plan for pet-policy changes as the rental landscape adjusts to the needs of tenants. More young people are living in rental units for more extended periods, including when they start families. As their families expand, individuals in their unit may require emotional-support animals and an understanding landlord.

If property managers have any questions or concerns regarding their rights or the rights of tenants, they can look to the assistance-animal notice recently published by HUD for more clarity. It covers most situations that could occur so disputes may find a resolution without the need to go to court.

Holly Welles writes about real estate market trends from a millennial perspective. She is the editor behind The Estate Update, a residential real estate blog, and keeps up with the industry over on Twitter @HollyAWelles.





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RHA Oregon President’s Message

Life These Days Filled With Ups and Downs

These days I feel a bit like the man in the story who falls out of an airplane. Fortunately, he had a parachute. Unfortunately, it failed to open. Fortunately, there was a pile of hay to land on. Unfortunately, there was a huge rock in the pile of hay. Fortunately, he missed the rock. Unfortunately, he missed the pile of hay.

Life for landlords during this COVID-19 pandemic has been similarly filled with ups and downs. The initial announcements of moratoriums on evictions for non-payment of rent was a bit like being kicked out of the airplane. Of course, we were told that we had a parachute: rents were only being deferred, not waived. We know, however, that this is a false promise unless the State of Oregon provides emergency rental assistance to tenants. Towards that end, RHA Oregon has been working to make sure that all housing providers, and especially small landlords, will make it through this difficult time. To wit,

- We are maintaining support for our members with limited staff resources to provide phone and e-mail assistance. Although in-person classes and meetings are cancelled, we are expanding our educational offerings and Member Mentor sessions using an online (Zoom) Webinar platform.
- We are regularly updating our COVID-19

resource page on the RHA Oregon website so that landlords can keep up to date on regulations regarding tenants who are unable to pay rent, and find the resources they need to deal with their unique situation.

- RHA conducted a survey of our members from April 6-10. THANK YOU to the more than 200 landlords who responded, providing us with valuable, statistically valid information. I hope you have read the report that we made available to members the following week.
- We are coordinating efforts with our counterparts at Multifamily Northwest, including sharing data from our respective member surveys and harmonizing our communications with State and Local leaders.

As noted in our survey, most of our members felt they would be OK in April, but they were worried about May. Now that the CARES Act relief checks are being disbursed and unemployment benefits have been increased, I am hopeful that most May rents will also be paid on time. Nevertheless, for Oregon housing providers, it will get worse before it gets better:

- There have been more than 334,000 initial unemployment claims in Oregon since March 15.

- This is 16 percent of the statewide labor force.
- Unemployed workers in the restaurant and hospitality industries (~20 percent of the above total) are likely to be some of the last to return to work after “stay at home” restrictions are relaxed.
 - The Small Business Administration’s Interim Final Rule relating to CARES Act loans (e.g., the PPP and Economic Injury Disaster Loans) designated that “...landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds” are ineligible to receive these funds.

As gloomy as things sound, we should be glad to live in a state where most citizens have responded in a way that has successfully “flattened the curve.” This effort will allow Oregon to re-start our economy without endangering those who are most vulnerable. According to the nonpartisan Center on Budget and Policy Priorities, Oregon is well-positioned to recover more rapidly from the current recession than many other states. I encourage all of us to continue to support our tenants and each other during these extraordinary times. I am confident we will land in the pile of hay. Now if we can just manage to miss the rock.

— Ken Schriver, RHA Oregon President

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