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RENTAL HOUSING JOURNAL

INSIGHT FOR RENTAL HOUSING PROFESSIONALS

ON-SITE

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6 Signs Your AC Needs Repair Now

KEEPE
Air conditioner repair is not a surprise you want when tenants call so this month's maintenance tip from Keepe focuses on 6 signs you may need a repair.

The summer heat is here already, in many places, so are the air conditioning systems in your rental properties ready for the heat?

If the answer to that question is a cautious, "I don't know," then you might want to call your local air conditioner repair company for an inspection.

When the heat arrives in full force, those rusty appliances could cost you thousands in emergency repairs and lead to miserable, sweat-filled days come July. But how do you know when it's time to call your local AC repair guy?

Here is a short list of warning signs to
See 'Indicators' on Page 14

Greater Seattle Mid-Year Update on Residential Rental Housing

BY CORY BREWER
While the world has been all but flipped on its axis during the first half of 2020 in reaction to the COVID-19 pandemic, let's take a look at what has been going on in the single-family rental market throughout King and Snohomish Counties.

For context, we review data published by our local Northwest Multiple Listing Service (NWMLS) which includes primarily single-family rental houses and condominium units. There are some apartment units mixed in with the condominium category, but the vast majority of apartments in the region are not listed by NWMLS member brokerages.

With that in mind...
The total number of homes rented decreased by about 15 percent from the same period last year.

Like the real-estate sales industry, our ability to tour homes with prospective renters was (and to some degree still is) affected by health-protection measures. We also attribute this drop-off to the reality that people didn't move as much as they normally



do this spring compared to previous years. Mobility has been restricted and a lot more people have chosen to renew their leases instead. Compared to the first half of last year, renewals increased by 10.9 percent among our portfolio (1,500+ homes), and looking back two years, renewals spiked by

29.4 percent comparatively.
We have also executed lots of short-term lease extensions for residents who had planned to move, but put their plans on hold for the time being.

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Rental Payments Slow Down in Early July

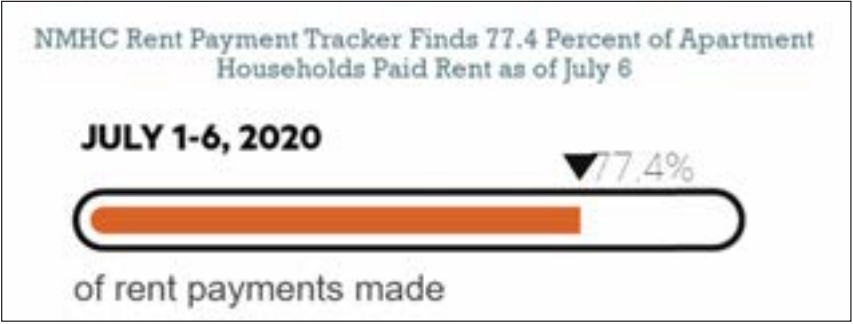
RENTAL HOUSING JOURNAL
The National Multifamily Housing Council's most recent rent tracker shows a decline in rental payments in early July compared to previous months.

The most recent July Rent Payment Tracker found 77.4 percent of apartment households made a full or partial rent payment by July 6 in its survey of 11.4 million units of professionally managed apartment units across the country.

"This is a 2.3-percentage-point decrease from the share who paid rent through July 6, 2019 and compares to 80.8 percent that had paid by June 6, 2020. These data encompass a wide variety of market-rate rental properties across the United States, which can vary by size,

type and average rental price," the NMHC said in a release.
"It is clear that state and federal unemployment assistance benefits have served as a lifeline for renters, making it possible for them to pay their rent," said Doug Bibby, NMHC President, in the release.

"Unfortunately, there is a looming July 31 deadline when that aid ends. Without an extension or a direct renter-assistance program, that NMHC has been calling for since the start of the pandemic, the U.S. could be headed toward historic dislocations of renters and business failures among apartment firms, exacerbating both unemployment and homelessness."



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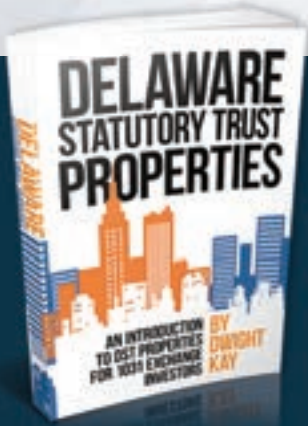
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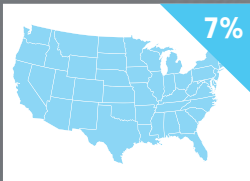
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The Impacts of Rent Control

We must work together to address the urgent need for affordable housing in Washington state.

WMFHA has joined Partnership for Affordable Housing, a 501(c)4 nonprofit, formed out of a strong and shared interest to come together to provide effective solutions to housing affordability in Washington.

The statewide coalition made up of community organizations, housing providers, and members of organized labor promotes solutions. Formed amidst a housing crisis that was acute prior to the COVID-19 outbreak, the coalition will be even more critical in the future.

The coalition takes a proactive approach to address housing affordability and is focused on the following principles:

- Support the creation of all types of housing that meets the needs of every Washington resident
- Enact new policies that help residents to stay in quality, affordable housing for the near and long term
- Give local communities more tools to keep housing affordable

Combating housing affordability issues will require solutions that address the needs of all Washington residents. Examples include:

- Provide rental assistance for residents in need: A community

fund that helps residents remain in their homes in both short and long-term instances.

- Create a multifamily tax aid: Property tax exemptions for housing providers who keep rents below market rates to maintain quality, affordable housing.
- Build public/private partnerships: Partnerships between government and the private sector that create a range of housing that fits needs of more people.
- Increase and expand the Washington Housing Trust Fund: State created program to fund affordable housing projects through a competitive process.
- Support Local Housing Levies: Jurisdictional programs that develop and preserve affordable housing and/or provide direct assistance to families at immediate risk of eviction and homelessness.

Rent control, rent caps, and other policies when the government controls the rental rates charged to residents lead to less affordable housing and fewer homes created.

The economic fallout from COVID-19 has been staggering. Stay-at-home orders have disrupted commerce and pushed many Washingtonians into unemployment. These

changes have led to housing insecurity for many in a state that's already in the middle of a housing crisis.

Despite federal, state, and local responses that expanded unemployment benefits and business funding programs to support those affected, further action by decision-makers will certainly be necessary.

In a recently released comprehensive research study published by economic consulting firm ECONorthwest on behalf of Partnership for Affordable Housing, available at www.partnershipforaffordablehousing.com, it is clear that a statewide rent control policy is the wrong solution.

RENT CONTROL WOULD SLASH HOUSING CREATION

According to the research report, a statewide cap on rents would reduce housing creation in Washington by 15,000 homes over the next 10 years. The impact would be felt greatest where housing is needed most; 78 percent of the lost homes would be located in King, Pierce, and Snohomish Counties.

Washington's population has grown by 12 percent over the last decade. However, between 2000 and 2015, we underproduced 225,000 homes – everything from apartments to ADUs to single family houses.

For every three jobs created in King County, we only created one new home. Looking ahead, Washington needs to create about 10,000 new apartments every year by 2030 just to keep up with demand for rental housing. Rent control would take us even further away from the 10,000-apartment home goal and would make our housing affordability challenges worse.

The report also considers places like New York, California, and Washington, D.C. All have rent control, yet they are among the most expensive places to live in the United States. Part of the reason is that rent control reduces the creation of new housing, further exacerbating the housing crunch. Nearly all economists agree rent control doesn't help housing supply.

The vast majority of New York's rent-stabilized apartments are in buildings well over 70 years old and in constant need of maintenance, repairs, and upgrades. Yet housing providers are limited by rent control and unable to pay for the cost of these repairs.

TAKE EFFECTIVE ACTION TO HELP ADDRESS THE HOUSING CRISIS

Now, more than ever, we must rally around solutions that help residents remain in their homes while supporting the creation of new housing that meets the needs of

See 'Statewide' on Page 15

9/30/2020

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Like many other parts of the country, Washington’s rapid growth has resulted in significant housing affordability challenges. Combatting housing affordability issues in the state will require holistic solutions that address the needs of all Washington residents.



Washington has seen a sharp population increase, with 12.1% growth since 2010.



More than 977,900 Washingtonians call an apartment home, with demand on the rise.



71% of extremely low-income renters spend more than half of their income on housing.



Between now and 2030, Washington will need to add 9,787 new apartment homes each year to keep up with demand.



Legal Landscape

The state of Washington preempts residential rent control. According to Washington legislation, “No city or town of any class may enact, maintain, or enforce ordinances or other provisions which regulate the amount of rent to be charged for single-family or multiple-unit residential rental structures or sites other than properties in public ownership, under public management, or properties providing low-income rental housing under joint public-private agreements for the financing or provision of such low-income rental housing.”

CONTINUE PREEMPTION

Rent control is an outdated concept. It benefits the very few—and not necessarily those in greatest need.

REJECT PRICE CONTROLS

Lawmakers should reject price controls and, instead, pursue alternatives such as voucher-based rental assistance for those in greatest need to better address housing affordability.



If you have questions about our efforts to promote holistic housing policies, please contact us at info@growinghomestogether.org

Growing Homes Together (GHT), a project of the National Multifamily Housing Council (NMHC), is a resource center designed to spark discussions at the state and local levels about policy solutions to improve America’s housing crisis. NMHC is a national organization of more than 1,100 member firms involved in the multifamily housing industry.

Can I Replace Flooring With a Tenant in Place?

By **Hank Rossi**

Dear Landlord Hank,

I have had a good tenant for more than 10 years. Is my responsibility to replace flooring and painting while he is living there?

-Sharon

Dear Landlord Sharon,

I would check the laws in your area to see if this is addressed?

The Department of Housing and Urban development guidelines are that carpeting should be replaced after 7 years. A paint job usually lasts 3 to 5 years.

I typically paint between tenants, and that is when flooring is dealt with as well.

It's easier to work in an empty unit than one where furniture would need to be moved.

I have replaced carpeting for a good tenant, during a lease.

We agreed that tenant would be responsible for moving all furniture so the job could be done and the tenant would pay for any delays or increased costs, if furniture was not moved as required.

So to answer your question, I don't know if the law in your area requires flooring or painting while a tenant is still living in the unit, but if the carpet is in need of replacement, I would definitely consider this to keep such a good, long-term tenant.

...

Dear Landlord Hank,

I am interested in buying a duplex, can you tell me the requirements I should have?

-Melanie

Dear Landlord Melanie,



When I'm buying any rental property, I want to make sure that it will really produce income.

I look at all fixed expenses – taxes, HOA fees if any, insurance, lawn/pool care, mortgage monthly payment, etc. – and add those all up.

Then I determine what I need to do to have the rentals rent-ready, such as painting the units, maybe changing out flooring, etc.

Then I check the rental rates those units will command. Then, I subtract fixed expenses from monthly rents and I know how much I'll net every month.

If that is a number that works for me and the upfront costs to make the rentals rent-ready are not too high, then I'm ready to move forward.

It's best to be a little conservative on market rents and a little high on renovation costs, as renovations often cost more than expected.

...

Dear Landlord Hank,

We have a 13-year tenant, on month-to-month, with three children, no father involved. She can hardly afford the rent, which I have kept low as she is a good tenant. The state and an uncle help with the rent. She runs a small day care in the unit. Business has been very slow the last couple of years. I need to sell, but what options do I have?

-Don

Dear Landlord Don,

It sounds like you've been very generous with this tenant for 13 years to allow her to

raise her family in your rental.

The property is your rental though, and you have no obligation to continue to allow a tenant to rent from you forever.

If you had a current lease, you would simply let this tenant know that you are selling the unit at the end of her lease and she would not be able to renew. You'd put it in writing and send it to her by certified mail, return receipt requested, so you'd have proof of delivery.

Since you have no lease and your tenant has a month-to-month tenancy, I would talk to her and tell her the same thing, which is you have no choice but to sell the property and she must vacate. Since she has been a good long-term tenant, I would give her some extra time to find a new place.

Ultimately, you may have to evict the tenant if she won't leave voluntarily. If the property looks good you could also try to sell it with the tenant in place.

All of this above advice is dependent upon compliance with your state's current laws regarding eviction protection due to the pandemic, and whether your property falls under the Cares Act.

Hank Rossi started in real estate as a child watching his father take care of the family rental maintenance business and was occasionally his assistant. In the mid-'90s he got into the rental business on his own, as a sideline. After he retired, Hank only managed his own investments, for the next 10 years. A few years ago Hank and his sister started their own real estate brokerage focusing on property management and leasing, and he continues to manage his real estate portfolio in Florida and Atlanta. Visit Landlord Hank's website: <https://rentsrq.com>



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Successful Landlords Know Screening Firms Not the Same

By David Pickron

When you’re shopping for a shirt, it’s easy to compare the quality of two options by looking at them side by side. You ask yourself questions like: Do I like the style? How is the stitching? Is the material going to last after one wash? How does it fit my build? This physical, tactile data gives you the necessary information to purchase the right shirt for your particular need.

Unfortunately, when it comes to backgrounds and screening your prospective tenants, you don’t have the same luxury. As a landlord, the tenant-background research process and results are invisible, seeming like smoke and mirrors. You’ve probably asked yourself, “How do I quickly get a reliable background on an applicant that allows me to make an intelligent and informed decision, and protects my investment?” This is THE essential question for you, because the wrong background will cost you time, money, headache, and heartache.

As a licensed private investigator, I’ve had a front-row seat to the deterioration of reliable information generated through tenant screening/background check processes, and the resulting misguided decisions by landlords over the years.

In the past, investigators went to the courts in the jurisdictions where rental applicants lived and worked to obtain current and accurate data, at the source. Contrast that with today’s “high-speed” approach to everything, where quickly delivered results are king, regardless of

whether they are backed by inferior and useless data.

A New York Times article titled, “How Automated Background Checks Freeze Out Renters” does a fantastic job explaining how the growth in data-mining in relation to tenant screening has become such a lucrative market over the last 10 years; all to the detriment of the tenant. Most of the biggest players in the industry are sourcing their tenant applications through these well-known, large data providers. As noted in the article, these large companies often employ rogue screening techniques that saddle landlords with maintaining their investment while also trying to sort through a list of applicants with limited, often inaccurate data as their source material.

Avoid the Pitfalls

To add to all of this, the government requires landlords and screening companies to have systems in place to report accurate Fair Credit Reporting Act (FCRA)-compliant records. In other words, false or misleading records can result in a FCRA violation, which can lead to lawsuits. Denny Dobbins, attorney for Rent Perfect, reminds us that the top three pitfalls to look out for with screening-company instant results are:

1) RECORDS ARE THOSE OF MY APPLICANT. Do the records on the report represent the right applicant, and how does the screening company know?



Being correct about the data you are using to determine an applicant’s status is critical. Recent case law shows evidence that many background companies simply do not have good or adequate processes in place to ensure that a criminal history really belongs to the applicant. Consider all the information that is needed to make sure your screening company is reporting accurate results for your applicant: date of birth, Social Security number (if it can be found), full address history of the applicant since age 18, maiden names, alias names, etc. Most screening companies that provide instant products do not obtain all this vital information, or lack the experienced personnel to analyze it properly for clues and anomalies.

2) RECORDS MATCH EXACTLY WITH THE COURT: Are the records reported to the landlord identical to what is in court records? Landlords are expected to make informed, professional decisions and, without court-verified and matched records, you may be subjected to making unskilled interpretations and conclusions. Every time data is transferred from one source to another, it loses its original

integrity, similar to a copy machine. The more copies of copies you make, the less quality you have versus the original. So, a case in an instant database might show as dismissed – as if they never created the crime – but the actual court file will show a guilty plea that was dismissed two years later because of good behavior. One says the person was guilty, the other infers he or she was not.

3) RECORDS ARE COMPLETE AND UPDATED: Are all the records complete and up to date? As a landlord, you deserve to see the case in its entirety. Things to look for are (a) do the records show the actual final disposition of the case, i.e. did the record start as a felony but was later reduced to a misdemeanor; (b) was the case dismissed after the applicant successfully completed probation, or did the matter go through some kind of a diversion process as opposed to ending in a conviction? Keep in mind that criminal records are constantly being updated at the court, and it is critical to have most recently updated records in your report. Also, of note, states deal with these issues

See ‘Not’ on Page 11



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Not All Screening Companies Are Alike

Continued from Page 10

differently and there is no standard by which they all report or update records. Please note, information typically found in instant-database searches is not always complete and/or updated.

Instant searches often provide faulty data, which, when used by a landlord, can result in getting sued by applicants. There is both greater safety and protection for you and your investments using a licensed private investigator to perform your tenant screening. Although this sounds expensive and possibly time-consuming, the exact opposite is true. Over the years, court data has become more accessible, and trained private investigators have paid-subscription access that allows them to quickly gather court data at a minimal cost to you. When an investigator accesses court records at their original source, whether it is for evictions or criminal history, they get current, accurate, and complete results, which protects all parties involved in the transaction.

CUSTOMER SERVICE IS KEY

Having the correct data is the first step in finding the right person, but you should also look to lean on your screening company for additional policies, procedures, and simple answers to questions you might have.

Large companies who want to get into the screening business might offer an online application or background check, but when you pick up the phone to call them, the line keeps ringing. Technology can only get us so far, but it cannot replace a human being on the other end of the line.

An application and background check are nice and convenient, but there is so much more to providing you the service



and protection you deserve.

“Landlords get in trouble when they do not follow the Fair Credit Reporting Act,” Denny Dobbins continues. “One of the biggest, and most easily corrected, mistakes landlords seem to make is the complying with sending the required Adverse Action letter to the applicant. This letter is required if the applicant does not qualify for or meet the landlord’s rental criteria. It is very easy to do, but landlords must make it a habit. A good screening company should have a procedure/process in place to help you meet your obligations for this requirement and consult you through this process, but the landlord has to send the actual letter.”

Another area many landlords do not realize they have to comply with is to perform a HUD-type of “individualized assessment” for any report that comes back with negative information resulting in the landlord deciding not to rent to the applicant, based in part or in whole on information found in the background report.

Dobbins indicates that the way to perform this individualized assessment is to ask yourself these questions:

1. Looking at the nature and gravity of the criminal history, does the particular criminal history in the report constitute a risk that I am not willing to take based on my substantial, legitimate, and non-discriminatory interests to protect my property, my staff and other residents? In other words, what kind of criminal history is it and how bad was it? Is it an unacceptable risk to take?
2. How long has it been since the applicant was involved with the criminal activity?
3. How long has it been since the applicant has been released from prison or parole for that criminal activity?
4. Have I analyzed all information that the applicant has provided me about mitigating factors regarding the criminal activity and rehabilitation for the criminal activity?

To help guide the analysis above, Fair Housing suggests investigating back o more than seven years, and determining if any prior crimes cause a threat to your property or other people. However, some felonies may create enough risk that you may want to include a longer research period, such as sex crimes, crimes against children, and violent crimes. These should be discussed with your attorney.

Landlords have a duty to properly screen tenants as outlined above, and may be held liable for the criminal acts of a bad tenant upon others. What might seem like a “no-win” situation can easily be remedied by having a legally sound rental criteria that is strictly enforced, fair and respectful treatment of tenant applicants, employing a quality background-check company that ensures they are delivering accurate and complete results, and giving you the proper tools and resources to manage applicants that do not meet your criteria.

So, compare your current tenant applicant background process with the actions that are prescribed above. If you find them lacking in one or more areas, you owe it to yourself and your investments to find a screening company that understands your needs for quick (less than 6 hours), accurate, and up-to-date information on your applicants while supporting you every step of the way. With the right questions and diligent comparisons, you will soon find out that not all screening companies are the same.

David Pickron is a private investigator licensed in Arizona. He owns and manages residential and commercial properties and is the founder and president of Rent Perfect, an investigative screening company. He wants landlords to find the right renter the first time.



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Seattle Rents See Continuing Declines

RENTAL HOUSING JOURNAL

Seattle rents took a sharp decline in June of 0.6 percent, according to the latest report from Apartment List.

Despite a second month of rent decreases rents have remained steady at 0.2 percent year-over-year.

Median rents in Seattle are \$1,348 for a one-bedroom apartment and \$1,678 for a two-bedroom.

Overall rent growth in Seattle has been relatively stable over the past year - some other large cities have seen more substantial increases; in contrast, rents in a few cities have actually declined

SEATTLE BUCKS TREND

While rents have remained steady in the city of Seattle throughout the past year,

cities across the metro have seen a different trend.

Rents have risen in 9 of of the largest 10 cities in the Seattle metro for which Apartment List has data.

Here’s a look at how rents compare across some of the largest cities in the metro.

- Lakewood has the least expensive rents in the Seattle metro, with a two-bedroom median of \$1,507; the city has also experienced the fastest rent growth in the metro, with a year-over-year increase of 2.0 percent.
- Bellevue has seen rents fall by 0.8 percent over the past month, the biggest drop in the metro. It’s also the most expensive city in the Seattle metro with a two-bedroom median of \$2,402.

City	Median 1BR Rent	Median 2BR Rent	M/M Rent Growth	Y/Y Rent Growth
Seattle	\$1,350	\$1,680	-0.6%	0.2%
Tacoma	\$1,260	\$1,570	-0.1%	0.2%
Bellevue	\$1,930	\$2,400	-0.8%	0.6%
Everett	\$1,380	\$1,720	0	0.2%
Kent	\$1,500	\$1,870	0	0.8%
Renton	\$1,710	\$2,130	-0.5%	0.3%
Federal Way	\$1,410	\$1,750	-0.1%	-0.1%
Auburn	\$1,380	\$1,720	0.1%	1%
Marysville	\$1,330	\$1,660	0.1%	0.5%
Lakewood	\$1,210	\$1,510	0	2%
Redmond	\$1,840	\$2,300	-1.1%	-1.2%
Kirkland	\$1,760	\$2,200	-0.4%	0.7%
Sammamish	\$2,820	\$3,510	-0.1%	1.7%
Puyallup	\$1,580	\$1,970	0.3%	1.3%
Lynnwood	\$1,590	\$1,980	-0.7%	-1.7%



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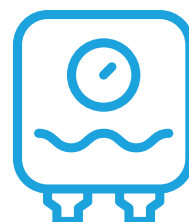


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Indicators Your AC System May Need Repair

Continued from Page 1

watch for that signal your air conditioning system may be in need of quick repair.

No. 1- Odd Noises

While humming and rushing air are usually not a concern, any knocking, growling, squealing or rattling could indicate serious trouble with the compressor or the condenser.

It is advisable that you get a professional air conditioner repair company to assess your system before your tenants start calling.

No. 2 – Unusual Odor OR Smell

An air conditioner should never give off peculiar smells.If yours does, it could be a sign of mold, damaged ductwork or malfunctioning components. All these issues require immediate repair if you do not want to end up replacing the unit.

No. 3 – Decreased Airflow

The primary sign of an air conditioning system that is working well is air flow.

Airflow can become restricted in several ways; there can be a problem with the duct work or fan, or a blockage or leak elsewhere



in the system. Air ducts blocked by debris can pose a health risk, especially if the debris includes decomposing insects or the droppings of small animals. Polluted air flow can cause the onset of respiratory disease or worsen an existing breathing problem.

No. 4 – Excessive Cycling

Does your air conditioner turn on and off in short intervals?

If so, it may be short-cycling. If your unit seems to cycle on and off more than typical, it could mean that your thermostat is malfunctioning. It could also mean that

cold air is escaping; check for leaks and add some weather stripping if needed.

No. 5 – Increase in Energy Bill

A power bill that suddenly shoots up, especially if the unit is not running that often, could be another strong indicator that your system is in need of repair or replacement.

There are multiple causes for this particular issue, including leaks in your AC’s ductwork, a broken thermostat switch, or the advanced age of the unit. Regardless of the source of the trouble, the AC will need to be repaired.

No. 6 – Leaking Water

If you notice that your air conditioning system is leaking water, you need to contact your local air conditioning repair company sooner rather than later.

Not only is this a sign that the AC unit is malfunctioning, but it may also lead to damage to your rental unit. AC systems naturally create moisture and condensation, but in a properly functioning system this moisture should be flushed out through drain lines.

In Conclusion

These are just some of the common warning signs to look for when checking on the condition of your AC in your rental properties. If you notice these or any other issues, contact a reputable HVAC repair company before the tenants start calling and the dog days of summer finally arrive.

Keepe is an on-demand maintenance solution that makes a network of independent contractors available for 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>.

Mid-Year Update on Residential Rental Housing

Continued from Page 1

Generally speaking, for the homes that did hit the market and rent between January and June, you would barely know that COVID-19 was a factor (at least on paper). Average days-on-market slowed from 38 to 40, but this is a minor difference; 40 days on market is identical to this time in 2018. Overall rental values are up 2.8 percent from last year, and price per square foot jumped even more, by approximately 4.8 percent.

The Migrating-Demand Trend

As you start to look closer, however, you’ll see where the true impact of COVID-19 hit the rental-housing market, and that is with condominium and multifamily units. I am going to call this a “migrating demand”

trend.

“Migrating demand” is the story of housing in response to COVID-19.

Around the world, people are fleeing dense city centers and searching for housing in suburbs or even in remote areas. Recently published articles from sources such as the Wall Street Journal document this trend around New York City, and in other parts of the world migrant workers are leaving crowded cities and making their way back to the more remote areas from where their families originate.

Back to our specific region, market times for condos and multifamily specifically in the city of Seattle have suffered, slowing down by a significant 38.8 percent compared to the same time period last year. As mentioned earlier, rents across the board

have trended up, but what you can’t see in the NWMLS data is how often concessions are being offered on executed leases (such as “first month free” on a condo or apartment rental, which is prevalent if you go looking around the various advertising sites).

We believe there are three key factors that explain the “migrating-demand” trend.

No. 1 - Health Concerns

The term “social distancing” has become inescapable and this speaks directly to the proximity of neighbors in condo and multifamily settings. Shared amenities such as entryways, elevators, mail rooms, and other common areas have residents on edge as they yearn for more private living spaces.

No. 2 - Square Footage

Another familiar term is “sheltering in place,” which is a lot easier to do when there is a basement, deck, or back yard to retreat to. Some local readers may have seen the TV commercial that our brokerage ran earlier this year, highlighting one of our residents who was in a big hurry to move out of her smaller rental unit and into a two-story house.

No. 3 - Working From Home

If a large number of jobs are moving out of offices and into a more remote scenario, then the need to live in close proximity to downtown office buildings is no more. Without a commute to worry about, living further away from the city is not as much of a concern for many.

When you start to look beyond housing, there may be even more changes to the way people live their lives. Crowded restaurants, concerts, festivals, and sporting events – are they a thing of the past? At least temporarily?

Given the non-permanent nature of renting a home (as opposed to buying), expect to see this “migrating-demand” trend intensify for renters as they look to take a break from in-city living, and maybe come back in a few years when pandemic concerns have softened.

We expect this will also give significant rise to the demand for the Accessory Dwelling Unit (“ADU”) housing product. Also known as a “backyard cottage” or a “mother-in-law” apartment, whether attached or detached, this type of housing unit offers a good mix of affordability and personal space.

Since the term “essential” also became a buzzword in reaction to the pandemic, we have taken the position that housing is always essential. In relation to some other industries such as restaurants or airlines, we are grateful to be involved in an industry that continues to show resilience, stability, and strength.

Cory Brewer is the general manager at Windermere Property Management / Lori Gill & Associates. He oversees a team of property managers in the greater Seattle area who manage approximately 1,500 rental properties. Brewer can be reached via www.wpm-northwest.com or coryb@windermere.com.

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Potential Tenants Prefer Tours Without Agents

RENTCAFE

Self-guided rental-housing tours in person, without the agent, are growing in popularity – not virtual tours, which are everywhere, but actual in-person tours of the property just without the agent, according to a new survey.

RentCafe’s survey of 3,500 Americans shows 83 percent would use self-guided tours, despite having an array of options to tour virtually.

“As social distancing becomes the new norm, the pandemic is fundamentally changing apartment hunting,” RentCafe says in a release. “While ‘virtual tours’ are still on everyone’s lips, there’s another feature becoming increasingly popular: agentless self-guided tours.”

“Unlike virtual tours, self-guided tours allow for an in-person experience, meaning you can tour the actual apartment all by yourself and see how spacious it truly is, how it feels,” said Adrian Rosenberg of RentCafe.

“You pick a date and time from a calendar, go through ID verification, and receive an address and access code for the smart lock. All units supporting self-guided tours have

smart locks and thermostats, which are controlled remotely,” he said.

In the survey, 63 percent of the renters would take a self-guided tour because they can view apartments at their own pace, while 59 percent picked social distancing as a reason for using this technology.

What do renters expect from an agentless tour? Flexible tour durations (62 percent), online scheduling (61 percent), and digital access system (29 percent) are among the top features.

Coupled with digital resident services such as rent payments with Alexa and in-app maintenance requests, self-guided tours fully digitalize the renting experience.

“Living in the time of a pandemic has pushed us into the digital realm faster than ever before, leading to an unprecedented boost in new tech solutions that allow us to continue to work and live while respecting social-distancing norms and minimizing health risks,” RentCafe said in the release about the survey. “The need for social distancing is turning self-guided tours into mainstream apartment-leasing technology overnight.”

Eviction Moratorium Extended in Oregon

RENTAL HOUSING JOURNAL

Oregon lawmakers have voted to extend the state’s evicton moratorium for both residential and commercial properties through the end of September and give renters until March 31, 2021 to pay back rent.

The legislature passed HB 4213, which extends the renter protections originally issued by Governor Kate Brown’s Executive Order preventing evictions for nonpayment of rent.

After the Oregon eviction moratorium ends Sept. 30, the bill sets a grace period through March 31, 2021, for tenants to pay any rent owed. If they make partial payments, the money is applied to current rent first.

Tenants must inform landlords within two weeks whether they intend to use the grace period, either by mid-October or another date set by the landlords. If they do not, tenants can be charged a penalty equal to a half-month’s rent. Landlords can send notices to tenants about the deadlines, but they cannot send tenants eviction notices until 90 days after nonpayment on Dec. 31, according to reports.

House Bill 4204 gives homeowners and property owners protections from foreclosures as Oregon’s economy recovers from the COVID-caused recession, according to a release.

“Home and property owners are struggling to pay their bills and prevent foreclosure as a result of this pandemic. This bill will help protect those who live in their own homes, as well as those who maintain rental housing, or who rent spaces to small businesses,” Senator Kathleen Taylor (D-Portland) who chairs the Senate Committee on Labor and Business, said in the release.

“By passing House Bill 4204 and extending foreclosure protections, we help home and property owners and all who depend on that property for housing or income,” Taylor said.

Oregon Senate Republicans said in a statement, “...the Senate passed HB 4213, a bill that will force landlords and property owners to shoulder more debt during the Governor’s continued COVID-19 economic shutdown.”

Senate Republican Leader Fred Girod (R-Stayton) issued the following statement: “Instead of addressing the utter failure of the Oregon Employment Department to distribute unemployment checks to thousands of suffering Oregonians, Democrats are stacking debt on people who cannot afford it and the burden falls on renters and landlords. The Governor’s abuse of power and economic policy is a disaster for this state.”

Statewide Rent-Control Policy is Not the Solution

Continued from Page 7

people from all income levels. Emergency rental assistance funds like those proposed in the HEROES Act are vital to helping people remain in their homes during the COVID-19 crisis.

This legislative session, the state should look at increases to the Washington Housing Trust Fund to expand investment in affordable housing opportunities. We can redouble our commitment to affordable housing by building on last year’s sales tax rebate for cities that invest it in housing creation. The state can help increase the creation of a wide range of housing with property tax incentives for housing providers that keep rents below the market rate.

We need to apply a holistic approach that begins to chip away at our affordability crisis. All the while, legislators must refuse to fall for easy “fixes” that could ultimately make Washington’s housing crisis and response to the pandemic even worse.

ADDITIONAL IMPACTS OF RENT CONTROL

The report makes clear: as decision-makers consider short- and long-term solutions to the economic fallout from COVID-19 and Washington’s existing housing crisis, a statewide rent control policy is not the solution. Here’s why:

- Rent control would slash housing creation. A statewide cap on rents would reduce housing creation in Washington by 15,000 homes over the next 10 years. This is equivalent to 11 percent of all the multifamily units produced statewide between 2010-2019. A reduction of 11 percent in housing creation is equal to a year’s worth of homes that would never be built in the next decade.
- Rent control could reduce property tax revenue. Washington tax policy is heavily reliant on housing investments. Rent control could reduce property tax revenues by \$200 million over 10 years and reduce sales tax revenue by \$301 million.
- Rent control would reduce economic

activity and jobs. Rent control would significantly reduce housing investments to the tune of \$3.5 billion over 10 years. This would also reduce employment in the skilled construction trades and other professional services.

- Rent control is failing elsewhere. San Francisco, New York, and Washington, D.C. all enacted rent control and are among the most expensive cities in the United States. Part of the reason is that rent control reduces the creation of new housing,

further exacerbating the housing crunch.

“Fixes” like rent control would ultimately make Washington’s housing crisis and response to the pandemic even worse. That kind of policymaking takes us backward and exacerbates the housing crisis for everyone.

The state can spur housing creation that meets the needs of all people of all income levels and help families remain in their homes by creating a fund for short term rental assistance. At the same time, we must avoid policies like rent control that reduce

housing creation and increase costs for all.

WMFHA supports the rental housing industry by providing quality educational opportunities, coordinating networking events for personal growth, and by advocating for legislation equitable to our industry and the broader community. To learn more about membership in this passionate organization, simply call us at 425.656.9077 or visit our website at www.wmfha.org. Follow us on Facebook and our other social channels for up to date information on association activities.

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