


More Property Managers Being Conscientious About Junk Removal

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NAA Sues CDC, Seeking Halt to Eviction Moratorium

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# 7 Insights for Landlords on Eviction Moratorium

RENTAL HOUSING JOURNAL

Two attorneys recently joined the National Real Estate Investors Association for an online discussion to help landlords and property managers understand how best to deal with the new federal eviction moratorium.

A new nationwide eviction moratorium has been ordered through the Centers for Disease Control (CDC) to halt residential evictions through the end of December for non-payment of rent due to COVID-19.

Both lawyers discussed the issues, the affidavits that tenants must provide to show how they have been affected by COVID-19 in order to qualify under the moratorium, and how attorneys could challenge the affidavits in court when necessary.

You can hear the full discussion here on YouTube.

Attorneys Jeff Watson, in Cleveland, and Jeffrey Greenberger, in Cincinnati,

See ‘7 Insights’ on Page 11

# Becoming a Master Strategist is Key for Successful Landlords

By DAVID PICKRON

I have always had a lead foot. It is hard to admit but with my hard-charging personality, I just want to get where I am going... fast. As a young man, to prevent countless tickets, I purchased a radar detector which allowed me to sense a police officer before he could see me. Police departments realized they were being outsmarted by this technology and needed to make a change, so they started using a different band which most consumer radar detectors did not have at the time. The private market reacted as it always does, and soon you could buy a radar detector that included the new bands used by law enforcement. This produced a battle between radar detector companies and police, with one making a move, only to be met with a counter move by the other.

We find ourselves in a similar tug-of-war when it comes to evictions, where the CDC has now made a move to stop all evictions nationwide in an attempt to

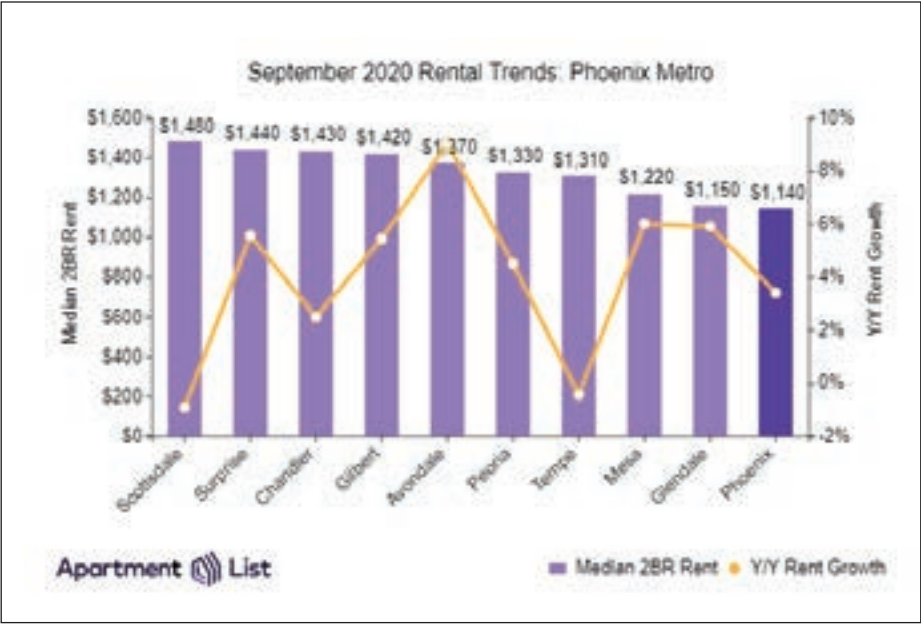


limit COVID-19 spread through homeless shelters or crowded family shelters. As landlords, we are being forced to react to what I personally believe is an overreach. After spending the last few days fuming about this decision and asking myself if I still live in a free country, I have

gone through four of the five steps of grief (denial, anger, bargaining, and depression), and now am working my way to the fifth step; acceptance.

Acceptance of the fact that this is See ‘Strategy’ on Page 10

# Phoenix Area Rents Jump Sharply



RENTAL HOUSING JOURNAL

Phoenix rents have increased 0.7 percent over the past month, the third straight month for increases, according to the latest report from Apartment List.

Rents in Phoenix have increased moderately by 3.4 percent year-over-year. Median rents in Phoenix are \$934 for a one-bedroom apartment and \$1,140 for a two-bedroom.

Throughout the past year, rent increases have been occurring not just in the city of Phoenix, but across the entire metro.

Of the largest 10 cities that Apartment List has data for in the Phoenix metro, eight have seen prices rise.

See ‘Phoenix’ on Page 8

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# Three 1031 Exchange Alternatives

By Jason Salmon

Senior Vice President & Managing Director of Real Estate Analytics, Kay Properties and Investments, LLC

### 1031 Exchange Alternative #1 — Utilizing a 1031 exchange into DST 1031 properties:

Delaware Statutory Trust (DST) real estate has been a great way for investors to participate in passive, professionally managed real estate for their 1031 exchanges since the IRS enacted Revenue Ruling 2004-86 which effectively blessed the use of a properly structured DST 1031 investment as “like kind” for the purposes of a 1031 exchange. The DST investment structure of real estate ownership has given investors the potential to diversify across several property sectors, geographic locations and with various managers. For those that wish to focus on areas of life like family, hobbies and travel instead of dealing with tenants or just having to be constantly concerned with the value of hands-on real estate and the best time to sell, DSTs can potentially be the right thing at the right time.

### 1031 Exchange Alternative #2 — Utilizing a Qualified Opportunity Zone Fund in lieu of a 1031 Exchange:

Qualified Opportunity Zone Funds are relatively recent investment vehicles whereby investors can place capital gains (within a certain timeline of selling) into real estate investments. Through the Tax Cuts and Jobs Act, certain areas that have been mandated as Opportunity Zones according to the IRS as “an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment.” It should be noted though, that Opportunity Zones are not necessarily used as a 1031 exchange, but rather another option in the case of a failed 1031 exchange or a potential tax-deferral tool for other investments with gains such as stock or the sale of a business.

### 1031 Exchange Alternative #3 — The 721 Exchange or UPREIT:

Many investors that want to do a 1031 exchange, but don’t want the hassle of day-to-day management, and/or want diversification—and with a working knowledge of Real Estate Investment Trusts (REITs) ask “why can’t I invest in these vehicles for my 1031 exchange?” Because of very specific guidelines for what is considered “like-kind” real estate, REITs are not eligible for 1031 exchange. However, through an UPREIT transaction which stands for Umbrella Partnership Real Estate Investment Trust, it can potentially be possible through a series of steps. With a 721 exchange, instead of a 1031 exchange, investors may exchange property for OP or Operating Partnership units in the REIT. This might be easier said than done since the REIT would have to want to bring the relinquished property in and all parties would have to agree on terms, but it’s possible. Investors should also consider whether the REIT is public or private and the likelihood that they would have interest in conducting another tax-deferred exchange going forward since that would not be possible once this type of transaction has been made.



#### About Kay Properties and www.kpi1031.com

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.

This material does not constitute an offer to sell nor a solicitation of an offer to buy any security. Such offers can be made only by the confidential Private Placement Memorandum (the “Memorandum”). Please read the entire Memorandum paying special attention to the risk section prior investing. IRC Section 1031, IRC Section 1033 and IRC Section 721 are complex tax codes therefore you should consult your tax or legal professional for details regarding your situation. There are ma-

terial risks associated with investing in real estate securities including illiquidity, vacancies, general market conditions and competition, lack of operating history, interest rate risks, general risks of owning/operating commercial and multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, potential returns and potential appreciation are not guaranteed.

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# Sustainability Data Rises to Top of Waste-Hauling Strategy Heap

By PAUL BERGERON

Challenges involving the proper removal of bulk junk, non-traditional waste products and organics continue to mount for commercial real estate operators, particularly those managing apartment buildings and retail space.

Waste-removal service companies’ inconsistency in performance and expense is complicating the operations side of this necessary responsibility.

Conscientious property groups with sustainability goals in mind continue to seek reliable and efficient methods for these services to help their landfill-diversion goals and maintain acceptable curb appeal.

“Bulk-item removal has been really difficult because of lack of viable donation outlets and reuse consumers,” says Sydney Mainster, vice-president of sustainability for The Durst Organization, a family-run real-estate company. “It’s a lot of labor to handle, and oftentimes we need it removed quickly, whereas the end user may take weeks or months to identify. Also, we’ve often had to use our own in-house labor, even when donating items like furniture.”

## JUNK THAT’S CALM, COOL, COLLECTED

CheckSammy is a growing national company that provides same-day, on-demand removal services as well as monthly subscription-based service at a flat-rate.

“Junk hauling is the reactive, often problematic segment of the apartment industry’s waste hauling process,” says Cameron Funk, Vendor Relations Manager, Cass Waste Expense Management, Jacksonville. Funk manages thousands of residential real estate waste-management accounts nationwide.

“A community could have two move-outs on a given Monday and nothing else the rest of the month,” Funk says. “This causes complications for onsite management teams when budgeting costs and scheduling pickups. There’s no normality to it. Depending on the market, you’ll get different haulers at different rates at different times.”

Mainster says that more than anything, it saves on staff labor. “It also minimizes how many times someone has to move an item. If we have to move large items in house, someone from the building has to move a couch, for example, from the apartment to the basement for storage. Then, when it is either discarded or donated, that piece of furniture has to be handled a second time. With this service, it’s both removed from the apartment and from the building site at the same time.”

CheckSammy contracts locally with its staff, who are trained on the art of junk collection. They are currently the only company in the United States doing this. Offering a monthly subscription rate is far better than working through franchised waste haulers, who are generally less reliable and can be costlier.

“They make the entire process just a little bit smoother and that can go a long way economically and logistically,” Funk says.

Property managers say the predictability of its services takes some of the logistical and budgetary stress out of the process. Because the service does not involve franchises, it provides significant cost savings because no marketing charges are passed along to customers, the company says.

## REMOVE THAT EYESORE

Junk hauling often can become a curb-appeal hazard for a community.

“A leasing staff doesn’t want to show an apartment with old mattresses laying outside,” Funk says. “If they are having to wait for a pick-up, they might as well have to set up an open-top container, but that’s not ideal, either. In a crowded area, it can come down to a space issue. With CheckSammy, you know they are going to show up when they say they are. The junk won’t linger.”

Junk-removal hurdles are becoming more prevalent during this uptick in apartment-home clear-outs,

Property management companies paying attention to budget-friendly, conscientious junk removal to meet diversion mandates.



often required for residents who abandon possessions following a move-out or an eviction.

“Being able to resolve and remove junk/bulk in a timely manner while having a simplified pricing structure is essential to client satisfaction,” Funk says.

## SATISFYING DIVERSION-DATA GOALS

Funk has used CheckSammy for about a year and finds its data collection beneficial, particularly for apartment owners and managers who are tracking diversion percentage, Funk says, as well as those needing to meet the growing number of local areas where metrics are mandated.

“Instead of getting a percentage estimate for diversion rates, you get the exact number,” Funk says. “This is very helpful for apartment firms looking to gain LEED certification or for meeting state or local guidelines.”

The data-collection process, which includes photos of the bins for each pickup, are more granular than most, Funk says. “For commercial clients, for example, if they are seeing the same widget showing up in 70 percent of the pickups, this is a signal to them that maybe they don’t need to be making so many of that widget,” Funk says.

“You can tell that CheckSammy invested a lot of time and money in data collection for its product. This data can then be fed into our propriety software as well as Microsoft Power BI analytics tool. Clients love the visibility and insight that is able to provide.”

Mainster says the data transparency about where these items actually end up once they’re removed through this process is important for integrity and upholding company values.

“We don’t just want it gone and forgotten about – we want to make sure it’s recycled or, ideally, reused when it leaves our buildings,” she says.

CheckSammy is being described as the next-generation sustainability solution for the waste industry, offering not only bulk junk/sustainability services but key data, by providing verified reporting that allows clients to meet or exceed their owners’ and investors’ sustainability metrics.

“Until now, no one had visibility into their bulk-junk spend, volumes, seasonality, and tracking for end of life and sustainability metrics,” says Sam Scoten, company CEO. “Through our software, we are able to

generate detailed quarterly reporting, showcasing not only sustainability metrics, but spend and photos, and all backed by real-time verified data,” Scoten explains.

The provider’s streamlined reporting has eased such data-collection efforts for sustainability in areas such as Dallas, Fort Worth, and throughout California, and other municipalities around the country.

## FOR MOST, THIS IS ‘SERIOUS’

Mainster says Durst “takes diverting recyclable or compostable items from landfill seriously.”

How seriously? Durst offer organics collection for composting at no charge to all commercial tenants at its office buildings and to all residents at its multifamily buildings.

“We continue to offer organics collection through a private hauler at the apartment properties, even though DSNY has halted its city-wide organics program,” Mainster says. “We also offer battery recycling, light bulb recycling, e-waste collection and recycling, and bulk-removal options at our commercial properties. At our multifamily buildings, we collect batteries, e-waste, light bulbs and textiles for recycling.”

Mainster says her company has struggled with bulk removal at its commercial properties and residential buildings due to timing, lack of adequate storage, labor requirements and lack of viable outlets for items such as office furniture and sofas.

“A company that provides professional labor for removal, storage, and transparent outlets for bulks items and goods is in theory, an ideal solution,” she says.

Funk says he’s used CheckSammy in other collections verticals, such as shopping malls. “The good thing about it is that it’s a system that is set up that can work in any vertical,” he says.

*Paul Bergeron has been reporting on the apartment industry since 2002 and served 20 years as Editor in Chief for National Apartment Association’s UNITS magazine. He currently is Editor of his LinkedIn media platform Thought Leadership Today and can be reached at pbergeron333@gmail.com.*





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# A Short Guide to Tenant Surveys

BY JULIAN ALVARADO  
BirdEye

Customer experience management is the process of designing your customer experience so it consistently exceeds customer expectations. Positive customer experiences translate directly into customer loyalty, credibility, online reach via Google search, and even more revenue.

Building and maintaining ongoing relationships with your tenants (i.e., customers) is only possible through regular feedback. One of the most efficient ways to get that feedback is through online surveys, which can then be used to improve your property, evaluate personnel performance, and improve tenant retention—and even increase occupancy.

In this guide, we'll show you how surveys can be the cornerstone of your tenant-experience management strategy.

### How to Conduct a Tenant Survey

You can conduct a tenant survey at any time, but offer them at the beginning of the year for the best results. Entry and exit-surveys are popular amongst a lot of property managers but have their drawbacks:

- New tenants may not give you actionable insights outside of how smooth the renting process was.

- Exiting tenants have nothing to gain from the changes you make, and if they do want to respond, they may be too busy.

In any event, you want to collect as many responses as you can to identify consistent trends. An additional benefit of conducting a mass survey at one point of the year allows you to administer multiple surveys and compile all of the data at once.

### Other Best Practices Include:

- Incentivize your tenants to encourage participation. For example, you can offer movie tickets, a gift card, or even a rent discount.
- Guarantee anonymity for survey participants. This will encourage more tenants to participate and will give you more honest feedback.
- Promote the survey as much as possible and make it easy for tenants to take it.
- Offer a mixed bag of questions but no more than five or six. For example, the mix could include yes/no, short answer, and rating (e.g., 1-5) scale questions. This should leave enough room for your tenants to give their real opinions and help you improve.

When you receive your tenants' responses, read through them carefully, and be open to constructive criticism. Take note of any sim-



ilarities in your tenants' answers; if more than one tenant mentions something in particular, then you need to pay close attention to it. The tenant survey will help you evaluate your strengths and weaknesses and become a better, more successful landlord.

### Conclusion

There are 43 million renters in the United States, and each carries their perception about their rental experiences. Property managers that reach out for regular feedback can make improvements to retain their residents. They can also use it to acquire new tenants by integrating survey results into their online reputation management strategy—the process of collecting and maintaining positive reviews.

Tenant experience management begins with developing a systematic plan that provides regular feedback at various touchpoints throughout a tenant's customer journey. Surveying your tenants is a great way to identify any consistent concerns or trending changes

before they lead to more significant issues.

*Julian Alvarado is a well-rounded marketing professional with over five years of experience developing, managing, and optimizing multichannel digital content for demand generation. He is passionate about crafting full-funnel content experiences through compelling storytelling and transfers this passion to marketing. With a background in biological sciences, Julian leverages his analytical mode of thinking and attention-to-detail to examine trends in customer behavior, creating on-brand, data-driven content that captures the attention of any given audience.*

*BirdEye is an all-in-one customer experience platform that provides businesses with the tools to deliver great experiences at every step of the customer journey. More than 60,000 businesses of all sizes use BirdEye every day to be found and chosen by new customers, be connected with their existing customers, and deliver the best end-to-end customer experience.*



## Monthly Meeting Schedule for the Arizona Real Estate Investors Association

**PHOENIX MEETING**  
**MONDAY, OCT. 12, 2020**

**GENERAL MEETING INFORMATION:**

The Phoenix-area group of the Arizona Real Estate Investors Association (AZREIA) meets the second Monday of every month, either live or virtually.

The live meetings (when applicable) are held at the Celebrity Theatre at 440 N. 32nd Street, Phoenix, AZ. Registration begins at 5:15 p.m.

**AGENDA**

Each month's meeting generally includes the following:

- Market Trends & Outlook: Your up-to-date analysis on the trends in National, Regional, and Local areas. Come find out where our market is heading – valuable information no real estate investor should do without.
- Market News: Current news, information and events crucial to your real estate investing business.
- Association Update: Find out about what's happening at AZREIA, how to best leverage your membership benefits, and get the best prices on upcoming events!
- Market Update for Fix & Flip and Rentals: Full analysis of Fix & Flip and Rental markets. Plus, the latest Market News affecting your business.
- Main Presentation: A local or national speaker delivers an educational, entertaining and informative presentation on an area of interest to the real estate investor.

**TUCSON MEETING**  
**TUESDAY, OCT. 13, 2020**

**GENERAL MEETING INFORMATION:**

The Tucson-area group of the Arizona Real Estate Investors Association (AZREIA) meets the Tuesday following the second Monday of every month, either live or virtually.

The live meetings (when applicable) are held at Tucson Association of Realtors, 2445 N Tucson Blvd, Tucson, AZ 85716. Registration begins at 5:15 p.m.

**AGENDA**

Each month's meeting generally includes the following:

- Open Networking: The perfect time to get checked-in to the event and chat with other local real estate investors in attendance.
- Investor-to-Investor Networking and Dynamic Haves & Wants: This is an important part of the Tucson AZREIA meeting. This is your chance to meet local investors, ask for what you need, and share what you have. Deal of the Month is your chance to find out what your local investors are doing and how they are doing it. Don't miss this opportunity!
- Local Area Update: The latest in trend analysis for the Greater Tucson area including existing homes, new homes, foreclosures, REO, short sales and traditional sales. What investment strategies are working and why. This is must know information for the serious real estate investor.
- Main Presentation: National or local expert speaker or an expert panel.

**PRESCOTT MEETING**  
**TUESDAY, OCT. 6, 2020**

**GENERAL MEETING INFORMATION:**

The Prescott-area group of the Arizona Real Estate Investors Association (AZREIA) meets the first Tuesday of every month, either live or virtually.

The live meetings (when applicable) are held at the Yavapai Title Conference Room, 1235 E. Gurley St., Prescott AZ, from 5:15 to 7:15 p.m.

**AGENDA**

Each meeting includes networking, a market overview, and a main presentation.

5:15 – 6:00 pm: Networking, “Haves & Wants,” & Market Overview

6:00 – 7:15 pm: Main Meeting with guest speaker

*For questions, email Allan Woodruff, Director, AZREIA Prescott, at [awoodruff@ccim.net](mailto:awoodruff@ccim.net), or call (928) 830-2599.*

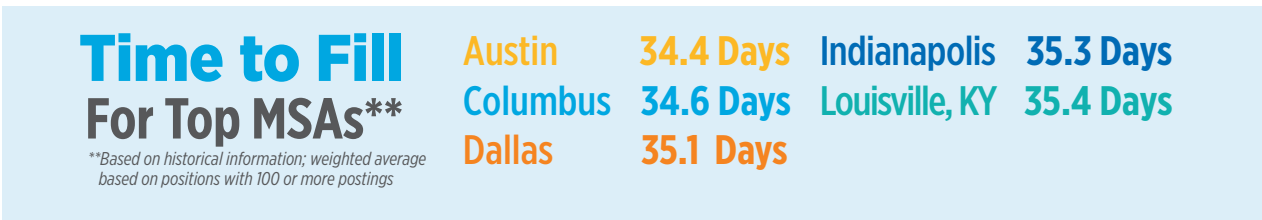
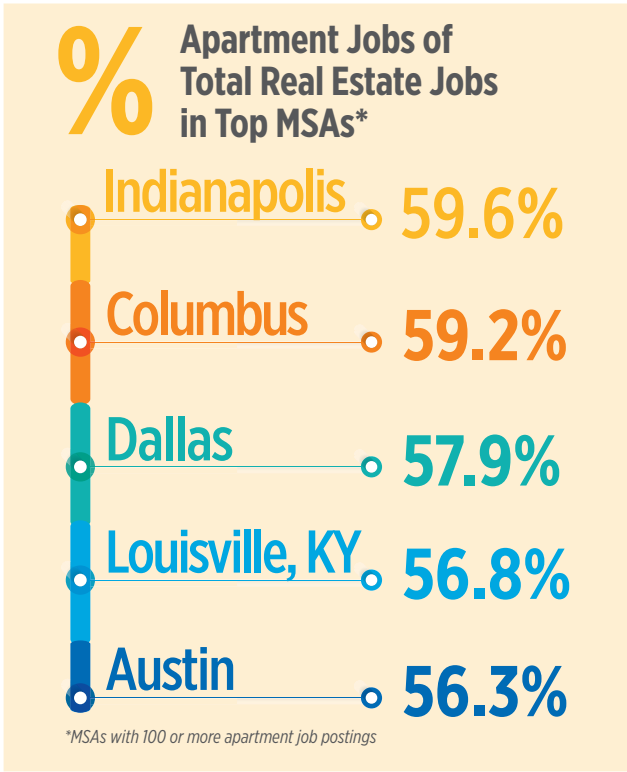
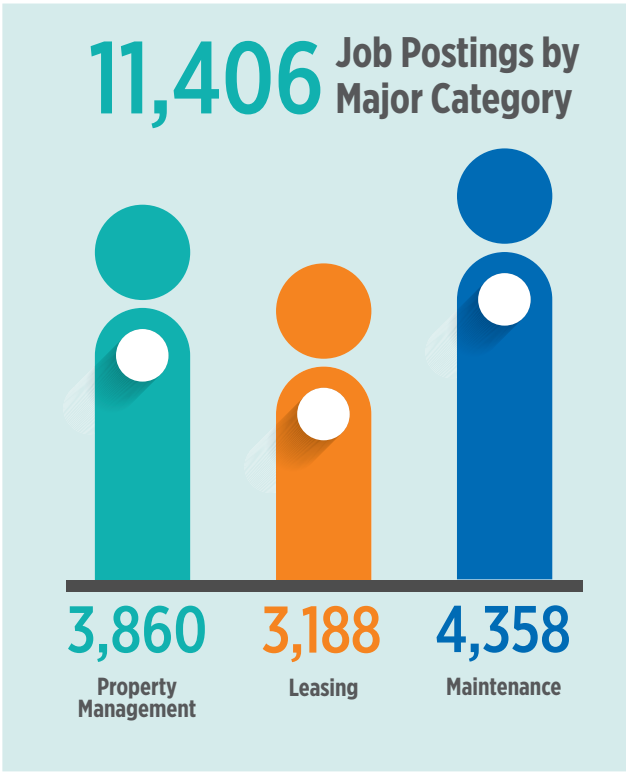
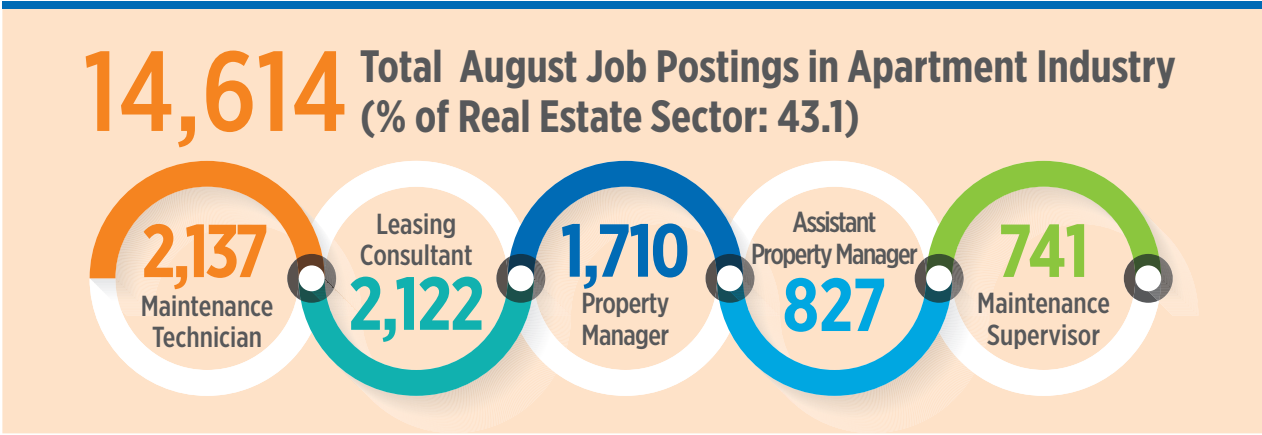
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*The cost for meetings is \$10 for AZREIA Members and \$20 for Guests. PLUS members can attend free of charge.*

*Please refer to the website [www.azreia.org](http://www.azreia.org) closer to the meeting time for up-to-date information on meeting place/format and agenda.*

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# Apartment Jobs Snapshot

August 2020

## Apt. Industry Job Postings in August Exceed 14,000

NATIONAL APARTMENT ASSOCIATION  
EDUCATION INSTITUTE

There were more than 14,000 job postings in the apartment industry in August, according to the monthly jobs report from the National Apartment Association (NAA).

The NAA's Education Institute Apartment Jobs Snapshot showed the markets with the highest concentration of job postings included Indianapolis, Columbus, Dallas, Louisville, and Austin.

There were more job listings in the maintenance category than any other apartment job, with 4,358 maintenance jobs posted out of the total apartment jobs of 14,614.

Property management was second with 3,860 job postings.

The spotlight in the report this month focuses on leasing consultants.

The demand for these positions was more than four times the national average in Austin, where the average time to fill for apartment jobs was just 34 days.

The top specialized skills employers are looking for included leasing, customer service, property management, sales, and Yardi Software.

**SOURCES:** Naa Research; Burning Glass Technologies; Data as of Aug. 31, 2020; Not Seasonally Adjusted



**Spotlight**  
Past 6 Months

**Leasing Consultant**

**Top MSAs**  
(Highest Location Quotients)

City	Location Quotient***	Median Market Salaries in MSAs with Highest Concentration of Demand
Austin	4.2	\$28,201
Denver	3.5	\$29,053
Dallas	2.8	\$27,327
Charlotte	2.7	\$27,509
Nashville	2.7	\$26,574

\*\*\*Location quotients display concentrations of demand within MSAs. U.S.-wide average demand equals 1.0; a location quotient of 1.5 indicates 50% higher demand than the US average.

**Top Skills**

Specialized/Required	Baseline
Leasing	Communication Skills
Customer Service	Organizational Skills
Property Management	Microsoft Office
Sales	Microsoft Excel
Yardi Software	Computer Literacy

**Earnings**  
Median Market Salary of Postings\*\*\*\*

**\$27,441**

\*\*\*\*Market salary is calculated using a machine learning model built off of millions of job postings every year, and accounting for adjustments based on locations, industry, skills, experience, education requirements, among other variables

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# Phoenix Rents Jump Sharply in September

*Continued from Page 1*

Here’s how some rents compare across some of the largest cities in the metro:

- Scottsdale has seen rents fall by 0.9 percent over the past year, the biggest drop in the metro. It’s also the most expensive city in the Phoenix metro, with a two-bedroom median of \$1,479.
- Avondale has seen the fastest rent growth in the metro, with a year-over-year increase of 9.0 percent. The median two-bedroom there costs \$1,372, while one-bedrooms go for \$1,179.
- Gilbert rents are up 5.4 percent year-over-year.

## RENTS RISE ACROSS THE EAST VALLEY

Mesa has seen a big 6.0 percent year-over-year rent increase, with rents increasing another 0.9 percent over the past month. Median rents in Mesa are

\$1,060 for a one-bedroom apartment and \$1,217 for a two-bedroom.

Chandler rents are up over the past month, rising 1.1 percent, and are up 2.5 percent year-over year. Median rents in Chandler are \$1,260 for a one-bedroom apartment and \$1,431 for a two-bedroom. This is the third straight month that the city has seen rent increases after a decline in June.

Gilbert rents, mentioned above, also increased sharply over the past month, up 1.3 percent. Median rents in Gilbert are \$1,219 for a one-bedroom apartment and \$1,416 for a two-bedroom.

Scottsdale rents, also mentioned above, did increase sharply over the past month, up 1.2 percent.

Median rents in Scottsdale are \$1,247 for a one-bedroom apartment and \$1,479 for a two-bedroom. This is the third straight month that the city has seen rent increases after a decline in June.

Lagging other cities in the East Valley,

City	Median 1BR Rent	Median 2BR Rent	M/M Rent Growth	Y/Y Rent Growth
Phoenix	\$930	\$1,140	0.7%	3.4%
Mesa	\$1,060	\$1,220	0.9%	6%
Chandler	\$1,260	\$1,430	1.1%	2.5%
Glendale	\$910	\$1,150	0.8%	5.9%
Scottsdale	\$1,250	\$1,480	1.2%	-0.9%
Gilbert	\$1,220	\$1,420	1.3%	5.4%
Tempe	\$1,100	\$1,310	0.4%	-0.5%
Peoria	\$1,270	\$1,330	2%	4.5%
Surprise	\$1,230	\$1,440	2.1%	5.6%
Avondale	\$1,180	\$1,370	1.9%	9%
Goodyear	\$1,180	\$1,490	1.4%	7.9%

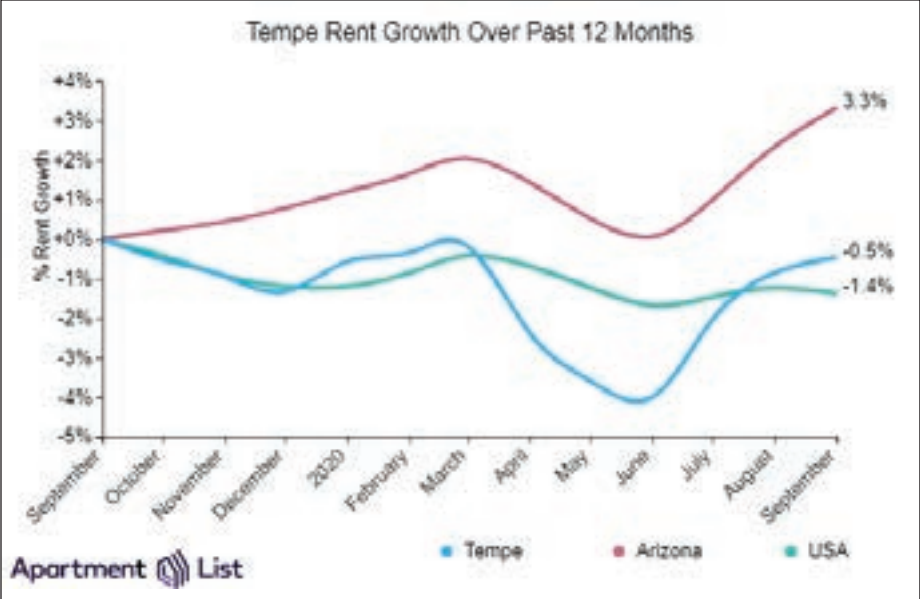
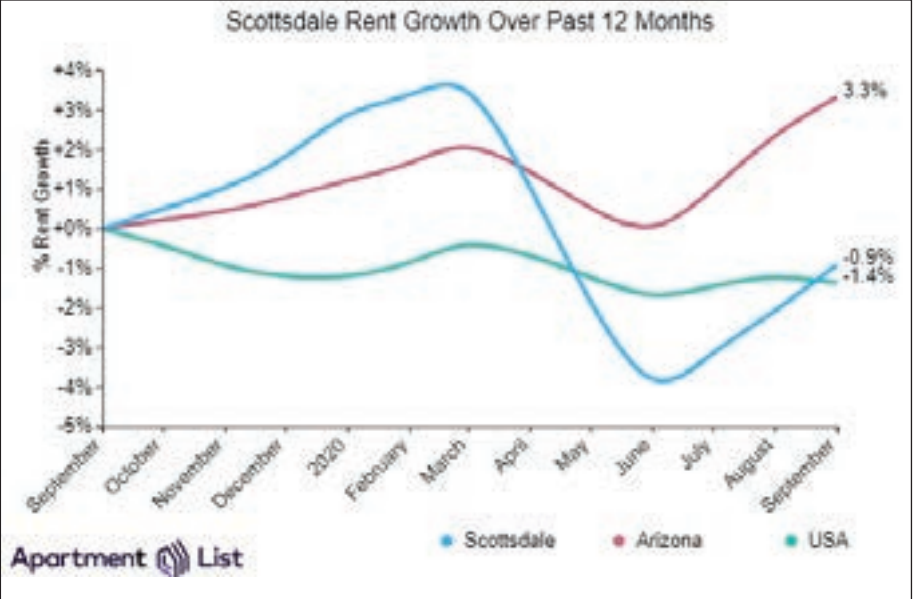
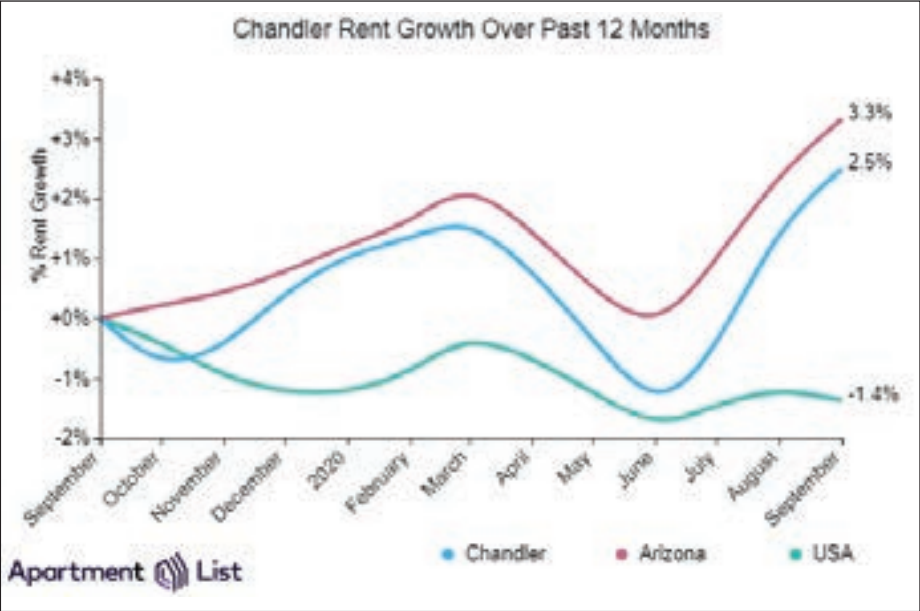
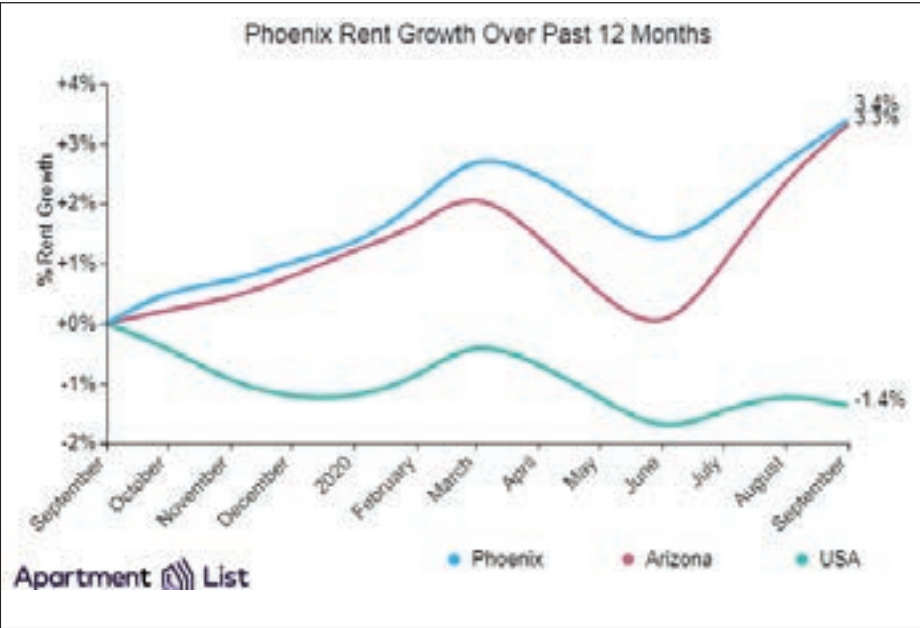
Tempe rents increased 0.4 percent over the past month, and are down slightly by 0.5 percent in comparison to the same time last year. Median rents in Tempe are \$1,095 for a one-bedroom apartment and \$1,309 for a two-bedroom.

increased 0.8% over the past month. Also Glendale shows strong year-over-year rent growth, up significantly by 5.9 percent. Median rents in Glendale are \$913 for a one-bedroom apartment and \$1,154 for a two-bedroom. This is the fourth straight month that the city has seen rent increases after a decline in May.

## RENTS ALSO RISING IN THE WEST VALLEY

Strong rent growth in Glendale as rents

Goodyear tops the charts with 7.9  
*See ‘Rents’ on Page 9*





# Rents on the Rise in Both East, West Valleys

Continued from Page 8

percent rent growth year-over-year. And, Goodyear rents have increased 1.4 percent more over the past month. Median rents in Goodyear are \$1,177 for a one-bedroom apartment and \$1,493 for a two-bedroom. Goodyear has seen rent increases for five straight months.

Peoria rents jumped 2.0 percent over the past month, and are up significantly by 4.5 percent in comparison to the same

time last year. Median rents in Peoria are \$1,274 for a one-bedroom apartment and \$1,326 for a two-bedroom.

Farther north, Surprise rents also jumped 2.1 percent over the past month. Surprise rents have increased 5.6 percent year-over-year. Median rents in Surprise stand at \$1,228 for a one-bedroom apartment and \$1,438 for a two-bedroom. This is the third straight month that the city has seen rent increases after a decline in June.

Apartment List is committed to making its rent estimates the best and most accurate available. To do this, they start with reliable median rent statistics from the Census Bureau, then extrapolate them forward to the current month using a growth rate calculated from their listing data. In doing so, they use a same-unit analysis similar to Case-Shiller's approach, comparing only units that are available across both time periods to

provide an accurate picture of rent growth in cities across the country. Apartment List's approach corrects for the sample bias inherent in other private sources, producing results that are much closer to statistics published by the Census Bureau and HUD. Their methodology also allows them to construct a picture of rent growth over an extended period of time, with estimates that are updated each month.



The go-to periodical for property management professionals and multifamily investors doing business in Arizona.

## Tucson Rents Show Steady 6-Month Growth Trend

Tucson rents were up 0.9 percent over the past month, and have increased by 6.0 percent year-over-year, according to the latest report from Apartment List.

This is the sixth straight month Tucson has seen rent increases, with the last decline coming in March.

Median rents in Tucson are \$801 for a one-bedroom apartment and \$1,071 for a two-bedroom.

In Marana, which continues to have a fairly high vacancy rate, the median rent for a one-bedroom apartment is \$1,078, while the median rent for a two-bedroom apartment is \$1,322.



# Strategy is the Key to Landlords’ Success

*Continued from Page 1*

happening, but by no means rolling over when it comes to managing properties; it is time to make a move and consider strategies to protect your investments. Every property is different and certain strategies might not work for your property. This is not legal counsel and I always recommend when you make a change to any process you run it by your local attorneys to make sure it is legal in your state. Please consider these as potential ways to better position in relation to your rental properties. The following are strategies many of my clients and I have discussed concerning our policies and criteria:

### STRATEGY 1- INSPECT YOUR RENTAL PROPERTIES MONTHLY

We are not targeting, merely being cautious as we might have to get our homes or apartments ready to sell in these uncertain times. Does the carpet need to be replaced? Are the filters to the cooling and heating system in good shape, helping to preserve the HVAC unit? Does the landscaping need maintenance? There is no better time to get your properties in order to sell.

The CDC order only limits evictions for non-payment of rent. If there are violations of the lease like unauthorized residents, criminal behavior, pets, smoking, damage to the property or other violations, you can give a proper notice to cure in most states and then move to eviction. Monthly visits help you stay on top of any of these types of violations.

If you choose to implement this strategy, make sure you are inspecting every property you own in a similar manner, and not just singling out a few.

### STRATEGY 2 – RAISE YOUR CRITERIA

With the inability to evict tenants

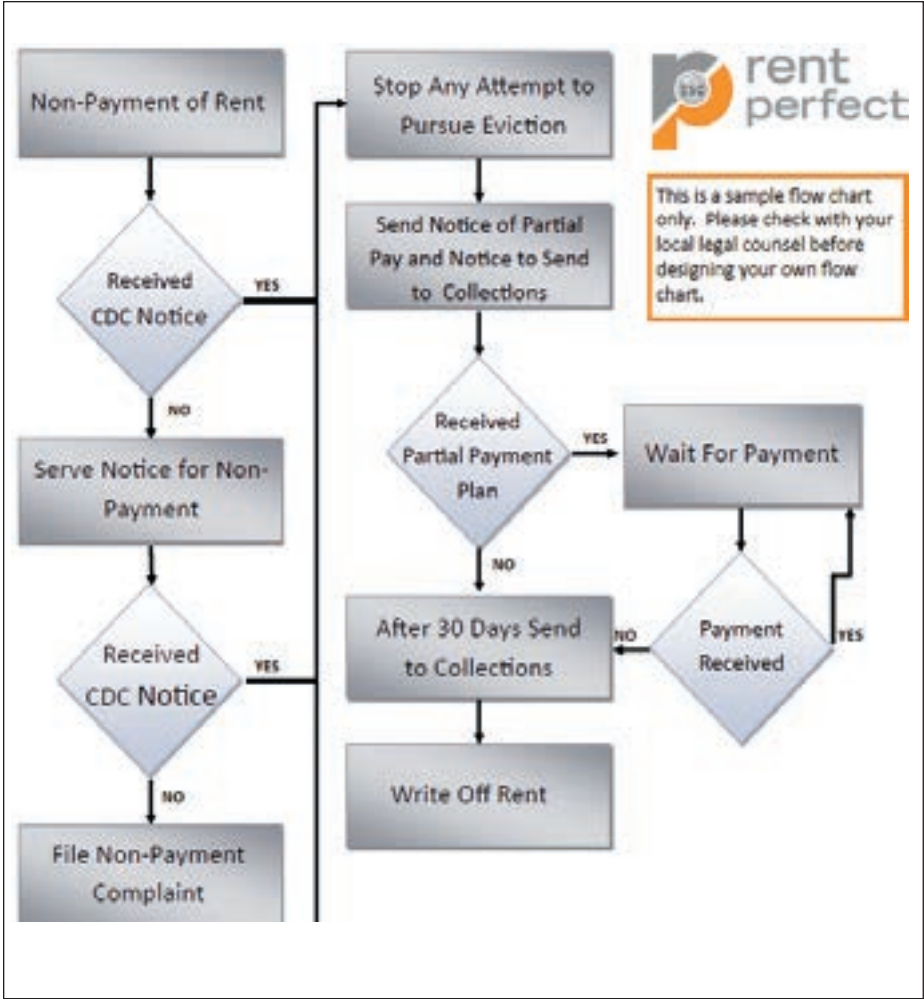
for nonpayment of rent, finding the right tenants in the first place becomes paramount. Raising the credit score requirements will help find people who have shown responsibilities in the past, giving you a good idea of how they will perform in the future. It should be noted here that evictions, judgments, and liens are no longer on credit bureaus, so those actions will not lower the score like they would have in the past. You need to make sure your screening companies are using other sources to obtain that data.

Timelines for considering past evictions might also need to be changed. Many of our clients indicate that any evictions or rental collections in the past two years would result in a “no-qualify” decision for their properties. Consider the type of rental you have and consider adjusting appropriately here.

### STRATEGY 3 – CREATE A RELATIONSHIP WITH A COLLECTION COMPANY

Collection companies and attorneys are currently the only organizations that can place a collection account on the credit bureaus. There is nothing that prohibits you from turning over past rent owed to a collection company for collection, even if the tenant still lives in your property. If you choose this route, please remember your tenant has control of your property and could cause unnecessary damages. In the current situation my fear is that a tenant who owes eight months’ rent just skips out of the property. At that point you have to start from the beginning of the collections process. This means finding where they moved, getting them served, and waiting months to get a judgment.

Why not start the process now and turn it over to a professional who knows how to collect? You will probably have to give up 40 percent of the money owed if it is collected, but that is better than nothing. It will also indicate to your tenant how



serious you are about collecting future rent.

### STRATEGY 4 – CALL PAST 2 LANDLORDS AND EMPLOYERS ON EVERY NEW APPLICANT

Landlords over the years have gotten away from making calls to employers and past landlords, mostly they are time consuming and often ineffective. Some companies charge \$50 for verifications and others won’t give you any information per their attorneys’ direction. I can promise you that right now landlords are talking, just make sure you go at least two landlords back as the current landlord will say anything to get a bad tenant out. I would also ask only factual, “yes” or “no” questions. Ex: Has your current tenant paid rent on time in the last 6 months? Do your tenants currently owe you any money?

Regardless of whether you implement

any or all of these strategies, you need to pay particular attention to your eviction process. It would be beneficial to create a flow chart to help you fully understand your policies and how they are affected during each step of the process. A sample eviction process flowchart is provided in the graphic above.

As landlords we have to be flexible and sometime creative as our survival depends on it. When a roadblock appears, we thoroughly analyze it and develop a way to speed around it. Just make sure to have the right tools when you do to avoid the “speed” traps that may be out there. I would love to hear your creative ideas on how you are dealing with today’s uncertain environment.

*David Pickron is President of Crimshield, Rent Perfect, XSHED and AAA Landlord. You can reach him at David@rentperfect.com or 888-422-2547, ext. 8069.*

# NAA Sues CDC, Seeks Halt to Eviction Moratorium

#### RENTAL HOUSING JOURNAL

The National Apartment Association (NAA) has joined a lawsuit filed by the New Civil Liberties Alliance (NCLA), “challenging the U.S. Centers for Disease Control and Prevention’s (CDC) overreaching eviction-moratorium order,” according to a release.

The complaint, Richard Lee Brown, et al. v. Secretary Alex Azar, et al., includes several plaintiffs alongside the NAA who say they have been directly and irreparably damaged by the CDC order and have faced significant economic damages. NCLA has also requested a temporary restraining order, also known as a preliminary injunction, asking the court to stop the CDC from enforcing its unlawful order.

“While the CDC has an inherent interest in slowing and preventing transmission of communicable disease, the eviction-moratorium order does not fall under their purview and overrules state laws throughout the country that protect both rental housing providers and their residents,” the NAA said in the release.

The lawsuit challenges the CDC’s authority to enact such an order, “as they

have not identified an act of Congress that gives them this authority. Put simply, federal agencies do not have powers to waive state laws and the CDC has encroached on private property rights with no legal authority.”

The CDC, as part of the Department of Health and Human Services, cites section 361 of the Public Health Act, part of the United States Code of Laws, as the source of its federal authority. The act says that the surgeon general may “make and enforce such regulations as in his judgment are necessary to prevent the introduction, transmission, or spread of communicable diseases,” from foreign countries into the United States or from one state to another.

“In the context of a pandemic, eviction moratoria—like quarantine, isolation, and social distancing—can be an effective public health measure utilized to prevent the spread of communicable disease,” the CDC statement says. It notes that such actions help state and local authorities to implement stay-at-home orders more easily, and protects public health by preventing homelessness, a situation in which the virus can spread more easily.

The NAA release makes the point that landlords and managers are bearing much

of the burden of the pandemic as it relates to housing.

“In many cases, rent debt from earlier in the pandemic has become uncollectable and the CDC order has limited housing owners and managers from providing contracted services to tenants who have paid their rent, and paying financial obligations like taxes, mortgages, payroll and insurance. This jeopardizes the short- and long-term viability of the rental-housing industry, and the CDC is not equipped to solve the housing crisis that they are creating.”

The CDC order, however, does not release tenants from their financial responsibilities. “This order does not relieve any individual of any obligation to pay rent, make a housing payment, or comply with any other obligation that the individual may have under a tenancy, lease, or similar contract,” it says. “Nothing in this order precludes the charging or collecting of fees, penalties, or interest as a result of the failure to pay rent or other housing payment on a timely basis, under the terms of any applicable contract.”

The NAA release says the CDC does “not have the authority or knowledge to insert themselves into property owner/

resident regulations and housing policy that could devastate our nation’s already limited housing supply, and the order tries to force a federal one-size-fits-all approach to a hyper-localized state and local issue.

“Throughout the COVID-19 pandemic, NAA has advocated for direct, emergency rental assistance – a sustainable, responsible policy that will help keep Americans in their homes and ensure housing providers can pay their bills. However, because Congress and the administration have failed to reach the agreement necessary to protect America’s renters and housing providers from the certain damage of the CDC order, NAA had no choice but to take legal action.

“In addition to this suit, NAA is committed to challenging the CDC’s illegal order in a number of lawsuits in different areas of the country. NAA will keep members apprised as this rapidly evolving situation continues to develop.

“The rental housing industry should not be held solely responsible for solving our nation’s housing crisis, which has been exacerbated in this pandemic, and government agencies should not trade one crisis for another,” the NAA said in the release.







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The image shows a male technician in a green uniform and cap walking towards the camera on a concrete sidewalk. To his left is a white service van with green accents. The van features the company logo 'Rainforest Plumbing & Air' with a cartoon monkey holding a wrench. The phone number '(602) ASK-RAIN' is printed on the side of the van. The background shows a suburban neighborhood with houses and trees.



A cartoon illustration of a monkey wearing a green uniform and cap, holding a large red and silver wrench over its shoulder. The monkey is standing on a white circular base.

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