Who Are Your Renters Now, and Who Will They Be in Future? *Page 5*

How COVID-19 Has Changed Multifamily Leasing Industry *Page 7*

Transition From Landlord to Seller *Page 15*

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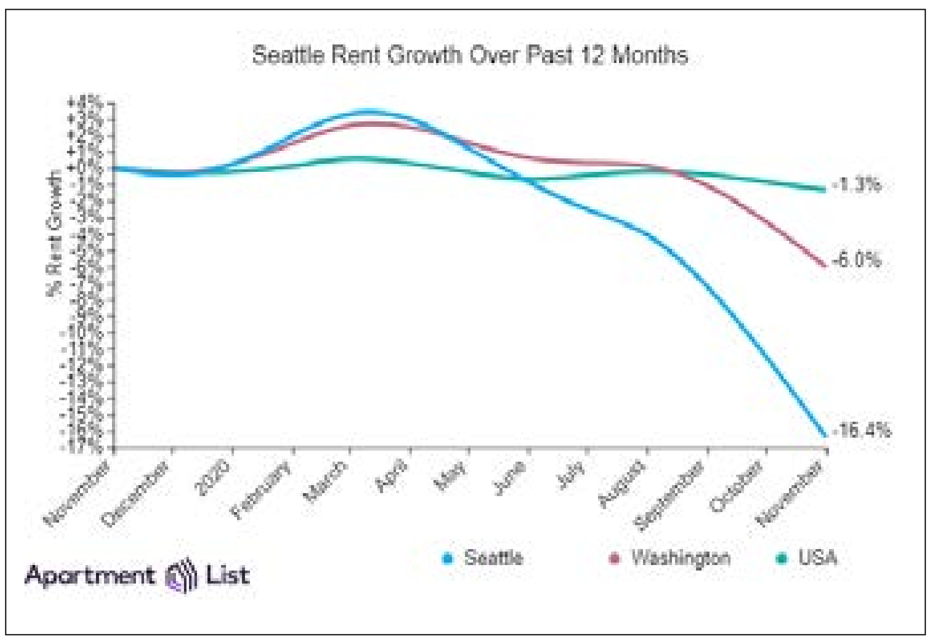
Seattle Rents Take a Deep Dive



Rental Housing Journal

Seattle rents have declined 5.6 percent over the past month, and have decreased sharply by 16.4 percent in comparison to the same time last year, according to the latest report from Apartment list.

This is the eighth straight month that the city has seen rent decreases after an increase in March.

Currently, median rents in Seattle stand at $1,395 for a one-bedroom apartment and $1,739 for a two-bedroom.

Seattle's year-over-year rent growth lags the state average of -6.0 percent, as well as the national average of -1.3 percent.

"As the COVID-19 pandemic and its ensuing economic fallout continue to overwhelm renters across the country, our

See 'Rent' on Page 14

9 Suggestions for Getting Rid of (Eek!) Mice

By Evelyn Long

Mice are an occasional reality for any homeowner, but they can wreak even more havoc in a rental property. Multiple units and occupants can attract rodents in different ways, and it's hard to properly control an infestation once it's under way. Property managers know they need to remedy the problem immediately, but how can they do so effectively?

Prevention, management and communication with tenants can help everyone get on the same page to drive rodents out. The following nine tips can help landlords effectively get rid of mice in their units.

1. Eliminate Points of Entry

The first step is to determine how the little pests gain access in the first place. Unfortunately, even the smallest crack or entry point can invite mice inside. Mice can eat through walls and they only need a hole the size of a dime to get inside.

See '9 Ways' on Page 13

How 2020 Can Positively Affect Your Assets in the Coming Year

By David Pickron

As an early adopter of new technology, I was so excited when MapQuest became mainstream in the early 2000s. After having worked as a process server for about 10 years at that time, I knew my way around my home city of Phoenix fairly well. But with this new technology I felt that I could work faster and smarter than anyone else out there. I began relying on the directions provided by this service, setting aside my hard-earned knowledge of a growing metropolis. Like anyone who has relied wholly on a mapping software, I soon found myself becoming an expert "U-turner," as I was often off-course.

Off-course may be the perfect term to sum up 2020. But like any challenging circumstance, it does give us the time to pause and reflect on what we learned and how that will serve as a guide moving forward.

As a serious investor, I spend a good part of my end-of-year review with my wife (who runs our investments) analyzing our current situation and then creating a plan for the next year.

Below are two of the key areas that we analyze annually and recommend focusing on as you look to a new year and new opportunities.

Acquire, Sell, or Hold Steady

If there were ever a year where we may have felt like throwing our hands in the air

See 'How' on Page 4

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How to Build a Diversified Real Estate Investment Portfolio

Having a diversified commercial and multifamily real estate portfolio is important to potentially reduce risk and create multiple opportunities for potential income and appreciation. Diversification is even more important in tumultuous times like these. Here's a look at how to build a diverse real estate investment portfolio.

By Dwight Kay, Founder and CEO, Kay Properties & Investments, LLC

Recent survey research by National Real Estate Investor magazine indicates that nearly 60% of high-net-worth investors are expected to increase their allocation to investment real estate in the next 12 months. Millions of Americans invest in alternative assets, including real estate. It's an important step towards diversifying a portfolio with investments that don't necessarily correlate with the stock or bond markets.

Once you decide to invest in real estate, the challenge is how to build a diverse portfolio.

Buying a property outright and actively managing it yourself is one way to participate in the market, but that typically requires a substantial initial investment — often hundreds of thousands of dollars to be paid at once. A downside of this approach is that you put all your eggs in one basket.

Owning and managing real estate yourself also means dealing with the three T's: toilets, tenants and trash. If you have the time, and dealing with all that appeals to you, it may be the way to go. Alternatively, you can invest alongside others in a diverse basket of properties. Diversification is even more important now with the pandemic and the additional risk it creates as the looming fear of further economic distress continues to cause concern.

Here are five tips to build a diverse real estate investment portfolio that has the potential to generate income and appreciation, as well as potentially withstand the shock of events, including recessionary downturns and, potentially, extraordinary occurrences like the pandemic and future recessions or even depressions. Please remember: Diversification does not guarantee profits or protection against losses.

5 tips to build a diverse real estate investment portfolio

1. Diversify by asset type

Investors should diversify their real estate portfolios by asset type to avoid the risk of over-concentration in one particular category of property — same as you would avoid over-concentration in any one stock. Rather, invest capital across asset types, such as industrial, multifamily housing, triple-net-leased retail, medical office and self-storage.

2. Diversify by geography

Similarly, investors should diversify their real estate portfolios across geography to avoid the risk of over-concentration in a particular local or regional market.

3. Avoid high-risk asset types

There is risk in all real estate investments, but some asset types have demonstrated that they are particularly risky, and are thus best avoided by those looking to reduce downside potential. These include hotels and lodging properties, senior housing in all its forms, and real estate used in the production of oil and gas.

Hospitality, for example, has been hit hard by all three recessions since 2000, including the 2001 recession, the Great Recession of 2008-2009 and the current recession related to COVID-19. In all three cases, the standard industry measure of hotel performance (RevPAR, or revenue per available hotel room), declined precipitously. Most recently, Marriott recorded its largest loss ever for the June 2020 quarter, reported The Wall Street Journal in August.

Senior care is another sore spot, which the pandemic has demonstrated once again. First, the population themselves often is at risk, literally. Second, operators of senior care facilities, whether residential housing, long-term care facilities or nursing homes, are subject to all manner of regulations that increase the risk associated with property operational performance.

Finally, oil and gas industry properties have proved to be as subject to volatility over the years as the industry they support. Just think about it: An oil well may or may not produce as expected; thus, the underlying real estate asset is particularly vulnerable to speculative risk. Stay clear if you can!

4. Consider the range of investing options

Unless you want to actively manage your investment properties and embrace the three T's, passive real estate invests can be the way to go. There are a range of options to choose from, including Delaware Statutory Trusts (DSTs), Tenants-in-Common (TIC) properties and private equity funds, such as Qualified Opportunity Zone Funds.

A Delaware Statutory Trust is an entity used to hold title to investments, such as income-producing real estate. Most types of real estate can be owned in a DST, including industrial, multifamily, office and retail properties. Often, the properties are institutional quality similar to those owned by an insurance company or pension fund, such as a 500-unit Class A multifamily apartment community or a 50,000-square-foot industrial distribution facility subject to a 10- to 20-year lease with a Fortune 500 logistics and shipping company. The asset manager takes care of the property day to day and handles all investor reporting and monthly distributions.

A TIC structure is another way to co-invest in real estate. With a TIC, you own a fractional interest in the property and receive a pro rata portion of the potential income and appreciation of the real estate. As a TIC investor you will typically be given the opportunity to vote on major issues at the property, such as whether to sign a new lease, refinance the mortgage and sell the property.

Although TIC investments and DSTs have their nuances and differences, they often will hold title to the same types of property. While the DST is generally considered the more passive investment vehicle, there are some circumstances in which a TIC is desirable, including if the investors wish to utilize a cash-out refinance after owning the TIC investment for a few years in order to get some of their equity back, which can be invested in other assets.

Qualified Opportunity Zone Funds, another option, offer benefits including tax deferral and elimination that many investors nationwide have utilized. A fund of this type can invest in real property or operating businesses within an Opportunity Zone, typically a geographic area in the U.S. that has been so designated because it may be underserved or neglected. As such, there may be a higher level of investment risk. Also, the time horizon of the fund may be as long as 10 years, which means tying up your capital for that length of time in an illiquid fund.

5. Remember the tax benefits of real estate investing

Real estate is arguably one of the most tax-advantaged investment classes for U.S investors. Depreciation deductions are available to all investors, and any real estate investment losses may be deductible against other income, which could potentially reduce your tax bill. Additionally, direct real estate investments — including Delaware Statutory Trusts and Tenants-in-Common properties — qualify for like-kind exchange treatment, otherwise known as a 1031 exchange, which can save investors approximately 40% on their tax bills when there are net gains on property sales.

A Sample Basket of Diverse Real Estate Investments

What might a diverse basket of real estate investments look like? Here's one example:

Mary Smith decides to invest $500,000 into commercial and multifamily real estate with the potential for income and appreciation. She makes five investments, allocating her funds equally among these assets:

- $100,000 into an industrial distribution facility with a long-term net lease to a company like Amazon, FedEx or Frito Lay
- $100,000 into a medical dialysis center with a long-term net lease to a company, such as Fresenius or DaVita
- $100,000 into a multifamily apartment community with 300 units in the Southeast
- $100,000 into a self-storage facility in the Midwest
- $100,000 into a debt-free multifamily property with 50 units in Texas

Net-net, Ms. Smith has diversified her portfolio by both asset type and geography. She has avoided more cyclical and highly volatile asset classes, including senior housing and long-term care, hotels and oil and gas. She has made passive investments, leaving day-to-day management of the properties to industry professionals. And she has consulted with her accountant and attorney about the tax advantages of real estate investing, including 1031 exchanges.

She is well positioned for the uncertainty of the future and is aware that all real estate investments have risks, and that income and appreciation are never guaranteed. Even diversification, while desirable, does not guarantee profit or protect against losses, but it can potentially reduce risk and create diverse potential income streams and opportunities for appreciation.

Dwight Kay is founder and CEO of Kay Properties and Investments, LLC, which operates a 1031 exchange property marketplace at www.kpi1031.com.

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.

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How 2020 Can Benefit Your Assets in 2021

Continued from Page 1

and selling everything, 2020 fits the bill: COVID-19, the loss of income and resulting inability for some of our renters to pay, and eventually an eviction moratorium mandate from the federal government.

Hard times call for hard decisions. Your analysis in this area must involve thoroughly reviewing each of your properties and devising a game plan specific to each one.

As an example, after one of our review and planning sessions five years ago, we made the decision to acquire some short-term rentals. Being in Phoenix, we focused on winter visitors looking to escape the cold for three months.

We mapped out how and where we wanted to buy, considered if any of our current properties could work in this model, determined the platform we would use to advertise, and evaluated the ROI for this model versus traditional renting.

We executed our plan and eventually bought six homes and condos that worked well for winter visitors, but also have been filled year-round with other short-term renters. They have been great investments so far, generating four times more income than a traditional rental. But the big question is, will they be the same in 2021?

Pivot Usage Type

Continuing our story, due to COVID-19 our winter visitors are not booking like they have in the past. This has led us to a healthy discussion on how we can pivot the primary usage of our properties to ensure they are still income generators.

That discussion created a lot of questions:

- Is it time to convert these short-term rentals into more of a traditional model?
- What would we do with 6 washers and dryers, 18 beds, 8 couches, dining room tables and more?
- What happens next year if the rentals come back?
- Will that require $30,000 for furnishing those units again?
- Where is the market today in regard to new homes in a hot market like ours?

Answering those questions led us to decide to keep these properties as furnished short-term rentals, but to switch our focus to people who are between selling their existing home and buying a new one.

This decision then generated a whole slew of new questions, such as how would we find renters, what would we charge for rent, and how are these renters different from winter visitors? All valid questions that we are figuring out.

My next step is to visit the realtors in the new-home communities to let them know what I have available. Although this is a new strategy that pivots from where we were previously, I am confident it will work based on our analysis.

These are just two of the many topics we review in-depth each year. Every rental is unique and poses different challenges and opportunities.

Other Considerations

In addition to the two key areas we discussed, we also consider the following:

- **Location**: Is it time to sell or acquire based on what is happening in a certain market?
- **Tenants**: Are we happy with our current tenants or should we be looking for someone new?
- **Government regulations**: Are there changes that help or hurt our investments?
- **Improvements**: What does each property need to ensure it is desirable?
- **Taxes**: How do changes in state, county and city taxes affect our bottom line?
- **Vacancy**: What vacancy rate do we aim for to ensure short- and long-term profitability?
- **Policies**: Do we add, alter, or eliminate current policies to entice renters to stay or rent?

Performing this type of analysis will easily help you identify whether you are currently in the best position with your properties or if you need to change a few things.

These property-specific questions are great, but you also need to consider how you manage your property. Is it time to hire a property-management company, or can you continue doing it yourself? Are there available technology platforms that help you onboard tenants, manage, and collect rent?

No doubt there is room for adjustment or improvement in how we manage our properties.

Although 2020 has taken most of us into uncharted territory, investing the time to map out your 2021 goals will make you a better investor and manager.

After all, U-turns or adjustments are okay as long as they help us successfully reach our destination.

David Pickron is President of Rent Perfect and a fellow landlord who manages several short- and long-term rentals. He is a private investigator and teaches organizations across the country the importance of proper screening. His platform, Rent Perfect, was built to help the small landlord find success.

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Who Are Your Renters Now, and Who Will They be in the Future?

Rental Housing Journal

Given current market conditions, now is the time to analyze who your renters are and who they will be in the future, recommends John Burns Real Estate Consulting.

The consulting group analyzes trends for its clients and provides insight into today's renters.

This analysis shows insight into market-appropriate unit sizes and configurations, new amenity trends, and the appropriate rent levels necessary for successful apartment lease-up and tenant retention.

While 26 percent of renter households in the United States are between the ages of 25 and 34 today, the next largest segment of the market is between the ages of 35 and 44 (families), and beyond that, between the ages of 45 and 54 (empty nesters).

"These older renters will continue to seek more space in a suburban environment with good work-from-home amenities," write Lesley Deutch and Ken Perlman.

Affordable rents continue to be a challenge

"More than half of renters in the U.S. can only afford rents less than $1,200.

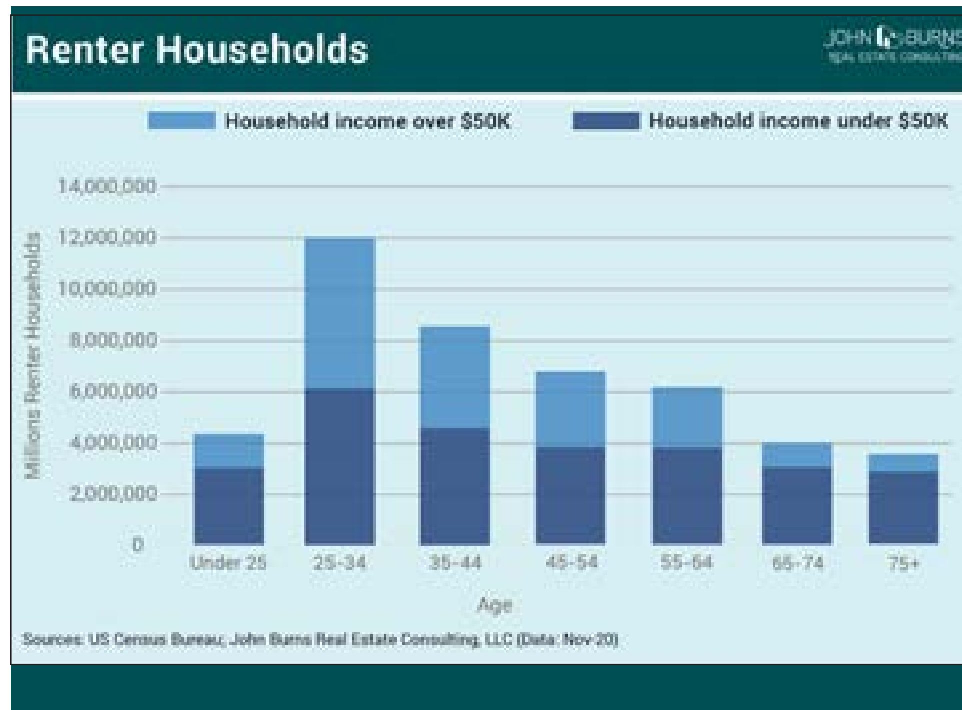
"John Burns Real Estate Consulting's national apartment-demand model is based on income levels across the U.S. and indicates about 60 percent of renter households earn less than $50,000 per year, which translates to a maximum rent of about $1,200 per month.

"While construction activity is increasing for luxury apartments (due largely to increasing costs associated with new building), the affordable sector continues to be hampered by the limited availability of tax credits and capital financing. The opportunity here is not just to provide affordable housing, but creative use of space in market-rate product, including more roommate-friendly units and smaller spaces to keep overall rents lower," they write in the report.

Summary

The apartment market offers many opportunities, even in the era of COVID-19 and a recovering job market. Understanding renter profiles to design the appropriate product will be key in the years ahead as the U.S. economy recovers from the recession.

Please contact Lesley Deutch or Ken Perlman for more local insight. John Burns team is always available for assistance.



How COVID-19 Has Changed Multifamily Leasing

By Karen Dwyer
Mark-Taylor Properties

Apartment searching as we know it has changed dramatically.

As the manager of a Mark-Taylor apartment community located in North Scottsdale, Ariz., I have witnessed the current pandemic significantly shift the means in which apartments are being marketed and leased.

While many in the multifamily industry resisted change, the pandemic prompted a much-needed advancement in how we work with potential renters wherein advanced technology is matched with well-trained leasing professionals. Skilled professionals capable of securing high closing ratios while leasing in this diverse "virtual" environment are paramount.

Prior to the pandemic, far fewer apartments were leased sight unseen. Previously, sight-unseen customers were often those relocating hurriedly, who were not available to tour in person. Due to the popularity of mobile searches, we consistently provided virtual tours through our expansive website with 2-D floorplans with relative success.

When the pandemic mandated social distancing restrictions, Mark-Taylor Residential knew we had to act fast. With our previous online experience, coupled with the vision to create hundreds of prerecorded videos of all aspects of our apartment communities, we were well-equipped for virtual leasing. We trained our team on how to communicate effectively, provide links for videos, and other means to create a vision for someone selecting their home virtually.

Self-guided touring had just begun picking up momentum prior to the pandemic. This is a tour that allows a prospect to gain access to a property and tour without a leasing professional present. While this is a new take on self-guided touring with the use of Smart Rent technology, it has become quite popular within our industry, and we expect the majority of tours to occur this way in the future.

Growing Use of Virtual Tours

The vast majority of our leases during the past six months were secured through virtual and self-guided SmartRent tours. Activity from self-guided tours has been highly successful within our communities. We anticipate approximately 70 percent of new touring prospects to choose self-guided as their preferred option. Many potential tenants are using virtual tours to help narrow down their options and then following up with a self-guided, or in-person, showing for their top choices. I expect this trend will continue, especially for relocating renters who can be even more efficient in their research when moving to a new city. Self-guided and virtual leasing creates significant efficiency in apartment leasing.

SmartRent enables communities to offer self-guided tours and more easily reach the large number (approximately 60 percent) of renters who are searching for their next home solely on their mobile device. This allows for viewing a property online, filling out a prequalifying form and receiving a text with access code info for their self- guided tour, all within the same experience. SmartRent has made this possible and many prospective residents are embracing this approach. Prospective renters are appreciative of the social distancing this offers as well as the time to view the homes at their leisure without the pressure of a restrictive timeline.

The main reason most renters enjoy a self-guided tour is to view apartments at their own pace. Today's apartment seekers value the opportunity to enjoy a space without a leasing consultant present, all while envisioning themselves living there.

Leasing Activity on the Increase

Since implementing the SmartRent access, the community I manage, San Portales in Scottsdale, has experienced a substantial gain in leasing activity, a subsequent rise in physical occupancy, and the team is far more productive based on the assistance of this technology. Significant numbers of our touring prospects make their own determination during the self-tour as to whether or not the community is a fit for them, and they return and rent on their own accord after viewing the model homes.

In addition to the ease in which the system operates, it also keeps building entries and gates secure while granting access to prospects. It allows for showing off community model homes while maintaining security for staff and residents with access controls through temporary credentials.

As we enter the next phase of the new normal, meeting customers where they feel most comfortable will be essential in providing the highest level of service. Apartment-leasing innovation was brought on by the pandemic, but these modern variations are here to stay.

Properties have the ability to configure and fully customize their self-guided tour experience, giving prospects detailed information regarding the community's amenity offerings such as a 24-hour pool, clubhouse and fitness center. As a result, the prospect gets the full tour experience and doesn't miss out on any important property features.

The majority of prospective residents use online resources to assist in their search before they even reach out to schedule a tour. And for the most part, they have already formulated a determination based on online reviews, amenities offered, photos of the community or word of mouth. The last step is physically visiting the property before deciding to sign a lease. Offering self-guided tours is an efficient way to keep prospective renters engaged and turn a lead into a lease.

Karen Dwyer is Manager of Community Operations, Mark-Taylor's San Portales Luxury Apartments, Scottsdale, Ariz. Established in 1985, Mark-Taylor Companies is a privately held, Arizona based developer, owner and investment manager of multifamily communities. The company ranks as the largest apartment developer in Arizona's history, the second largest owner of rental communities in the state and is the investment manager to more than $3 billion in multifamily real estate on behalf of numerous third-party owners. For more information, visit www.mark-taylor.com.

Pandemic Leads to Changing Amenities

By Justin Becker

As we approach 2021, the COVID-19 pandemic shows no signs of slowing down. There is no denying that adjustments have had to be made for the real estate industry and the multifamily housing industry.

Still, the reality is that online services, virtual apartment-tour showings, and frequent cleaning of high-touch surfaces are not enough to make our everyday world a less contagious place. Unfortunately, this is more than evident as cases continue to rise, and states and businesses continue to open and close to safety concerns.

With only a month left in 2020, it is not too surprising that many real estate developers and property managers are looking for more long-term solutions to ensure that their tenants or occupants are safe. This is especially true when it comes to things like multifamily-housing amenities.

For the last couple of months, many have noticed a shift in how things are being designed and what measures property managers are putting in place to ensure that people can still use rent apartments, use gym facilities, and still enjoy some of the features that brought many of their tenants to multifamily housing in the first place.

The truth is that apartment amenities have changed during the pandemic, and they will continue to do so for the foreseeable future. That said, many property-management teams and landlords are asking themselves what they can do to make their buildings in complexes safer for everyone and reduce the spread of COVID-19.

Changes in Apartment Gathering Places

One of the very first things that many landlords and property managers did during the onset of COVID-19 is turn gathering places into multi-purpose spaces that people could be in and safely social distance. For instance, lounges and other areas are now being repurposed for homeschooling and remote work.

Furthermore, landlords are investing in more movable furniture, which allows them to set seating, dining, and studying/work areas six or more feet apart.

Converting Clubhouses and Game Rooms into Co-Working Spaces

Similarly, game rooms are also being converted into more practical spaces for residents who are now essentially homebound.

Moreover, outdoor spaces have been heavily used this summer and fall, as CDC guidelines have indicated that being outdoors is less of a health risk. In warmer places, property managers are still relying on rooftop decks and other outdoor spaces to facilitate social distancing and add some ventilation.

In contrast, in cities or areas where it is quickly getting colder, management teams are looking into outdoor heaters and enclosures that will allow residents to safely socialize while still being in a similar or almost comparable outdoor setting.

Rethinking Living Spaces inside Apartment Units

In an effort to showcase apartments for rent, property managers have been rethinking living spaces inside their apartment homes. For example, multi-bedroom units are now being advertised as one-bedroom apartments with home offices or remote learning spaces, instead of the traditional marketing for 2-bedroom or 3-bedroom apartments.

Single-bedroom apartments are showcasing a creative space/working area where residents can earn a living in the comfort of their own home, since a significant number of people are now working from home.

Creating Co-Working Spaces with Dividers

Property managers also turned to coworking spaces that already existed in their apartment buildings and added dividers so their residents could still use the spaces but have an additional layer or barrier between them and the next person. Note, residents are still required to wear masks in such settings and observe social distancing.

New Spacing Requirements

What's more, landlords and property managers are having to get creative with spacing out everything and observing social-distancing protocols. As previously mentioned, this is evident with new lounge spaces and so on.

Better Ventilation and Ionization Systems

In addition to new spacing requirements, landlords have found unique and creative ways to increase ventilation throughout their apartment buildings. In fact, some have gone so far as to invest in hospital-grade ventilation systems. For instance, MERV 13 filters have been integrated into units, amenity rooms, and common areas. Plus, high-end apartment communities are also adding an extra safeguard with special ionization systems in various building ducts. These unique ionization systems zap viruses that may have snuck through building ventilation systems.

Fewer Touch Surfaces and Frequent Cleaning

Moreover, if you walk into an apartment complex or building these days, you will notice that there are fewer touch surfaces., which means now there are more key fobs to unlock lobby doors, motion-triggered faucets, and automated toilets. High-touch areas that cannot be motion-triggered are required to be cleaned every hour—or there are automated mists that disinfect small, poorly ventilated spaces.

More Copper or Antimicrobial Surfaces

Similarly, there has been an increase in copper and antimicrobial surfaces. Anything that can now be made out of copper, even some workout equipment, is now showing up in multifamily housing developments throughout the country.

Fitness Facilities and Half-Capacity

Speaking of fitness facilities, many apartment communities are imposing half-capacity rules for gyms and other common areas.

To deal with high-demand, fitness facilities that used to be open during the day or as long as the leasing office was open have now become 24-hour gyms so that all residents can use the facilities. Gym equipment is also being spaced out to ensure social distancing. That said, since many tenants or residents barely use fitness facilities in general, these types of accommodations have not necessarily been widespread.

More Assistance via Apps

There has also been a major shift to apps. For example, some property managers have created apps for residents that allow them to schedule time in common areas.

Plus, apartment communities that once upon a time only had in-person or mail-in rent policies have now embraced online rent portals. There has been an increase in virtual/electronic communication as well between landlords, staff, and residents—more email newsletters, online forums, etc.

Common Post-Pandemic Apartment Amenities Renters Will Seek

Landlords will need to embrace post-pandemic apartment amenities if they want to continue to attract new or prospective tenants. This means you should expect to see more contactless methods of paying rent and dedicated personal outdoor space (like balconies/patios) on renters' must-have lists.

Other coveted items will likely be included—a second bedroom/bathroom (for office space or in case a member of the household is ill), more closet/pantry space (for stock buying), kitchens with room for in-home cooking, plus an in-unit washer/dryer.

Besides offering these in-unit features, property managers should invest in smart locks to avoid touching keys for building entrances as well as for apartment homes.

And as a direct response to the previous moratorium on evictions, many landlords are expected to offer longer leases with a controlled rent rate to avoid rent raises when employment may be affected.

Likewise, there is talk of including most, if not all, utilities in the monthly rent rate. This is also in case employment is affected. Finally, post-pandemic renters are expected to seek out pet-friendly units more than ever before. as stay-at-home orders have significantly increased pet adoption over the last 10 to 11 months.

Take-Away

COVID-19 and the ongoing pandemic will definitely have a lasting impact on how people interact with one another in multifamily housing. Moreover, there is no denying that certain apartment amenities will need to get with the times or be left behind. That said, any way you slice it, the overall goal here remains the same—to reduce the likelihood of COVID-19 being transmitted.

Justin Becker is a property owner in the state of Michigan and has a passion for managing communities. He owns apartment complexes and mobile home communities, and has been writing his own blogs for his properties for several years.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Community Manager of the Year

1-150 UNITS
Eric Minugh, Ravello Apartments - Pinnacle
Gladys Batum-Puente, Swiss Gables - Epic Asset
Jacob Holman, Belay - Thrive Communities
Marina Singh, Blu - Avenue5 Residential
Shannon Stine, Parkview - Pinnacle
151-300 UNITS
Andrew Roberts, Origin - Pinnacle
Gabrielle Diaz, The Maverick - Pillar Properties
Kaeli Pugsley, Citizen and Oakе - Greystar
Raven Verbarg, Rosewood Club - Pinnacle
Stacey Litt, 77 Central - Pinnacle
301+ UNITS
David Springer-Trybus, AMLI Arc - AMLI Residential
Denana Husnic, Indigo Springs - Decron Properties
Paula Gamble, Multiple properties - Security Properties
Tiffany O'Byrne, Avery on Pearl - ConAm Management
Wilson Cancino, LIV - Greystar
AFFORDABLE
Ciara Jade Stevens, Colwell Building - Allied Residential
Jolene MacPherson, William J Wood House - Allied Res.
Michelle Delorme, Multiple properties - Allied Residential
Nahrein Kassem, Promenade - HNN Communities
Rebecca Wilson, Landmark - Greystar

Assistant Community Manager of the Year

1-300 UNITS
Alisha Baker, The Madison at Bellevue - First Pointe
Brandy House, Summit - Avenue5 Residential
Carly Rotolo, Echo Ridge - Berkshire Residential
Katie Wade, Copper Creek - Thrive Communities
Rebecca Prengel, Dimension - Holland Partner Group
301+ UNITS
Brittany Taylor, Stadium Place - Pillar Properties
Chad Mains, Keeler's Corner - Avenue5 Residential
Eric Brett, Via6 - Greystar
Gabriela Camacho, The Mill at Mill Creek - Sack Mngmt.
Kia Lo, The Fairways - Pinnacle

Leasing Consultant of the Year

1-300 UNITS
Emma Akervold, The Maverick - Pillar Properties
Horacio Ozaetta, Blu - Avenue5 Residential
Kayla Caldwell, Aura Totem Lake - Avenue5 Residential
Linda Hych, The Woodmark - Greystar
O'Shea Taylor, Ridgegate - Avenue5 Residential
301+ UNITS
Claudia Delgadillo-Lopez, Assembly 118 - Thrive
Genisis Stanley, Club Palisades - FPI Management
Kristen Snide, Parkside - Lincoln Property Company
Larissa Harvey, Griffis Lake Washington - Griffis Res.
Michael Mendenhall, Stadium Place - Pillar Properties

Rookie of the Year

OFFICE
Boston Moore, Sedona - Epic Asset Management
Julian Mora, The Lyric - Pillar Properties
Kristin Mays, Griffis Lake Washington - Griffis Residential
Pailey Cope, The POP - Insite Property Solutions
Tanner Mandelin, Ascend - Avenue5 Residential
MAINTENANCE
Brian Evaul, Multiple properties - Pinnacle
Jeremy Lim, The Meyden - Pillar Properties
Lex Lee, Central Park East - Greystar
Mac Hardin, The Maverick - Pillar Properties
Victor Mauro, Rosewood Club - Pinnacle

Maintenance Supervisor of the Year

1-150 UNITS
Dan Smolinski, Willow's Court - Epic Asset Management
Frank Tudela, Multiple properties - Greystar
Garry Lundquist, Multiple properties - Pinnacle
Ismet Kandzic, The Luxe at Meridian - Avenue5 Residential
Noe Villanueva, Cascadia Pointe - Pinnacle
151-300 UNITS
Alex Ortega, Modera Redmond - MillCreek Residential
Chris Taylor, The Danforth - Avenue5 Residential
Gary Botkin, Sedona - Epic Asset Management
Marco Subero, Chelsea at Juanita Village - Thrive
Mike Virdell, The Century - Pillar Properties
301+ UNITS
Kohlton Steinman, Griffis North Creek - Griffis Residential
Mark Hindenach, Via6 - Greystar
Micah Kemp, Parkside - Lincoln Property Company
Regan Sindayen, Multiple properties - HNN Communities

Maintenance Technician of the Year

1-300 UNITS
Garcia Bakari, AMLI Bellevue Park - AMLI Residential
Gene Zink, Griffis Belltown - Griffis Residential
Jerry Mendoza, Multiple properties - Coast
Julio Amador, Multiple properties - Pinnacle
Lourdes Betancourt, Blu - Avenue5 Residential
301+ UNITS
Dennis Gonzalez, Via6 - Greystar
Kat Sauskojus, Atlas - Avenue5 Residential
Marcos Lujan, Colby Creek - Thrive Communities
Menberu Hailemariam, LIV - Greystar
Nicolai Cristev, Avery on Pearl - ConAm Management

Credential Holder of the Year

Heather L. Edwards, CAS - Apartment Advantage Staffing
Luke Murnan, NALP, CAM - Epic Asset Management

Community of the Year

1-150 UNITS
1611 on Lake Union - Greystar
Arbor Village - Thrive Communities
151+ UNITS
Club Palisades - FPI Management
Griffis Lake Washington - Griffis Residential
Griffis North Creek - Griffis Residential
Talisman - Greystar
The Madison at Bellevue - First Pointe
AFFORDABLE
Cottage Bay - Pinnacle
Lake Washington Apartments - FPI Management
Landmark - Greystar

Portfolio Manager of the Year

Amy Abernathy - Greystar
Claudia Lytton - Pinnacle
Kristina Wardean - Avenue5 Residential
Nick Crum - Thrive Communities

New Development of the Year

1-150 UNITS
Allegro at Ash Creek - Pinnacle
Alloy - Redside Partners
Flyway Retail + Living - Insite Property Solutions
The POP - Insite Property Solutions
151+ UNITS
Alexan 100 - Avenue5 Residential
Aura Totem Lake - Avenue5 Residential
Blackbird - Thrive Communities
Geo - Thrive Communities
Hyde Square - Greystar
AFFORDABLE
Panorama - HNN Communities
View by Vintage - FPI Management

Renovated Community of the Year

Novela Apartments - Avenue5 Residential
Porchlight - Thrive Communities
Scout - Thrive Communities
South Park Yacht Club - Foundation Group
The Park in Bellevue - Avenue5 Residential

Curb Appeal Award

GARDEN STYLE PRE-1995
Aspen Creek Apartments - Epic Asset Management
Hampton Greens - Greystar
Liberty Ridge - Thrive Communities
Skyview 3322 - Pinnacle
Yarrowood Highlands - Avenue5 Residential
GARDEN STYLE POST-1995
Borgata Apartments & Townhomes - Thrive Communities
Griffis North Creek - Griffis Residential
The Diplomat - Pinnacle
Willina Ranch - Greystar
MID/HIGH RISE
Elara At The Market - Avenue5 Residential
SKY Sammamish - Insite Property Solutions
Villaggio Apartments - Epic Asset Management
West Mall Place Apartments - Epic Asset Management

Community Service Award

Heather Blume - Behind the Leasing Desk
Heidi Anderson - HNN Communities

Industry Partner of the Year

1UP Floors
Larry O'Toole - Alliance Flooring
Marsha Newman - A Plus Tree, Inc
Melissa Schade - Conversion Logix

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The 2021 Emerald Awards will be held virtually on March 5, 2021. For more information, please visit: www.wmfha.org/emerald-awards.

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An Ode to 2020: Farewell, Cruel Year

As 2020 winds to a close, I have mixed feelings about the year. At the beginning, no one could have predicted the challenging and scary times we would have to endure as this decade began. 2019 was the most successful year in our association's history, and anticipation for another banner year was high.

However, our association and our member businesses had to quickly pivot to a new way of working and engaging with one another due to COVID-19. Health concerns, financial worries, family issues, job losses, business interruptions, and changes to our personal patterns and traditions interrupted what could have been our best year ever. Parents even became substitute teachers.

Yet the industry, and our association, buckled down, stepped up, dealt with adversity in a proactive and professional way, showed empathy and care for our fellow Washingtonians, and did what we had to do to serve others with passion.

The rental-housing industry is a people industry. We enjoy building professional and personal relationships, getting together to celebrate our collective successes, and giving back to others.

This year, we stopped all in-person classes, meetings, and events, and went virtual. This opened new possibilities for online engagement and our attendance increased dramatically.

Our members across the state were able to join in on events and education that would have otherwise involved travel. Members in Spokane were able to meet other members from the west side of the state from the convenience of their computers.

Finding Ways to Increase Value

Our year started out with an exceptional membership meeting devoted to diversity and inclusion. Monthly networking events, which we call Tapas & Topics, were highly attended in person. Networking and educational offerings in the Spokane area were also well attended by members in Eastern Washington.

We held a motivating and inspirational Emerald Awards event, honoring the best of the best in our industry. Who would have known this would be the last in-person event of the entire year?

WMFHA quickly changed course due to mandated stay-at-home orders and developed a series of informational webinars called 6 Feet Apart, utilizing a then-rarely used platform called Zoom. Members were clamoring for information and a way to stay connected and informed. To date, we have conducted 20 webinars in this series, with nearly 2,000 registrations combined.

In response to the new eviction moratorium and the confusion it created in the industry, legal seminars, legislative updates, and "Ask a Lawyer" webinars were highly attended and provided much needed explanation of new state and local requirements.

We even developed Coffee Connection, short virtual meetings with WMFHA staff to maintain motivation and inspiration during the challenging early months of the pandemic.

We continued our popular Fair Housing Friday trainings, but in an online format, allowing us to reach members from geographic areas throughout the state. The one bright spot this year was the ability of any member from any part of the state, even members from outside the state, to easily connect with us virtually.

Networking Events Re-Imagined

Our most popular in-person events were all transformed into online events using various virtual platforms. Business Exchange, the annual reverse trade-show event coordinating supplier members with our property management decision-makers, was held face-to-face, but by Zoom break-out rooms.

The popular annual economic forecast event, Washington Apartment Outlook, was conducted online and attended by more than 700 registrants. Understanding the rental and job market and what the future might hold is key to members' decision-making and business goals.

WMFHA's most popular event, the annual EdCon education conference and trade show, with a normal attendance of over 1,300, was skillfully moved to an online format as well. Twenty classes facilitated by subject-matter experts for both management and maintenance associates were attended over several days. The software platform allowed for a supplier marketplace to engage product and service company members.

Despite moving to a work-from-home environment never before contemplated, WMFHA staff worked harder than ever to help association members navigate the unknown of this new reality, stay connected and engaged, support each other, and ensure the apartment industry could rise to challenge of serving residents of our homes in a safe and compassionate manner.

Recognizing Accomplishments

Our most gratifying initiative was Onsite Appreciation Month, which focused on acknowledging the everyday unsung heroes of the multifamily industry – the onsite teams that have continued to work from community offices to support the management and maintenance of properties despite the risk to personal health.

See 'An Ode' on Page 13

Can I Evict Tenants Due to Damage to the Home?

By Hank Rossi

Dear Landlord Hank,

Tenants of 10 years have done substantial damage to the home, not normal wear and tear, but that could be subjective upon the beliefs of a judge.

The home needs a complete renovation that cannot be completed with tenants living in the home. Can they be evicted because the home has become unsafe to continue to inhabit? Without being responsible to pay their rent or moving costs for them to move out? — Yvonne

Dear Landlord Yvonne,

We now have a federal moratorium on evictions until the end of the year, and the interpretation of the order varies from one jurisdiction to another and from one judge to another. If these tenants are paying rent and are satisfied to stay in their rental for now, I would not rock the boat. You can always renovate when their lease is up. When the eviction moratorium has ended, the courts will likely be packed – meaning the time it normally takes to evict a tenant will be substantially increased, and it could take months. If you feel that you can't wait and want to move forward now, I would engage an attorney that specializes in landlord/tenant law, as they will be up to date on the situation in your county. Good luck.

Dear Landlord Hank,

We inherited a single-family home that already had a property management company. Lucky for us, the tenant moved out just before moratorium! However, the home was trashed and it was clear that this had been going on for quite a while. Garbage bags and damage were everywhere. For instance, a glass shower door had broken glass and large pieces of glass protruding! And the tenant was still using the shower with just a curtain hanging! And there were 4 small children living in the home! My question is, do I have any recourse with the property management company? They had done their walk-through and had asked

the tenant to replace the door, but failed to follow up. We also had smoke detectors beeping from June till December, when I was granted permission to enter with the property-management owner. Clearly there was neglect. We sold the house with a loss of more than $50,000 due to all the problems, including the pandemic. Please advise if there is any way to recapture all the money lost? — Pat

Dear Landlord Pat,

I'm so sorry to hear about your situation. Tenants like these are exactly why more people aren't landlords; and in this case, you had a property-management company that put these tenants into your place! The property-management company hopefully did a complete background screen on these tenants and shared these results with you. Even though the company didn't directly cause the damage to your property, they have a duty to you to protect and maintain your property and do periodic inspections (that is in my MLS agreement, anyway). When the property-management company did a walk-through inspection and noted the damage in addition to the shower door, they should have contacted you and made you aware of the situation. Did the company owner talk to you about evicting the tenants? The eviction moratorium has put a strain on many landlords and driven some to foreclosure. I'd consult an attorney after you review your management agreement with the property-management company. Best of luck!

Visit Landlord Hank's website: https://rentsrq.com

Washington Court Launches Eviction Resolution Program

Rental Housing Journal

King County Superior Court has established an Eviction Resolution Program (ERP) that will require problem-solving steps in situations involving non-payment of rent so that there will be no need to file an eviction case, according to a release.

"The program began as a pilot project in Clark, King, Pierce, Snohomish, Spokane, and Thurston Counties on November 9th. Though state and federal eviction moratoria have not lifted yet, the program is available now in hopes landlords and tenants will join in the resolution programs early to take advantage of the assistance and get a head start on problem-solving," the court said in the release.

The courts are expecting to face a large number of eviction cases after state and federal moratoriums on evictions are lifted, and put the program in place "in hopes of reducing the severity of a wave of evictions in the community."

Tenants and landlords meet with resolution specialists who can mediate efforts to create repayment plans, resolve disputes and connect with rental-assistance programs.

Landlords are required to participate before they can file rent-related evictions. If a renter chooses not to participate in the program, landlords can proceed with rent-related evictions.

"I am very pleased to announce the launch of the state's first pilot Eviction Resolution Program (ERP)," said Chief Justice Debra L. Stephens.

The goal of the program is to bring all parties together with trained resolution specialists to explore solutions such as available state and local rental assistance, or achievable payment plans that could help tenants retain their housing and divert many situations from the legal eviction process. The program was developed by the state Superior Court Judges' Association (SCJA) in partnership with the state Office of Civil Legal Aid.

The objective of the ERP is to:

- Bring all parties to the table with the assistance of qualified and trained eviction-resolution specialists;
- Explore the amount of rent arrears, the current and prospective circumstances of the tenant, the availability of rent, and other assistance to cure or partially cure the arrearage;
- Discover a range of other terms that might resolve the matter in a way that allows the tenant to retain housing (and avoid the need for filing of an unlawful detainer action).

9 Ways to Get Rid of Mice in Rental Properties

Continued from Page 1

The bulk of prevention here can be done with thorough inspection. Landlords should schedule appointments to walk through the property — if it is occupied, they need to give their tenants notice — and seal up any cracks in doors or windows. Steel wool and caulk work best because rodents can't chew through them. Pay close attention to areas around plumbing fixtures and cable lines — these can provide ingress points.

If a tenant is dealing with an ongoing mouse problem, ask them to look for these holes on a regular basis and share tips for plugging them quickly with steel wool. Then, you can find time to do a more thorough repair job to keep the rodents at bay.

2. Banish Temptation as Much as Possible

It isn't that mice eat much — but they can contaminate entire stashes of food. That giant box of cereal a tenants bought at Costco is now waste unless they want to risk a bowl of hantavirus for breakfast. Mice are resourceful creatures and will investigate kitchens to find new things to eat.

Tenants should banish temptation by keeping the premises clean. While property owners can't demand they mop and dust weekly, they can include clauses to prevent common causes of mouse bait — like leaving out used pizza boxes. Landlords should review these documents when their properties are unoccupied, because you can't issue one retroactively once a prospective customer signs.

Another tactic to use — with caution — is the right to inspect. While states usually require a 24-hour or more notice, property owners may go through and document the unit's condition. Photographs will become valuable evidence should an infestation result in a court battle.

Bear in mind that even the best tenants won't appreciate having someone tramping through their home, particularly during a pandemic. However, when mice are threatening not only your tenants' health but your other units and property as a whole, be firm in reminding troublesome renters of their responsibilities to keep their property clean.

3. Lay Traps

Traps should be laid to get rid of an existing infestation. Mice typically travel with family, so multiple traps will be required. Whether you prefer the classic snap trap or the capture-and-release, be prepared to check frequently for success, and dispose of mice quickly.

Property managers and tenants, depending on whether the unit is occupied, should place traps along walls and consider bait such as peanut butter to attract mice. Rodents are smart, so you may need to switch up tactics and try new traps or locations if nobody is biting.

4. Prevent Property Problems with Better Traps

It's often better to stay away from the inhumane glue traps that leave mice to dehydrate and starve to death, especially if they can't be checked frequently. Mice may even chew off their limbs in an attempt to escape, which can also leave an unpleasant clean-up for property managers or tenants once the trap is found.

The same goes for poison pellets. These don't kill instantly by design, meaning mice will wander off after consumption. The sick animal can crawl off into a wall or hidden area to decompose, which can lead to odor concerns later.

If you don't have much empathy for mice, the classic snap trap is reliable and quick to kill without prolonging suffering. Considering the catch-and-release method? Varmints should be released at a considerable distance from the property to prevent re-entry. Mice have a keen sense of smell. Plus, no one wants them potentially infesting other units.

5. Clean Out Storage Areas

If you own a building with shared space like an attached storage unit or basement, rodents can infest these areas before you or your tenants notice. Landlords should host an annual cleanout and inspect and treat the space for pests in order to prevent greater infestation.

Stacks of old books and magazines make ripe nesting grounds for mice and insect pests alike. Control efforts should continue year-round. Don't slack off in the winter — that's when rodents reproduce and add to their broods.

6. Try Peppermint Oil

Some people claim that peppermint essential oil or peppermint plants effectively dissuade both mice and spiders — two critters most tenants are happy to bid farewell to.

Property managers can apply a small amount of peppermint oil around areas of potential ingress. However, repeated applications are required, so work with tenants if choosing this method. Tenants with a green thumb can even consider growing some peppermint at home — even if it isn't the most effective, they can still enjoy a pleasant smell.

7. Go Ultrasonic

Another humane way to deter rodents from returning is to use ultrasonic repellers. These devices emit a high-pitched sound that's inaudible to humans but painful to rodents. Most models are safe to use around household pets like dogs and cats.

However, actual results are mixed with this method, and property managers may not get a strong return on investment in providing these systems to tenants. If attempted, these repellents are best used in conjunction with more proven traps.

8. Keep Landscaping Trimmed

Mice are little thieves, and as with the human variety, they seek places to hide when breaking and entering. Keeping outside landscaping trimmed can deter both types of miscreants. Property managers who practice regular upkeep can enjoy pest prevention on top of other benefits, like curb appeal.

9. Say Yes to Cats

This isn't a guaranteed solution, but there's something to be said for having a nature-engineered pest-control service living in a unit. If you're on the fence about pets, allowing responsible tenants to have cats could entice renters while taking care of mice in rental properties.

As with any allowance, review your lease and add protective clauses to make sure the arrangement works for both parties. Landlords should set a reasonable limit on the number of animals allowed per residence, but most felines adore keeping the rodent population in check.

Conclusion

Getting rid of mice can take time and dedication. If possible, it's best to focus on prevention so tenants don't have to worry about pest-control visits and trap management. However, since mice are a fact of life, a combination of property maintenance and pest control is usually the key to solving the problem.

Property owners can get rid of mice with the nine tips above. Doing so protects their investment and can attract a more highly qualified — and timely-paying — tenant.

Evelyn Long is the editor-in-chief of Renovated, where she shares real-estate market and maintenance advice for investors and their tenants. Based in Baltimore, Evelyn is enthusiastic about both brownstones and crab cakes.

An Ode to 2020: Farewell, Cruel Year

Continued from Page 11

Apartment communities had to immediately shift their ways of doing business, from in-person appointments and tours to virtual leasing and resident interaction. Typical resident events were postponed, and many common spaces and amenities had to close by government order.

Site teams' primary concerns shifted to health, safety, and service to residents in a socially distant way. Yet the industry took on the challenge with creativity and devotion to our customers, and made it work through innovation. Recognizing those efforts from onsite associates was heartwarming, and we owe them a huge thank you for their devoted efforts.

Our many supplier member associates found themselves with the inability to meet up with site teams in many cases and reverted to supporting their clients and industry members through other means.

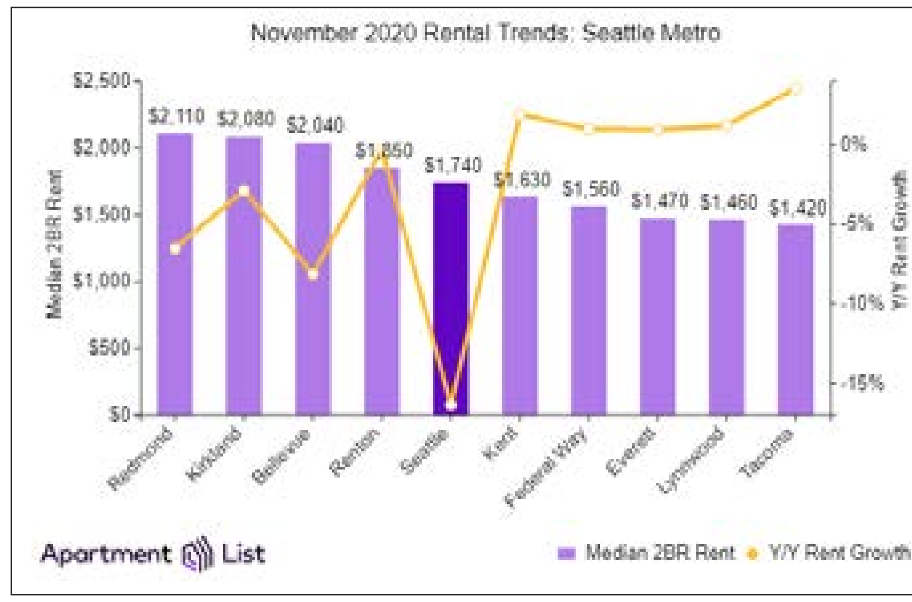
Spending decreased for non-essential services, requiring many service companies to shift their products and services to accommodate their client communities. We thank our many supplier member companies for hanging in there through these difficult times and continuing to support the housing industry through their valued partnerships.

Despite threats from government imposition, unprecedented economic challenges, overwhelming health and safety concerns, and a reality none of us could have imagined, the rental housing industry and WMFHA members have shown their grit, determination, professionalism, and empathy to serve our communities and ensure rental housing remains a vital service to residents of our state. While doing so, we have supported each other like never before.

We are all in this together, and we will come out the other side with pride and hope. Here's looking forward to a better year in 2021 and supporting the exceptional industry we are proud to represent.

– Jim Wiard, Executive Director, Washington Multi-Family Housing Association

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, 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.



Rent Trends Vary Across Seattle Metro

Continued from Page 1

monthly rent estimates paint the picture of a protracted national slowdown and uneven recovery," said Chris Salviati, Housing Economist at Apartment List.

"Our national rent index is down 1.4 percent year-over-year, but there is tremendous regional variation beneath the surface. San Francisco and New York City continue to lead the nation in pandemic rent drops, while smaller markets like Boise and Colorado Springs are heating up," Salviati said.

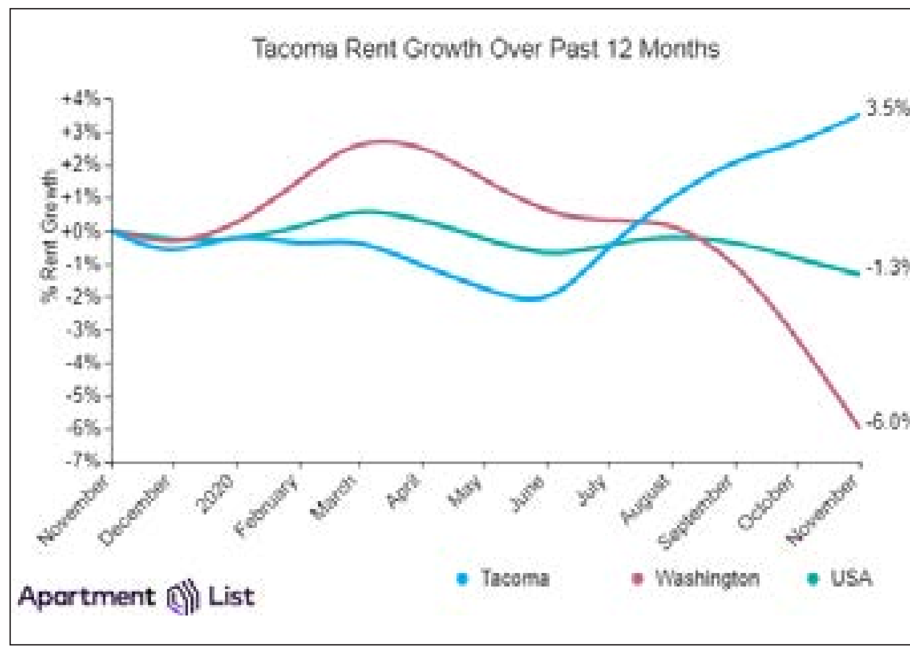
Largest Metro Cities: Half Up, Half Down

While rent prices have decreased in Seattle over the past year, the rest of the metro is seeing varying rent trends.

Of the largest 10 cities that Apartment List has data for in the Seattle metro, half have seen increases, while the other half have been decreasing.

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

- Tacoma has the least expensive rents in the Seattle metro, with a two-bedroom median of $1,422; the city has also experienced the fastest rent growth in the metro, with a year-over-year increase of 3.5 percent.
- Redmond has the most expensive rents of the largest cities in the Seattle metro, with a two-bedroom median of $2,106; rents fell 1.2 percent over the past month and 6.5 percent over the past year.
- Seattle proper has seen the biggest drop in the metro area.



Apartment List is committed to making its rent estimates the best and most accurate available. 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. Their methodology allows them to construct a picture of rent growth over an extended period of time, with estimates that are updated each month.

Transitioning from Landlord to Seller

Using a Qualifying Landlord Exemption for a Sale

By Bradley S. Kraus, Attorney
Warren Allen, LLP

As we approach the end of 2020, the hopes of quickly moving beyond, and triumphing over, COVID-19 appear to be fading.

In Oregon, Governor Kate Brown has placed new restrictions on businesses to head off the rising spread of the virus. The legislature there is discussing further legislation involving an extension of the eviction moratorium and a rent-reimbursement fund for landlords. While plans for the latter do not appear finalized as of this writing, it does appear that the moratoriums will be extended in some form.

As a result of the above legislation, and that which preceded it, many landlords are looking to sell their rental properties.

While most no-cause notices are prohibited in current eviction moratoriums, both the state and local moratoriums allow for landlords to serve a no-cause notice related to sale of the property. While it seems simple, there is far more coordination involved—and necessary—to serve such a notice due to the many elements landlords must meet to qualify for the exemption.

ORS 90.427(5)(d) and ORS 90.427(6) discuss the No-Cause Notice Qualifying Landlord Exemption involving sale of property. As with every qualifying landlord exemption, they require that the landlord provide a 90-day notice specifying the reason for the termination and supporting facts. It also requires the payment of one month's rent for relocation assistance at the time of service of the notice unless the landlord owns four or fewer rental properties. The landlord may also be required to pay additional relocation assistance, depending on local relocation-assistance requirements.

The above requirements are the same for all qualifying landlord exemptions, but the sale exemption is more burdensome than others. The Landlord must have:

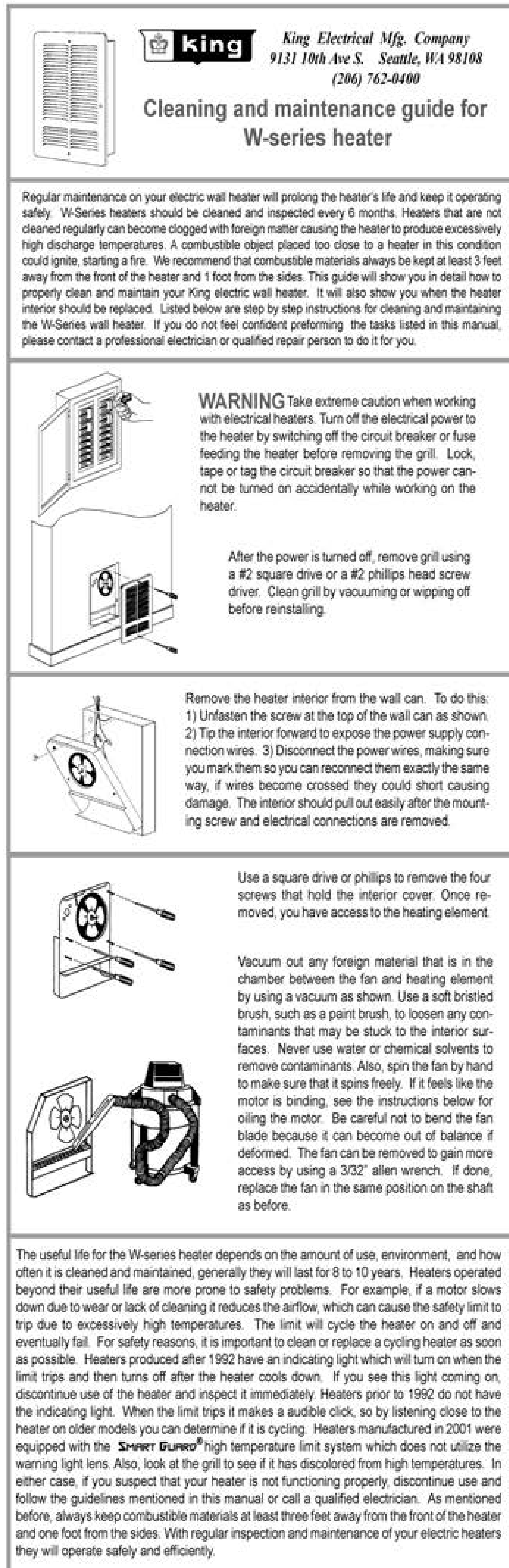
(a) Accepted an offer to purchase the dwelling unit separately from any other dwelling unit from a person who intends in good faith to occupy the dwelling unit as the person's primary residence; and

(b) Provided the notice and written evidence of the offer to purchase the dwelling unit to the tenant not more than 120 days after accepting the offer to purchase.

The requirements of (a) complicate matters greatly. The landlord simply cannot rely on the fact that they intend to sell the property; they must have accepted an offer to purchase the dwelling unit from someone who intends to occupy the same. Many buyers wish to occupy the home promptly. However, due to the 90-day notice requirement of the statute, that simply cannot occur, which can complicate sale matters. Additionally, the purchase of the dwelling must be separate from any other dwelling unit—which causes the sale of duplexes and triplexes to fall outside of the exemption.

Landlords/owners who cannot meet the above requirements may have other options at their disposal to assist with the sale of the property. However, these likely require cooperation with your tenants, and therefore, those options should be used in close conjunction with your attorney. The penalties and complications from missteps can involve lost time, lost sales, and potential exposure to claims. Accordingly, a proactive approach, as opposed to a reactive one, is appropriate for any landlord seeking to use this—or any—qualifying landlord exemption.

Brad Kraus is an attorney at Warren Allen LLP. His primary practice area is landlord/tenant law, but he also assists clients with various litigation matters, probate matters, real estate disputes, and family-law matters. A native of New Ulm, Minnesota, he continues to root for Minnesota sports teams in his free time. You can reach him via email kraus@warrenallen.com or 503-255-8795.



Bias Charged Regarding Emotional-Support Animals

Rental Housing Journal

HUD has charged a Philadelphia apartment owner with discriminating against a person with disabilities based on its refusal to waive pet fees for emotional support animals, according to a release.

HUD is charging Post Presidential Property Owner, LLC, and Post Commercial Real Estate, LLC, the owner and manager respectively of Presidential City Apartments in Philadelphia, with disability discrimination.

A tenant with a disability requiring an emotional-support animal reached out to HUD alleging that she had been denied a reasonable accommodation to have pet fees waived at the apartments for such an animal.

The Fair Housing Act prohibits housing discrimination based on disabilities, including denying reasonable-accommodation requests for the waiver of pet fees for assistance animals and rejecting requests for a designated handicapped parking space needed by a person with a disability.

The complaint said "the tenant received an email from apartment's counsel stating 'a landlord is entitled to charge pet fees for an emotional-support animal, which is considered a pet, unlike a service animal'."

Based upon this evidence, HUD recommended testing the subject property.

According to the complaint, several testers were told there was a $250 pet deposit required. One tester who visited and toured the property told leasing specialist Dayanna Reeves she was looking for an apartment for her niece. When Reeves asked if the niece had any pets, the tester said that her niece had an emotional-support dog. Reeves told the tester about the $250 refundable deposit for the animal and the monthly pet fee of $25.

The Fair Housing Act was violated, according to the complaint, denying testers' reasonable accommodation requests for designated parking and the waiver of pet fees for emotional-support animals for prospective tenants with a disability.

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