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Circulated Monthly To Thousands Of Local Apartment Owners, Property Managers, On-Site & Maintenance Personnel



CDC Extends Moratorium on Evictions

RENTAL HOUSING JOURNAL

CDC Director Dr. Rochelle Walensky has signed an extension to the federal eviction moratorium, further preventing the eviction of tenants who are unable to make rental payments and extending the moratorium through June 30, 2021, according to a release.

“The COVID-19 pandemic has presented a historic threat to the nation’s public health. Keeping people in their homes and out of crowded or congregate settings — like homeless shelters — by preventing evictions is a key step in helping to stop the spread of COVID-19,” she said in the release.

The original moratorium was set to expire on March 31.

The order says, “a landlord or owner of a residential property or other person with legal right to pursue eviction or possessory action, shall not evict any covered person from any residential property in any jurisdiction

See ‘Ban’ on Page 7

Renters Favor More Space Over Low Cost

Priorities Shift Due to Pandemic Adjustments

RENTAL HOUSING JOURNAL

Renters’ priorities have shifted, and now “more space” beats “cheaper.” Prospective renters are looking for better apartment deals with open-air amenities and more living space, preferably in the city in which they already live, according to a new survey from RentCafe.

How the pandemic has affected renters’ priorities in the rental-housing and apartment-selection process was the topic of the survey. It showed the move to larger apartments from price and safety.

“It seems as though renters are coping with the monotony of spending most of their time at home by looking for a change in scenery, more space, open-air amenities and better local deals,” RentCafe said in the survey results.

More than 10,000 people participated in the survey while looking for an apartment on the company’s website. “In particular, respondents shared how their preferences had changed after a year of staying at home, what their main concern



was while moving, or how the pandemic had affected their rental-selection process.

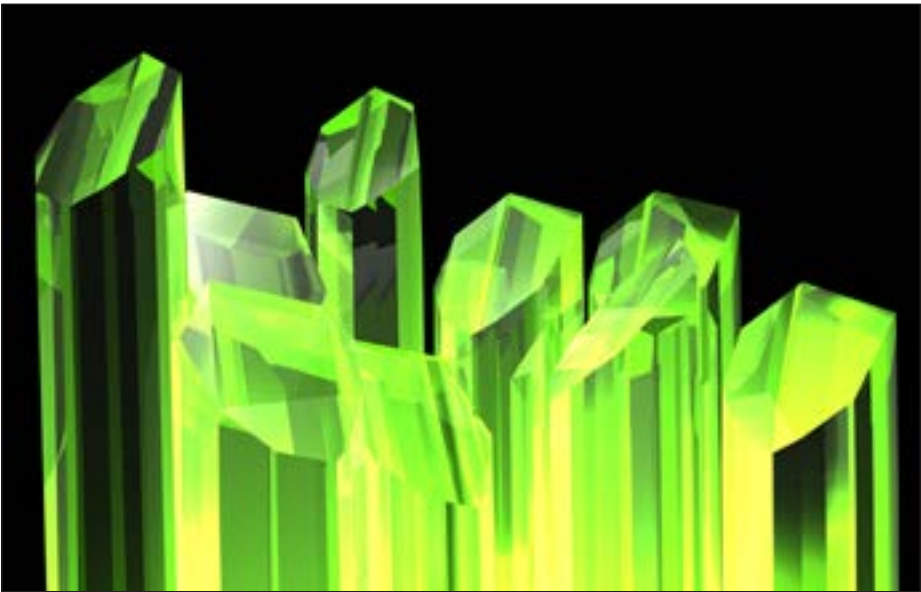
“The survey showed that lifestyle improvement was the main motivator for those looking to rent now, as the top features people search for in an apartment after one year of living in a pandemic are open-air amenities (21

percent) and more space (20 percent). Renters’ priorities in the apartment-search process included the following highlights:

- Lifestyle improvement is the main motivator for those looking to rent after a year of pandemic living; 41 percent of renters

See ‘Renters’ on Page 6

Don’t Let Rental Criteria Be Your Kryptonite



BY DAVID PICKRON

Hypothetically, let’s say that last week an individual named Javier applied at one of your properties.

His credit score was low and payment history showed a lengthy history of difficulty in keeping current with his obligations. The results of the criminal background check showed various drug and theft charges. Your call to his previous landlord alerted you to the fact that he was currently being evicted even as he was applying for your property. Like most landlords, you would analyze the situation and reasonably conclude that “there is no way he is living in my rental.”

See ‘Rental-Criteria’ on Page 6

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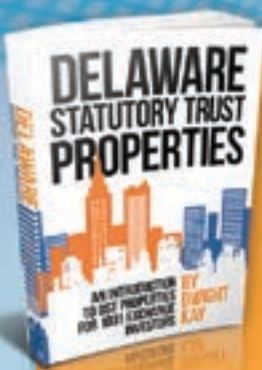
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Do DSTs Work for a 1033 Exchange Due to Eminent Domain or Involuntary Conversion?

Understanding the Rules of a 1033 Exchange aka Involuntary Conversion DSTs Provide Replacement Options for a Property Sold Under Eminent Domain

By DWIGHT KAY, CEO of KAY PROPERTIES AND INVESTMENTS AND THE KAY PROPERTIES TEAM

Property owners initiating a 1031 Exchange often end up in that situation by choice after deciding to sell an investment property or business. But what happens when that decision to sell is out of your hands? That is the case when the government steps in to acquire a property by exercising its power of eminent domain.

WHAT IS EMINENT DOMAIN?

Eminent domain applies to situations where the federal, state or local government uses its authority to acquire private property for a public use or the greater good. Eminent domain has been around for decades with cases dating as far back as the late 1800s. It is commonly used by government entities to assemble land to build infrastructure, such as roads, interchanges or airport expansion. The government also has been known to step in and utilize its powers of eminent domain to acquire property to pave the way for private-sector development that will in some way potentially serve the community or help raise the tax base, such as a new convention center, hotel, or hospital. Eminent domain or condemnation also can come into play when a property has been destroyed by a natural disaster, such as flooding, hurricanes, or wildfires.

Although eminent domain sounds a bit onerous, property owners are entitled to fair compensation for that property. Once that eminent-domain transaction is complete, the question is: What to do with that pile of cash? Just as with any property sale where the transaction generates a profit, any income recognized from that eminent-domain ac-

quisition is subject to capital-gains tax. One way to potentially defer that tax bill is to roll the proceeds from the sale into a tax-deferred like-kind exchange. Whereas the 1031 Exchange is used for tax-deferred reinvestment in most property sales, eminent domain has its own separate category that falls under a 1033 Exchange.

KEY DIFFERENCES AND SIMILARITIES IN 1031 AND 1033 EXCHANGES

A 1031 Exchange and a 1033 Exchange were designed for exactly the same purpose. Each is sanctioned by the IRS as a means to defer capital-gains taxes. However, there are some key differences that an owner should be aware of when conducting a 1033 Exchange. One notable item is that similar to a 1031 Exchange, a 1033 Exchange allows the taxpayer to fully defer both capital gains and any potential depreciation to recapture taxes that may be incurred from the government acquisition. In other words, 1033 Exchanges have the potential for the taxpayer to avoid an even bigger tax bill. In addition, the rules on a 1033 are considered by many to be a bit more relaxed, giving property owners more time and flexibility to successfully execute the exchange. Some of those key differences are:

- More time to execute. The IRS gives taxpayers two years from the date the sale closes to complete a 1033 Exchange (three years if granted a further one-year extension) compared to 180 days for a 1031 Exchange.
- No limit on replacement IDs. The taxpayer has no restrictions on the number or dollar value of potential replacement properties they can identify for their exchange. In contrast, 1031 Exchanges have reporting rules that require

that a limited number of replacement properties be identified within a 45-day window.

- No need for a qualified intermediary. In a 1033 Exchange, funds do not need to be handled by a qualified intermediary (also known as an exchange accommodator or facilitator), as is the case with a 1031 Exchange. In fact, funds can even be placed into shorter-term investments, such as a bond or CD, until they are needed to close on the purchase of 1033 Exchange replacement assets.

DO INVESTORS UTILIZE DSTS FOR 1033 EXCHANGE REPLACEMENT PROPERTY?

Yes, DSTs are commonly used in 1033 Exchanges. DSTs work just like other investment real estate, the difference being that it is fractional ownership. All of the same reasons why a DST work well for a 1031 Exchange also apply to cases of eminent domain where an owner is conducting a 1033 Exchange. For example, DSTs provide a solution that allows for portfolio diversification and passive ownership in real estate as well as income potential.

Despite the longer timeline to complete a 1033 Exchange, the clock winds down quicker than many people realize. Some simply put off identifying replacement properties because they don't know what to buy, or perhaps they are waiting out the market for better opportunities or pricing. So, it is not unusual for clients to focus on DSTs as replacement properties for their 1033 Exchange at the eleventh hour, knowing they can reinvest proceeds in one or more DSTs in as little as a week's time. For a free list of available DST investments for your 1033 Exchange please visit 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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placement memorandum (the "Memorandum"). Please read the entire memorandum, paying special attention to the risk section prior to 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 material 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. Securities offered through Growth Capital Services, member FINRA, SIPC, Office of Supervisory Jurisdiction located at 582 Market Street, Suite 300, San Francisco, CA 94104.



Can You Charge Support-Animal Non-Refundable Pet Deposit?

By HANK ROSSI

Dear Landlord Hank: Can a landlord charge a non-refundable pet deposit if the animal in question is not classified as a pet, but as a support animal? -Frank

Dear Landlord Frank: In Florida, n o - p e t rules don't apply to legitimate emotional-s u p p o r t animals.

A tenant or applicant must have real documentation stating that an applicant

is disabled, that the disability affects a major life function (and what that function is), and how the animal reduces the effects of the disability. If an applicant or tenant provides fraudulent information or documentation, he or she is committing a 2nd degree misdemeanor with consequences. Also, even if the animal has been classified as a support animal, the animal must be required by the tenant. Lastly, the provider producing the documentation for you must have personal knowledge of the tenant (this means an online certificate won't work) and be knowledgeable in the area of the tenant's disability. In other words, a

podiatrist can't say you need an emotional support animal for psychological issues.

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



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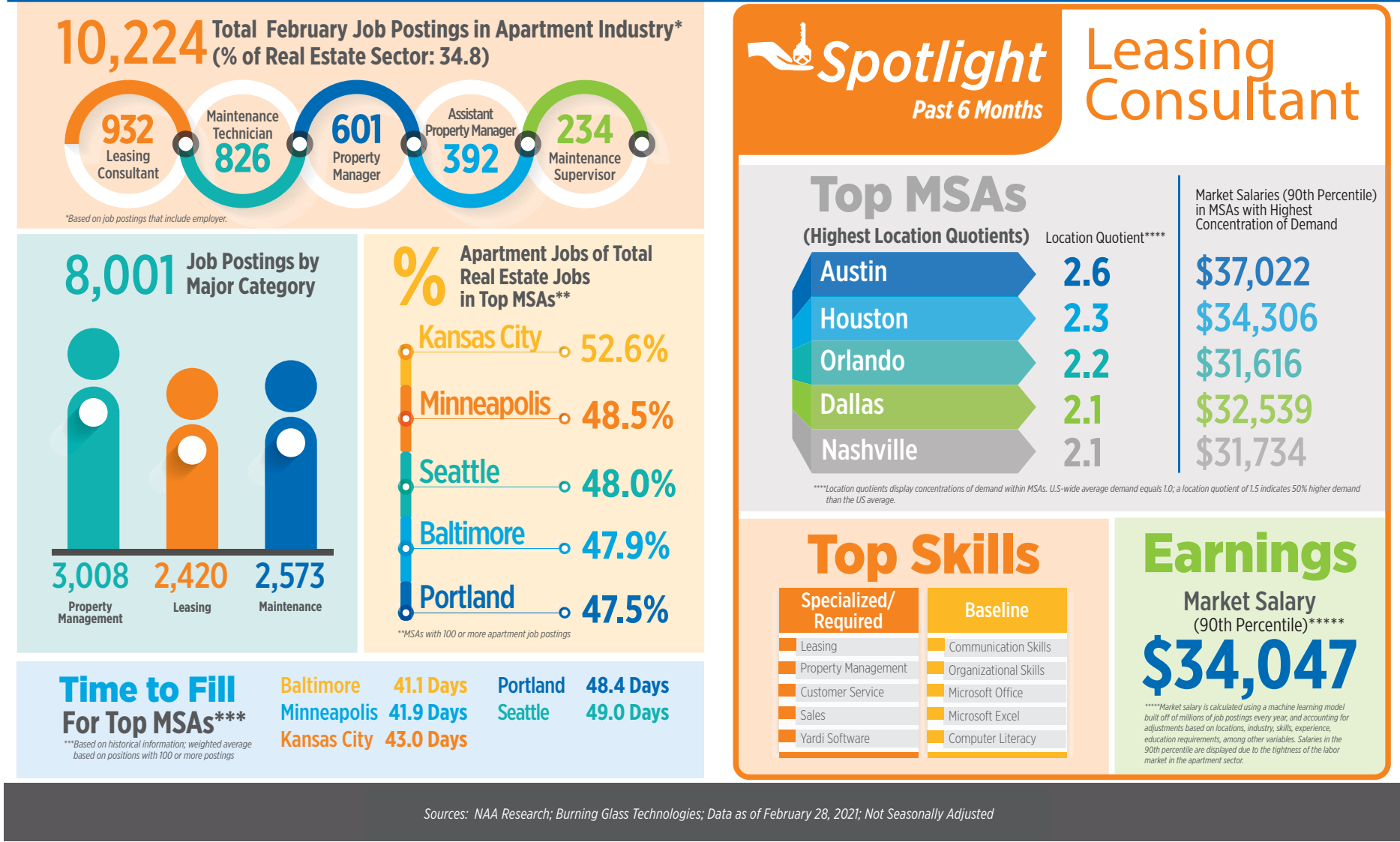
NATIONAL APARTMENT ASSOCIATION

Education Institute

Apartment Jobs Snapshot

February 2021

Apartment Job Openings Strong in Seattle, Portland



Spotlight

Past 6 Months

Leasing Consultant

Top MSAs

(Highest Location Quotients)

Austin

2.6

Houston

2.3

Orlando

2.2

Dallas

2.1

Nashville

2.1

****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 U.S. average.

Market Salaries (90th Percentile) in MSAs with Highest Concentration of Demand

\$37,022

\$34,306

\$31,616

\$32,539

\$31,734

Top Skills

Specialized/Required

Baseline

Leasing

Communication Skills

Property Management

Organizational Skills

Customer Service

Microsoft Office

Sales

Microsoft Excel

Yardi Software

Computer Literacy

Earnings

Market Salary (90th Percentile)****

\$34,047

****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. Salaries in the 90th percentile are displayed due to the tightness of the labor market in the apartment sector.

Sources: NAA Research; Burning Glass Technologies; Data as of February 28, 2021; Not Seasonally Adjusted

**NATIONAL APARTMENT ASSOCIATION
EDUCATION INSTITUTE**

Apartment job openings in Seattle and Portland were strong in the most recent report from the National Apartment Association’s Education Institute.

The Apartment Jobs Snapshot showed 10,224 apartment jobs were available, accounting for 34.8 percent of the broader real estate sector.

Seattle and Portland, along with Kansas City, Minneapolis, and Baltimore, had the highest share of apartment job openings.

This edition highlights leasing consultants, with market salaries in the 90th percentile reaching \$34,047.

The demand for skilled leasing consultants was more than twice the U.S. average in Austin, Houston, Orlando, Dallas and Nashville.

In addition to requiring typical leasing skills, employers are seeking experience with Yardi Software, Microsoft Office, Microsoft Excel, and computer literacy skills.

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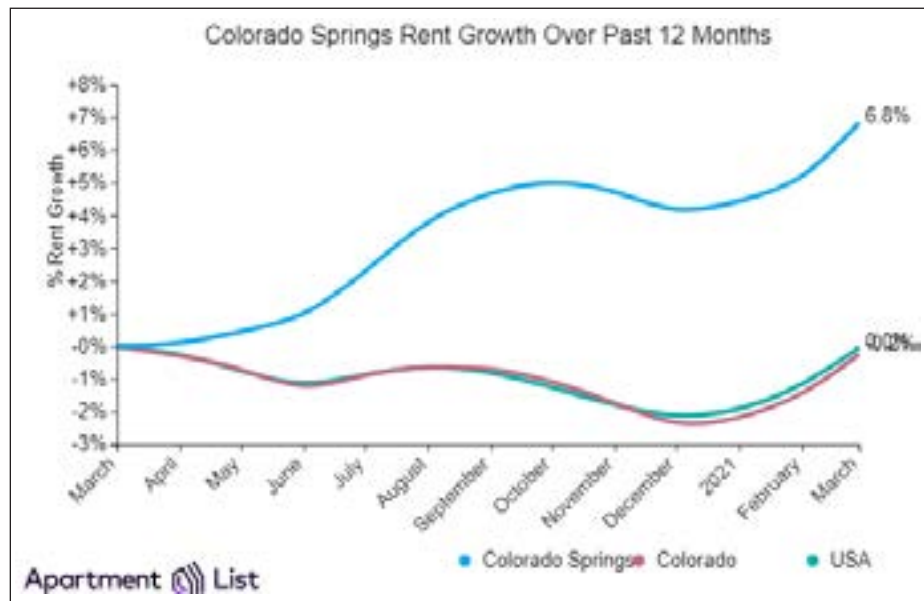
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Renters Favor Space Over Cost Savings

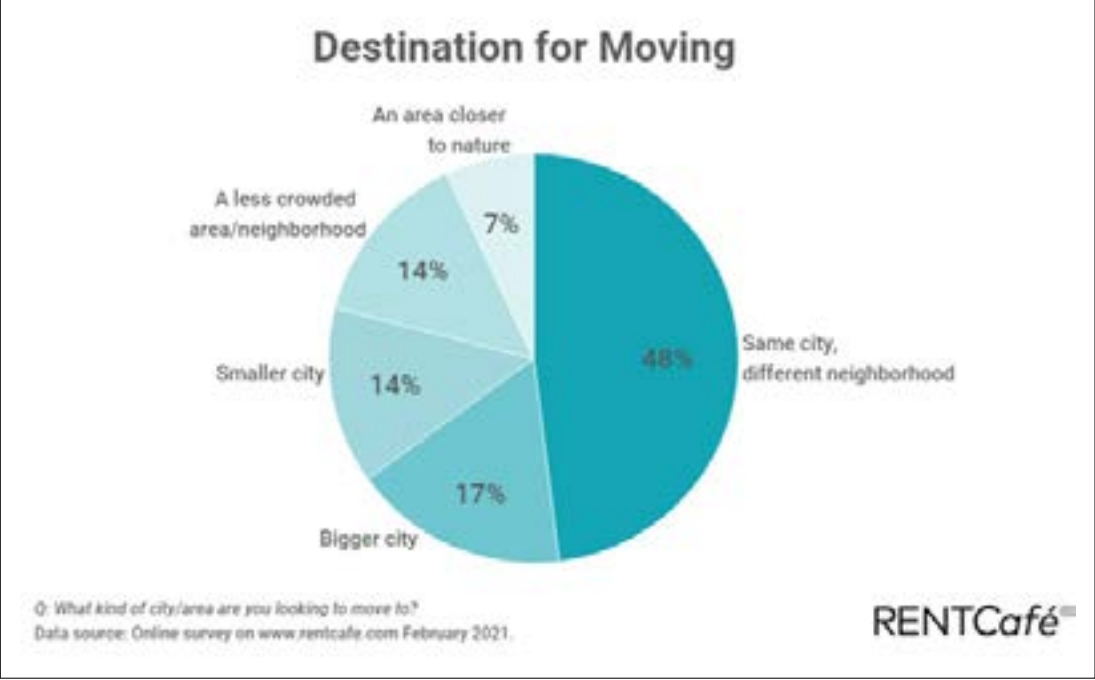
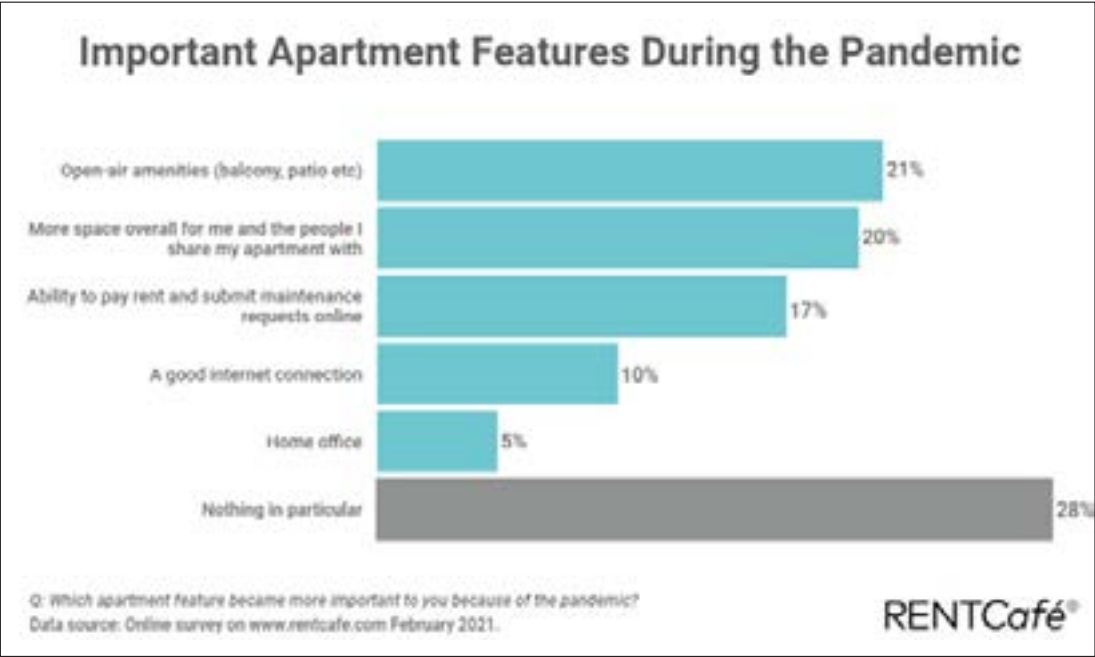
Continued from Page 1

- picked open-air amenities and more space as their most essential apartment features in 2021, far outranking work-from-home amenities such as “home office” (five percent) or “good internet connection” (10 percent).
- The reasons for moving are within the same spectrum; “looking for better deals” was the top answer for 29 percent of renters, followed by “the need for a change of scenery” (25 percent).
 - When asked how the pandemic affected their apartment-selection process, 28 percent of renters said they prefer a place to live by themselves. “Something cheaper” (25 percent) and “something larger” (19 percent) were next on the priority list.
 - Ninety percent of renters look for long-term rentals. Moreover, 48 percent wish to remain in the same city they are currently in, which once again shows that improving housing conditions is the goal, not necessarily a drastic change like moving to a different city.
 - Many of those who moved in the spring of 2020 seemed to have done so out of need, not because they wanted to. “Expiring lease” was the main reason for moving (26 percent), while a significant share of renters was concerned whether they’d be “able to pay rent during this time” (32 percent).

Last year, the renter survey showed the top renter preference was price and the top concern was safety.

“And, while plans and preferences may have changed since last March and the first stay-at-home orders, one thing has remained the same – the optimistic, carry-on attitude of the average renter.

“Twelve months apart, both RentCafé surveys have shown that, whether by choice or necessity, people keep on moving. And, as we enter the second year of the pandemic, spending time at home has become the norm – prompting increasing numbers of renters to look for better deals and amenities that make it more pleasant to be there,” the company said.



Rental-Criteria Sheet Could Keep You Out of Trouble

Continued from Page 1

You decide to provide an adverse action letter to Javier and move on to the next applicant.

In the week that follows, you receive a phone call from an attorney with Fair Housing asking why you denied the applicant.

Was it because of his ethnicity? “No,” but you explain all the negative history you found relating to the applicant and the risk he would be to your property and investment.

The attorney then asks a series of questions:

- Did you tell the applicant that you did not accept people with evictions? “No.”
- Did you tell him he needed a certain credit score to qualify? “No.”
- Did you lay out your requirements in relation to criminal history? “No.”
- Can you provide a copy of your rental criteria that details how you treat every applicant the same? “I don’t have one.”

The attorney then drops the hammer with the final question:

- Is possible that you treat every applicant differently as a result of not having a written, base-qualifying criteria?

Javier believes he was disqualified based on his ethnicity and subsequently reported a potential violation.

Imagine how different this scenario looks for you as a landlord if prior to showing the property to Javier, you handed him a criteria sheet with crystal-clear information about credit, criminal, collection, and eviction history qualifying parameters. It also had income and residential history requirements as well as your policies regarding no smoking or pets on the property. If after seeing the property and performing your due diligence there was disqualifying information, it is easy to indicate to your applicant exactly which part of the criteria was not met. If the phone call then comes from Fair Housing or the attorney general’s office, you have the ability to clearly show the reason for denial based on behavioral history alone.

Simply said, if you do not have a written criteria, then everyone qualifies. That’s right, everyone qualifies. As

Sample Criteria

CRIMINAL HISTORY

Any felony relating to or regarding a person, property or drug-related criminal activity in the past seven years from the date of the investigative report to the date of the conviction, release from custody or parole, whichever occurs last.

CREDIT SCORES

- Approved = 700 and above
- Conditional = 550 to 699
- Denied = 549 and below

EVICITION RECORDS

Any open eviction. Any unsatisfied eviction judgment in the past (7) seven years. Any satisfied eviction judgment in the past (5) five years.

BANKRUPTCY

Any bankruptcy filed or discharged in the last (1) year. Any open bankruptcy will be automatically denied.

RESIDENTIAL HISTORY

Two (2) years verifiable (non-family) history is required. Co-signers considered for lack of rental history. 12 months proof of rental payments.

EMPLOYMENT HISTORY

Last four (4) paycheck stubs or proof of income. Two (2) years verifiable employment.

a landlord, you know that is a recipe for disaster.

The graphic above has some examples of criteria that have been strategically written to protect you, broken down by category. These should be reviewed and modified by your local attorney to represent what is legal in your specific jurisdiction.

(Email info@rentperfect.com if you would like an all-inclusive criteria sample.)

In addition to a well-explained criteria, I recommend having a tenant-advisory section that tells applicants what they need to do to find success in renting with you.

- For example:
- Review the residential lease prior to signing it.
 - Review the residential-lease owner’s property-disclosure form.
 - If the property is in an HOA, have the tenant review the CCRs of the development.
 - If the property was built prior to 1978, a lead-paint disclosure form will be provided.
 - A move-in checklist should be provided by the landlord and returned to the property manager within (5) five days of move-in.
- This may seem obvious, but if you ever find yourself in court as “the big bad landlord” versus “the victim tenant,” you can show the judge how you tried to educate the applicant on what he or she could do to protect themselves. When a judge sees the steps you have taken, they will know you are a quality housing provider who has the tenant’s interest in mind.
- Just like every applicant is unique, so is every property. Each property should have its own criteria based on the risk of the investment. If a property commands higher rent, then you should consider upping the income ratios or requiring higher credit scores. On the other hand, a property in an economically challenged part of town might have a lower criteria due to the average applicants that apply. As landlords, filling our properties with the best applicants helps us accomplish our financial goals.

The Final Word: Never, ever depart from your criteria. You might find you really like some applicants; they say all the right things, have money in their pockets, and are ready to move in today. Do not let your feelings override your criteria. Subjectivity is out the window as they qualify, or they do not. Overriding your criteria puts you in a position of treating people differently, and that pushes you into lawsuit territory at an alarming rate. If it’s time to update or create a criteria that matches your property, reach out to us at info@rentperfect.com for assistance or a sample criteria.

David Pickron is president of Rent Perfect, a private investigator, and fellow landlord who manages several short- and long-term rentals. Subscribe to his weekly Rent Perfect Podcast (available on YouTube, Spotify, and Apple Podcasts) to stay up to date on the latest industry news and for expert tips on how to manage your properties.

FTC Warns Landlords Not to Evict in Violation of Moratoriums

RENTAL HOUSING JOURNAL

The Federal Trade Commission has issued a warning to landlords to not evict, or threaten to evict, tenants in violation of the Centers for Disease Control and Prevention (CDC) moratorium or any other applicable state or local measures, according to a release.

“Evicting tenants in violation of the CDC, state, or local moratoria, or threatening to evict them without apprising them of their legal rights under such moratoria, may violate prohibitions against deceptive and unfair practices, including under the Fair Debt Collection Practices Act and the Federal Trade Commission Act,” said Federal Trade Commission Acting Chairwoman Rebecca Kelly Slaughter and Consumer Financial Protection Bureau (CFPB) Acting Director Dave Uejio in the release.

“We will not tolerate illegal practices that displace families and expose them—and by extension all of us—to grave health risks.

“In the ongoing economic and public health crisis, millions of American families are at risk of losing their homes. A recent CFPB report found that renters are particularly endangered, with over 8.8 million tenants behind on rent. These tenants at risk of homelessness are disproportionately people of color,



primarily Black and Hispanic families.

“Federal, state, and local governments have put in place protections against evictions to keep people in their homes and to stop the spread of COVID-19. Research has shown that eviction moratoriums save lives.”

The CDC on March 29 extended the federal moratorium on evictions by three months.

FTC WARNS MULTISTATE LANDLORDS IN PARTICULAR

“Unfortunately, there are reports that major multistate landlords are forcing people out of their homes despite the government prohibitions or before tenants are aware of their rights. Depriving tenants of their rights is unacceptable. Many of the tenants at risk of eviction are older,” the release says.

“Staff at both agencies will be monitoring and investigating eviction practices, particularly by major multistate landlords, eviction-management services, and private equity firms, to ensure that they are complying with the law.”

Ban on Evictions Extended to June 30

Continued from Page 1

in which this order applies during the effective period of the order.”

The CDC said “evictions threaten to increase the spread of COVID-19 as they force people to move often into close quarters in new shared housing with friends or family, or congregate in settings such as homeless shelters. The ability of these settings to adhere to best practices such as social distancing and other infectious disease-control measures decreases as populations increase.”

The order does not prohibit evictions for criminal activity on the leased premises.

DECLARATION FORMS REQUIRED

The declaration forms are still required, and the CDC added that “a tenant, lessee or resident of a rental property must provide a completed and signed copy of a declaration with the elements listed in the definition” of who is a covered person under the order “to their landlord, owner of the residential property where they live or other person who has a right to have them evicted or removed.”

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6 Factors Involved in Lease Renewals Post-Pandemic

By Justin Becker

There is no doubt that COVID-19 has changed the way people occupy space and interact, which, as a result, has caused a decline in demand for space and property. The unprecedented crisis is expected to have lasting effects, depending on how long the virus persists.

In order to respond to the crisis, it is important that property managers and owners take action now rather than later. In the post-pandemic era, landlords should review some strategies regarding property leases.

COVID-19 has seen the closure of many retail locations, not just in the United States but across the globe. Since the duration of the pandemic is uncertain, landlords, tenants and lenders are all trying to figure out their next steps involving real estate inter-parties.

While the relationship between property owners and tenants depends on individual lease agreements, regarding leases to private and commercial properties, the post-pandemic era will require some changes that property owners can make to address the unique challenges brought about by COVID-19.

Below are some of the possible steps that property owners should consider during the post-COVID-19 period.

1. RENT DEFERRAL

Considering rent deferral is one of the steps that landlords can take to address the challenges that most tenants, especially those occupying homes, apartments and townhomes for rent, are currently facing. The world has witnessed massive job losses, which means that people and businesses are facing financial difficulties.

An agreement to defer a portion, or the entirety, of the rent for a defined period of time would be most effective to address the situation.

Deferred rent would then be paid after the agreed period lapses or over the duration of time, depending on how the situation resumes to normalcy.

Ideally, the issue of rent deferral is subject to several factors that guide the property owner's decision to set the terms of such an agreement. For example, deferral on commercial property should be based on the tenant's business operations.

There are certain businesses that are not self-sustaining, which means that there is no guarantee that you will be paid at the end of the deferral period. You need to set the terms in such a way that while the aim is to provide the tenant with financial relief, you are also able to maintain your cash flow under the lease.

2. RENT REDUCTION

Rent reduction might be perceived as unfavorable to landlords, but it works towards building a good relationship with the tenants. As a property owner or property manager, rent reduction should be one of the options, provided that it does not take place at the expense of the landlord's cash flow.



Of course, rent-restructuring is more economically viable to the tenants, which is why many property owners would consider it as unfavorable to them. However, there is no actual telling how long the effects of COVID-19 will last.

This means that the financial burden on the tenants might extend for an unknown period. Considering rent reduction, no matter how unfavorable it might seem, is not entirely a bad option.

An alternative to rent reduction to landlords is tolling the rent.

An agreement can simply be drafted detailing the abatement period that provides some rent relief to the tenant. However, property owners and managers should understand that rent abatement does not provide any relief on the part of the landlord in terms of cash flow, operating costs and other ongoing obligations.

3. SETTING REALISTIC EXPECTATIONS

One thing that COVID-19 has taught the world is that you can never be too sure about the future. For this reason, it is important for parties involved in property leases to set out realistic goals that address the unique nature of the current situation that they find themselves in.

Going forward, it is expected that it will take some time before the situation resumes to normalcy, especially in terms of income challenges.

The current economic hardships are already difficult for both landlords and tenants, hence the need to establish workable goals that are practical and discernible. This way, you won't lose your tenants as a property owner due to financial constraints, as the challenges being experienced are not permanent.

The mutually acceptable solutions, in the short term, should leave you in a better position post-COVID when the harsh economic times change for the better.

4. THE NEED FOR TRANSPARENCY

Transparency is one of the key things that will be needed in real-estate deals during the post COVID-19 era. While leases are meant to guarantee that transparency is upheld in rental agreements, there are instances where certain clauses are left out by the property owners only for the tenant to be subjected to these clauses after signing the lease agreement.

Tenants also have a tendency of leaving out crucial information that can affect the tenancy agreement in the long run.

It is such disputes that tend to escalate, especially when one party involved in the lease feels aggrieved. To avoid such disputes, full disclosure is important, especially on the parts of the tenants that are struggling with financial difficulties. Of course COVID-19 has affected property owners and their tenants alike. This is an issue that landlords understand too well.

In the event that the lease can be altered to factor in emerging issues brought about by the pandemic, then such an eventuality would work to the benefit of the

parties involved. Non-disclosure on either of the parties only causes unnecessary disputes that can easily be solved through consensus.

5. CONSIDER THIRD-PARTY-LENDER APPROVALS

With the demand for apartments and mobile homes for lease constantly changing, it is important that you consider third-party lenders as part of your plan to maintain a steady cash flow. With tenants yet to recover financially, post-COVID will require that you consider getting funds from alternative lenders to stay afloat.

For property owners and managers, such real estate requires a lot of maintenance. Even if the demand for apartments has been on the decline, the tenants residing there require basic services and repairs, in case of damage to the property. As outlined in most leases, it is the responsibility of the tenant to cover damages to the property they are residing in.

With that said, there are unique situations where the damage may be as a result of other causes other than the tenant. This means that the tenant cannot be charged for such damages. Availability of funds ensures that possible repairs are done fast, meaning the tenant is not affected in any way that would be in violation of the tenancy agreement.

6. WHAT TO EXPECT POST-COVID IN THE REAL ESTATE MARKET

The current crisis has led to significant stress on both landlords and their tenants. Both parties have experienced a decline in cash flow, business interruption and overall suspension to some. To address the unprecedented challenges brought about by COVID-19, landlord-tenant agreements should be mutually beneficial. Landlords can offer some waivers, but tenants too should strive to fulfil their rent obligations.

This calls for a change in the way property owners and tenants interact post-COVID. With competent planning, the situation is likely to change sooner than expected. This means that every decision has to be accompanied by a shared goal between landlords and tenants.

Future leases will need to factor in the need to have a plan regarding how both parties intend to address these types of issues. However, there is every need to be prudent regarding how the issues brought by COVID-19 are leveraged to address the current crisis.

The post-COVID era promises a lot of uncertainties to both landlords and tenants. With that said, it is better to deal with the crisis now through the strategies outlined above before focusing towards the future. This is how property owners can address the current crisis and also ensure that they do not lose their tenants.

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.