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CDC Extends Eviction Moratorium

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

See 'Eviction' on Page 5

Area's Urban Rental Properties Still Face Headwinds Short-Term

RENTAL HOUSING JOURNAL

Portland's urban rental properties will continue to face difficulty in the short term as a result of renters moving out of neighborhoods in and around the city core, according to the latest report from Marcus & Millichap.

As the enthusiasm surrounding urban living has worn off over the past year during the pandemic, many renters left apartments in Portland's dense urban neighborhoods for more spacious units that could accommodate online and outdoor activities.

"Job losses motivated others to seek less-costly units farther from the metro core," the report says.

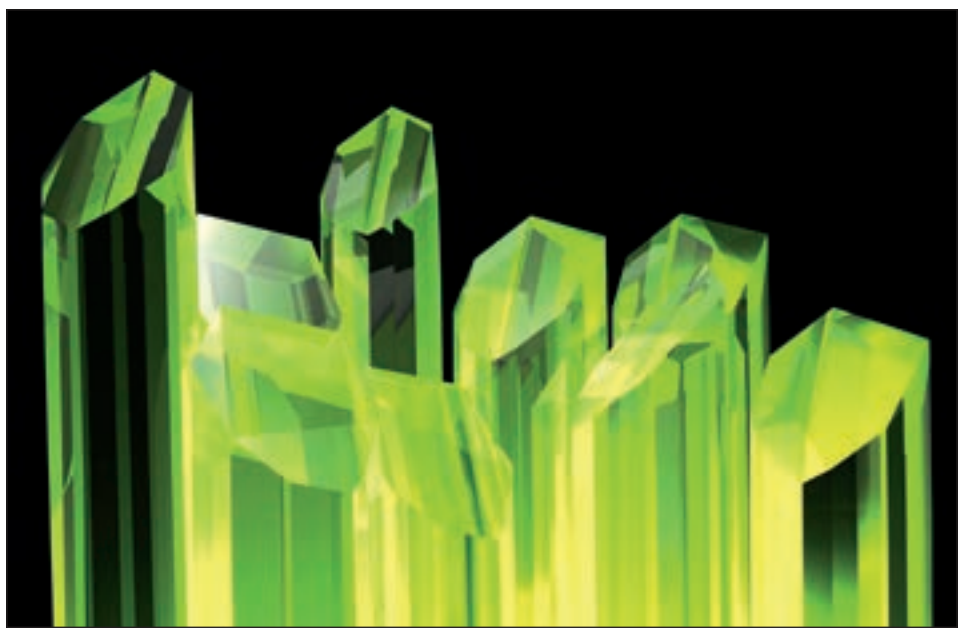
SUBURBAN SITES BENEFITTED

Marcus & Millichap says in the report, "During 2020, vacancy in the majority of the metro's suburban submarkets declined at least 50 basis points to below 4.5 percent, allowing for rent growth."

In the Portland metro area, Vancouver, Washington, was a destination of many renters. In this submarket, vacancy

See 'Urban' on Page 8

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' on Page 4

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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 acquisition 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.

This material does not constitute an offer to sell nor a solicitation of an offer to buy any security. Such offers can be made only by the confidential private placement memorandum (the "Memorandum"). Please read the entire memorandum, paying special attention to the risk section prior 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 Non-Refundable Pet Deposit for Support Animal?

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, no-pet rules don't apply to legitimate emotional-support 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

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

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

EVICTION 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.

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.

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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."

Eviction Moratorium Extended to June 30

Continued from Page 1

person with legal right to pursue eviction or possessory action, shall not evict any covered person from any residential property in any jurisdiction 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."

Revisiting Portland's FAIR Ordinance: Lost in the Hoopla Surrounding COVID-19

By Bradley S. Kraus
Attorney at Law

Throughout most of 2020, the world dealt with the COVID-19 pandemic. This massive upheaval of our lives and the legislative actions that followed shifted the focus away from one of the largest changes in the law since Senate Bill 608.

Effective on March 1, 2020, Portland's FAIR Ordinance dramatically changed how landlords in Portland deal with applications, screening, and security deposits. While the FAIR Ordinance is too convoluted to cover in this short article, as we near the end of the COVID-19 pandemic, it may be prudent to revisit these changes for your Portland properties.

One of the largest changes to the law after the implementation of FAIR is how landlords may screen their prospective tenants.

The FAIR Ordinance provides for two screening methods: low-barrier and landlord-choice.

The Low-Barrier Model

The low-barrier model sets specific standards for items such as criminal history, credit history, and rental history. If a tenant fails to meet these low standards, a landlord can usually deny the applicant consistent with the ordinance. However, it is important to note that a landlord, when

using the low-barrier model, is required to perform an individualized assessment for any criminal basis for which he or she intends to deny an applicant.

The very concept of an individualized assessment does not lend itself to a checkbox approach and is difficult to describe within the space this article provides. However, it involves weighing the supporting/mitigating evidence provided by the applicant as it relates to the criminal history, against a variety of factors—including an analysis of the crimes themselves, length of time since criminal activity occurred, evidence of rehabilitation, and other relevant mitigating documentation. This analysis, and an evaluation of risk assessment with your attorney, results in a decision to either overturn the denial and accept the applicant or keep the denial in place.

While this process is described within FAIR, savvy landlords should also be familiar with this process, as it is a Fair Housing Act requirement.

The Landlord-Choice Model

If landlords choose to utilize the landlord-choice model, they may set their own screening criteria as they would have pre-FAIR. The difference, however, is that if a landlord uses this method, he or she is required to perform an individualized assessment for any basis upon which the landlord intends to deny the applicant.

That means if the applicant is being denied based upon credit history, the landlord is required to consider any mitigating evidence provided by the applicant as to this issue. The failure to do so is a violation of FAIR.

The FAIR ordinance also dramatically alters both the amount of the security deposit landlords can collect and the process by which landlords are able to withhold monies from the security deposit. As to the former, the ordinance now puts an upper limit on the amount of the security deposit based on whether the landlord also collects a last-month's-rent deposit. As to the latter, the FAIR ordinance now requires significant documentation as to the age, diminished value, and condition of any items for which the landlord wants the security deposit to cover.

Finally, the ordinance also requires the inclusion of a Notice of Tenants' Security Deposit Rights with the accounting required under ORS 90.300, along with other documentation in support of any damages the landlord may claim.

While many landlords may not be accustomed to these requirements as they do not exist under state law, the failure to follow them can prove costly. A landlord's failure to comply with FAIR's requirements for the security deposit not only potentially prevents the landlord from withholding the deposit, it also potentially creates exposure under FAIR's draconian damages provision—twice the amount of the deposit and exposure to attorney fees.

While there are some exemptions to the FAIR ordinance, most landlords will be required to comply with the same. Accordingly, connecting with the attorney of your choice to evaluate your processes and procedures is critical to avoid the minefield that is Portland law.

Bradley S. Kraus is an attorney with Warren Allen's landlord/tenant practice in Portland. He graduated cum laude from Lewis and Clark Law School. Along with landlord/tenant law, Kraus assists clients in various civil litigation, probate, and family law matters. Reach him at 503-255-8795 or kraus@warrenallen.com.

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COVID-19 — Protect Yourselves, Protect Your Properties

By Barb Casey
Marketing Director,
Kennedy Restoration

What an unbelievable year it has been. We are in the middle of a pandemic unlike any we have seen for the past 100 years. When the calendar flipped to the year 2020, there was so much optimism and hope.

And, SNAP, our entire worlds were flipped upside down, both personally and professionally.

Almost overnight, COVID-19 had an immediate impact on the workplace. Not only were workplaces immediately shut down, but the health and safety of company employees was a paramount concern.

Terms like WFH (working from home) and "hybrid" became the new buzz words, offering workers an opportunity to stay home and work or go to the workplace at random or at staggered hours.

These impacts resulted in a lot of additional issues: child-care concerns, school closures, the introduction of Zoom meetings, parents working full-time at home and being responsible for children attending online school classes; the list goes on and on.

Nobody was prepared for these massive impacts. All of a sudden, masking, social distancing, mental-health issues, and economic concerns were the topics of each and every day.

In multifamily housing, many concerns were raised, including but not limited to the safety of the onsite staff, the residents, and the maintenance teams performing ordinary work orders, with additional attention being paid to resident retention, rental payments and leasing units during this pandemic.

We all slowly began to hear of our friends and family getting the virus and it became very common to know at least a few close friends, family members and acquaintances who had been infected.

The year 2021 is here and with it come many of the same problems, concerns and issues we faced in 2020, along with regulations that affect rents, schools and vaccine opportunities. But there have been wonderful advances over the year to mitigate the impact of this virus, and one of these is these is the common practice of COVID-19 cleaning for preventative and confirmed cases.

COVID-19 cleaning should only be performed by a biohazard material-certified restoration contractor.

The protocol involves a thorough and methodical cleaning process that starts with the cleaning of any already dirty solid surface with a standard soap detergent product. (A dirty surface cannot be disinfected until it's cleaned.)

Disinfection of the solid surfaces with an EPA-registered and approved disinfectant is performed, paying particular attention to high-touch surfaces such as door knobs, countertops, handrails, light switches, etc.

An electrostatic sprayer is then used to aerosolize the disinfectant and it is sprayed into the affected portions of the structure and settles into the areas that are normally difficult to reach by hand. This sprayer is also used again on the high-touch areas to ensure coverage. The final step is to provide detailed post-work visual inspection, by using a white cloth to wipe over representative touch points that have been cleaned and look for any discoloration or residue. If either of those are present, the wiping process begins again.

All team members are wearing the recommended PPE – N95 masks or higher-level respirators, eye protection, Tyvek suits and single-layer or better nitrate-type gloves. The area needs to be isolated from human contact for 24 hours after the treatment.

This protocol is effective and is a service provided to not only clean exposed rooms, structures and surfaces, but to offer peace of mind to property managers concerned about safety, both in exposed units and the common areas.

For more information, please contact Barb Casey at Kennedy Restoration at barbc@kennedyres.com.

Priorities Shift from Lower Cost to More Space

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," RentCafé 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.

See 'Renters' on Page 15

Urban Properties Face Headwinds

Continued from Page 1

posted an annual 170-basis-point drop to the metro low of 2.4 percent, while rent registered the largest surge of 5.8 percent.

Vacancy in Central Portland "soared 210 basis points to 8.2 percent last year, the highest rate among the metro's submarkets, but below the cores of Seattle-Tacoma and San Francisco.

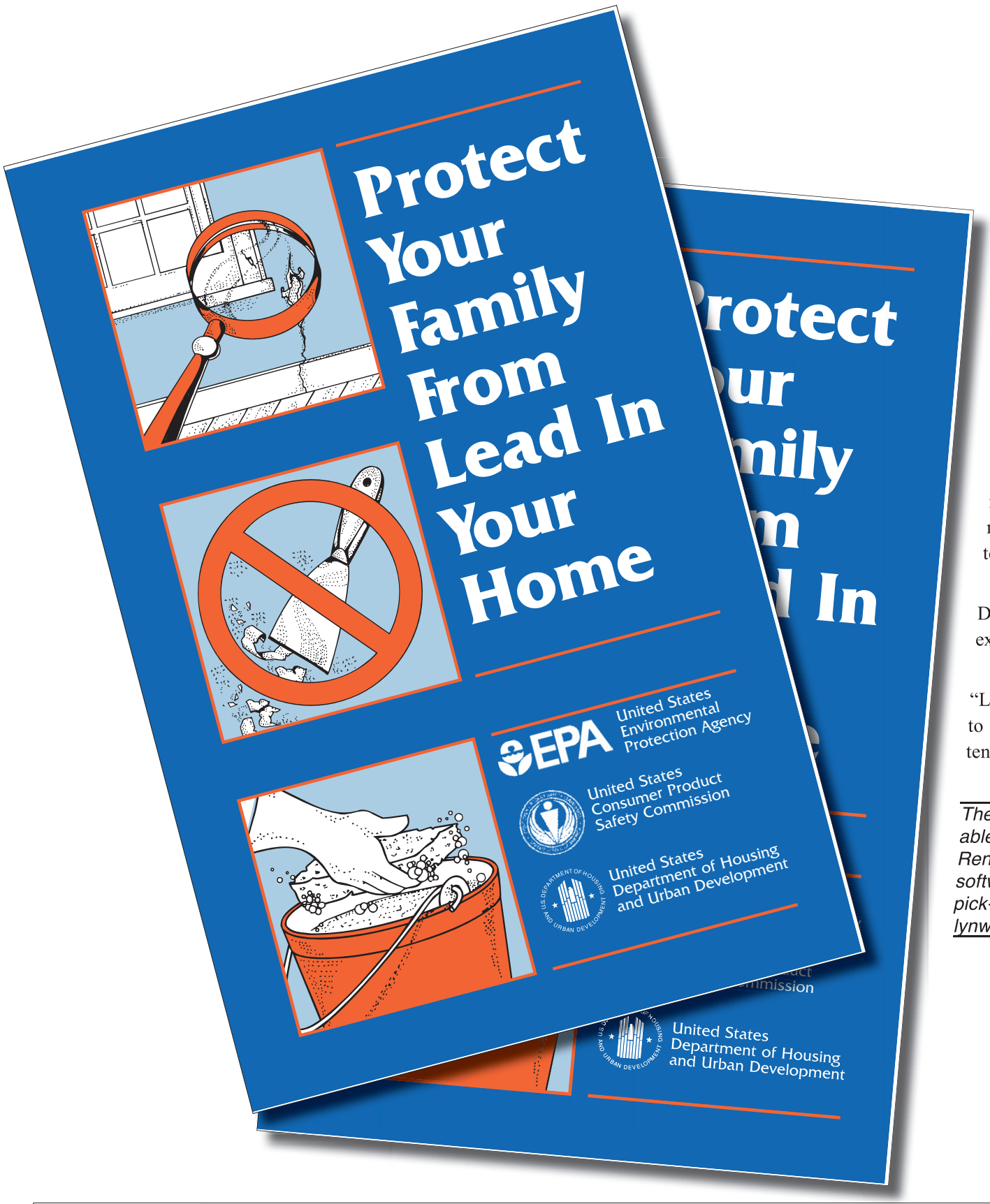
"The average effective rent, meanwhile, fell 9.5 percent as concessions expanded. Rental-housing completions in the area will continue at a heightened pace in 2021 as 1,300 units are due to be finalized, putting further upward pressure on vacancy.

"Widespread vaccinations and attractive incentives, however, should generate an increase in demand for downtown rentals as the year progresses," the report says.

Highlights and outlook for the coming year:

- Employment climbs 3.2 percent this year as more businesses fully reopen and a portion of the 104,900 jobs lost last year return. The unemployment rate ended 2020 at 6.5 percent, the highest rate in seven years.
- Construction deliveries are expected to reach at least a 21-year high this year as many projects that broke ground before the pandemic are finalized. Central, Northeast and East Portland as well as Vancouver are each scheduled to receive more than 1,000 rentals.
- Vacancy rate is high even as net absorption tops last year's 6,000 units; completions are expected to surpass renter demand in 2020, bumping up the vacancy rate to 4.7 percent. This will be the highest year-end rate since 2017.
- The increased use of rent concessions, especially in the metro's higher-priced submarkets, will weigh on rent growth this year. The average effective rent will end 2021 at $1,425 per month, Marcus & Millichap says in the report.

MULTIFAMILY NW
The Association Promoting Quality Rental Housing



FORM OF THE MONTH

'Lead in Your Home' Booklet – M032 OR-WA

At the beginning of every tenancy that is housed in a structure built before 1978, federal EPA rules mandate this "Lead in Your Home" booklet be served to the tenants at move-in.

This booklet accompanies the Lead-Based Paint Disclosure that all tenants must sign at the time of executing the rental agreement.

Together, the Lead-Based Paint Disclosure and "Lead in Your Home" booklet are an absolute necessity to execute, along with the rental agreement, for every tenancy in a house or building built before 1978.

The Multifamily NW Forms Collection is available immediately and electronically at www.RentalFormsCenter.com, via electronic subscription software through www.tenanttech.com & by mail or pick-up of printed triplicate forms at www.multifamilynw.org.

Multifamily NW Schedule

APRIL 1	WEBINAR: EVICTION MORATORIUM, HB4401	10:00 AM - 12:00 PM
APRIL 5	WEBINAR: UTILITY BILLING WORKSHOP	10:00 AM - 11:00 AM
APRIL 6	SUPPLIER HOUR-THE ONE THING YOU CAN'T DO WITHOUT	12:00 PM - 1:00 PM
APRIL 6	WEBINAR: CONSULTANTS CORNER - HR	12:00 PM - 1:00 PM
APRIL 7	WEBINAR: LAW AND RULE REQUIRED COURSE (LARRC)	9:00 AM - 12:00 PM
APRIL 7	WEBINAR: THE TOP 3 CRITICAL "MUST DO" ITEMS IN 2021	2:00 PM - 3:00 PM
APRIL 7	WEBINAR: APRIL 2021 LANDLORD STUDY HALL - CURB APPEAL	6:30 PM - 8:00 PM
APRIL 9	WEBINAR: IT'S THE LAW: LEASE PACKAGES	12:00 PM - 1:00 PM
APRIL 13	FAIR HOUSING FAIR 2021 VIRTUAL CONFERENCE	9:10 AM - 3:00 PM
APRIL 20	WEBINAR: WA IT'S THE LAW: LEASE PACKAGES	12:00 PM - 1:00 PM

Single-Family Rental Properties: Addressing Tenants' Pain Points in Apartment Living

By Linda Coburn

Consumers have fundamentally changed the way they think about the American Dream.

Many are putting off marriage, having fewer children, downsizing and simplifying their lives … and a growing number are choosing to rent rather than own.

These consumers want something more than just a traditional apartment, which has created a new dynamic that has revolutionized the housing market. Increasingly, consumers are choosing single-family rental over the traditional stack-box living experience of conventional apartments. And with the coronavirus requiring social distancing and staying at home, the growing appeal of single-family living is unmistakable.

With more than 30 years of experience in the multifamily industry, I have heard firsthand the pain points of apartment living for residents: Noise. Security. Privacy. A place for pets. At NexMetro Communities – where we specialize in single-family, built-to-rent leased-home neighborhoods – we've tackled these pain points by combining the freedom and flexibility of apartment living with the privacy and tranquility of single-family living.

Without a doubt, you've seen the onslaught of single-family rental offerings in the marketplace.

These rental-home neighborhoods are redefining traditional rental living by consumers seeking a luxury leased-home experience. Single level, no shared walls and private entries are all compelling features that automatically address a top multifamily renter complaint: noise. Add in a private backyard and gated front entry and it meets the demand of privacy and security that many renters say is of utmost importance to them.

Renters by choice, over 50 percent of our Avilla residents previously lived in a single-family home. Our residents have the means to own but choose built-to-rent communities for lifestyle reasons rather than affordability. They are drawn to the unique offering of single-family living in a professionally managed neighborhood with amenities and services that are not provided in traditional stand-alone single-family rentals, such as community pools, pet parks, outdoor gaming spaces and concierge services. Expectations have changed; renters want more.

Other top renter demands involve the fit and finish of their homes. For this reason, features such as wood plank-style flooring, 10-foot ceilings, stainless steel appliances, granite and quartz countertops, and upgraded cabinets are essential. And while the home interiors are key, an included private backyard is the star of the show when it comes to pet owners. Nearly 60 percent of our renters have a pet and say they value the private backyard primarily for their furry friends.

From professional millennials, to new families and mid-life singles, to empty nesters, the combined hassle-free benefit of multifamily rental with the lifestyle of single-family living successfully addresses the pain points of apartment living. For a growing segment of the population, single family built-for-rent offers neighborhood living in single-story homes with upscale features, spacious indoor/outdoor living spaces, desirable locations, and professional management – with no mortgage.

Linda Coburn is vice president of asset management for NexMetro's portfolio of more than 2,200 units in multiple regions. She has more than 30 years of experience in the multifamily industry

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RHA Oregon President's Message

How Important is the Rental Housing Alliance Oregon to You?

I had a disgruntled landlord write to me to say he was terminating his membership because, in his opinion, we have not done enough "with the war perpetrated by Salem and Portland city council on residential property owners" and that "what this all boils down to is it requires that RHA in Oregon take a militant position in conjunction with landlords statewide." He concluded with this: "You see Mr. Garcia, there's 'nothing' to lose by being proactive, but by not doing so, everything to lose…"

As a longtime landlord and professional property manager, and a nearly 20-year member of RHAO with 10+ years as a director on its board, a term as legislative director and now current president for a second term, I certainly share his frustration. The amount of regulations, prohibitions, and legislation that have mounted on top of residential-property providers in the last few years is unprecedented.

So much has happened to tenant-landlord law that it is not only hard to keep up with, but it is even harder to navigate those simple situations that seemed so commonplace just a few years ago: Advertising. Screening. Move-ins. Security Deposits. Move-outs. Final accounting. Rent increases. Lease renewals. For-cause terminations. Repairs. Temporary Occupants. Today, even collecting rent poses confusing legal challenges!

Landlords are trying to survive in a riptide of overlapping forces.

With the COVID-19 pandemic came multiple eviction moratoriums. And before we've been able to even absorb those impacts or comply with those imposed restrictions, a new round is headed our way (as we speak) in the current 2021 Oregon legislative session.

Even as we begin to readjust to these newest proposals and mandates and hurdles, many landlords are being caught off-guard and stung by laws that came into effect two to three years ago. These were equally unprecedented, but so new that we never really got used to them before the next wave of regulations hit. Utility bill-backs, property sales, lease expirations, homeless camps, advertising and application rules, and even consequences of ice-storm damages are but a few examples of issues I have heard that are currently being litigated, and that landlords are being required to defend.

But before we get swept out to sea and drown in this swirling drama, it might be worth our time to grab a quick breath of air. Let's get our bearings towards dry land and try to find a safe port.

Here is the new horizon: Change has occurred and will continue to evolve in tenant-landlord relations.

Accepting that reality is the first step. The rental market is evolving along with the economy, the pandemic, the social justice movement, the prescription drug epidemic, our court systems, the make-up of our local, state and national governments, taxes, the price of oil and timber and the calls for future sustainability. Fill in the blank if you want. Personally, I have spent hundreds of hours over the last 12 months on Zoom calls and in work groups; in testimony at House and Senate hearings; collaborating with landlord groups and government entities; personal conversations with senators and representatives and community-action associations. For several years I have been working to influence decisions and polices that affect landlords as a representative on behalf of the Rental Housing Alliance Oregon in many public arenas.

Am I making any headway? I'm not sure. Am I making any waves? Maybe. Maybe not.

However, I have learned this for certain: Our voice matters. My voice matters. Your voice matters. Their voices matter. But screaming voices don't succeed. Marches are meaningful; riots are criminal. Self-righteous anger reveals self-defeating contempt. My dad always told me that if I want to get respect, I need to give respect. It's been said that to have successful relationships in life we ought to spend more time considering our overall responsibilities and less time focused on our individual rights.

So here is my reply to our disenchanted member: No sir, I do not believe we are at war. I do not believe in the need to become militaristic. I do believe we need to be informed. We each need to be engaged. We need to be educated, and where there is an opportunity, we need to educate. The discussion over tenants' rights has morphed into one of tenant protections. Landlords' rights must accommodate those protections while continuing to protect their economic health. Providing safe and affordable housing for renters requires that owners receive a safe and stable return on investment.

Let me add a true confession here. I was ready to quit RHA about 5 years ago too… until I realized that I need it as an organization of support a whole lot more than it needs me as a self-serving landlord. I know it's not flattering, but it's the truth. So instead, I chose to get more involved.

In closing, last month I promised that I would teach you the words to the "Great Apartment Song." It's really just a melodic hymn, and I hum it to the tune of "America the Beautiful." When I am in rough waters, I especially like the calm feeling I get as I hum "from sea to shining sea."

— Ron Garcia
President, RHA Oregon

Ask The Attorney:

Is it About What You Know, or What You Can Prove?

By Bradley S. Kraus

Q. As a property manager, I have had concerns from owners similar to your last column who are unhappy with their tenants and just want them out! It seems like your summation that "it's not about what you know... it's what you can prove" is true, but it falls short; giving the impression that, maybe, it's worth trying to evict on these grounds - with nothing to lose.

But doesn't Oregon's statute include language of a rebuttable presumption that a landlord's termination for cause is retaliatory?

This creates a defense for the tenant to obfuscate the facts, and also comes with penalties to the owner – making the for-cause eviction on minor grounds a much bigger liability than it may be worth. – Ron

Dear Ron: Thank you for your question.

Every situation is different. The analysis given herein certainly doesn't take risk assessment into account. Those discussions must be had between attorney and client, and involve a variety of factors that lead up to a strategy going forward.

The retaliation statute you reference, ORS 90.385, does exist, and can provide a defense to certain terminations. The presumption is not automatic, outside of certain circumstances, although there is current legislation proposed which may add new layers to this.

Still, cost, risk/reward, evidence, and long-term goals are all part of the equation. It's all about your facts – what you can prove – and yes, the severity of the default does come into the discussion. There are too many layers to landlord/tenant law to get into in every response, so no response should be viewed in a vacuum.

Bradley S. 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. You can reach him at kraus@warrenallen.com, or by phone at 503-255-8795.

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How to Recover Most of the Rent Owed Due to the Pandemic

By Stepan Renc
Owner, Longstreet Property Management

This text offers general suggestions only and is no substitute for professional legal counsel. For professional legal counsel, please consult an attorney for advice related to your specific situation.

The COVID-19 pandemic has put a lot of strain on tenants and landlords alike. Due to job loss or other complications caused by the current world situation, some tenants experience difficulties in paying rent. In order to keep these renters housed during the pandemic, there has been a number of federal, state and local moratoria issued on evictions for nonpayment of rent. One of the laws currently in place in Oregon - HB4401 - extends this eviction moratorium until June 30th, 2021 and establishes a Landlord Compensation Fund to alleviate stress for landlords not receiving the rent money they count on.

The law allocates $200 million in rent assistance to support tenants and landlords, $150 million out of that amount for the Landlord Compensation Fund. The most significant condition for drawing is that the landlords must forgive 20 percent of the owed rent forever. They will receive 80 percent of the owed amount from the fund. Money from it will be distributed through multiple rounds, and in the first round the Oregon Housing and Community Services (OHCS) committed $50 million in help to struggling landlords.

The deadline for submitting applications in Round 1 was March 5, but the users of the online-application portal experienced multiple glitches and the system didn't work properly to accept all eligible applicants. The OHCS ultimately resorted to a plan B "questionnaire" approach, and declared that applications submitted in this temporary way would also be considered in the first round.

The second round will open in April, and will also be funded with $50 million. Below is an outline of the steps that you should follow if you would like to be considered for compensation.

First, provide your tenants with a notice of past-due rent along with a notice of eviction protection and declaration of financial hardship. This is extremely important, as if you don't provide these documents along with your notice of past-due rent, you will be acting against the law. Ask your tenants to fill out the declaration and submit it back to you. They can send you the document almost in any form - even a texted photo of it is OK.

Second, create an account at lcf.oregon.gov, fill out information about the property and tenant, upload your W9 and rent roll describing all units and current debt (this must be done in a specific prescribed format). If your tenants continue not paying rent past the period when you applied for the assistance, you will be able to amend your application in the next rounds.

Third, upload the signed declaration of financial hardship for each tenant, confirm the amount owed and submit for review. OHCS will review your application, rate it and if you qualify, disburse the funds to you.

Stepan Renc is owner of LongStreet Property Management. For more information, visit the website at www.longstreetpropertymanagement.com.

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.

Renters Prioritize Increased Space Over Lower Cost

Continued from Page 8

"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).

Highlights: include:

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