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RENTAL HOUSING JOURNAL
INSIGHT FOR RENTAL HOUSING PROFESSIONALS

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Mailed Monthly To Puget Sound Apartment Owners, Property Managers & Maintenance Personnel
Published in association with Washington Association, IREM & Washington Multifamily Housing Association

What to Do if Tenants Want to Have 'Kiddie' Pool

By Hank Rossi

Dear Landlord Hank: My tenants want to have a "seasonal" kiddie pool in my backyard rental. What is my liability? Do I need to have a legal rider to my lease stating terms? – Denise

Dear Landlord Denise: Swimming pools are a wonderful luxury for a rental, even a kiddie pool. But you do have liability, as the owner. A couple of questions:

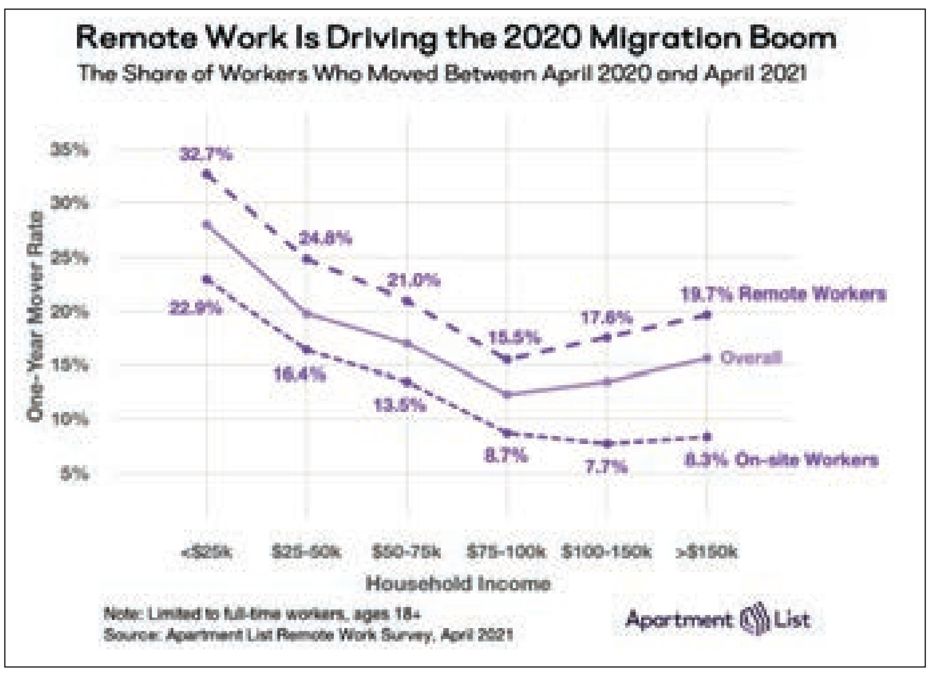
- Is your yard fenced in?
- Is the pool going to be emptied after use, or kept full of water?

You definitely need to have an addendum to your lease, as a pool heightens the risk of personal injury, especially to children, or property damage. The tenant would have to agree to take all necessary and reasonable precautions to ensure the safety of anyone that comes to the property.

You also need to call your homeowners'

See 'What to Do' on Page 8

How Will Remote Work Affect Housing After the Pandemic?



Rental Housing Journal

One in four American workers expect that they will continue to have either partial or complete remote-work flexibility after the pandemic, and a majority believe that remote flexibility will have an impact on their housing preferences and location, according to a report from Apartment List.

"In a survey of 5,000 employed adults across the U.S., we found that four-in-10 workers expect to have some form of continued remote-work flexibility post-pandemic. Nineteen percent expect to have a hybrid arrangement that allows for remote work multiple days per week, while 21 percent expect that they'll have the ability to work exclusively remotely," Apartment List said in the report.

Apartment List Housing Economist Chris Salviati said, "I would say that this

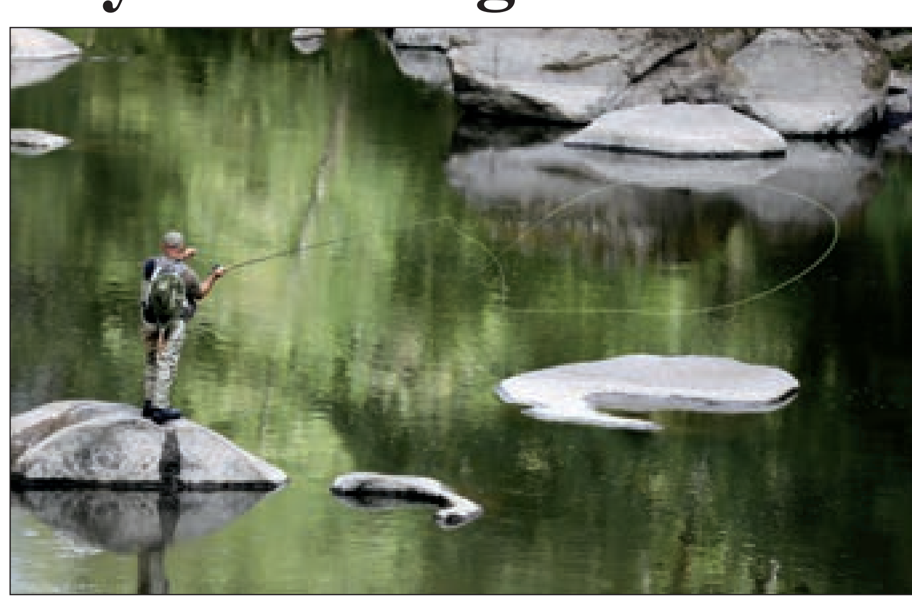
See 'How' on Page 9

'Code Word' Key to Casting for Tenants

By Scot Aubrey

With summer just around the corner, I look forward to slipping on my waders, stepping into a river, and casting my fly rod in search of that trophy fish. But before I do, I always go through a list of things to prepare me for success. I check the local regulations and consult the local guides and experts to see where the fish are and what they are biting. Armed with this knowledge, it is left up to me to identify the specific fish (usually German brown or rainbow trout) I want to cast to and catch.

Landlords across the country are going to be facing a similar situation this summer, as the eviction moratorium looks to be ending soon. You will be casting into an ever-expanding pool of potential tenants and, as a landlord, you want a tenant that wants *your* house, not just any house. A tenant who just wants *any* house, in a year when the lease is up, will be ready for any other house. A tenant who wants your house will become a valuable business partner and



stay there for years.

One of the best methods for helping you find the perfect tenant for your property sounds mysterious but is quite simple and straightforward: a code word, which might be a specific word or phrase you place in your listings that you request they use when

See 'Use' on Page 11

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Six Reasons to Sell the Income Property You Love and How to Avoid Taxes When You Do

By Jason Salmon, Senior Vice President and the Kay Properties & Investments Team

Many investors recoil at the thought of selling a piece of investment property. And they usually have a good reason, whether it's missing out on future appreciation, having to pay a massive tax bill or some other factor.

Yet it can often make good sense to sell your property, thanks to a real estate investment alternative that simplifies your life and lets you defer the taxes via a 1031 exchange.

Let's take a look at six reasons you might want to consider selling and reinvesting in this alternative.

Reason #1: You're sick and tired of having to actively manage your real estate.

Let's face it, managing your real estate is often a real hassle. You have to keep your eye on the ball 24 hours a day, seven days a week. And dealing with tenants, toilets and trash just gets old after a while.

Sometimes even the sound of a ringing phone can fill you with dread.

Sure, you can use a property management company to handle many of the details, but they come with their own set of hassles and can cost you a big chunk of your rental income.

But imagine if you could continue investing in real estate while eliminating all those hassles and costs.

The good news, you can. How? By investing fractionally in a carefully selected portfolio of income-producing investment real estate that you don't have to manage or have someone else manage.

Instead, you can just relax and enjoy your life while somebody else does all the worrying and deals with all the hassles.

I'll tell you more about the alternative that lets you do that in a moment, but first let's look at…

Reason #2: You can take advantage of passive real estate investing for continued income with no management responsibilities.

When you invest in real estate the way I'm going to show you, you'll be a true passive investor.

You quite literally won't have a single responsibility when it comes to managing your property, nor will you have to worry about any of the day-to-day hassles. They're now somebody else's problem.

And that means you'll have more time and more energy for your family, your friends and your hobbies. Better yet, you'll feel better thanks to the reduced stress and you'll be more fun to be around.

Reason #3: You can realize the value of your real estate now instead of later.

Many investors I talk to like the idea of selling their investment property and realizing its value.

However, they don't want to pay the taxes, nor do they want to spend the time and effort needed to find a new piece of property to roll their money into.

Those are two of the things that make fractional investing in a portfolio of real estate so attractive. You don't have to spend a lot of time searching for a new property — it's all done for you.

Better yet, by reinvesting your money with a tax-deferred 1031 exchange, you can move on with your life.

Reason #4: You can quickly and easily become more diversified.

Imagine if you could easily spread your real estate investments into different types and sizes of property in variety of geographical areas.

You'd have instant diversification which many investors value, especially in these uncertain times.

That's the nice thing about the fractional real estate investments I'm going to tell you about in a moment. They're stand-alone real estate investments in a variety of places. And we'll help you choose the properties that works best for you.

Reason #5: You get the opportunity to invest in larger real estate deals.

One of the nicest things about fractional ownership of real estate is that you can, if you wish, get pieces of larger real estate deals than you do now.

Maybe you like the prospects for a certain type of real estate — but thought it was out of reach because of the size of the required investment.

But now, with fractional ownership, you can get a piece of just about any type of real estate investment you like, no matter how big.

And I'll show you how in just a moment.

Reason #6: You can use a 1031 exchange to defer the taxes when you sell your property.

Occasionally, the tax code actually makes sense. And one of those occasions is with 1031 exchanges, which allows you to sell a property at a hefty profit and defer the taxes when you move your money into a "like-kind" property.

Most investors consider "like-kind" to be an imposing limitation, but the fact is, the rules are less rigid than you might think. For example, moving from an apartment building into a piece of raw land might not seem a "like-kind" exchange, but the rules allow it.

However, there are time limitations that must be followed to the letter. For example, you have to identify a replacement property within 45 days of the day you sell your property. And you have to close on a new real estate investment within 180 days of selling your property.

It generally makes sense to work with a specialist in 1031 exchanges to make sure you stay within the IRS's rules, and that your transaction is completed on time.

Find the properties that fit your investment objectives

Kay Properties & Investments specializes in 1031 exchanges. And we'll work with you to find the property or properties that fit your objectives as an investor.

We also offer you the opportunity to make fractional investments in these properties.

This real estate allows you to invest passively without any of the responsibilities of active management. It also lets you diversify your real estate portfolio far beyond what you're doing now. And you can defer the taxes on any properties you sell.

Please contact Kay Properties to get a better understanding of how you can utilize the 1031 exchange to get all these benefits and more.

For more information on how 1031 exchanges work and your available investment options, please visit www.kpi1031.com. When you register, you'll receive a free book on 1031 exchanges and DST properties. You'll also find valuable information as you decide what the right strategy is for your specific 1031 exchange.

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.

KAY PROPERTIES & INVESTMENTS LLC

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

Large Landlords Warned About Tenants' Protections

Rental Housing Journal

Two federal agencies have issued letters warning large landlords, who collectively own more than two million housing units, of federal protections in place to keep tenants in their homes and stop the spread of COVID-19, according to a release.

The Consumer Financial Protection Bureau (CFPB) Acting Director Dave Uejio and Federal Trade Commission (FTC) Acting Chairwoman Rebecca Kelly Slaughter sent notification letters May 3 to the nation's largest apartment landlords. A recent CFPB report found that renters are particularly endangered, with more than 8.8 million tenants behind on rent.

"With millions of families nationwide at risk of eviction, it's vital that landlords and the debt collectors who work on their behalf understand and abide by their obligations," Slaughter said. "We are continuing to monitor this area and will act as needed to protect renters."

"Landlords should ensure that [Federal Debt Collection Practices Act (FDCPA)]-covered debt collectors working on their behalf, which may include attorneys, notify tenants of their rights under federal law. Nearly nine million households are at risk of eviction due to the economic effects of COVID-19, but no one should lose their home without understanding their rights," Uejio said. "We will hold accountable debt collectors who move forward with illegal evictions."

Under the FDCPA interim final rule, debt collectors, as defined by the FDCPA, seeking to evict certain tenants for non-payment of rent must provide those tenants with clear and conspicuous notice that the consumer may be eligible for temporary protection from eviction under the CDC moratorium. The notice must be provided on the same date as the eviction notice, or, if no eviction notice is required by law, on the date that the eviction action is filed. Debt collectors must provide the notice in writing. Phone calls or electronic notice such as text messages or emails are not sufficient, according to the release.

Neither the CFPB nor the FTC has determined whether the letters' recipients have violated the law.

The Centers for Disease Control and Prevention (CDC) has extended until June 30 a temporary moratorium on evictions for non-payment of rent, and the CFPB has issued an interim final rule, which took effect May 3, establishing new notice requirements under the Fair Debt Collection Practices Act (FDCPA).

"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," Slaughter and Uejio said in a statement.

"Depriving tenants of their rights is unacceptable. Many of the tenants at risk of eviction are older Americans and people of color, who already experience heightened risks from COVID-19.

"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.

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Where to Go From Here, Washington?

The legislative session in Olympia has ended for this year. Some bills passed; others did not.

Those that passed and that have been signed by the governor have now become law, and the rental housing industry is working to understand and incorporate these new laws and practices into their rental operations. These include complicated changes that erode rights of housing providers.

The governor's onerous eviction moratorium is scheduled to end on June 30. The legislature made it clear they want the eviction moratorium to end on June 30 as well. Time will tell.

The federal CDC eviction moratorium is also scheduled to expire June 30 and faces several lawsuits arguing that the order goes beyond the purview of the CDC and must be struck down.

The City of Seattle is rolling out so-called tenant-protection ordinances such as continued eviction bans and other limitations on landlord rights that seemed inconceivable just a few years ago when more reasonable thinking prevailed.

Housing – A Thankless Profession

These are complicated issues. Where do we go from here and how can we have a civil dialogue about real solutions that will work to improve housing affordability without villainizing housing providers?

On behalf of the rental housing industry, we offer our deepest gratitude to all Washington housing providers for stepping up and carrying a significant burden during the COVID-19 pandemic. Unlike any other industry, housing providers were asked to carry the financial burden of keeping their residents housed during the pandemic.

Many providers did not receive any rental payments or rental assistance over a period that has lasted nearly a year and a half.

Unfortunately, the pandemic resulted in the loss of dozens of rental homes as landlords rapidly left the market, while other housing providers struggled to make ends meet. Those who did receive rental payments saw the rents significantly decline as the market dropped, resulting in loss of income for retirees and other small housing providers.

As housing providers and our economy begin to slowly recover, there are resources available to help cover some of the costs incurred over the last year. Millions of dollars are available to pay renters' past-due balances so they can stay housed and their landlords can begin to pay their bills again.

However, those funds come once again with strings attached and are rolling out disappointingly slowly to give any peace of mind to struggling renters at the moment.

Eviction is always a last resort for housing providers, so working with renters and with a new set of rules is imperative. This will require the establishment of reasonable re-payment agreements and eventual possible mediation and dispute resolution.

Housing providers and their residents should work together to avail themselves of rental assistance intended to help all parties recover during these unprecedented times.

Small Housing Providers Begin to Sell

Under the weight of the eviction ban and since the start of the pandemic, the number of housing providers selling or occupying their rental properties in Washington has increased significantly, reducing available housing units that typically represent the most naturally affordable housing. This increase is largely due to the financial stress the extended eviction moratorium has caused them.

In Washington, roughly half of all rental homes are owned and managed by small housing providers. Often times, these individuals cannot weather extended loss of rental income.

If you look at the cost of rent, 90 cents of every dollar of rent goes to costs like property taxes, insurance, maintenance, and utilities. Housing providers may face bankruptcy and foreclosure if they don't have the income to meet these essential payments when their tenants are unable to pay the rent on that housing.

With no rental income, housing providers are sinking deep into debt and may be forced to sell or foreclose their rental properties that they counted on for their retirement.

As more housing providers sell their homes, Washington's rental housing affordability crisis could worsen. When property owners sell as a result of these types of blanket ordinances, it creates volatility in the market that wouldn't exist otherwise.

Once rental properties are sold, they may be off the rental housing market forever if the new buyer plans to reside in the property instead of renting it out.

Moving forward, Washington's policymakers should prioritize an effective off-ramp that modifies the current one-size-fits-all policy to protect housing providers that are trying to stay afloat.

And, to restore the alarming number of rental properties being taken off the market, lawmakers need to prioritize comprehensive rental assistance and a productive environment to transition Washington into a healthier housing market.

More Lunacy, Seattle Council?

Seattle City Councilmember Kshama Sawant has proposed legislation that would prohibit evictions of school children, their families, educators, and even school custodians during the entire school year.

Public officials need to listen to housing providers who can demonstrate the harm and illegality of this and other proposed ordinances while advocating for policies that strengthen the rental housing market, not aim to destroy it.

Councilwoman Sawant recently renewed her long-standing call for rent control as the way to solve Seattle's housing affordability woes. Rent control in Seattle would become effective only if the state's current and long-term ban on local rent control policies is somehow overturned.

The reality is that rent control – where the government sets rental rates between private residents and property owners – will make our housing crisis even worse.

Housing affordability is a defining public policy issue of our time. Decades of research show that housing underproduction (our inability to build enough housing to meet population growth) is the root cause of the problem. Seattle's economy continues to grow, and new residents have moved to King County from all over the world.

Yet, we haven't created enough homes for everyone who needs one. Over roughly the last decade, we only built one new home for every three new jobs created here. We need tens of thousands of more homes to meet the need, not stricter laws.

According to research conducted by public policy firm EcoNorthwest, rent control reduces the creation of new housing, reduces the incentive to maintain homes, and lowers tax revenues that could otherwise be invested in affordable housing.

These and other types of measures that limit housing production also disproportionately affect lower-income households as they are more likely to be priced out in the musical chairs game of housing scarcity.

If Seattle is serious about reducing the cost of housing, there are two big things we can do. First, we need to eliminate the city's exclusionary zoning policies and make the creation of more types of housing easier to build. It is still illegal to build housing that would provide more options and more affordable price points across much of the city's single-family zoning. Second, we know that targeted, means-tested financial interventions are the most direct and most effective way to support renters in economic distress. While new housing is built, the city can support cost-burdened residents with direct rental assistance payments, leveraging millions of new dollars from the state and federal government and an innovative new statewide program that funds rental assistance in perpetuity to reduce and prevent housing instability.

The Battle for Quality Housing Continues

We know this has been a difficult time for housing providers, but an end of the existing eviction bans that have prevailed for 14 months provides housing operators with a starting point toward recovery, except perhaps in the city of Seattle.

WMFHA continues to fight bad legislation, educate elected officials on policies that could actually work, and rally our members and the industry to speak out about poorly conceived laws that will only hurt renters in our state.

That epic battle continues…

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

Seattle Rents Up 4 Months in a Row

Apartment List

Seattle rents increased again last month by 3.7 percent, marking the fourth month in a row the city has seen rent increases, according to the latest report from Apartment List.

It is encouraging to see steady rent increases, despite the fact Seattle rents are still down 9.8 percent year-over-year.

Currently, median rents in Seattle are $1,520 for a one-bedroom apartment and $1,895 for a two-bedroom.

Nationally, the Apartment List report shows rent increased by 2.3 percent from April to May, representing the third straight month of record-setting rent growth, going back to the start of rent estimates in 2017.

"After this recent spike, year-over-year rent growth now stands at 5.4 percent nationally, and prices are now in line with where we expect they would have been if the pandemic-related rent declines of 2020 never occurred," wrote Chris Salviati, Igor Popov, and Rob Warnock of Apartment List in the national report.

However, despite strong national numbers, "the data continue to exhibit significant regional variation, and there are still a number of markets where rents remain well below pre-pandemic levels," such as Seattle and San Francisco. "But even in these markets, the trend has turned a corner. Rents in San Francisco, for example, are still 17 percent lower than they were in March 2020, but the city has seen prices increase by 13 percent over just the past four months," the report says.

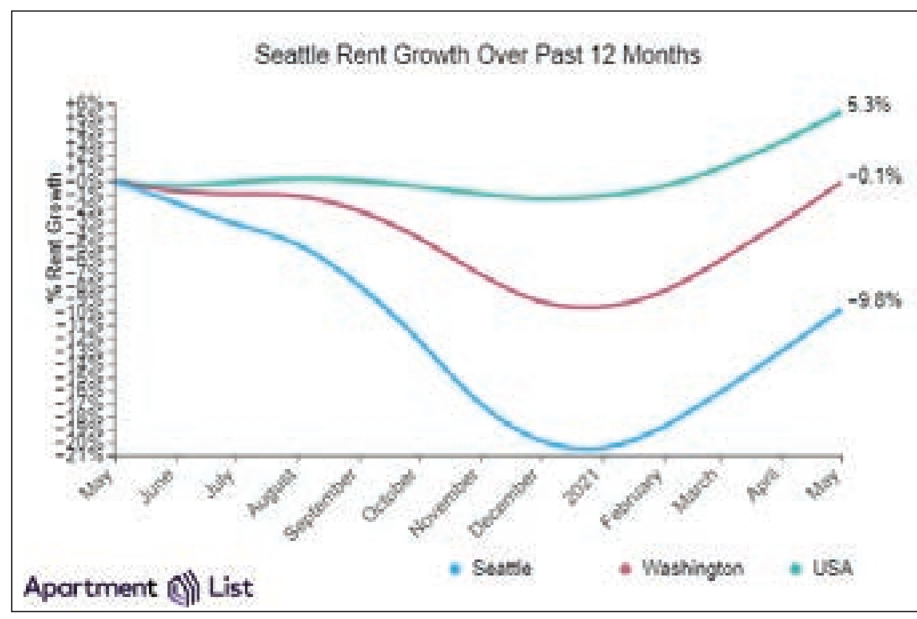
Rents rising across the Seattle Metro

Rents have risen in 6 of the largest 10 cities in the Seattle metro for which Apartment List has data. Here's a look at how rents compare across some of the largest cities in the metro.

- Redmond has the most expensive rents in the Seattle metro, with a two-bedroom median of $2,294; the city has also seen rent growth of 3.8 percent over the past month, the fastest in the metro.
- Over the past year, Seattle proper has seen the biggest rent drop in the metro.
- Lakewood has the least expensive rents in the Seattle metro, with a two-bedroom median of $1,475; rents grew 2.1 percent over the past month and 10.5 percent over the past year.

Apartment List estimates the median contract rent across new leases signed in a given market and month, using data from the Census Bureau's American Community Survey. Growth rates are calculated using a same-unit analysis similar to Case-Shiller's approach, comparing only units for which they observe transactions in multiple time periods to provide an accurate picture of rent growth that controls for compositional changes in the available inventory.

City	Median 1BR Rent	Median 2BR Rent	M/M Rent Growth	Y/Y Rent Growth
Seattle	$1,520	$1,900	3.7%	-9.8%
Tacoma	$1,200	$1,570	2.9%	15.5%
Bellevue	$2,070	$2,220	3.1%	-3.8%
Everett	$1,260	$1,570	2.8%	7.5%
Kent	$1,360	$1,730	2.8%	5.4%
Renton	$1,510	$1,970	3.7%	4.2%
Federal Way	$1,420	$1,680	2.0%	7.6%
Lakewood	$1,120	$1,480	2.1%	10.5%
Redmond	$2,040	$2,290	3.8%	-2.5%
Kirkland	$1,880	$2,180	2.3%	-1.2%
Lynnwood	$1,250	$1,550	2.5%	3.3%
Bothell	$1,790	$2,050	2.6%	5.3%
Issaquah	$1,770	$2,340	2.5%	4.7%



What to Do if Tenants Want a 'Kiddie' Pool

Continued from Page 1

insurance company and see if a pool is allowed or if your insurance could be canceled if a pool were known to be there.

***

Dear Landlord Hank: I have a two-story duplex and my renter wants out of the lease early, which is not up until March. I declined her request. Her husband, who is on the lease, has moved out and taken a job in another state. Now she asked me to remove her husband from the lease. And she wants me to add another roommate to the lease. Her lease is up in March. I do not think I want to add anyone else. What should I do? - Debbie

Dear Landlord Debbie: This is not meant to be legal advice. You could handle this in a couple of different ways.

The scenario sounds like your tenants have run into financial difficulty and the husband is chasing work. If your property is easy to lease, you may want to let her buy out of it, as long as she knows she's responsible for the terms of the lease until a replacement tenant is found.

If you received a security deposit and a last month's rent up front, this would normally cover a buyout once replacement tenant is found. (Get all this in writing!)

You can also look at your tenant's initial application and check her financial status; would you have rented to her alone as a single applicant? Is she strong enough financially to cover rent alone?

If she is looking for a roommate, it sounds like she is going to have difficulty paying rent by herself. If you don't allow her to get a roommate, she may default on the lease and then you'd have to evict-usually a lengthy process.

Also, if you allow her to have a new roommate, I'd keep her husband on the initial lease, screen new prospects as usual, and add the new tenant to the same lease, requiring deposit, etc.

This is a sticky situation, but a new roommate, that you approve, could allow this tenant to remain in your unit in good standing. I'd talk to new tenant and make sure this person knows the lease terminates at the end of March and you'd expect that person to vacate at that time. You would not want new person to think they could get a roommate if needed to continue tenancy. Adding a new roommate is very, very difficult. If the two don't get along as well as anticipated, then things can get ugly, and you may have to evict both.

Personally, I'd go for the buyout of the original tenant and start over with some new folks. Good luck.

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

Sponsored Content

Utility Locating: Plastic Water Lines

By Chris Dunham

For years and years homeowners and property managers have struggled with poor as-builts and utility lines that do not locate with conventional means. I think everyone has had this issue where they knew a utility was present on their property, but they had no idea where. In the past one would simply call a private utility locating company and have the standard utilities designated and marked on their property, but plastic water lines were considered unlocatable. Some locating companies had limited success with dowsing or witching rods, but with no guarantee.

Well, that is not the case any longer. In the past couple of years some great technological strides have been made in locating equipment that now allows reputable companies with manufacturer-trained technicians to locate your previously unlocatable plastic water lines.

This new technology allows locators the ability to locate plastic water lines using high frequency sound to detect the lines within a two-foot tolerance. Access to the water meter or exterior spigot is all that is needed to begin the process. The trained technician would then utilize the high-end listening device to detect the location of the plastic water line and field-mark its location.

Chris Dunham is general manager of APS, Inc., where has worked since 1999. He has had responsibility for several significant SUE projects in the northwest region. These include state highway projects for WSDOT and ODOT, as well as several municipalities and counties. He is adept at major project management, having coordinated all field activities, surveying, traffic planning and permit acquisition on several public works SUE projects. His innovative approaches to the utilization of SUE have allowed APS to set the standard for air/vacuum soil excavation at critical and environmentally sensitive sites. Learn more at www.apslocates.com.

How Remote Working May Affect Housing

Continued from Page 1

report provides a lot of valuable new data to confirm trends that we've been hypothesizing about for a while. Namely, a broad embrace of remote work will be an ongoing long-term trend that will outlast the pandemic, and this newfound geographic flexibility will have a direct impact on where these remote workers choose to live.

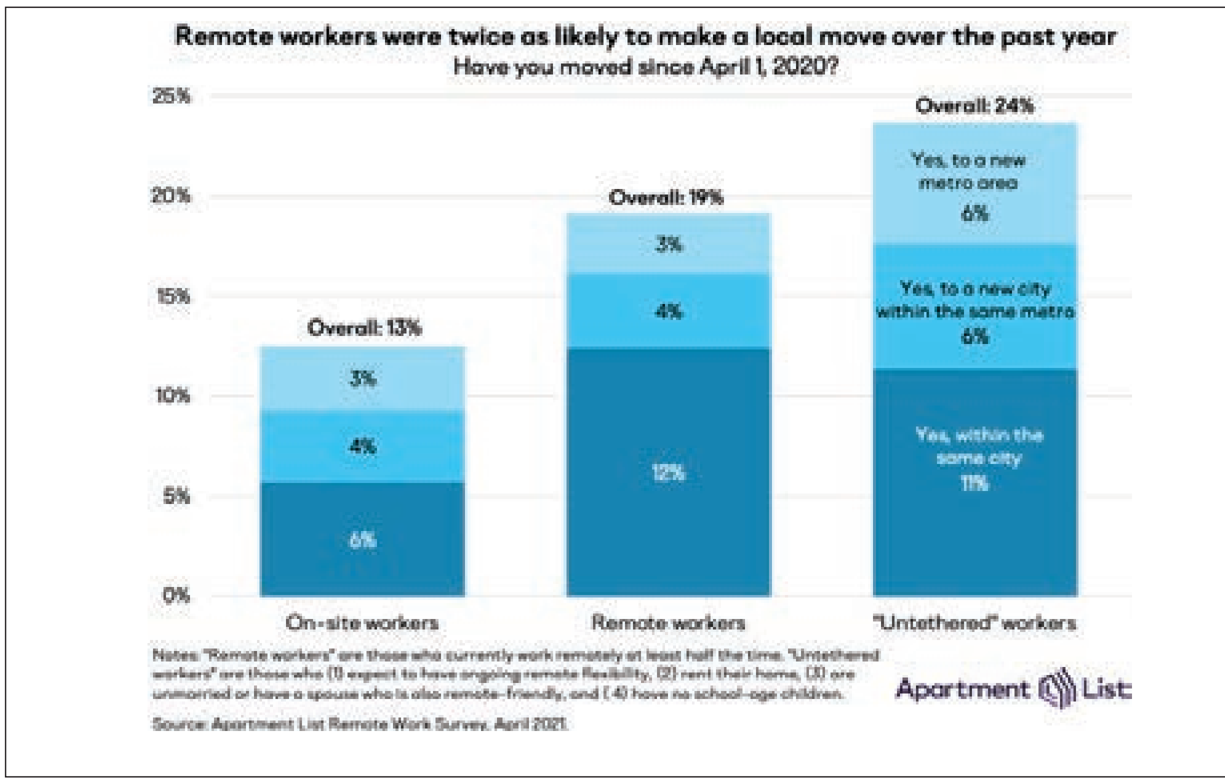
"Forty-two percent of remote workers tell us that they're planning to move in the next 12 months, compared to just 26 percent of on-site workers," Salviati said. "Among those likely movers, 35 percent of remote workers say that they plan to relocate to a more affordable market, more than double the rate for on-site workers. The prevalence of housing affordability as a motivating factor in upcoming moves planned by remote workers indicates that we are likely to see a continued outflow of remote workers from the nation's most expensive markets (e.g. San Francisco, NYC, Boston, D.C., and Seattle).

"As for where these folks will go, there are a wide range of preferences among remote workers. Many tell us that they value being close to family, and we observe a fairly even split between those who value urban amenities and those who value natural ones.

"In general, markets that offer a good mix of affordability and access to urban and/or natural amenities are good candidates to see an inflow of remote workers. Cities like Phoenix, Portland, Austin, and Nashville were quite hot even before the pandemic but still maintain an affordability advantage over the most expensive markets, and so likely still stand to gain. We are also likely to see other hubs emerge over time as this trend evolves," Salviati said.

A few highlights from the report:

- Remote work is already spurring increased moving activity; 19 percent of remote workers moved over the past 12 months, compared to 13 percent of workers whose jobs require them to be on-site. However, most of these additional moves were local — remote and on-site workers were equally likely to move to a new city or a new metro.
- Looking forward, 42 percent of remote workers say that they're planning to move over the next 12 months, compared to 26 percent of on-site workers. Remote workers are more likely to be planning local moves as well as moves to new cities.
- Thirty-five percent of remote workers who are planning an upcoming move say that they plan to relocate to a more affordable market, more than double the rate for on-site workers, indicating that we may see an outflow of remote workers from the nation's most expensive housing markets going forward. This finding also highlights the important equity implications of remote work — on-site jobs are lower paid, on average, but on-site workers have less flexibility to relocate in search of more affordable housing.
- Overall, remote workers told us that the most important factors in their decision of where to live over the next several years are "access to a housing market where I can afford homeownership" and "access to natural amenities."

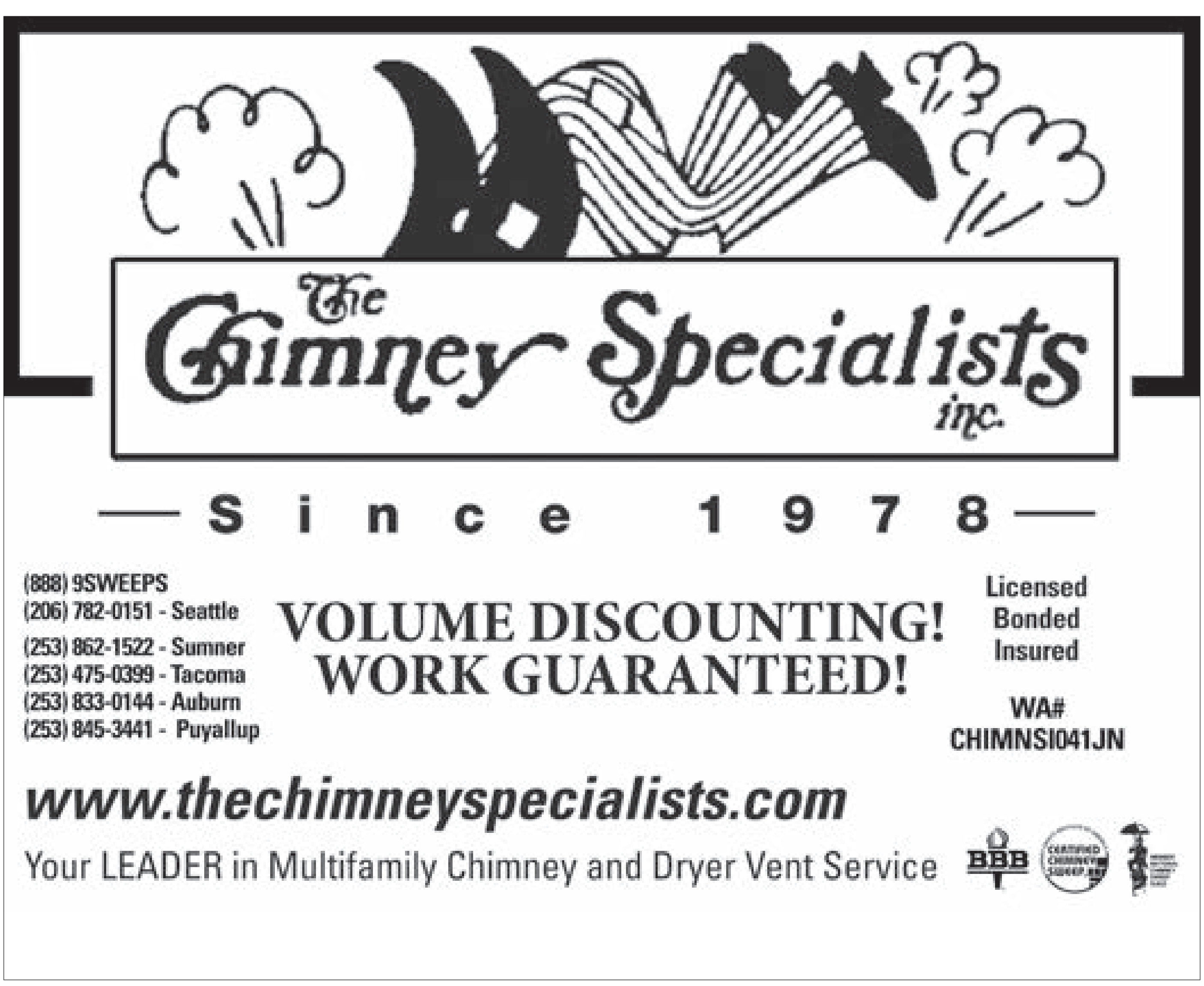


The unprecedented change in how workplaces are organized is weakening the link between job choice and housing choice, and remote workers are already taking advantage of this newfound freedom to move at higher rates, Apartment List says in the report.

Understanding the geographic preferences of this group is now more important than ever, as their migration trends will have the potential to disrupt housing markets across the country.

"Our survey sheds new light on the factors that are motivating moves among remote workers and the attributes they value when choosing where to live. We find that the considerations of remote workers differ from those of on-site workers in important ways. These preferences will drive how remote work will impact the housing market over the next several years," Apartment List says in the report.

Apartment List is a technology-driven rental marketplace with over 5.5 million units on the platform, reaching millions of renters on their path to find their next home each month. Apartment List was founded with the mission to deliver every renter a home they love and the value they deserve.



High-Earners Moved the Most During Pandemic

Rental Housing Journal

The percentage of Americans who move each year had been declining for many years until the pandemic hit, when remote work allowed many to look for a new place to live, according to a new study.

A remote-work survey from Apartment List shows the majority of movers between April 2020 and April 2021 were either higher-wage workers or those who could easily adapt to remote jobs.

"We find that COVID and the expansion of remote work have encouraged 16 percent of American workers to move during the past 12 months, the first time that mover rate has increased in over a decade," said Igor Popov, chief economist for Apartment List.

"Perhaps unsurprisingly, wealthy remote workers saw the biggest jump in mobility this year, as they took advantage of remote work to scan the country for their ideal living arrangement," Popov said.

Households where income was $150,000 a year or more saw the largest jump in relocation, the first time this has happened in a decade. The 16 percent migration represents a 39 percent increase over the estimate by the Census Bureau in 2019.

Highlights from the study:

- In 2019, the move rate among full-time workers in the United States was 14 percent and had been declining for decades.
- High-earners are historically the least likely to move, but this year they were the largest jump in residential migration.
- In 2020, wealthy movers moved further from job centers to purchase homes, enjoy more physical space, and live in places with a lower cost-of-living.

"No longer tied by work to any specific city, remote workers earn higher wages and can take those wages across the country in search of desirable housing," Apartment List says in the study.

"Specifically among the remote workers in the highest income bracket, the one-year mover rate jumps to 20 percent, more than twice that of on-site workers earning similar wages."

The report concludes by saying the kinds of individuals who are moving "have the potential to further redistribute wealth if high-paying jobs are no longer concentrated in the nation's largest, most expensive cities."

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Use a Code Word to Help Pre-Screen Applicants

Continued from Page 1

they respond to your listing. With the increased number of online rental platforms available to you, using a code word in your listings will help you in a number of ways.

What is a Code Word?

Your code word should be something that you use to emphasize specific features or requirements of your property. They may include things like the property characteristics, availability date, smoking policy, length of lease, or anything else you want to highlight as being important to you. A word of caution: Avoid any words or phrasing that would indicate discrimination or violation of protected classes. A phrase like "Please acknowledge in your showing request that you understand this property does not allow pets" is a perfect example of a code word.

David Pickron, president of Rent Perfect, discussed this at length on a recent podcast. He advises that landlords place their code word in one of the last two sentences of the listing to find candidates who are responsible enough to read the entire listing, and not just hit "apply" to every possible property that comes across their view.

When fishing, it is critical to present your fly to the fish you are trying to catch, otherwise you are just fishing water. By having the right fly presented in the right way to attract the attention of the fish, you exponentially increase the odds of attracting the fish you want to catch.

The same reasoning applies as you are trying to identify a responsible, attentive tenant for your property. You want a potential tenant who reads an entire listing and sees your code word that says, "I will not respond to your request to view the property unless you acknowledge that this property is not available until July 1."

When 20 potential tenants request a showing of the property and only two of them respond with the required code word/phrase, I am only going to show the property to those two people.

This attention to detail from a tenant signals that they will also read the entire lease and understand the relationship we are creating, which saves me a lot of time in showing the property to the 18 other people who would be happy with any property.

Whether you are a full-time landlord or have a single property, time equals money, and showing the property and reviewing applications can be extremely time-consuming.

Using a code word is just one way to pre-screen applicants and free your time up for those who are truly interested in your property.

With several of the rental-property platforms in the market today, an applicant can pay a monthly fee and submit their application as many times as they want to as many properties as they want. If you've ever found yourself responding to an applicant inquiry only to have the applicant ask, "now, which property is yours," chances are they have applied all over town and will take any property that comes along. This person doesn't want *your* house, they want *a* house, and they are not the business partner you are looking to have for the next five years.

Imagine how frustrated you would be if you planned a trip to catch cutthroat trout and showed up only to find that in addition to trout, the game warden had also stocked catfish, carp and bluegill. In the next few months, the places we go to find potential tenants will be flooded with all sorts of applicants, and likely many of them will have been recently evicted.

By using a code word, along with the other tools we train on, you can make sure that the tenant you put into your property is the business partner worth $120,000 that you are fishing for.

Scot Aubrey is vice-president of Rent Perfect, a private investigator, and a fellow landlord who manages short-term rentals. Subscribe to the weekly Rent Perfect podcast to stay up to date on the latest industry news and to get expert tips on how to manage your properties.


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