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UPCOMING EVENTS:

General Membership Meetings — Virtual Meeting via Zoom — 7 p.m. May 27, 2021: Fair Housing

C.A.M. Certification Classes — Virtual — May 25: Risk Management. (www.uaahg.org/cam)

UPRO Certification Classes — Virtual — May 20: Property Management Systems & Case Studies; Investment & Financing (www.uaahq.org/upro)





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Choosing Best Floors for Rentals

By Lillian Connors

Choosing the best flooring for your rental property differs greatly from going with your personal preferences. It's very different from furnishing your own home.

Rental spaces take a lot more wear and tear. Many tenants don't take care of the flooring as the owner would. In addition, you've invested in your rental to make money, so the choice of the floor should follow the line.

In short, an ideal rental flooring needs to be affordable, durable, and low-maintenance. It also must be easy to install and aesthetically pleasing.

Let's review the options.

AFFORDABILITY

The cost of a new floor depends

See 'How to' on Page 11

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Changes Regarding Pay or Vacate Notices & CDC Order

On April 19, 2021, the Consumer Financial Protection Bureau issued a "rule" relating to the CDC order on evictions. With the rule, the CFPB has essentially mandated that tenants be given notice of the possibility to use the CDC declaration when faced with a "Pay or Vacate" eviction. This rule requires that a tenant be given notice of the possibility that they can use the CDC declaration to avoid eviction for failure to pay rent.

This notification is to be given to the tenant at the time they are served the eviction notice for failure to pay rent:

Because of the global COVID-19 pandemic, you may be eligible for temporary protection from eviction under Federal Law.

Learn the steps you should take now:

- » Visit www.cfpb.gov/eviction
- » Or call a housing counselor at 800-569-4287

We created a new 3-Day Pay or Vacate notice that includes the above notification that will be available to members on our website. We also have a separate notice form that can be served with the current 3-Day Pay or Vacate Notice you already use. Both notices do not need to be served; you can choose to use the normal Pay or Vacate with the

THREE DAY NOTICE TO PAY RENT OR QUIT

NOTICE IS HEREY GIVEN OF DEFAULT IN PAYTHENTS REQUIRED UNDER THE RESIDENTIAL RESTAL AGREEMBUT.

TO

(List all tenants known)

SPEEL Address

City, State, 2 ip

1. Widden Shree business days after service of this Notice, you are hereby required to pay by messay order or cashier's check to the address issued before for the disclosuring.

REST OUR FOR THE PRICO THROUGH

OTHER RESIDENCY DUE

TOTAL TO BE PAID \$

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Decard the global COVID-13 pandential, you may be eligible for temporary protection from existing and permises of Units Code.

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additional CDC notification form or the modified 3-Day Pay or Vacate Notice. We recommend that you start to use these new notices as soon as possible, but no later than May 5, 2021.

While housing providers and management companies have typically been exempted from liability under

See 'Pay or Vacate' on Page 5

Changes to the Fit Premises Act – May 2021

On May 5th, 2021, the new Fit Premises Act went into effect in Utah. See page 5 for details.



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Sponsored Content

The Case Study of a 1031 DST Specialist

By Steve Haskell, Vice President at Kay Properties and Investments

There are various strategies when using DSTs (Delaware Statutory Trusts) in a 1031 exchange. Some investments are as easy as a simple exchange from one property into a single DST. Other times DST's are used to invest leftover equity from an exchange so the investor is not taxed on leftover funds, called "boot". Investors will routinely use DSTs as a backup ID in case their target replacement property doesn't work out. And occasionally, Kay Properties will assist an exchanger to utilize all said strategies in one sophisticated effort to mitigate risk and defer as much tax as possible. Read on for the experience of a highly skilled 1031 DST specialist.

A real estate investor sold an investment property for approximately \$2M. Roughly 25% of his property was leveraged. Therefore, \$1.5M was sitting in his qualified intermediary account. He then contacted Kay Properties to pursue a partial 1031 DST exchange. The exchanger wanted to purchase a property on his own, but something smaller and easier to manage than the property he recently sold. He wanted to put part of his exchange into a completely passive DST option that would require no management on

his part. The DST part was relatively easy. However, he was having a hard time finding a replacement property to own outright, and the 45-day clock was ticking. Kay Properties created a multifaceted strategy that supported the investor from a variety of angles.

First, the exchanger used the debt built into the DST to replace his mortgage. The Kay Properties representative created a DST portfolio for the investor with a loan-to-value of approximately 50% to match the exact debt required to satisfy the 1031 exchange regulation. The debt was non-recourse, meaning the investor did not need to apply or sign for the loan, nor did it show up on his personal balance sheet. This freed him up to purchase a smaller property to own outright without taking out a mortgage, which increased his probability of closing.

Next, the exchanger used a DST as a backup ID in case the target property did not work out. The due diligence period on the replacement property extended past the 45-day period. If inspections exposed an issue that compromised the deal, the exchanger would be vulnerable to over hundreds of thousands of dollars in taxes. However, since the Kay Properties representative advised the client to use a DST as a backup ID, the exchangers risk of a failed exchange was significantly

mitigated.

Finally, Kay Properties assisted the investor to ensure there was no leftover equity by using the DST to invest the leftover boot. After the exchanger and the seller agreed on a price, he realized there was approximately \$50,300 of exchange funds left over. Kay Properties found a DST to invest that exact amount to finish up the exchange.

When one has the knowledge and the assistance of a skilled DST 1031 specialist, an investor can mitigate risk and protect themselves from a failed exchange in a variety of ways. Through the assistance and guidance of Kay Properties, the exchanger in this case split funds into both DSTs and his own property, replaced his debt with a non-recourse loan, protected his exchange with a backup ID. and took care of the leftover boot. These high level DST skills often are not available to investors who choose to work with unaware financial planners with little-to-no understanding of real estate, 1031 exchange strategies and DST investments. Fortunately, the client was working with Kay Properties. If you are interested in learning more on how to use a DST to mitigate risk and defer taxes in your 1031 exchange, contact Kay Properties by registering at www.kpi1031.com.

About Kay Properties and www.kpi1031.com

Kay Properties is a national Delaware Statutory Trust (DST) investment firm. The www.kpi1031.com platform provides access to the marketplace of DSTs



from over 25 different sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 115 years of real estate experience, are licensed in all 50 states,

and have participated in over \$21 Billion of DST 1031 investments.

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randum paying special attention to the risk section prior investing. IRC Section 1031, IRC Section 1033 and IRC Section 721 are complex tax codes therefore you should consult your tax or legal professional for details regarding your situation. There are 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.

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Chair's Message

Resident Retention One of the Keys to Success



HOLLY SANFORD Chair, Utah **Apartment Association**

There is a universal truth in property management - turnover creates cost and work. That's not to say there aren't costs and work at other times. But it is true that when renters move out, our efforts and money are concentrated as we try to restore a revenue stream as soon as possible.

So seasoned landlords learn quickly an important lesson – if you can hang on to your tenants longer, you are likely to have less work and less cost. Some experts say each turnover costs an average of \$3,000 in turnover expenses (things like cleaning, carpet vacancy cost (the time the place sits unrented times the daily rental amount).

Turnover in Utah is as high as 80% - meaning the average tenant stays about 14 months. Over ten years, that's 8 turnovers. Multiplied by \$3,000 each that is \$24,000 more expense than having one tenant for that time.

So what are the keys to retention? First, understand why tenants move. Only 30% have to, because they buy a home, move out of state or get married. A full 70% of renters that move from your rental will move to another similar rental within 20 miles. Of those who moved to another rental when they really didn't have to, they say they did so because they weren't getting what they wanted where the where. The landlord wasn't A) responsive, B) reliable or C) respectful. So the good news is with better customer service,

replacement, marketing, etc) and these renters say you would be able to keep them longer.

> Second, implement the following practices to encourage renters to stay

- Sign long term leases, if possible, that only expire in times of year convenient for you. There is nothing worse than having a month to month tenant give you notice they are moving in a bad time, like winter.
- Give incentives for renewing a lease and don't let tenants go month to month. M to M agreements give them too much flexibility unless you are being compensated by a month to month fee. Try to offer improvements to the property you can tie to renewal like new windows, a new garage door, or something you should do anyway, if they

will stay. Even carpet and paint can be used to lock them into leases (especially if you have to do it anyway if they did move).

Allow tenants to customize their rental. They will stay longer if you do. Maybe this is letting them have an accent wall the paint color of their choice, their own window coverings, or planting their plants in the yard. If people can customize they will feel more comfortable and stay longer.

Whatever you do, recognize having one tenant, even a mediocre one, for a long time, could be much less work and ultimately make you more money in the long run, than having a new tenant every year. Work hard to keep them happy and use leases and incentives to lock them in to new long term leases. If you do you will be more successful.

Ask the Attorney

What to Do if You Get Notice of Deficient Conditions from Tenant



what do I do now?

JEREMY SHORTS, ESQ. **Utah Eviction Law**

carefully. It should state a few critical pieces of information, including a description of the problem and the deadline to work on correcting the problem.

> You need to decide whether to (1) fix the problem or (2) terminate the lease.

> If you decide to terminate the lease, you must (1) give them a written notice prior to the corrective period deadline, and (2) refund pro-rated rent and the deposit. The tenant then has to leave

after ten days).

If you decide to correct the problem, you have to take substantial action toward correcting the problem within the corrective time period listed in the notice. This does not mean that you have to correct the problem by the deadline, but you must take substantial action toward correcting the problem by the deadline.

As with most problems, communication is key. We recommend that you report to the resident at the end of the corrective period, in writing, that outlines (1) what you have accomplished within the corrective period, (2) what still needs to be done, and (3) the plan to continue to work on what needs to

Jeremy Shorts, Esq. Utah Eviction Law Phone: 801-610-9879 Fax: 801-494-2058

Email: info@utahevictionlaw.com

Declining Multifamily Occupancy Seen as Urban Phenomenon

RENTAL HOUSING JOURNAL

Multifamily performance rebounded quickly from the pandemic slowdown, with the exception of occupancy declines in properties in urban gateway metro submarkets, Yardi Matrix says in a recent report.

Q: I just received a notice of

A: Begin by reviewing the notice

deficient conditions from my resident,

"According to a study of 78,000 properties in Yardi Matrix's database, large occupancy declines in the last year have been concentrated in a handful of cities that may take years to recover," the report says.

However, the multifamily industry overall "is surviving COVID-19 without too much disruption," the report says.

"Nationally, rent and occupancy levels fell only slightly in 2020 before turning positive again in the first quarter of 2021, while acquisition yields barely budged."

However, problems in the struggling urban submarkets show "problems that must be addressed in the wake of the pandemic."



Some key points in the report:

- Roughly one out of every 14 multifamily properties in the United States has seen occupancy rates drop by five percent or more over the last 12 months.
- However, the loss is concentrated in urban assets in gateway metros, which limits the potential for distress. The study shows a large split in market performance and

recovery period. Some markets to pre-pandemic are back performance levels already, while it could take five years or more for rents to recover in the most affected urban submarkets.

"While the data demonstrates the troubles some segments of the market face, the industry can take solace in the finding that the poor performance in demand and occupancy is limited.

"The results show that the amount of distress anticipated by some is likely to remain limited, and whatever does occur will almost certainly be concentrated in high-cost gateway centers that will have a much bigger hill to climb to get back to pre-pandemic revenue levels when normality returns," Yardi Matrix says in the report.

"We forecast that it will take at least five years to return to first-quarter 2020 occupancy levels in gateway cities such as New York, San Francisco (and San Jose), Los Angeles and Chicago, and in secondary metros such as Orlando, Miami and the Twin Cities," the report

"The upshot is that the pandemic has created a list of challenges and changes that the industry will wrestle with for some time.

"Our review of property-level performance indicates that potential distress might not be as widespread as first imagined, and that it might be an urban phenomenon."

Director's Messsage

Rental Assistance Update



L. PAUL SMITH, CAE Executive Director, Utah Apartment Association

It is still hard for some housing providers to comprehend the amount of rental assistance the state of Utah currently has. Despite using just under \$30 million in 2020, Congress has

appropriated \$400 million for the next 18 months! In addition to helping renters who are behind catch up, this program pays 18 month's rent for renters who qualify. If you haven't started making sure your renters that qualify get on this program, start now.

Payments are always sent directly to the owner or manager. There is a considerable amount of paperwork involved and its currently taking about 4 weeks to be approved.

2020 Income - If you have a renter

who can show by tax return or proof of income that in 2020 they made 80% or less of AMI, you can help these renters get 18 months rent paid. Applications will need to be re-submitted every 3 months, but if they qualified by 2020 income, they will automatically be approved.

EXAMPLE – A family of six pays \$2,495 for their five bedroom completely remodeled and modern home. In 2020 they made less than the \$81,000 (80% of annual median income for a household

of 6). They qualify for 18 months rent paid directly to the property owner or manager. The total amount of stimulus for this household will be 18 x \$2495 = \$44,910. Imagine all the things they could do with an extra \$45,000 over the next 18 months! And imagine the peace of mind for the owner knowing the state makes payments directly to them for 18 months.

For more information call the UAA or go to rentrelief.utah.gov.

Changes to the Fit Premises Act – May 2021

On May 5th, the new Fit Premises Act went into effect in Utah. Key points to remember:

- 1. Late fees are now capped at 10% of the months rent. Avoid daily late fees to avoid going above this cap.
- 2. Before you accept an application fee and/or deposit you must disclose three things. First, the date you are expecting the rental home to be available. Second the criteria you use to determine

eligibility. Third, and this is the new one, a summary of all expenses that will be required under the contract. These would include any utilities a renter must put in their name, the rent and any monthly fees or charges that are in addition to rent. If you do not disclose expenses or if the contract differs from your disclosures, a renter may be a lot get their application fee back.

Shown below is a sample rental expenses disclosure form.

RENTAL EXPENSES DISCLOSURE Rental Information: Owner/Property Manager Name This sental disclosure is given pursuant to Utah law. This is not a contract nor is it legally binding as to the amounts or terms. The final restal agreement is the binding document. The information contained herein it values of the date below. You should request additional disclosure if the application process is not completed tunel. Rental amounts may fluctuate based upon availability and market conditions. You should review the lease agreement before rigning. After application, if the terms of the lease are different than those disclosed berein and you determine not to accept those terms, you may be entitled to a refund of the application feet paid. After rejection of the lease terms due to the differences or non-disclosures, you may request such refund if made in writing within five business days, specifically strong the differences and the cause for such request. The request must be made as required by Unih law. Total Due at Lease Signing: Utilities that must be in tenant's name include Check box if resident is responsible for exterior maintenance tuding lawn, yard and show remove **Tenant Change Fee** nation on expenses and feet and when they are organ, see your rental agreement Re-Key fee If Fixed Each Month. If Not Applicable. **Monthly Obligation** Mark an X Mark an X Other elective services and options may be offered that you are not required to accept. These may include are not launted to pasking, washer-dayer, pets, valet garbage, and internet cable. In addition, the rental agreement will contain feet, fines and costs related to breaches of the lease or actions taken (or not taken). These may include but are not limited to late feet, service of notice feet, exiction feet, tenant change feet, re-key feet, violation finet, and costs for damages.



To advertise in Rental Housing Journal, call Vice President/Sales Terry Hokenson at 480-720-4385 or email him at Terry@rentalhousingjournal.com

Pay or Vacate Notices Changes & CDC Order

Continued from Page 1

the Fair Debt Collection Practices Act (FDCPA), this new rule from the CFPB makes it appear that they are attempting to extend that liability. There are court precedents indicating that a housing provider or management company is generally not a third-party collector of debts and subject to the FDCPA. Based on the appearance that this rule appears to imply that the CFBP is trying to expand its reach, we want to ensure housing providers and management companies are following the rule in order to protect themselves and their clients.

We recommend that as soon as possible, all Pay or Vacate notices served either contain the above disclosure, or that a separate document with the disclosure be provided to the tenant with the Pay or Vacate notice. If you have questions on this, please reach out to us and we can help.

The CDC order (moratorium) is currently set to expire June 30, 2021. Recently we have seen the current administration is pushing to extend all matters relating to the COVID-19 pandemic. It is probable that the CDC order will be extended and that this additional notification may be required for some time.

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Apartment Jobs Snapshot

Q1 2021

Property-Management Jobs Most in Demand in Quarter 1

NATIONAL APARTMENT ASSOCIATION EDUCATION Institute

Property-management professionals were the most sought-after jobs during the first quarter of 2021, according to the latest jobs report from the National Apartment Association.

The National Apartment Association Education Institute (NAAEI) report also said that maintenance openings had the largest growth in demand since 2020, with a year-over-year increase of 2.1 percent.

"Nearly 37 percent of available real estate jobs in the U.S were in the apartment sector during first quarter of 2021, well above the five-year average of 28.6 percent," the NAAEI said in the report.

"Multifamily talent was in high demand, likely due to increased leasing activity. According to RealPage, annual apartment absorption reached an outstanding 353,453 units during the first quarter of 2021.

"In gateway markets such as New York City, existing renters are signing new leases at historically high levels, although occupancy rates continue to weaken. This indicates that concessions and reduced rental rates are attracting existing renters instead of prospective renters," the report says.

Dallas, Los Angeles, Washington, D.C., Seattle, and New York City ranked highest in concentration of apartment-job availabilities.

Demand for student-housing property-management professionals was greatest in Austin, Tex., Columbus, Ohio., College Station, Tex., Tucson, Ariz., and Tallahassee, Fla.

According to Entrata, studenthousing occupancy rates held steady through February at 89.1 percent, down just one percent since the same time last year.

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Total Q1 Job Postings in Apartment Industry (% of Real Estate Sector)

Q1 2021: **36.6%**

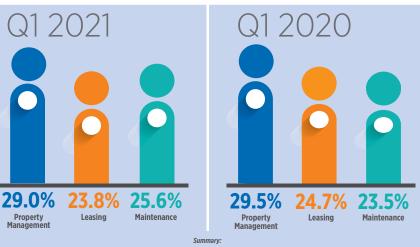
Q12020: 33.2%

2015-2020 Average: **28_6%**

Nearly 37.0% of available real estate jobs in the U.S were

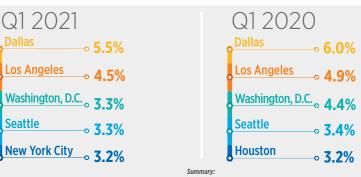
in the apartment sector during first quarter of 2021, well above the five-year average of 28.6%. Multifamily talent was in high demand likely due to increased leasing activity. According to RealPage, annual apartment absorption reached an outstanding 353,453

Job Postings by Major Category (As a percent of all Apartment Jobs)



Property management professionals were the most sought after during Q1 2021. Maintenance positions had the largest growth in demand year-over-year with an increase of 2.1 percentage points. Leasing job vacancies fell nearly 1.0 percentage points.

Top MSAs* (As a percent of all U.S. Apartment Jobs)



Dallas, Los Angeles, Washington, D.C. and Seattle continued to rank highest for concentration of apartment job availabilities during Q1 2021. RealPage reports that Dallas and Seattle were among the leading markets for apartment demand during the first quarter. In Gateway markets such as New York City, existing renters are signing new leases at historically high levels, although occupancy rates continue to weaken. This indicates that concessions and reduced rental rates are attracting existing renters instead of prospective renters.

March 2021 (% Apartment Jobs of Total Real Estate Jobs)

Seattle **Dallas** Houston Virginia Beach 45.1%

During March, Kansas City, Seattle, Dallas, Houston and Virginia Beach led the nation in available apartment positions as measured against the entire real estate sector. According to RealPage, Dallas (36,380 units), Houston (21,466 units) and Seattle (19,858 units) are among the nation's top markets for units under construction during 2021

Student Housing Job Postings** (% of all student job postings)

(12 months ending March 31, 2021) **Top Cities**** Austin, TX Columbus, OH O 2.7% College Station, TX-O 2.0%

Top Student Housing Job Titles

	_
Leasing Consultant	7.3%
Property Manager	6.0%
Maintenance Technician	5.6%
Maintenance Supervisor	4.5%
Leasing Manager	3.9%

During the past 12 months ending March 31, 2021, demand for student housing management talent was highest in Austin, Columbus, College Station, Tucson and Tallahassee. According to Entrata, student housing occupancy rates held steady through February at 89.1%, down just 1% since the same time last year, Leasing consultants were the most sought-after position by employers. In February, the overage number of new leads per unit reached 1.78, 48% higher than January 2021 and 91% higher than February 2020.

Competing Sectors (Highest Location Quotients)***

Apartments	Retail Trade			Hospitality		
Austin	1.9	Worcester, MA	1.8	Hilton Head Island,	SC 3.5	
Dallas	1.8	Bremerton, WA	1.7	Naples, FL	2.8	
Houston	1.8	Seattle	1.5	Miami	1.9	
Seattle	1.7	Providence, RI	1.5	Orlando	1.8	
Portland, OR	1.7	McAllen, TX	1.5	Charleston, SC	1.8	

Common Skills (Percent of Jobs Requiring Skill)

	Apartments	Retail Hade	HOSPILaiity
Specialized Skills			
Customer Service	29.9%	43.0%	24.3%
Sales	17.2%	38.5%	7.1%
Scheduling	16.8%	20.5%	17.8%
Baseline Skills			
Communication Skills	39.7%	41.9%	28.9%
Organizational Skills	29.9%	21.8%	19.2%
Detail-Oriented	21.9%	14.4%	14.9%
Teamwork/Collaboration	15.7%	18.2%	23.5%

:: NAA Research; Burning Glass Technologies; Entrata; Bureau of Labor Statistics; RealPage; Greystar student housing job postings as of April 13, 2021

Will You Be Ready When the Moratorium Ends?

By David Pickron

Recently I was at a birthday party where young children were participating in some old-fashioned games. One that struck me particularly was musical chairs.

As an adult, I now realize the anxiety that was generated by that game; will I get a seat or will I be the last one standing?

As each round progressed and more players and chairs were removed, I could see that unique mixture of fear and fun fill the faces of these children as they competed to be the last person with a chair to call home.

Over the past year in meeting with landlords across the country, I have come to know that look all too well as we have tried to navigate the eviction moratoriums that have affected our industry. You may have even seen that face in your mirror this morning.

As March 2021 ended, once again the eviction moratorium was continued to June 30. For most of us, I don't think this came as any great surprise. Even though the legislature approved rental relief for affected landlords, there just wasn't enough time to get that money out to landlords (these are the same people who were able to get PPP business loans out and funded within weeks).

I predict that this will be the last extension and I'm already prepared for many of you to let me have it if I am wrong. I hope and pray I am right. Let's assume that I am right, and that the eviction moratorium completes its run at the end of June. The rental-housing market will immediately be thrust into an unforgiving version of adult musical chairs.

Whether you have been paid every month, getting partial payments here and there, or have had absolutely have no communication with your tenant, there are things you should plan for now to protect your investments. I believe it is easiest to break down the grouping of landlords into three buckets as follows.

BUCKET 1: RETAIN

You are in bucket 1 if you have received all your rent and the pandemic did not hurt you personally. Congratulations, many of us are jealous. Your tenants weathered the storm and made you a priority. I would caution you to not take them for granted.

A lot of things can change over the course of a year (new job, new child, new pet) and those changes may prompt a move by this valuable tenant. These tenants know their value and will have the power to move wherever they want because their credit and residential history is perfect. Whether looking for a bigger home or a shorter commute, when this game of musical chairs starts, they may be tempted to vacate your property. These are "dream" renters, and you cannot afford to let them go.

I suggest a couple of ideas to help them recommit and sign a new lease with you:

1. Give them a discount in rent this year. \$100 a month is cheaper than a turn. Do you really want to play "renter roulette" with an up-and-coming rental pool filled



with bucket-3 type applicants?

- 2. Offer to upgrade your home. I am putting new flooring in one of my homes. It's a win-win, as my property value will increase and the tenants will love it. Consider new countertops, appliances, or landscaping as an incentive for them to stay.
- 3. Giving them a monthly gift card or buying them an annual pass to the local zoo or theme park might be a better option depending on the renter.

By helping this group, you only help yourself. They helped keep you afloat for a year...it's time to say thank you!

BUCKET 2: MANAGE

If you have been working with your tenants and have gotten partial payments here and there, then you are in bucket 2, the "manage" bucket. I don't need to tell you, but you have been working hard, performing a high level of management just trying to get paid. The only reason you are managing like this is because the government forced you into it.

If this moratorium ends in June, I suggest these as your next steps:

- 1. Sit down (face-to-face if possible) with your tenants and lay out your future expectations.
- 2. Let them know that the behaviors they have shown in the last year will not be acceptable in the future.
- 3. Contact your local government to see if there is any stimulus money to offset past-due rent.
- 4. Negotiate any past-due rent and then renew the lease with a new mindset. Get creative and say you will waive the past due if they sign a new lease with a small increase in rent. This will allow you to recoup your past-due rent over time and take the burden off your tenant.

BUCKET 3: REPLACE

If your tenant ignores you, won't take your calls and refuses to pay rent because of a COVID-related reason, you, my friend, are drowning in bucket 3. We feel for you, as covering someone's rent when they are not cooperating or communicating is not fun or easy. Cutting the cord and cutting it quickly may be your best decision.

If you are in bucket 3, please consider these suggestions:

- 1. If you fail to receive any rental-assistance money, you should contact an attorney immediately. Some states have lengthy eviction processes and by starting the process today, you might be in a better situation come the end of June. Establishing and maintaining that relationship with legal counsel is well worth the money.
- 2. You could offer the tenant money to move if your property is given back to you in great shape. Once they are out and the property is inspected and meets your standards, you can send them their money.

As the world prepares to get back to normal, let's make a commitment and not just return to our normal way of managing. This pandemic has afforded us the perfect opportunity to review and update our processes, policies, criteria, applications, and onboarding process. The key to your success in this world is finding and retaining the right tenants. In a time where It will only be harder and harder to find the right tenants, it is paramount to be ready to hold on to or grab the best of the best when the music finally stops.

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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5 Trends Shaping Rental Housing After Pandemic





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RENTAL HOUSING JOURNAL

There are five trends witnessed during the pandemic that will continue to shape apartments for years to come, according to National Apartment Association (NAA) President and CEI Bob Pinnegar.

Here is what Pinnegar said about the five trends he sees, in a recent Washington Post column.

1: New outlook on amenities

"There has been a shift in the amenity world—shareable areas to individual spaces. Shared spaces such as fitness centers and pools are still important, but communities have shifted their focus to in-home amenities like larger kitchens and high-speed Wi-Fi."

2: VIRTUAL DECISION MAKING

"For obvious reasons, there's now a larger number of prospective residents virtually searching for new homes."

While it was previously only part of the process of selecting a new community, virtual touring has been a catalyst to "invest in new technology, high-quality videos and specialized training to give prospects a more complete picture of the community."

3: CHANGING RELATIONSHIPS

"Communication between community managers and residents is vital, and could impact resident retention and even new apartment searches."

Interactions between the two parties has "significantly increased" compared to pre-pandemic relationships.

4: New perspective on location

"Remote work has caused residents to re-think where and how they live."

Residents who don't need to be close to the office can now search for other options—a two-bedroom in the suburbs vs. a one-bedroom in the city—to accommodate the work-fromhome lifestyle.

5: New generation. New values

"The younger generations—millennials and Generation Z—favor renting, which leads to higher demand for apartments, more competition and new development.

"One of the greatest hallmarks of the apartment industry is its propensity for choice, flexibility and adaptability," Pinnegar says. "This means that the current demand for apartments is only going to increase, creating steeper competition, prompting innovations and spurring new development."

Pinnegar writes in his column that, "One of the greatest hallmarks of the apartment industry is its propensity for choice, flexibility and adaptability. As we witness a seismic shift in our society and economy, the apartment industry is racing to identify and respond to its residents' changing lifestyles.

"For residents, it's a critical time to communicate your needs to your property manager or leasing agent. In this way, housing providers and residents can come together to shape and influence the apartment market of the future," Pinnegar says.

10 Things to Check in DIY **Rental-Property Inspection**

By Phil Schaller

Conducting informational an inspection/walkthrough of your rental property is important periodically; we recommend at least once a year. It allows you to understand how your tenants are treating the property, troubleshoot for larger issues, plan some preventative maintenance, and build trust with your

While there are hundreds of items you could inspect in a walkthrough, we're going to focus on the low-hanging fruit and most important boxes to check.

Before we get into the list, here's a few pointers:

- Schedule this walkthrough far in advance with your tenants; they'll keep it on the radar and (hopefully) focus on keeping the property in good shape. Washington State requires at least 48 hours written notice before anyone enters the dwelling.
- Communicate to your tenants why you're conducting this walkthrough. You want to know what's going on with the property but you also want to make sure you're providing a hospitable environment for your tenants.
- We recommend conducting these walkthroughs with a general contractor or maintenance pro (RentalRiff can help) as an unbiased third party and someone who can easily diagnose/fix certain issues.

Without further ado, here we go:

1. Replace furnace filters

This is an easy one. You'll need a filter on hand, but it's easy and not expensive. Replacing a broken furnace, on the other hand, is very expensive.

2. Replace smoke and carbon-MONOXIDE ALARM BATTERIES

Another easy one - aside from the liability you'll have on your hands if these alarms don't work during an emergency. Let's keep everyone safe!

3. CLEAN OUT DRYER VENTS

While cleaning out a dryer vent may require slightly more elbow grease than changing batteries, it's another important safety precaution. Vacuum cleaners with a hose or dryer-vent kits work well. This can be a severe fire hazard.

4. Switch the GFIs

We can't tell you how many calls we get for electrical work that can be solved with the push of a button. Get ahead of these issues by switching the GFI for your tenants.

5. Run water and check for **LEAKS UNDER THE SINKS**

An easy way to do this is to turn on the water and throw a baking pan under the plumbing to see if any liquid is captured.

6. TURN ON ALL APPLIANCES

Turn on all appliances for a quick check and listen for anything unusual. That weird sound your dishwasher is

making may indicate a new one is in your future.

7. Run the garbage disposal

The No. 1 maintenance request landlords receive is for garbage disposals. We recommend giving them a tighten with an Allen wrench and/or a reset. Olive pits love giving landlords a headache.

8. Test the heating and ac

You're required as a landlord to provide a humane environment for your tenants - this means a livable temperature. We like to turn the AC on full blast to check, then switch to heat. It's easy to inspect other items while checking these systems.

9. INSPECT CRAWL SPACES AND

Pests love these areas. Look for poop, termite damage and small entryways no one likes living with rats.

10. CHECK CEILINGS, WALLS,



FLOORS, DOORS AND WINDOWS

OK, so we crammed a few into No. 10 here, but any sign of water damage (dark/wet spots, cracks in drywall, mold) is a big red flag and requires an immediate solution.

Many property owners will schedule several walkthroughs throughout the year (based on the tenants and condition of the property).



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Property Managers, Take Note: Happy Pet Owners Mean Happy Long-Term Residents

By KC Theisen

A few weeks ago, a graduate student at the University of Maryland interviewed me about the connection between pets and people. I often get to talk about the logistics of keeping pets and families together, as in the administrative aspects and guidelines for property managers. But since our chat, I've been thinking about our bond with animals and wanted to focus on one of the simplest facts about pets: They make us happy. Property managers, take note. When you have happy residents, you have long-term residents.

Look at the health statistics that spring from pet ownership. Pet owners report experiencing less depression and loneliness, and being more active, reducing heart disease. Spending time with a pet lowers blood pressure and heart rate, and having a companion animal to care for is the reason many seniors get out of bed in the morning despite aches and pains.

Pets make us more social. It's clear from looking out a window that dog people are out and about, frequently stopping to chat with others about their furry family members. Visits to a petsupply store, the veterinarian, and the park provide opportunities to meet new people. In rentals, the shared spaces



become public meeting houses for dog owners, even while social distancing.

Cat owners are more social, too. They also go to pet-supply stores, grocers, and vet clinics, interact with other cat people. Creating a network of inhouse cat sitters provides cat owners an amenity that makes them feel included in the building's pet community. Especially for people with physical limitations or mobility issues, cats are a pathway to getting up and about indoors

and to receiving affection. Hearing a purring cat makes it almost impossible for a human to cry.

How is your bottom line affected by physically healthy and socially adjusted residents? Happy people stay put. Happy people like living in a place where they feel welcomed and where they find comfort in being, especially when we are spending so much time at home these days. Happy people also invest in their happiness, and if they like living in your property, will tolerate moderate fees or rent increases to hold on to their happy place.

If you manage a property wracked by COVID-19 fatigue, how can you help alleviate your residents' isolation and sense of loneliness while keeping the CDC guidelines in place? Welcome pets. Four-legged friends are a key reason people choose a rental, and better pet policies bring potential residents in droves.

Opening Doors has strategies to share so you can control which pets are welcome, and set standards of great care that translate to happier community residents, pet-owning or not. Make your property their happy place.

KC Theisen is the animal-management and pet-policy advisor for Opening Doors. She creates policies and programs for properties that enhance revenue potential while controlling potential conflicts and problems. KC has more than 25 years of experience working with animals and people. She obtained her undergraduate degree in Zoology from the University of Wisconsin. She was the Humane Society of the United States' director of pet-care issues for many years. KC received her master's degree in professional writing in 2007 and uses these skills to draft user-friendly policies and explanations for Opening Doors clients, bringing legal jargon into clear, concise rules



Good Landlord Classes Now Available Online!

The Good Landlord Class is the base legal class the UAA offers on landlord laws in the state of Utah. Some cities require you to take this class in order to receive a "good landlord discount" on your business license fees. This class is good for all cities in the state and is a wealth of broad knowledge on landlord law.

In these times of social distancing, we are now offering our GLL Class Online so you can still renew your business licenses in compliance with cities Good Landlord Program requirements.

The online class will cover:

- · Basic guidelines to being a landlord
- Best practices and policies in property management
- Fair Housing basics and landlord/tenant discrimination (including ESA/comfort animals)
- Tenant screening and background checks
- Evictions and dealing with tenant issues
- Abandoned property and abandoned premises
- Deposits and dealing with damage to property
- As well as a few other rules and guidelines to being a landlord in Utah

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How to Choose the Best Flooring for Your Rentals

Continued from Page 1

on three factors: the cost of material, the cost of installation, and the cost of maintenance. As with every kind of product, there are high-end and low-end versions of each type. For the greatest part, the floors that lean toward the affordability end of the scale include tile, cork, wood tile, vinyl sheets, vinyl tile, laminate and linoleum.

EASE OF MAINTENANCE

A floor that is easy to keep clean and good-looking is the one that doesn't need regular maintenance, such as waxing, oiling, or buffing. This is an important consideration for a rental property. There are tenants who completely forgo regular maintenance.

In addition, maintenance often requires that all furniture is removed from the room, which means the best time to do it is between tenants. This increases your workload at tenant turnovers.

As the ease of maintenance is concerned, the list goes like this: engineered hardwood, cork, vinyl sheets, vinyl tile, laminate and linoleum.

AESTHETICS

Naturally, your primary goal is to rent your unit easily. So the aesthetic aspect of your floor needs to go hand in hand with the affordability and ease of maintenance. For a more cohesive, upscale look, it's always recommended to go with the same flooring throughout the unit, except the bathroom and the



kitchen.

Bathrooms and kitchens require water-resistant flooring. In addition, having the same flooring in the entire apartment helps it look bigger and more up-to-date. On the aesthetics side, the winners are vinyl tile, laminate and linoleum. Let's look into each option separately.

No. 1: VINYL FLOORING

For many landlords, vinyl is an absolute favorite, not only because it comes in tile, planks or sheets, but also due to the fact that it resembles raw materials. Also, vinyl floors are highly

water-resistant, which makes them suitable for kitchens as well. Another bonus is the fact that it doesn't require prepared subflooring, which makes the installation easier.

If you decide to go with contemporary vinyl planks, you'll be surprised by the amazing range of natural looks of wood, stone and ceramics, now made possible with 3D printing techniques.

No. 2: WOOD-LAMINATE FLOORING

Another affordable option, wood laminate is easy and quick to install. Unlike vinyl, however, it's best that you

apply a tough finish layer to protect the floor from fading, staining or premature wear from traffic.

As a cost-effective hardwood alternative, laminate floors are an ideal option for landlords on a budget who believe in the undisputable charm of wood floors.

No. 3: LINOLEUM

From its invention in the mid-1800s to the early 1950s, linoleum was among the most popular flooring materials in the world. This naturally sourced material has anti-static properties that prevent dust particles from sticking to its surface, while its anti-microbial properties make it a popular choice for kitchens and kids' rooms.

Although early forms used to be much more brittle, manufacturing processes (along with watertight installation) have made this durable material popular again. On the aesthetic side, its hues and patterns extend down through the wear layer, so there is no risk of fading or discoloring.

If one thing is true about Lillian Connors, her mind is utterly curious. That's why she can't resist the urge to embark on a myriad of green living/home improvement projects and spread the word about them. She cherishes the notion that sustainable housing and gardening will not only make us far less dependent on others regarding the dwellings we inhabit, but also contribute to our planet being a better place to live on. You can check her out on Twitter and LinkedIn.

