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Tailor Your Rentals to Attract Best Tenants

By Justin Becker

There is no argument that the best tenants are the ones who pay rent on time, have long-term leases, and respect the properties they occupy. As a landlord, the key to your success is retaining the current tenants and attracting new ones.

Unfortunately, the COVID-19 pandemic has made it hard for most landlords to get the best tenants, making the real-estate industry more competitive. If you want to have a high chance of getting the best tenants now, or in the post-pandemic period, then you should consider the features highlighted below.

Whether you are improving your current property or purchasing a new one, we have listed the three most important things every tenant wants in

See 'What' on Page 12

Oregon OKs 60-day Eviction Pause

Rental Housing Journal

The Oregon Senate has passed a bill now headed for the governor's signature which provides 60-day pause on evictions for those awaiting rental assistance, according to a release.

The bill is intended to also ensure landlords who are awaiting payment of past-due rent will receive it.

Earlier this session, the Senate passed a bill that extended the grace period for repayment of rent accrued during the eviction moratorium until February 28, 2022. Now, the recently passed Senate bill "furthers those protections by ensuring a tenant cannot be evicted within 60 days of filing for rental assistance. Additionally, the Landlord Compensation Fund will retroactively and prospectively reimburse successful applicants at an increased rate of 100 percent of unpaid rent accrued due to the COVID-19 pandemic," the Senate said in a release.

Additionally, the first wave of federal emergency rental assistance was passed by Congress in December 2020.

Related Story: CDC Extends Eviction Moratorium - Page 13

Following passage, the latest guidance on distribution of those funds was delayed until May 2021. Due to this, applicants have had limited time to access funds before the eviction moratorium closes

"While some feel as though life is getting back to normal, others are still struggling due to this wholly unequal recession. Lower-income and vulnerable Oregonians are taking much longer

See 'Oregon' on Page 13

Why I Like My Properties' Nosy Neighbors

By David Pickron

Back in 2013, a small company named DoorBot appeared on Shark Tank pitching a doorbell connected to a camera that would then call your smartphone, letting you know who was at your door.

The panel, made up of successful, savvy investors, decided to pass for a variety of reasons, with one of them being that they didn't think there was a need or demand for the technology in the residential sector.

DoorBot left the stage with no deal, changed its name to Ring, and sold to

See 'Why' on Page 11

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Potential Pitfalls of NNN Properties and a Savvy Alternative

By Chay Lapin
President of Kay Properties and Investments

- NNN properties seem like passive investments but actually require regular management.
- Overconcentration is a key risk when it comes to investing in NNN properties.
- DSTs (Delaware Statutory Trusts) provide an alternative way to invest in NNN properties.
- Diversification and true passivity are unique advantages of DST investments.

Frequently investors are seeking out reduced management and or passive real estate investments. Real estate owners are simply tired of the three T's (Tenants, Trash, Toilets) and are looking for alternative options to consider.

One option that a lot of investors are being sold by their real estate brokers are Net Leased properties, which are commonly known as "triple net leases" (or "NNN"). Some Net Lease properties can be nearly 100% passive. Investors will want to carefully understand how the unique net lease is set up, as some leases may actually have active management responsibilities for building upkeep. A client will also want to keep a monthly check in to make sure that the tenant is abiding by their net lease structure and that they are actually paying the various bills (e.g. Common area expenses, Property Taxes and Insurance). It is not uncommon for a large corporation to have a glitch and be late paying property taxes, and this could affect your building if not caught in an appropriate time frame.

If an investor is going to be placing their entire 1031 exchange proceeds or cash allocation in one net lease property, there are key points that an investor should understand prior to investing:

- Concentration Risk – Placing all of your eggs into one basket
- Tenant bankruptcies and restructuring – Lease Rejection
- Store Closures – "Dark Stores"
- 1031 exchange closing risk
- Asset and property management responsibilities – unpaid tenant taxes, collecting reimbursements, refinancing, lease term burn off and value erosion, lease renewal and negotiations, legal expenses, insurance issues, etc.

Another option for investors that are looking for a 100% passive investment is a DST (Delaware statutory Trust). A DST is an entity that can hold investment real estate structured to take 1031 Exchange monies and after tax dollar investments. DST properties can be used as opposed

to NNN properties but still providing access to net lease type properties (FedEx, Amazon, Walgreens, CVS and many others).

- Potential Diversification – Don't put all your eggs into one basket! It is important to note however that diversification does not guarantee protection against losses or guarantee profits.
- You can close potentially on a DST in 2-3 days – helps to potentially reduce 1031 exchange
- closing risk.
- Non-recourse financing with DSTs as opposed to partial and full recourse with NNN
- properties.
- Back up – Use a DST as a backup ID in case your NNN deal falls apart.
- DST as a home for leftover funds to cover your exchange and avoid boot.
- Professional asset and property management in place.

DST Example #1

A portfolio of 15 corporate backed FedEx distribution facilities, Walgreens pharmacies and CVS pharmacies located throughout the country.

DST Example #2

A portfolio of 20 single tenant net leased properties to tenants such as CVS, Tractor Supply, McDonald's, Advanced Auto Parts, Auto Zone, DaVita Dialysis, Dollar General and Dunkin Doughnuts.

DST Example #3

A single tenant VA Medical Hospital on a 20 year lease with the General Services Administration (GSA) – The United States Government

Potentially protect yourself and your family by investing in multiple DST's. This allows your 1031 equity to be diversified over 100 to 300 million dollars worth of institutional quality real estate, instead of buying one 1-3 million dollar net lease property and having to actively manage it yourself.

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.

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 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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How Remote Work Changed Asking Prices for Rent

Rental Housing Journal

A new analysis says that remote work during the pandemic changed the asking prices for rent, and that higher education correlates with the ability to work from home, according to a new Yardi Matrix analysis.

Rent growth was much slower in many cases where renters were highly educated.

The detailed analysis shows "rent to be lower by 10.06 percentage points for a property where 100 percent of the over-25 age population held a bachelor's degree, compared to a property where the over-25 age population contains no college graduates."

The result is even lower, by 17.12 percentage points, the analysis says, for a property where 100 percent of the over-25 age population held a post-graduate degree.

The reason for weaker rent growth is tied to many tenants who sought new living arrangements during the pandemic. The general consensus is that suburban rents, where many remote workers moved, have outperformed urban rents.

The ability to move was not evenly distributed because pandemic-related remote work was overwhelmingly concentrated among the college-educated segment of the workforce.

The analysis by Yardi Matrix says, "Multifamily properties where a large proportion of tenants held a bachelor's or post-graduate degree exhibited much weaker rent growth during the pandemic compared to properties with a less highly educated tenant base."

There are many different things that drive rent growth, and remote work was just one rent driver during the pandemic, the report says. It adds, "as the economy rapidly normalizes, the question for remote work is whether it will become a durable trend or fade out as life normalizes—and whether it will continue to affect multifamily rent growth as it did during the pandemic.

"Many (though not all) remote employees enjoy their newfound workplace flexibility, and many employers (also not all) are looking at solutions to accommodate them in the future.

"Undoubtedly, cities and offices will reopen. The social dynamism and collaboration opportunities they afford are too strong to ignore. However, if some proportion—even a small one—of pre-pandemic demand has permanently left these assets, the results presented here suggest rental-rate recovery may take longer than many are currently expecting."

Seattle Council Deals Another Blow to Landlords

Rental Housing Journal

The Seattle City Council has passed three ordinances restricting landlords rights involving evictions and lease renewals, according to reports.

The ordinances were described by officials as "renter protections." The first says if tenants do not pay rent, landlords cannot initiate an eviction during the school year if there are students or educators living in the house.

Tenants will be able to cite the new city ordinance as a defense to eviction.

Councilmembers argued evictions can interrupt learning and create homelessness among children.

The ordinance defines children and students as anyone under 18 and anyone enrolled in child care through high school; and it will define educators as anyone working at a school, including teachers, janitors, counselors and cafeteria workers, according to reports. There are exceptions for evictions from condemned buildings, for criminal activity or if landlords move into their own rentals.

Under another ordinance passed, landlords are required to offer new leases to tenants before their existing lease expires and before seeking a new tenant. This would bar landlords from allowing a lease to expire and then seeking a new tenant.

Councilmembers in favor of the new ordinance said it would close a loophole that allows landlords to evict tenants without cause.

A third ordinance passed in early June allows a COVID-19 defense against eviction if tenants have a large unpaid rent debt incurred during the pandemic. Tenants would need to sign declarations that they suffered financial hardships during the crisis.

A group of small landlords say the city council actions are pushing them out of the business, and that they are being unfairly grouped in with policies aimed at corporate landlords.

"The impact on small mom-and-pop landlords is huge. And the effect of this kind of legislation is it's going to push people like us out," said MariLyn Yim. Her family owns and lives in a triplex in Seattle and rents the additional two units.

Yim argues the policies are aimed at corporate rental companies, and small landlords are being left behind.

"Every bill they craft is based on the assumption that landlords are greedy and rich and we have deep pockets and can pay for everything. Well, that isn't all of us," said Charlotte Thistle, who owns one rental property, in an interview with King5.com.

"When you have something like the eviction moratorium and you have one tenant who's not paying rent, well, if you have one property that's one hundred percent of your income," Thistle said, "You still have to pay property tax, mortgage, and utilities. Nobody is giving us a free pass on those expenses," she said.

6 Signs It Could Be Time to Call for AC Repair

Keepe

Temperatures are getting really hot this summer and air conditioning repair is not a surprise you want when tenants call. Are the air conditioning systems in your rental properties ready for the heat? If the answer to that question is a cautious, "I don't know," then you might want to call your local air conditioner repair company for an inspection now.

How do you know when it's time to call your local AC repair person? Here is a short list of 6 warning signs to watch for.

No. 1- Odd Noises

While humming and rushing air are usually not a concern, any knocking, growling, squealing or rattling could indicate serious trouble with the compressor or the condenser.

It is advisable that you get a professional air conditioner repair company to assess your system before your tenants start calling.

No. 2 – Unusual Odor or Smell

An air conditioner should never give off peculiar smells.

If yours does, it could be a sign of mold, damaged ductwork or malfunctioning components. All these issues require immediate repair if you do not want to end up replacing the unit.

No. 3 – Decreased Airflow

The primary sign of an air conditioning system that is working well is air flow.

Airflow can become restricted in several ways; there can be a problem with the duct work or fan, or a blockage or leak elsewhere in the system. Air ducts blocked by debris can pose a health risk, especially if the debris includes decomposing insects or the droppings of small animals. Polluted air flow can cause the onset of respiratory disease or worsen an existing breathing problem.

No. 4 – Excessive Cycling

Does your air conditioner turn on and off in short intervals?

If so, it may be short-cycling. If your unit seems to cycle on and off more than typical, it could mean that your thermostat is malfunctioning. It could also mean that cold air is escaping; check for leaks and add some weather stripping if needed.

No. 5 – Increase in Energy Bill

A power bill that suddenly shoots up, especially if the unit is not running that often, could be another strong indicator that your system is in need of repair or replacement.

There are multiple causes for this particular issue, including leaks in your AC's ductwork, a broken thermostat switch, or the advanced age of the unit. Regardless of the source of the trouble, the AC will need to be repaired.

No. 6 – Leaking Water

If you notice that your air conditioning system is leaking water, you need to contact your local air conditioning repair company sooner rather than later.

Not only is this a sign that the AC unit is malfunctioning, but it may also lead to damage to your rental unit. AC systems naturally create moisture and condensation, but in a properly functioning system this moisture should be flushed out through drain lines.

In Conclusion

These are just some of the common warning signs to look for when checking on the condition of your AC in your rental properties. If you notice these or any other issues, contact a reputable HVAC repair company before the tenants start calling and the dog days of summer finally arrive.

Keepe is an on-demand maintenance solution for property managers and independent landlords. The company makes a network of hundreds of independent contractors and handymen available for maintenance projects at rental properties. Keepe is available in the Greater Seattle area, Greater Phoenix area, San Francisco Bay area, Portland, San Diego and is coming soon to an area near you. Learn more about Keepe at https://www.keepe.com.

HUD Charges Landlord Who Evicted Tenant Over Assistance Animal

Rental Housing Journal

A landlord who denied a tenant's request to keep an assistance animal due to her disability, and then retaliated by evicting her, has been charged with a Fair Housing Act violation.

The U.S. Department of Housing and Urban Development (HUD) said in a release that it is charging a landlord in Niagara Falls, New York, with violating the Fair Housing Act by denying a tenant's reasonable-accommodation request to keep an assistance animal in a no-pet building.

According to the details HUD's charge alleges that the apartment complex owner "refused to allow a woman with mental health disabilities to keep an assistance animal even though she provided him with a physician's letter attesting to her need for the accommodation. The charge alleges further that the owner refused to allow the woman to live with the animal and subsequently evicted her, claiming that the dog had displayed aggressive behavior and was not a legitimate assistance animal."

During a hearing, according to the HUD complaint, an attorney for the tenant presented a new assistance-animal letter from a mental health professional that stated the tenant was a "person who suffers from a psychological impairment which substantially limits her ability to concentrate … and her dog currently provides emotional support by improving motivation through emotional bonding which successfully ameliorates the effects of her disability."

The letter went on to say the mental health professional prescribed that the tenant "be permitted to live with an emotional-support animal in her dwelling, despite any rules, policies, procedures or regulations restricting or limiting animals, and be provided any other reasonable accommodations in housing."

The charge alleges that as a result of the landlord's actions and the eviction the tenant "suffered actual damages, including eviction, loss of housing opportunity, out-of-pocket expenses, emotional and physical distress, as well as embarrassment and humiliation."

The Fair Housing Act prohibits housing providers from discriminating against individuals with disabilities, including refusing to make reasonable accommodations in policies or practices when such accommodations may be necessary to provide such individuals an equal opportunity to use or enjoy a dwelling. This includes permitting persons with disabilities to have service or assistance animals. It also means that a housing provider that has a no-pets policy must waive it for a resident or prospective resident who needs an assistance animal because of a disability.

"Assistance animals provide invaluable support for persons with disabilities, including allowing them to fully utilize and enjoy the place they call home," said Jeanine Worden, HUD's Acting Assistant Secretary for Fair Housing and Equal Opportunity, in the release, adding the action "sends a loud and clear message to housing providers that HUD remains committed to ensuring that they meet their obligation to comply with the nation's fair-housing laws."

HUD's charge will be heard by a United States administrative law judge. If, after a hearing, the administrative law judge finds that discrimination has occurred, the judge may award damages to the complainant for any losses that have resulted from the discrimination.

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From the Desk of the Executive Director

A Summary of the Oregon Legislature's Housing Bills as it Adjourns

On June 28, 2021 the Oregon Legislature adjourned "sine die."

Adjournment sine die (from the Latin "without day") means "without assigning a day for a further meeting or hearing." To adjourn an assembly sine die is to adjourn it for an indefinite period.

With three significant bills passing that have affected all residential housing providers throughout the state, some landlords might wish they'd opt to adjourn "in perpetuum" – that's Latin for "enough is enough!"

Let's take a look at the bills that passed that most affected housing providers, then I can also share their positive aspects. So first, here are the quick ABC's of what we need to know beginning July 1, 2021:

- SB 282 has: a) extended the pay-back period for tenants who owe past rent from the Eviction Moratorium (dating from April 1, 2020-June 30, 2021) until Feb. 28, 2022, and b) created a tenant's right to have as many permanent guests as is allowable under local, state and federal occupancy standards without restrictions (except that a landlord may screen them for standard yet non- financial criteria and require them to sign a temporary-occupancy form).
- SB 278 a) grants a one-time 60-day delay to tenants facing eviction for non-payment of rent from July 1, 2021 through Feb. 28, 2022 when they show they have applied for rental assistance, while b. requiring the landlord to provide a specific disclosure that informs the tenant of this right, and c) creating an independent fund to pay the landlord for the lost revenue if the tenant does not obtain assistance and allows the eviction process to proceed. In addition, this bill also d) removed the 80 percent cap from the Landlord Compensation Fund, authorizing all recipients 100 percent of the rent relief granted to them.
- SB 291 requires that a) all landlords have written screening guidelines, and b) limits the ability to deny applications for criminal background checks without first providing an individual assessment, taking into consideration:
    1. The nature and severity of the incidents that would lead to a denial;
    2. The number and type of incidents;
    3. The time that has elapsed since the date the incidents occurred; and
    4. The age of the individual at the time the incidents occurred.

To unpack these new rules, it is important to understand three priorities lawmakers had when they convened this session on Jan. 21, 2021, on the heels of two extraordinary emergency sessions in 2020:

1. Eviction moratoriums were mandated nationwide, while at the same time thousands of Oregonians became instantly homeless from the ravages of unprecedented wildfires.
2. The state had no pre-existing system or infrastructure in place to manage and disperse the unprecedented sums of hundreds of millions of dollars in federal aid it would be receiving.
3. The social justice movement erupting from the death of George Floyd demanded a need to address institutional and systemic prejudices, including those found in the housing market.

SB 282 was written because more than $500 million dollars had already been committed to pay back-rent owed to landlords. This volume of aid funding has never been distributed and caused logistic, technical and personnel backlogs. The state wanted to give tenants enough time to apply for the aid and get the money paid to the landlords. The state remained committed to NOT extending the moratorium again, so they extended only the forgiveness period for eight months. They used this opportunity to also add provisions in the law to address wildfire victims by requiring landlords to allow tenants the right to house "temporary occupants" during this same eight-month period.

The WINS for the Landlords in this bill were preventing the law from adding presumptive retaliation language and harsh penalties for violations, and for also allowing landlords the right to screen all temporary occupants for criteria other than financial status. The sentiment in the bill was derived from the fact that the $200 million Landlord Compensation Fund had been previously negotiated to aid Housing Providers for lost rents due to the pandemic and much more federal money was on its way.

SB 278 was a last minute end-of-session "gut and stuff" bill arising from the fear that on July 1 there would be a mass eviction event resulting from the Moratorium's end. There were 13 re-writes of this bill in less than 1 week and it passed both houses with only days to spare before sine die. Landlords were resistant to this measure, but stayed active in the long hours of proceedings and testimony.

The WINS for Landlords in this bill were that they negotiated for both the creation of a special fund to repay landlords for the 60 day pause for any tenant that could not get assistance, and that this fund would be independently managed rather than using the same logjammed agencies handling the other assistance dollars. Also important is that as a measure of good faith from Housing Providers were able to re-negotiate the Landlord Compensation Fund to pay 100% of the qualified reimbursement instead of the 80% that was originally slated to be paid, without any further application process involved.

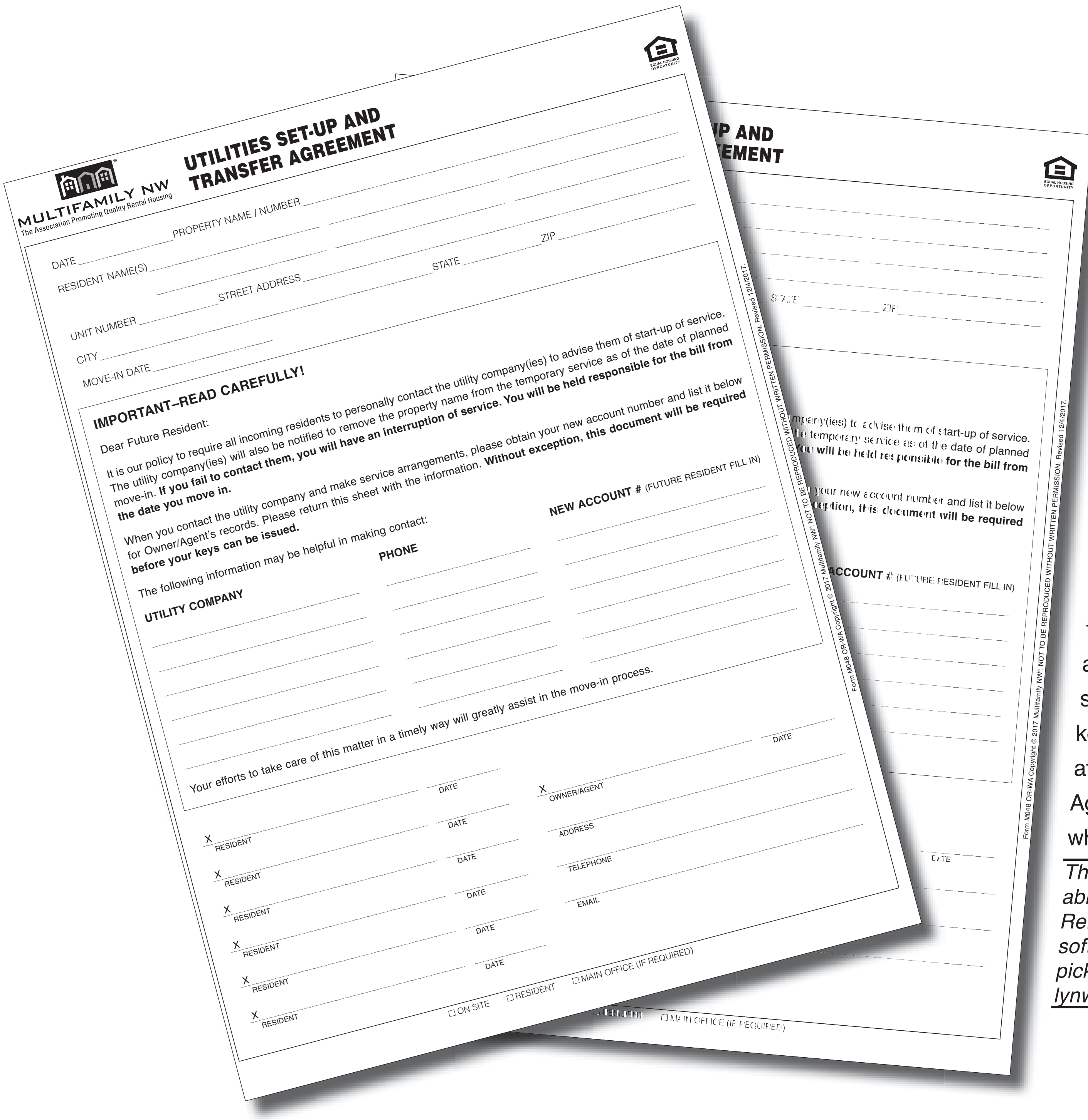
SB 291 was initiated by Governor Brown through her Director of Equity and Racial Justice and was carried to the Senate Committee on Housing and Development by Sen. Deb Patterson of Salem. Because of the political tone of this bill there was very little negotiation to be had. RHAO opposed the measure on its perception to allow criminals a protected status. In so doing, we also made clear that our opposition for the merits of this law did not reflect any racial or systemic bias, and those sentimentswere received and validated by the Governor's office.

The WINS for Landlords came from the parties in the work group sessions that argued for its passage, stating that most people with criminal convictions that may not be denied for that basis, also come with other types of obstacles including bad credit and/ or financial hardship – which remain as criteria useful in screening applications. It was therefore claimed that the number of cases where Independent

Reviews would reverse the Landlords' denials would remain low. Ultimately, however, with its passage we will all now wait to experience this bill's affect on housing.

In closing, it's easy for us to get discouraged when law changes occur that we may not agree with, or when we perceive them as unfair. However, I just want to say thank you to all the individuals and organizations throughout the state who have worked together this year to help craft these bills, and to the legislators who work tirelessly trying to do the right thing. And special kudos for Cindy Robert, the lobbyist for Rental Housing Alliance Oregon for her dedicated efforts. At the end of the session, and at the end of the day, we all want to make our state a great place to live. Sine die.

MULTIFAMILY NW
The Association Promoting Quality Rental Housing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UTILITIES SET-UP AND TRANSFER AGREEMENT

DATE
PROPERTY NAME / NUMBER
RESIDENT NAME(S)
STREET ADDRESS
UNIT NUMBER
CITY
STATE
ZIP
MOVE-IN DATE

IMPORTANT–READ CAREFULLY!

Dear Future Resident:

It is our policy to require all incoming residents to personally contact the utility company(ies) to advise them of start-up of service. The utility company(ies) will also be notified to remove the property name from the temporary service as of the date of planned move-in. **If you fail to contact them, you will have an interruption of service. You will be held responsible for the bill from the date you move in.**

When you contact the utility company and make service arrangements, please obtain your new account number and list it below for Owner/Agent's records. Please return this sheet with the information. **Without exception, this document will be required before your keys can be issued.**

The following information may be helpful in making contact:

UTILITY COMPANY	PHONE	NEW ACCOUNT # (FUTURE RESIDENT FILL IN)

Your efforts to take care of this matter in a timely way will greatly assist in the move-in process.

X RESIDENT DATE
X RESIDENT DATE
X RESIDENT DATE
X RESIDENT DATE
X RESIDENT DATE
X RESIDENT DATE

X OWNER/AGENT DATE
ADDRESS
TELEPHONE
EMAIL

☐ ON SITE ☐ RESIDENT ☐ MAIN OFFICE (IF REQUIRED)

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FORM OF THE MONTH

M048 OR-WA Utilities Set-Up and Transfer Agreement

This is a form to better structure move-ins to show which utilities service the rental with the expectation of the approved applicants to contact the utility companies and set up accounts in their names as a prerequisite of signing the Rental Agreement and receiving keys. Ideally this form would be distributed at the time the approved applicant signs the Agreement to Execute Rental Agreement form when an execution deposit is collected.

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

JUNE 29	AFFORDABLE AFTERNOONS - LEASE WRITING FOR AFFORDABLE HOUSING LANDLORDS	12:00 PM - 1:00 PM
JULY 8	HR ANSWERS WEBINAR: IMPROVE YOUR INTERVIEW QUESTIONS	8:00 AM - 9:00 AM
JULY 9	WEBINAR: IT'S THE LAW: TENANTS GONE, NOW WHAT	12:00 PM - 1:00 PM
JULY 13	2021 PORTLAND CHARITY GOLF TOURNAMENT	7:00 AM - 3:00 PM
JULY 20	WA IT'S THE LAW: TWO STATES ONE RIVER	12:00 PM - 1:00 PM
JULY 27	AFFORDABLE AFTERNOONS WITH ADAM - COMPLIANCE ISSUES	12:00 PM - 1:00 PM
AUG 2	WEBINAR: LANDLORD TENANT LAW 1-PART A	10:00 AM - 12:00 PM
AUG 9	WEBINAR: LANDLORD TENANT LAW 1-PART B	10:00 AM - 12:00 PM
AUG 16	WEBINAR: LANDLORD TENANT LAW 2-PART A	10:00 AM - 12:00 PM
AUG 19	UNWIND WITH MULTIFAMILY NW: COMEDY IMPROV WORKSHOP	5:00 PM - 6:00 PM
AUG 23	WEBINAR: LANDLORD TENANT LAW 2-PART B	10:00 AM - 12:00 PM
AUG 26	2021 SWV CHARITY GOLF TOURNAMENT	11:00 AM - 6:00 PM

May Sets a Record for Monthly Rent Growth

Rental Housing Journal

Multifamily housing had another record-breaking rent-growth month in May, according to the latest Yardi Matrix National Rent Report.

The company said that national rents recorded "their greatest increase in the history of our data set. All Top 30 metros had positive month-over-month rent growth for the second consecutive month, with New York's rent growth far surpassing the other metros."

Highlights of the Yardi Matrix report on record-breaking rent growth

- Multifamily rents increased by 2.5 percent year-over-year in May, which is almost exactly where rent growth was in March 2020 when the pandemic began spreading in the United States. Many metros have recovered and surpassed pre-pandemic rent-growth numbers.
- Rents grew $12 in May to $1,428, the largest one-month increase in Yardi's data history. The 0.8 percent month-over-month growth rate was the largest since June 2015. For the second month, all Top 30 metros had positive month-over-month rent growth and 90 percent had month-over-month gains of 0.5 percent or more.
- Yardi Matrix now includes single-family rental units exclusively in built-to-rent communities. "Our data set covers more than 90,000 units nationwide. The pandemic has driven demand for single-family rentals, and the SFR industry boasted 7.3 percent year-over-year rent growth as of May."

Overall, New York had the strongest month-over-month rental growth at 3.4 percent. The report said New York may be different than other markets going forward since many brokerages and banks are requiring their workers to return to the office this summer. Unlike New York, many tech cities like Seattle may see a slower return as tech workers are more able to work remotely.

Portland also showed strong month-over-month rent increase at 1.1 percent, along with Chicago and Las Vegas.

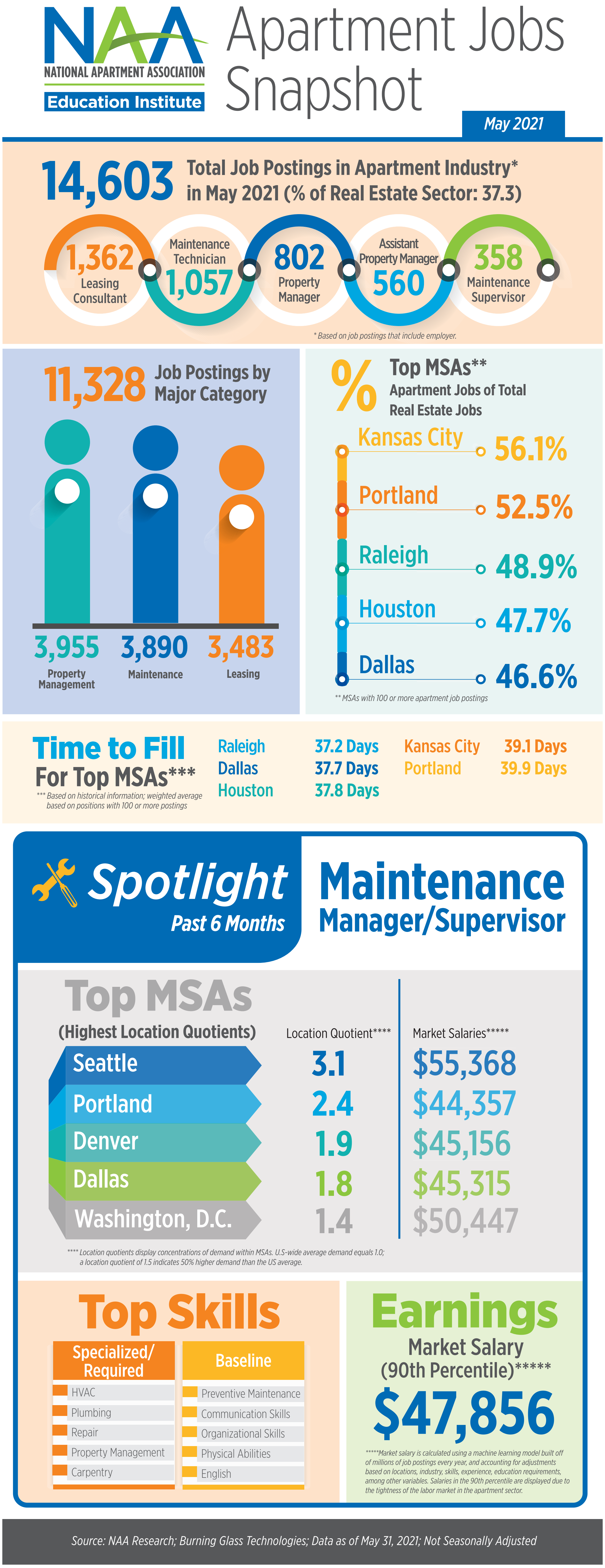
Tracking single-family rentals

Yardi Matrix said they are now tracking single-family rentals as an asset class. Their data shows there are 90,000 units in 7,000 communities they can track.

Phoenix, the Inland Empire in California, and Detroit have the largest number of single-family rentals the report said.

"The pandemic has fueled even more demand, and new institutional investors are pursuing the sector every day. The current constraints to purchase a home coupled with demand for more space is fueling strong rent and occupancy growth across metros," Yardi Matrix said in the report.

For the full report please visit https://www.yardimatrix.com/Publications



High Demand Continuing for Apartment Jobs

National Apartment Association Education Institute

The NAAEI (National Apartment Association Education Institute) Apartment Jobs Snapshot for May shows this year's prime leasing season has spurred strong demand for multifamily professionals. The number of available positions in the apartment industry amounted to more than 14,600 job openings.

The highest concentration of job postings was in Kansas City, Portland, Raleigh, Houston and Dallas.

The demand for apartment-maintenance jobs in Seattle was more than three times the national average and 2.4 times the national average in Portland.

Market salaries for apartment-maintenance jobs in Seattle were $55,368, and $44,357 in Portland.

The top specialized skills employers are looking for included HVAC, plumbing, repair, property management and carpentry skills.

NAAEI's mission is to provide broad-based education, training and recruitment programs that attract, nurture and retain high-quality professionals and develop tomorrow's apartment industry leaders.

Growth Outpacing Construction in Most Large Cities

Rental Housing Journal

Only a few large cities built enough housing in the past 10 years to keep up with growth in general and job growth in specific, according to a new report from Apartment List and the Census Bureau.

Overall, cities in the Mountain West and the Sun Belt added the most housing the last 10 years, while cities in the Northeast, Midwest and Rust Belt cities such as Cleveland and Detroit failed to add enough.

"According to recently released data from the Census Bureau, the United States added over 9 million net new housing units from 2010 to 2020, expanding the nation's housing inventory by 6.9 percent. Growth in new housing, however, varies dramatically by region. While some major markets are building enough to keep up with demand, many of the most sought-after metros are severely underbuilding," the report says.

The study says that, using an example of one to two new jobs for every new home, "only four of the nation's 25 largest metros met that threshold. The imbalance was greatest in Rust Belt cities, likely due to existing vacancies, and expensive coastal cities, which are notoriously supply-constrained."

Job growth in a market signals the need for new housing. Cities with growing economies typically attract new residents who need places to live.

"If the supply of new homes cannot keep up with that influx, the homes that do exist will become prohibitively expensive, especially for lower-wage households," the report says.

"A market that adds fewer homes may experience an undersupply of housing and a crunch on affordability, something we see playing out in many of the pricey coastal markets that have grown notoriously expensive over the past decade.

"This decade, just four of the 25 largest metros in the nation achieved housing growth in line with job growth."

The report concludes that over the past 10 years, population grew quickly in the Mountain West and Sun Belt, "where sufficient housing supply met successful job creation. Job-rich coastal markets were in high demand, but their housing growth could not keep pace with jobs, limiting their growth potential.

"The rise of remote work, however, could be a catalyst for change in the housing market. If the link between work and home location is increasingly broken, the lifestyle preferences of remote workers may start to dictate the next shift in housing demand. The early signs already show that the 2020s pandemic recovery will look very different from the 2010s Great Recession recovery, and the changing landscape of American housing will follow suit."

Why I Like Nosy Neighbors Watching My Properties

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Amazon in 2018 for $839 million. Obviously, there was a demand for this type of service in the market; people are interested in seeing who is on their property without the confrontation of a face-to-face interaction.

As landlords, we have a similar desire to know who is on our property and what they are doing there. The challenge lies in the fact that we aren't always at the property and it's kind of creepy to put cameras on your rental property.

What — or better yet, who — is the solution?

All of the rental properties I own have one thing in common: neighbors.

Yes, neighbors, who have decided to settle into the homes next to or across from my rental properties. Neighbors who have invested their time and money into creating the perfect homes for themselves and/or their families. Neighbors who value the safety and security of their community and would fiercely fight to protect those values. And what thing do all of those neighbors have? Eyes.

Here's a walkthrough of what I recommend for investors who are considering purchasing or have recently purchased a new investment property:

1. Drive the neighborhood to get a feel for how the residents care for their homes. The overall appeal of a neighborhood, and an investment there, is affected by the look and feel of the community.
2. Before purchasing the property, get acquainted with a few neighbors. A knock on the door and a short conversation will tell you a lot about the property history. Laying the groundwork of being an investor who is concerned about the value of the neighbors' property, as well as your own, goes a long way in building a strong relationship. If you already own the property, you can follow the same process and apologize for not coming over sooner.
3. Introduce your tenants to the neighbors. Knowing that you have a relationship with the neighbors has a twofold benefit: 1) It creates a sense of accountability between you, the tenant, and the neighbor, and 2) It indicates that there is a clear and open line of communication between you and the neighbors. Research indicates that when someone feels that they are being watched, it affects their behavior in a positive manner. Better behavior means less calls to you.
4. Encourage the neighbors to communicate larger issues or concerns to you. If you've already introduced your tenants to the neighbors, hopefully they can resolve the small things with each other. I don't necessarily want to know if their sprinkler is spraying the neighbors' window, but I do want to know if the teenagers in my rental are putting a mattress out the second story window and onto the roof to sunbathe (true story).

One of my tenants moved out recently after a number of years, and one of the neighbors came over to tell me all of the things that had been going on at the property.

I was aware of most of them, as they had been communicated to me by another neighbor. Because we had all gone through this four-step process, my investment-property neighbors felt comfortable reaching out and sharing issues they felt would affect their property values – and mine. I don't mean to encourage you to turn those neighbors into your property watchdogs, but it is beneficial to know them and have them advocate for the properties where you are invested.

Don't overlook a valuable opportunity

Having the right relationships with the neighbors could save you thousands of dollars. Landlords need to refresh their thinking from time to time and realize that the investment they have made may not be the home or property, but actually is the person in that property.

As you look for what we call the right "business partner" to become your tenant, it is critical to know their history. Also critical is knowing how they are taking care of your property, and that is most easily accomplished by knowing, trusting, and communicating with your tenant… and their neighbors.

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What's Important to Tenants Post-Pandemic?

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a rental property. These features will not only assist you in attracting new tenants, but also help you find the best tenants in the industry.

Location and Security

Just as it is for a business, location can greatly influence your real-estate revenue. For instance, the best tenants in the industry want to rent an apartment or house that is closer to their place of work, restaurants, community parks, and grocery stores.

These clients focus more on the quality of lifestyle. They are willing to overlook certain desirable aspects and pay more money, as long as the property is located in a great neighborhood.

For instance, tenants would prefer to live in a place where they could take an hour or less to commute to work. Tenants also find it desirable to settle in a place where they can easily buy dinner when they don't want to get in the kitchen and cook.

Another example is that there are many growing families that would love to settle in a good school district. This is the top priority for tenants who have young school-going children. Even for tenants who don't have children yet, a good school district is still perceived as a predictor of the quality of the neighborhood. This is, therefore, a factor that'll always be on the mind of a tenant who is looking for a long-term home.

The good thing about having a house or apartment complex in a desirable location is that you can charge higher rent, and no tenant would complain.

Another thing, which goes hand-in-hand with location, is safety and security. A safe environment and neighborhood is one of the greatest motivators for the majority of tenants. If tenants are worried that their homes or cars will be broken into, it may not be easy for them to sleep at night.

As a landlord or property-management professional, it's important that you research the crime statistics of a certain area before investing in a property. If you don't, you might find yourself buying a property in a dangerous location that won't attract tenants.

If you already have a rental property, it would also help if you add an alarm system, or any other security feature, to make your tenants feel safe. Remember, the goal here is to keep the existing tenants comfortable, as well as to attract new ones.

Move-In-Ready Conditions

This is one area that many landlords don't take seriously. However, if done correctly, there is a high chance that you can attract some of the best tenants around.

Repairs, both in common areas and units, are annoying and disruptive to tenants. If your property needs, for example, carpeting, cleaning, or painting, it might turn off excellent potential tenants. It's therefore important that before you show off the apartment to prospective tenants, you clean it and make all of the necessary repairs.

If the tenants see the property in a poor state, it may create a poor impression of the property in their mind, and thus they will lose interest. Another disadvantage is that they may set it in their mind that this is how they should also treat the property.

You want to avoid giving your potential tenants such an impression. A move-in-ready unit sets the standard that every tenant should maintain the property in high regard, all while keeping everything clean and neat.

Another important step in getting your property in move-in ready condition is to include important appliances in the apartment, and make sure they are working properly. As much as homeowners are willing to pay for certain appliances and their upkeep, tenants who are renting the property usually aren't.

Tenants do like nice appliances that they can take pride in, and thus take proper care of them, but most don't want to buy costly and large items that they may not require in their next rental unit. This means that if you decide to provide new appliances for your tenants, it's less likely that they will be damaged.

For instance, tenants would be willing to pay higher rates for 1 bedroom apartments if they are sure that the landlord will provide laundry machines/facilities as part of the rent. Every tenant recognizes that washing their clothes at a local laundromat can be very expensive. An in-unit washer/dryer, or even community machines, could therefore be ideal in such a scenario.

Excellent Amenities

Excellent amenities are without question the top priority on the list of many tenants. When it comes to amenities, there are several things that landlords should keep in mind.

Ample parking is one of the most important amenities that every landlord can provide for their tenants. No tenant wants to drive around for long minutes while searching for a parking spot, especially when they have melting ice cream or a bundle of groceries in their car.

As a landlord, you should look to purchase properties in suburban areas since there are many parking spaces on the streets; parking can be a challenge in an urban environment. If you don't have enough parking spaces, you should give your tenants directions to any decent parking garage nearby.

If you happen to offer parking spaces, you should outline rules related to them in the lease agreement. It's also important that you post signs that notify everyone of these rules. Finally, you must enforce the rules to ensure that no unauthorized user accesses the parking spaces.

Another amenity that tenants prefer are apartments that have adequate storage space and open floor plans. This might mean offering an extra closet in the bedroom, or eliminating an unnecessary wall.

Alternatively, you can offer a storage unit outside of the house, maybe within an outdoor storage shed or basement. Tenants prefer landlords who offer them an option to store seasonal belongings such as skis and bikes, as well as their large belongings. This offers them enough space to move around their rental and entertain guests. In the end, this creates an enjoyable living experience.

A private balcony or back yard could also be a wonderful addition and can be attractive to new prospects, especially to urban dwellers. It also can be an amenity that makes your property stand out from the rest of the neighborhood.

You'll attract more tenants to your property if you can offer space for them to enjoy some fresh air and sunshine. You're even more likely to charge a higher rent for it.

Conclusion

Whether you own apartments, manufactured housing units or stick-built homes, you must include the above three amenities to attract the best tenants to your rental property.

Apart from just ensuring that you have provided the best amenities and best location, you should always aim to be a good landlord to your tenants. Maintain a good landlord-tenant relationship by always attending to their needs as best you can.

We hope that you become a successful landlord or property management professional, especially in the post-pandemic era.

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.

CDC Extends Eviction Moratorium Final Time

Rental Housing Journal

Dr. Rochelle Walensky, the director of the Centers for Disease Control and Prevention (CDC), has signed an extension to the eviction moratorium further preventing the eviction of tenants who are unable to make rental payments, according to a release. The moratorium that was scheduled to expire on June 30, 2021 is now extended through July 31, 2021.

This is intended to be the final extension of the moratorium, the CDC said.

"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," the CDC said in the release.

The National Multifamily Housing Council (NMHC) said in a release that the "nationwide, one-size-fits-all, federal eviction moratorium is out of step with the significant progress made in controlling COVID-19 and restoring the economy."

The NMHC said that "the pandemic has already shown that targeted, efficient relief works.

"As we transition away from unsustainable moratoriums, we remain committed to implementing workable solutions for renters facing housing instability and helping the country recover. NMHC looks forward to working with the administration on proactive, comprehensive solutions and highlighting the efforts our members have undertaken over the last year to support and assist their residents," the organization said in the release.

Previously the council released a set of ideas, called industry principles, that it said offer proactive and practical steps housing providers can take to work hand-in-hand with residents and "demonstrate the good faith with which property owners and managers have supported their residents."

Oregon OKs 60-day Eviction Pause for Renters

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(D-East Portland) in the release. "The Legislature has worked incredibly hard to keep Oregonians housed throughout this crisis. It would be wrong to let a lapse in timelines cause Oregonians to face eviction or insurmountable debt."

The latest bill gives renters a 60-day pause on being evicted, as long as they can prove they're one of more than 10,000 Oregonians waiting on rental assistance. While renters have until Feb. 28, 2022 to pay past-due rent from April 2020 through the end of June 2021, they'll be required to start paying monthly rent in July.

The state is currently rushing to push out approximately $500 million in rental assistance and compensation for landlords. But technical glitches, an unprecedented number of applications for rent assistance, and staffing capacity within the Oregon Housing and Community Services department and its partner agencies, have caused significant delays, according to Oregon Public Broadcasting.

"Disparities that already existed were deepened by the pandemic. With Senate Bill 278 we have an opportunity to prevent further exacerbation of those disparities and increase opportunities for health and future success for Oregonians struggling to get by," added Senator Jama. "When we end this session and spend more time with our communities, every legislator wants to see those communities benefiting from the work of the Legislature. Senate Bill 278 will do just that."

Senate Bill 278: Additional Protections (But Appropriate Burdens) for Tenants

By Bradley S. Kraus

In nearly every month over the past year, executive or legislative discussions or actions were in motion to change landlord-tenant law in response to the COVID-19 pandemic. Couple these with the multitude of often different local laws enacted during those same months, how they expected everyday landlords to keep up is unclear.

This past month was no different. The legislature, deciding the tenant protections they just enacted in Senate Bill 282 were not enough, subsequently passed Senate Bill 278. This new law creates an opportunity for a tenant to stay service of any Non-Payment eviction notice, or enforcement action of the same, if one has been served, for 60 days if certain conditions are met. However, unlike previous tenant protections, the burden to invoke these protections is now properly placed within SB 278—on the tenant. Further, SB 278 makes up for some shortcomings in prior laws related to the Landlord Compensation Fund, correcting the same via this subsequent legislative action.

As an overview, Senate Bill 278 does not change the fact that July's rent is due and owing on time. Senate Bill 278 creates an odd "If/Then" framework related to tenant protections, depending on where a landlord is in the eviction process. To invoke the protections provided by SB 278, the tenant must provide to the landlord documentation verifying they are seeking rental assistance. This documentation can be provided through nearly any method to the landlord, including email or text message.

If a landlord receives this verification, then a 60 day stay to the process commences, and further action is either prohibited—or required—of the landlord. For example, if the landlord has not yet served a Non-

Payment of Rent notice and documentation consistent with SB 278 is provided, the landlord is prohibited from serving a Non-Payment of Rent notice for 60 days. If no rental assistance is received for 60 days covering the amounts due and owing for that period and the preceding 60-day period, the landlord may serve a Non-Payment Notice thereafter, and no further stays may be invoked by the tenant.

If the landlord has served a Non-Payment Notice—or have commenced the eviction proceedings—the tenant may still invoke the protections by providing the landlord documentation at any time, including at or before the first appearance. If this occurs, the landlord cannot continue with the eviction if it is filed, and the court must stay the eviction and schedule a new first appearance no earlier than 60 days later. If rental assistance is procured and the landlord receives the rent, the eviction must be dismissed. If rental assistance is not procured, the landlord may continue with the eviction process at the reset date.

The above protections properly place the burden on the tenant—not the landlord—to seek out, and provide verification of, rental assistance efforts. This is one correction that was desperately needed, as prior versions of COVID-related laws required no proof, documentation, or evidence of economic hardship, and were ripe for abuse. As an appropriate concession for these protections, Senate Bill 278 also corrected compensation issues which were built into HB 4401 and the Landlord Compensation Fund. It retroactively compensates landlords the 20% unpaid rent which landlords were forced to waive in conjunction with access to the Landlord Compensation Fund monies.

Far too often throughout the past year, the executive and legislative actions taken during COVID placed burdens on landlords for a situation not of their making. I spoke to many landlords over that time, and none took issue with assisting those who were actually affected by the COVID pandemic. While it is unfortunate that the legislature enacted this law due to their inability to get rental assistance out the door, SB 278's protections require the appropriate party to act to invoke the same. Further, it assists with making landlords whole, correcting HB 4401's rent waiver requirements.

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. A native of New Ulm, Minnesota, he continues to root for Minnesota sports teams in his free time. You can reach Mr. Kraus via email at kraus@warrenallen.com, or by phone at 503-255-8795.


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