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How to Deal With Gun Fired into Apartment Below

EDITOR'S NOTE: RHJ gets regular questions for landlords and attorneys; this one comes from a concerned tenant who says the upstairs tenant discharged a gun and the bullet came through the celling in the apartment below. Attorney Denny Dobbins provides his personal take as a landlord attorney (based on Arizona law; check with an attorney in your specific area), on the information provided by the tenant in a question-and-answer format.

By Denny Dobbins

Question from the tenant: The tenant above me discharged a firearm into the floor and the bullet came through my ceiling.

Answer from Dobbins: The way this is worded raises the question of whether the discharge is accidental or intentional.

See 'How' on Page 22



Rental Housing Journal, LLC 4500 S. Lakeshore Drive, Suite 300 Tempe, Arizona 85282

Seattle Rents Decline Slightly

RENTAL HOUSING JOURNAL

Seattle rents have declined 0.2 percent over the past month, but are up sharply by 15.4 percent in comparison to the same time last year, according to the latest report from Apartment List.

Median rents in Seattle are \$1,726 for a one-bedroom apartment and \$2,153 for a two-bedroom.

Seattle's year-over-year rent growth lags the state average of 16.6 percent, as well as the national average of 15.8 percent.

RENTS RISING ACROSS THE METRO

Of the largest 10 cities that Apartment List has data for in the Seattle metro, all have seen prices rise.

Here's a look at how rents compare across some of the largest cities in the metro.

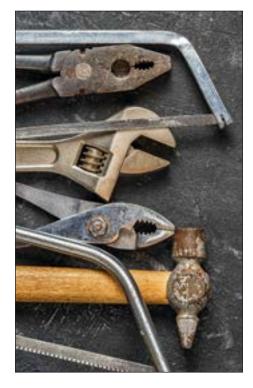
• Bellevue has the most expensive rents in the Seattle metro, with a two-bedroom median of \$2,534; the city has also seen rent growth of 19.4 percent over the past year, the fastest in the metro.



• Over the past month, Redmond has seen the biggest rent drop in the metro, with a decline of 0.7 percent. Median two-bedrooms there cost \$2,499, while one-bedrooms go for \$2,226.

Lakewood has the least expensive rents in the Seattle metro, with a two-bedroom median of \$1,600; rents grew 0.1 percent over the past month and 16.8 percent over the past year.

See 'Seattle' on Page 8



Is Your Tenant a Tool? (It's Not What You Think)

By Scot Aubrey

A few years ago my wife decided to surprise me by organizing our garage. I was reluctant at first because my garage has always been the one safe place for me to put my stuff; no questions asked. I knew once the organizing process started, there would be a lot of questions from her and a lot of push-back from me.

We started by emptying the contents of my tool bag, some of which were embarrassingly still in their original wrapper. After pulling out five or six screwdrivers, my wife asked, "Do we really need this many screwdrivers? After all, you only have two hands."

What I knew that she did not is that each

screwdriver (flathead, phillips, ratchet, magnetic) had unique characteristics that made it especially useful. This process continued as we worked our way through cutters, pliers, and other odds-and-ends, with a brief explanation of why I needed each, and its usefulness.

Reviewing rental applicants remind me a lot of this initial organizing experience. When we open up the pool of possible tenants for our properties, we are almost always looking at a mixed bag of individuals and personalities. Each is valuable, each has purpose, and each has merit for us to consider as we look to fill our property with

See 'Tenants' on Page 21



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Sponsored Content

What is a Delaware Statutory Trust Sponsor Company?

By ALEX MADDEN, VICE PRESIDENT, KAY PROPERTIES AND INVESTMENTS, LLC

Many 1031 exchange investors have never heard of a DST Sponsor, what they are, or what they do. It is important for investors considering DST properties to understand the role of a DST sponsor and what they do. After reading this article, a 1031 exchange investor should have a better understanding of what a DST sponsor company is and does, and why they play a critical role in the DST 1031 investment picture.

WHAT IS A DST SPONSOR?

As with other real estate investments, the term "sponsor" is used to identify the person or firm that basically "quarterbacks" the DST investment from start to finish, including structuring the investment to make it available for accredited investors including those in a 1031 exchange as well as cash investors. Whether it is an entire portfolio of net-leased retail buildings located across multiple geographic areas or a single multifamily building located in a single neighborhood, the role of the DST Sponsor is to find viable real estate deals in which accredited investors will be interested in investing for their DST 1031 exchange process.

THE ROLE OF A DST SPONSOR?

A DST Sponsor's role starts early on in a real estate investment. Many times, the DST Sponsor is actively involved with negotiations or plans months before investors or 1031 advisors even hear about a potential investment property. Typically, a DST Sponsor company will evaluate hundreds of properties across a vast swath of geographic territory for purchase, until they eventually make offers on a few of them. Sometimes the DST Sponsor finds these properties via on-market opportunities and other times off-market opportunities. Once a property is identified as a potential investment opportunity, they will then negotiate the purchase agreement and assemble the necessary equity capital and

debt financing needed to acquire the property. The DST Sponsor then negotiates the terms of the purchase and sale agreement, and prepares all the investor marketing materials. The DST Sponsor also oversees all pre-acquisition activities, including all due diligence (such as engaging specialists to provide third-party reports and reviewing existing financial information, among other things.).

As mentioned, DST Sponsor companies will often handle most of the financing aspects related to acquiring properties offered for a DST investment. This can include combining the combining the firm's own capital with some kind of bridge loan for the acquisition, and then arranging any long-term debt that will be included in the transaction. This long-term debt can be an extremely important element from an investor's perspective, as many DST investors need to replace debt as part of their DST 1031 exchange, and a property that has existing leverage can be helpful to these clients.

How We Evaluate Our Sponsors

Clearly DST Sponsors play an important role in a DST real estate investment, and therefore it is critical that the sponsor be highly qualified. Kay Properties & Investments works with 25-30 different DST Sponsors who, along with their property offerings, are always carefully vetted. A good DST Sponsor brings specific expertise to the project like intimate knowledge of the market or a deep understanding of the asset class - or both!

Not all sponsors are created equally. Some are much more qualified than others. So we ask the following questions for any prospective DST Sponsor.

- How much experience do you have with the local market and with that asset class?
- Have any of your prior real estate investment offerings failed to meet expectations?
- How good are you at evaluating risk?

What systems do you have in place to ensure proper management of the project?

In short, the DST Sponsor is an important element in a DST investment's success, so it's important to work with a DST Sponsor that's highly-qualified. When investing in DST investments, be sure to understand who you're working with, what they're responsible for and how they plan to execute on the project's business plan.

Kay Properties provides a complete platform for real estate investors including providing access to a marketplace of DSTs from more than 25 DST sponsor companies, custom DSTs only available to Kay Properties clients, A DST secondary market - for those wanting to sell their DST interests prior to the property selling, the largest selection of debt free DSTs in the industry and leveraged DSTs for a 1031 debt replacement. For more information, please call Kay Properties today at 1-855-899-4597 or visit www.kpi1031.com to register for one of our exclusive DST 1031 events.

ABOUT THE AUTHOR:

Alex Madden joined Kay Properties and Investments as a vice president and DST 1031 expert, helping clients navigate the nuances and rules surrounding this unique investment universe. Prior to joining Kay Properties, Alex was a specialist at KPMG's Management Consulting



Federal Advisory practice where he consulted for the Department of Housing and Urban Development (HUD) and Federal Housing Authority (FHA), specifically in the Multi-Family, and Single-Family space.

Alex is a former US Army Ranger with multiple deployments to where he attained a rank of Chief of Staff in an elite Special Operations Task Force. Alex graduated from Salve Regina University, in Newport Rhode Island, with a degree in European History.

About Kay Properties and www.kpi1031.com

Kay Properties & Investments 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.

There are material risks associated with investing in real estate, Delaware Statutory Trust (DST) properties and real estate securities including illiquidity, tenant

vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. All offerings discussed are Regulation D, Rule 506c offerings. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential distributions, potential returns and potential appreciation are not guaranteed. For an investor to qualify for any type of investment, there are both financial requirements and suitability requirements that must match specific objectives, goals, and risk tolerances. Securities offered through Growth Capital Services, member FINRA, SIPC Office of Supervisory Jurisdiction located at 2093 Philadelphia Pike Suite 4196 Claymont, DE 19703.



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The go-to periodical for property management professionals and multifamily investors doing business in Seattle and Washington

3 Best Practices for Communicating with Residents

By Dustin Lacey

In every relationship, effective communication is critical to a positive experience. This remains true when it comes to a property manager's relationship with their residents.

We provide exceptional places that feel like home where people can feel safe and secure to enjoy time with their loved ones at Mark-Taylor. Thoughtful communication with our residents has proven to make an incredible impact in creating that feeling of home

Here are three of our best practices for communicating with residents:

1. THE SIMPLER, THE BETTER

Strive to save residents' valuable time by making living simple. To respect their busy schedules, the simpler we can make communications for them, the better. Therefore, before we press "send" on a communication to our residents, we thoroughly consider our residents' perspective, keeping in mind that simplicity is always key.

It helps to put ourselves in a new resident's shoes. Without context, would a new resident understand what is being communicated? If it is an action-oriented communication, could a new resident read it and walk away knowing exactly what they need to do?

This exercise is guaranteed to generate enhancements, every time. After considering the new-resident perspective, we revisit the communication to ensure the information included has the simplicity and clarity it needs to answer any potential questions.

2. TRANSPARENCY CREATES TRUST

From our residents and guests to our team



members and business partners, we are committed to creating trusting relationships. An essential part of inspiring and building trust is through transparent communication over time.

That is why we approach resident communications with as much transparency as possible. That is why you should also consider approaching resident communications with as much transparency as possible. At times, there may be an occurrence, such as a building repair, that is inconvenient for your residents. It is far better to acknowledge the inconvenience

and communicate openly about why it is happening, rather than to brush over it. Not only does this show that you are proactively fixing the situation, it also shows that you respect our residents, building upon that trusting relationship.

3. People first, business second

Everything we do, we do with a peoplefirst mindset. It is who we are as a company and brand, and it is important to us to show that in every communication.

In resident communications, our peoplefirst approach is of utmost importance. People choose to live at our communities because of many factors: our modern luxury designs, high-quality standards, but most importantly, because we put them first. Our home-like atmosphere can only be created when we stay true to that approach in the way we communicate.

As an example, when navigating the change management of a community project, lead and focus communication on how it benefits the resident. Because our business decisions keep people first, it is a genuine and important reminder, especially in times of change.

Seemingly simple day-to-day exchanges of communications between property teams and residents may seem small but they add up to shape a resident's living experience. Approaching communication in an intentional way for every email, phone and in-person conversation combines to create the exceptional living experience that residents deserve.

Dustin Lacey is the vice president of brand and marketing for Mark-Taylor Companies. He provides strategic di-



rection for Mark-Taylor's marketing, communications and technology, which reaches more than 20,000 units of residents across Arizona and Nevada. Lacey utilizes his exper-

tise to embrace innovation and take a data-driven approach to advancing the Mark-Taylor brand while overseeing a talented team.





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Tenant-Screening Companies Warned By CFPB About Name-Only Matching

RENTAL HOUSING JOURNAL

The Consumer Financial Protection Bureau (CFPB) is warning tenant-screening companies and employment-screening companies that they are violating the law if they engage in shoddy name-matching procedures, saying that regulators will crack down.

In an advisory, the CFPB says regulators are concerned about the significant harms caused by false identity matching, where an applicant is disqualified from rental housing or a job based on having the same name as another individual who has negative information in their credit history. Specifically, the CFPB affirmed that the practice of matching consumer records solely through the matching of names is illegal under the Fair Credit Reporting Act (FCRA).

"This advisory opinion focuses on one method of matching being used in the industry, known as 'name-only matching.' This method is especially likely to lead to inaccuracies in consumer reports. Name-only matching occurs when a consumer-reporting agency uses only first and last name to determine whether a particular item of information relates to a particular individual, without using other personally identifying information such as address, date of birth, or Social Security number," the CFPB statement said.

FALSE IDENTITY-MATCHING HURTS LANDLORDS AND TENANTS

"These sloppy practices hurt all of us," CFPB Director Rohit Chopra said in a statement. "They hurt prospective renters in search of affordable housing. Even when they are able to locate a safe and affordable unit, many prospective renters are unlawfully blocked from an opportunity to live in the home of their choice due to careless data practices by tenant screeners.

"These inaccuracies also hurt the small landlords who rely on tenant-screening companies to help them make smart decisions about their business, and who themselves often confront an opaque and uncompetitive market in information about tenants."



Also, disclaimers from the companies are not good enough, according to the CFPB.

Chopra added, "I would warn consumer-reporting companies against trying to evade their responsibilities under the Fair Credit Reporting Act simply by issuing a disclaimer that their report might not be matched to the right person."

He said false identity-matching "is especially harmful for communities of color who are disproportionately impacted by these sloppy practices. The risk of mismatching from name-only matching is likely to be greater among Hispanic, Black, and Asian individuals because there is less surname diversity in those populations than among the non-Hispanic white population."

ADDITIONAL STEPS TO BE TAKEN

Following the issuance of the opinion, the CFPB intends to take a number of additional steps:

• First, closer collaboration with the Federal Trade Commission (FTC). In the background-screening

context, the FTC may be able to prosecute unfair or deceptive conduct not covered by the Consumer Financial Protection Act.

- Second, when prosecuting violations under the Fair Credit Reporting Act, in addition to civil penalties, the CFPB will seek to redress the full range of harms to victims. The law authorizes the CFPB to seek restitution and damages for violations of the FCRA.
- Third, the bureau will make referrals to the Department of Justice's Civil Rights Division when the conduct might implicate violations of antidiscrimination laws.
- Finally, the CFPB will be supporting the FTC in its work to monitor business models that rely on harvesting and monetizing personal data. Big Tech giants and less well-known data brokers may be trafficking data and consumer reports that trigger obligations under the FCRA, including restrictions on permissible purposes. The CFPB will be using its tools to ensure that individuals are protected in accordance with the law.

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Stringent Rent Control Passes in Minnesota

RENTAL HOUSING JOURNAL

A stringent 3 percent rent control measure has passed in St. Paul, Minn., and Minneapolis voters also approved rent control in concept, according to reports.

Voters approved St. Paul's measure that will cap rent hikes at 3 percent in a 12-month period regardless of a change in occupancy, and Minneapolis voters approved a measure to allow city leaders to begin crafting a rent-control policy, according to the *Minneapolis Star-Tribune*.

Supporters said the initiatives — which would enact rent control in St. Paul in 2022 and allow Minneapolis to enact a yet-to-be-developed policy in the future — would create stability for tenants in a tight housing market where most residents are renters.



NMHC: RENT CONTROL WELL-MEANING BUT INEFFECTIVE

The National Multifamily Housing Council (NMHC) released a statement saying, ""Although well-meaning, rentcontrol measures do nothing to provide real relief for those they intend to help. The passage of rent-control measures in Minneapolis and St. Paul are a true setback for those committed to finding effective solutions to address the cost of housing.

"Rather than improving the availability of affordable housing, rent-control laws exacerbate shortages, cause existing buildings to deteriorate and disproportionately benefit higher-income households. These measures could result in even further instability for Minnesota's renters and the rental-housing market at large," the NMHC said in the release.

St. Paul's stringent rent control

St. Paul's policy would not make

exemptions for new construction or inflation.

Critics said that without those exemptions, the policy could be one of the strictest in the world

Some St. Paul voters said rent control was the biggest issue on this year's ballot, which also included mayoral and school board races, according to reports.

The vote comes in response to a nationleading housing shortage in the Twin Cities, which has led to skyrocketing home prices and steep rent hikes.

Voters in Minneapolis were asked a similar question about rent stabilization, although that proposal does not cap rent increases at a certain percentage like the St. Paul policy does, and leaves open options yet to be approved.

Rent Growth Slowing Down

By John R. Triplett

National rent growth continued to slow down in October as the national index increased by 0.8 percent from September to October, the lowest month-over-month growth rate since February, according to the November Apartment List report.

While October still showed a slight rent growth increase, "Twenty-two of the nation's 100 largest cities saw rents fall this month, ending a six-month stretch in which virtually all of these cities were experiencing uninterrupted rent growth," the report said.

"Although the pace of rent growth has slowed down significantly from its July peak, growth is still outpacing pre-pandemic trends, with rents continuing to rise during a time of year when seasonality normally causes prices to dip.

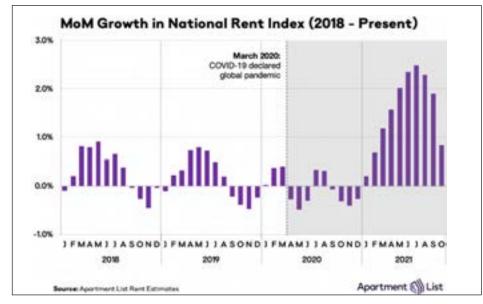
"Since January of this year, the national

median rent has increased by a staggering 16.4 percent. To put that in context, rent growth from January to October averaged just 3.2 percent in the pre-pandemic years from 2017-2019," the report says.

Apartment List says much of the year's rent-price increases have been tied to the tight rental market, with more people competing for fewer rentals. Now the vacancy rate, after hitting bottom at 3.8 percent in August, has trended up the last two months to 4.1 percent.

"Although this is a fairly modest increase, it represents an important inflection point, signaling that tightness in the rental market is finally beginning to ease. If our vacancy rate continues to increase in the coming months, it's likely that rent growth will also continue to cool," Apartment List said in the report by Chris Salviati, Igor Popov, Rob Warnock, and Lilla Szini.

"While the market remains extremely



tight, we're now seeing the first signals of that pressure beginning to ease. That said, it's important to bear in mind that 35 of the nation's 100 largest cities have seen rents jump by more than 20 percent since the start

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of the pandemic. Even if rent growth is finally cooling, this year's rent boom has already added significant housing affordability pressure for America's renters."

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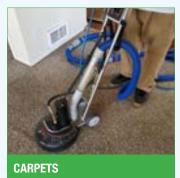
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Seattle Rents Decline Slightly Over Past Month

Continued from Page 1

NATIONAL RENT GROWTH CONTINUES TO SLOW AFTER RECORD YEAR

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



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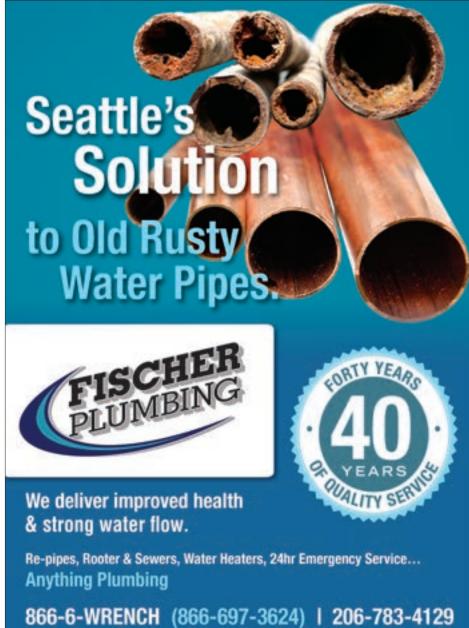
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10:15 AM Legislative Updates	Legislative Uş	odates		Rental Market Update	Getting to Know Gen 2: The Next Generation of Renters	1031 Exchange Strategies for Biden's Proposed Tax Law Changes	Modernization of the Leasing Process - What Renters Expect Post-Covid	Maintenance & Remodel Projects with a Good ROI	
10:45 AM					Trade Show + Networking				
11:30 AM (3 CEU's, must attend all 3 sessions)	Landlord La (3 CEU's, must a session	w #1 thend all 3 s)	Legal Updates & Changes Over the Past Year: Covid Proclamations, New Statutes, CDC Bans and HUD	Seattle-Specific Legislative Updates	How to Run Your PM Business So it Doesn't Run You!	Apartment User Trends	Customer Service Technology Trends	Winter is Here!	
12:00 PM					Trade Show + Networking				
12:30 PM				5	Lunch & Keynote: The Future of Leasing				1 7/
1:15 PM Landord Law #2	Landon		Collecting Past Tenant Damages	What is Affecting the Real Estate Market?	Building an Inclusive Community	Future of Leasing	Automated Lead Nurturing: What is it, & Why is it Today's Must-Have Marketing Tool?	Role of the Playground on Your Property	
145 PM					Trade Show + Networking				
2:30 PM Landord Law #3	Landord	Law #3	Property Managers: 20 Tips to Avoid Legal Problems with Residents	Redevelopment, Light Rail Stations	How to Write a Job Post	Washington's Landlord Mitigation Relief Programs	Best Practices in Resident Experience Design	Flooring Options: The Pros, Cons and Cost Options	
3:00 PM					Trade Show + Networking				
Eviction Resolution Pilot Program	Eviction Resy Progr	Jution Pilot am	HB1236 - Ending Tenacy	Top 10 Trends in Multifamily Housing Amenities	Top 10 Trends in Multifamily How to Hire and Train a Winning Housing Amenibies Team	How Business is Changing	Leveragaing Social Media Channels	Master Your Property Inspections	
4:00 PM				O. Generational Cod	Closing Keynote Session & Giveaways Generational Codes: What Makes Them Tick & What Ticks Them Off	ys nt Ticks Them Off			





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What to Look for in Property Management Software

CONTRIBUTED BY SIMPLIFYEM

Are you still chasing down tenants every month or falling behind on the books?

There's plenty to do when it comes to managing properties, and it can be stressful. The best way to get organized and stay on top of the day-to-today tasks is to keep everything in one centralized place. The solution is property management software. It can keep track of tenant, owner, and vendor information; communication; and balances. It can also eliminate manual methods and the need for multiple online tools, as well as increase productivity. Most importantly, it can save time and money. Below are key features to look for.

1. Accounting

Popular features include tracking income and expenses, online payments for tenants/owners/vendors, bank recon-

ciliation and tax reports. Income is automatically recorded when tenants pay online, and receipts and invoices can be uploaded with expenses. Tax season can get busy, but it's easier with 1099s and Schedule Es that are already completed in the software. Reporting is another important feature. Some reports include rent roll, tenant late-rent report, owner statements, and income and expenses. With a lot of reporting options, you'll always know how the properties are doing, and property management software helps eliminate human error and keeps you on top of your books.

2. LEASING

Leasing includes rental listings, online applications and leases, and tenant screening. Property management software can post to multiple rental sites in minutes with one click. Gone are the days of posting to rental sites one by one or using multiple online tools. Online applications and leases can be e-signed and the application fee and security deposit can be collected online, too. No more paper forms or paper checks. Integrated tenant screening can provide background checks, credit checks, social security validation, and eviction search reports. These reports can be pulled



within minutes, allowing property managers to choose the right tenant quickly. With property management software, your business would be more streamlined and have vacancies filled faster.

3. COMMUNICATION

Portals help build strong relationships with tenants, owners, and vendors. Portals give everyone full transparency for online payments, important notices, and work orders. Tenants can submit maintenance requests and upload photos. Vendors get notified for every new work order assigned to them, and all communication is electronically saved for future reference. Sending notices is also faster because it can be done in bulk to all tenants, owners, and vendors via email and text message.

One popular property management software that has all of these features plus more is SimplifyEm. They have been

helping property managers and real estate investors for over 15 years and have over 150,000+ happy customers. SimplifyEm is an all-in-one, easy-to-use software. With simple and intuitive design, customers have a seamless experience. The automation and sophisticated reporting save you countless hours, giving you your time back. As an online-based software, you can access SimplifyEm anywhere at any time. With free onboarding and free live phone and email support, SimplifyEm Property Management Software will help take your business to the next level.

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6 Steps to Comply with Seattle's First-in-Time Law

First-in-time requires that landlords provide notice of their screening criteria and offer tenancy to the first qualified applicant who completes an application.

□ Step 1: Gather information.

You must provide notice in writing to applicants before you collect applications or materials.

▶ ☐ Step 2: Create a notice that includes:

- Minimum criteria needed to qualify
- All required documents or information
- How to request additional time for language access or reasonable accommodation for a disability
- Whether the property has set aside units to serve vulnerable populations
- · Information about Seattle's Fair Chance Housing Law

► □ Step 3: Post the ad and notice.

- Record the date and time each application is received.
- An application is complete when all the information asked for in the notice is provided.
- For people with disabilities or language access needs, the date and time for a completed application is the date of the request for additional time.

□ Step 4: Screen applications.

- Applications must be reviewed one at a time, in chronological order.
- · Reviewing more than one application at once is a violation of the law.
- If you need additional information, you must give at least 72 hours for the applicant to provide the information.
- Follow Seattle's Fair Chance Housing Law requirements.

► Step 5: Offer tenancy to the first applicant that meets the screening criteria.

► ☐ Step 6: Applicant accepts offer within 48 hours.

 If the applicant does not accept within that time, you can screen the next application in chronological order.



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What Do Tenants Prefer in Single-Family Build-to-Rent?

RENTAL HOUSING JOURNAL

Tenant preferences in the single-family build-for-rent space are now backed up by some solid research from John Burns Real Estate Consulting.

"We now have concrete data to back some of the multi-million dollar decisions that single-family rental developers make," Burns says.

"Our New Home Trends Institute group (join here if you haven't yet) surveyed nearly 1,200 single-family renters with rent budgets of \$1,000+ to figure out what matters most in a single-family rental home. We paired the results with our homeowner survey findings and DesignLens™ database" to come up with our conclusions about tenant preferences, which fall into four major categories:

- Pet decisions
- Room-by-room finish and materials decisions
- Home office decisions
- Amenity decisions

The Burns report says that being petfriendly is key. "Pet friendliness is the third-highest ranking reason that singlefamily renters choose to rent a home over an apartment, falling below a private yard (also important for pets) and having no one living above or below. Thoughtful niches dedicated to pets (like the one below) are very appreciated by pet owners without alienating those who don't have pets, since they can use the space for storage."

Don't spend on pet services

Don't bother offering services like dog

walking for an additional fee. Only 15 percent of renters would even consider opting in. Single-family renters would much prefer paying extra for lawn or interiormaintenance services.

SPEND EXTRA FOR A FABULOUS KITCHEN

Higher quality finishes mean more to tenants, and a great kitchen can make a huge difference for renters choosing a property.

"Premium kitchen finishes and energyefficient appliances are huge draws for single-family renters, with 42 percent considering them a top influence for choosing a home above others. Don't forget about ease of cleaning, which is a top pain point among owners and renters alike."

SPEND LESS ON PREMIUM FLOORING, HEALTHY HOME CERTIFICATIONS, SMART TECH

This falls into the "nice to have but not needed to get quality renters" category with which landlords are very familiar. These features ranked at the bottom of the list of draws for single-family renters in the Burns research and they do not sway rental decisions. "That said, we also advise developers to spend extra money on materials that will reduce damage and reduce the work needed to get the home ready for a new tenant."

DEVOTE MORE LAND TO RELAXATION AMENITIES - NOT SOCIAL ACTIVITIES

Preferences for nature, security, and leisure amenities highlight the fact that



single-family renters want a community in which they can relax. That will influence renters' decisions on choosing a community. Social events (e.g., concerts or movie nights), community gatherings (e.g., farmers' markets), and event spaces (e.g., party rooms) were the three lowest-ranking amenity options among single-family renters.

THE HOME-OFFICE REQUIREMENT

"Our recent work-from-home survey finds that 51 percent of full-time employed households plan to work from home next year (38 percent hybrid, 13 percent exclusively from home)," the report says.

The desire for a home office varies by life stage.

Singles or couples can use an extra bedroom for an office, so a dedicated space

for them is not an absolute requirement. However a full office or den matters more for single-family renters with children.

SUMMARY

"Our consulting experts will tell you that each location and development density have nuances to these conclusions, and our DesignLensTM team can share great design ideas for each density configuration and target life stage you are considering.

"If you are interested in learning more from our consultants, our DesignLensTM Director, or our monthly consumer surveys and prestigious design councils, please fill out this form or email Mikaela and one of our team members will get back to you soon," John Burns Real Estate Consulting says in the report.

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APTConnect: Learn. Connect. Grow.

Washington Multi-Family Housing Association (WMFHA) recently held its second annual education conference, aptly titled APTConnect, in a virtual format with more than 550 registrants.

APTConnect is the online version of the hugely popular EdCon education conference and supplier trade show exhibition that will return to an in-person format in April 2022.

As a membership organization whose mission and purpose are to provide educational opportunities to promote career development for the housing industry, APTConnect met and exceeded its goal. The industry has had to innovate the past few years; keeping up with new ideas and best practices is crucial.

This year's tagline was: LEARN. CONNECT. GROW. APTConnect included 15 educational sessions with dynamic industry subject-matter experts and national speakers discussing topics such as leadership, leasing, technology, customer service, and diversity and inclusion, along with maintenance-related classes.

LEARN.

Several sessions focused on topics relevant for maintenance-service personnel.

In "Maintenance by the Numbers," Erin Heathers and Alex Watts illustrated how an experienced maintenance team and efficient processes can positively affect the property's bottom line, invoking some words of wisdom from Ted Lasso.

Having great relationships with industrysupplier partners can benefit properties financially and help to serve residents' needs. "People are your greatest asset," Erin and Alex reminded attendees. They promoted a members-using-members philosophy of utilizing a robust WMFHA supplier network.

Mark Cukro is a national speaker and one of the most trusted resources in the field of maintenance-service team-development and training.

Mark spoke to the industry's front-line heroes, who have worked tirelessly during the COVID-19 pandemic to keep residents and team members safe while serving the needs of renters and property owners.

teamwork create clear expectations leading to success, he said. Mark stressed superb service and an interactive culture with a positive, can-do attitude.

Other valuable classes addressed the importance of online reputation management on property performance, building relationships for a better resident experience, the benefits of having empathy and compassion in what we do, and building

Yolanda Armijo and Jason Loughridge gave an entertaining presentation on organized chaos, managing time, priorities, and stress. Attendees could relate to the fact that our work lives have become more complicated and challenging, but by managing that chaos in a positive way, we can set an example for others and turn busy into productive.

CONNECT.

One day of the multi-day virtual education conference was devoted to leadership and connectivity. We heard from emerging leaders how the next generation of propertymanagement professionals will bring new ideas and much-needed diverse thoughts.

Libby Hollan and Lorri Oliver led a discussion on diversity, equity, and inclusive efforts in hiring and training new associates. As our industry and residents become more diverse, embracing that diversity will enrich our ability to serve all residents of our communities.

Libby and Lorri defined diversity as the collective mixture of differences and similarities that includes, for example, individual and organization characteristics, values, beliefs, experiences, background, preferences, and behaviors.

An executive-leadership panel gave inspiration to attendees to pursue their passions, build their professional networks, and connect with peers and mentors. Each of us has had relationships with people who have helped us in our career path, and giving back to others so they can grow their careers is rewarding, panelists shared.

GROW.

There has never been a better time to start a career in residential property management (RPM). Demand for rental housing is growing rapidly, and so is the need for talented, creative, and passionate people to build strong communities.

Property management is a rewarding service- and people-oriented career. Bringing in new talent is more important than ever, and training that talent is imperative.

RPM is a meaningful, dynamic, and highly professional field, dedicated to helping people choose and enjoy the housing lifestyle that's right for them. A team atmosphere allows you to build strong relationships with coworkers while developing your leadership

No matter the career path, interpersonal relationships are essential in the apartment industry. Your ability to network with different people daily can open you up to opportunities you never knew existed.

That is why participation in your local housing association is a critical part of your long-term career strategy and helps give back to the industry that serves you and your companies.

WMFHA provides career-development opportunities through national credential courses: Certified Apartment Manager (CAM), Certified Apartment Portfolio Supervisor (CAPS), Certificate for Technicians Apartment Maintenance

(CAMT), and Certified Apartment Leasing Professional (CALP). Each offer robust training with plenty of peer-to-peer networking opportunities.

By investing in your employees' training and success, your company can increase property performance and improve your bottom line. Building connections and increasing knowledge has never been more important.

Look to your housing association to provide opportunities to enrich your personal development. Now is the right time for you to invest in you.

WMFHA supports the rental housing industry by providing quality educational opportunities, coordinating networking events for personal growth, and advocating for legislation equitable to our industry and the broader community. To learn more about membership in this passionate organization, call us at 425-656-9077 or visit our website at www. wmfha.org. Follow us on Facebook and our other social channels for up-to-date information on association activities.







How to Combat Alarming Uptick in Fraud Within the Multifamily Rental Industry

By Paul Willis

It's become one of the most striking—and most unwelcome—trends in multifamily rentals.

Over the past couple of years, and especially since the start of the pandemic, apartment operators say fake pay stubs, "synthetic" IDs and other falsified documents have become all too common in the leasing process. While fraud has always existed in the apartment world, industry professionals agree that it has never before elevated to its current levels.

"It's insane," said Nikki Chambers, director of systems and training for Hanover Company. "I'll have five fraudulent applications at one property in just one week. It's crazy just how much more fraud there is in the market. It used to be isolated to particular submarkets and now, just like how crime has no ZIP code, it's the same thing with fraud. It's not isolated to any area, submarket, region or even a product type."

A recent Entrata survey found that 55 percent of respondents have been experiencing fraudulent attempts every few months with 15 percent experiencing multiple fraudulent attempts every month. The pandemic has exacerbated the fraud trend, as Entrata data shows that identity-theft reports are up over 2,000 percent since the onset of the pandemic. Perhaps more telling is that 5 percent of applicants among the company's clients could not be approved due to a lack of verifiable identification, which indicates that one of every 20 potential lessees is aiming to circumvent the system.

"With the average fraud loss at about \$3,500 per case, it can be extremely costly, particularly with multiple instances," said Kelly Canepa, senior vice president of product for Entrata. "That's why operators are seeking advanced-screening measures that diagnose potential fraud early in the process and ensure that preventative best practices are in place."

While fraud prevention used to be a background priority in the industry, it has risen to the forefront as a primary concern. Industry experts recently discussed the rising fraud problem, including innovative tactics by deceitful applicants and ways to combat the escalating trend.

Types of fraud

Fake pay stubs, designed to inflate one's actual earnings, are so prominent that websites are dedicated to them. But that fraud tactic seems a bit old-school compared to some of the new-age types being introduced. Identity theft is becoming more sophisticated, as individuals are using the identities of children, missing persons and deceased individuals—a tactic known as synthetic ID fraud.

This occurs when parts of real identities—such as Social Security numbers, address and driver's license information—are combined with false information. This means a background check can still pass on some occasions.

"There has been an enormous uptick in all types of

"We have to make sure our teams have the tools—systems, technologies and procedures—that enable them to weed out the fraudulent applicants and create the best possible experience for the qualified applicants."—
Nikki Chambers, director of systems and training for Hanover Company

applicant fraud," said Shawaun Alexander, vice president of operations software and systems for Bozzuto. "It's actually become one of our primary focus areas, particularly since the effects of the pandemic still loom over occupancy and retention rates."

Fraudsters are becoming more sophisticated. They often use these forms of fake information and false identities to get into an apartment community, then skip out after a few months when it's apparent that they cannot pay. Oftentimes they escape with no repercussions, because their identity was false to begin with. And the tactics they deploy continue to evolve. They'll even use outlets that sell identities on the black market.

"False pay stubs used to be all that we'd see," Chambers said. "Now they are the least of our worries. We're more worried about the actual identity of someone else being stolen."

How to combat the trend

An increasingly digital world invites more fraud, whether through ID theft, innovative phishing scams or other cyber-related activity. Operators tend to agree that fraud has become too complicated and complex to combat on their own. They need help in the form of technology, including intuitive tools to authenticate identity, verify bank account information and substantiate the overall suitability of a potential renter.

"When these solutions are in place, they enable apartment communities to make accurate risk assessments of all their lease applicants," said Chris Ryan, Experian's fraud and identity go-to-market lead for North America.

Alexander noted that in addition to utilizing its standard screening provider, Bozzuto utilizes a combination of ID verification and document verification software. But even with all the screening tools in place, she says the manual review process should not be abandoned. For instance, a Bozzuto internal team recently short-circuited approximately 200 potential fraudulent applicants at one community.

"The big goal is to find a full-house solution that doesn't disrupt the application process or create hurdles for valid

renters or your site teams," Alexander said. "One that hits the key checkpoints of screening, ID and document verification. Many tech platforms hit one of those but aren't built into the process, so fraudulent applicants can often bypass some of the checkpoints."

Bozzuto's primary objective after uncovering a fraudulent applicant, Alexander said, is to ensure the information surrounding fraudulent applicants is transparent across the portfolio.

Hanover Company also uses a variety of tools, including a product to scan driver's licenses and several third-party verification services. Chambers noted that an ID verification platform utilized by Hanover has been the most successful in flagging potentially fraudulent items at various checkpoints in the process.

"Don't think that just because you're in a submarket that historically has not had a problem—or because you have a superior product type or a stellar onsite team with tried-and-true industry professionals—that something cannot sneak past you," Chambers said. "Technology might not be the only answer, but it's certainly part of the equation. At this point in the industry life cycle, you have to have some sort of technology checkpoint."

INDUSTRY RECOMMENDATIONS

While fraud prevention is key, industry experts agree that any prevention methods should not intrude on the experience of good renters. On the flipside of fraud prevention, Bozzuto uses a credit-reporting agency for positive rent recording. Reputable residents making payments each month receive the benefit of possibly increasing their credit score and strengthening their rental-history profile.

"We have to make sure our teams have the tools—systems, technologies and procedures—that enable them to weed out the fraudulent applicants and create the best possible experience for the qualified applicants," Alexander said.

Operators agree that augmenting tech with manual practices is a solid tactic, because instances exist when tech won't catch everything. Chambers said to remain diligent and not fall into the trap of thinking that you have "an amazing manager and she'll catch everything."

"Criminals are getting smarter by the day," Chambers said. "If people used their insight into criminal activity for good instead of evil, the world would truly be a better place."

In a hypercompetitive industry, it's not natural to share information. But many believe exceptions can be made when it comes to preventing fraud.

"I think it's important as leaders that we work together to really dig into how prominently our industry is being affected by fraud and how drastically it has increased over the last few years," Alexander said.

Paul Willis is a content manager for LinnellTaylor Marketing.

Managing Common Situations You May Encounter With Emotional Support Animals

By The Fair Housing Institute

Emotional support animals can come in all shapes and sizes, making it difficult to know how to properly handle accommodation requests and avoid possible fair-housing complaints. This article will discuss the proper verification process for emotional support animals based on the Fair Housing Act and how to manage some common situations that may arise.

EMOTIONAL SUPPORT ANIMALS -Proper Verification

How do you handle an applicant who states they have an emotional support animal and presents you with an ESA letter? This can be tricky, as many of these letters can be obtained from the Internet without much of a professional relationship between the resident and the verifier.

To help with these situations, you should have a verification process in place based on the Fair Housing Act that includes the following:

QUESTIONS TO ASK THE RESIDENT:

- Did you contact the verifier for the sole purpose of obtaining an ESA letter?
- Have you had more than one or two brief contacts with the verifier for the purpose of providing a verification?
- Does the verifier have personal knowledge of your disability and need for an animal?
- Has the verifier provided you with medical or mental health services?

QUESTIONS TO ASK THE VERIFIER:

- Did the resident contact you for the purpose of obtaining a verification?
- Other than providing a verification for an assistance animal, do you have an ongoing professional relationship with the resident by providing medical or mental health services beyond providing a verification?
- Do you have adequate personal knowledge of the resident to be able to make a diagnosis of a disability?



Please note: We are not requesting that you provide the diagnosis.

As you can see, the above questions will establish whether or not the resident has an ongoing relationship with the verifier and meets the criteria of having a disability that requires the aid of the animal.

Breed and Size Restrictions

Can you restrict an ESA (emotional support animal) based on breed or size? The short answer is no. If the need for the animal has been verified, the Fair Housing Act states that accommodations must be made. Your job is to now welcome Muffy the 100-pound Rottweiler, or Wilbur the pot-bellied pig, to the family.

UNDISCLOSED OR MULTIPLE **EMOTIONAL SUPPORT ANIMALS**

You just received a notification from a maintenance staff member that a resident has multiple animals. Further investigation shows that the pets were not disclosed on



their rental application. The resident states that they are all emotional support animals.

What now?

Whether it's one or multiple animals, you need to follow the same verification procedures. The only difference here is that each animal would have to provide a different service. If each animal can be verified, then accommodations need to be made.

In conclusion, we can see that the Fair Housing Act protects the need for emotional support animals under certain circumstances. A verification process along with fair housing training will ensure everyone's needs and rights are met.

In 2005, The Fair Housing Institute was founded as a company with one goal: to provide educational and entertaining fair housing compliance training at an affordable price, all at the click of a button.



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Tenants — Like Tools — Take Many Forms

Continued from Page 1

a potential, qualified "business" partner. Let's take a look at some of the types of people you might encounter as you get ready to rent our property.

THE HAMMER

Often you can hear the hammer applicant coming from a mile away. A hammer tenant isn't necessarily bad and when managed the right way, can be the perfect tenant to get things done. As a hard but effective personality, the hammer tenant can either beat up or fix up your property. As a property owner your management style will directly affect which way the hammer hits. Hit too hard and the hammer will hit even harder back; but sometimes direct conversation can be your best bet. Instead, handle the hammer properly, focus their energy, and provide clear directions and expectations. Use your expertise to anticipate where this type of personality will have issues with you, your property, or the lease. Use their strong personality type to build a great relationship and you'll be amazed at how often they "hit the nail on the head" and become a great tenant.

THE SAW

You may recognize the saw applicant by their ability to cut to the heart of the matter. This applicant has no time or energy to waste becoming friends with you, they just want to get down to business and get the job done. How does that work with your management style? If you like to become best friend with your tenants, the saw type may challenge you... or they may become your best tenant yet. After all, when looking for a business partner, who better to have than someone who is all business. When working with this type of applicant, it is important to remember to not take things personally, rather understand that business is business. The saw type values paying rent on time, respecting the property, and keeping your relationship transactional. These are all great things when protecting your investment is critical to you.

THE WRENCH

Having a wrench type applicant means one of two things; either they will literally throw a wrench into all your plans, or they will tighten things up and make them stronger than ever before. There are a few things you can do to help facilitate



this personality type into becoming a great fixer for your investment. First, realize they will always be questioning how things are done. Why does your lease include this, why can't we do that on the property, etc. Being prepared with well thought out answers in advance puts you in a position to react professionally. Second, consider their questions, ideas, and suggestions, not just out of courtesy, but out of curiosity. Why are they asking these questions? Have they had past experiences as a tenant that can make me a better owner? Lastly, assume the best when dealing with the wrench type. Interpret their interest as a positive thing and see them as a beneficial partner rather than a nuisance.

THE MULTI-TOOL

Sometimes you get those applicants that are a mishmash of all the possible personality types. Reluctant to be typecast as any one thing, they truly represent the multi-tool with many facets, functions, and features. Although they may be difficult to categorize, and even more difficult to manage, I actually love working with this type of applicant. Think of the countless ways you can connect with someone like this. Every good baseball team needs a utility player who can cover many positions, and that is exactly what the multi-tool applicant brings to your rental business relationship. Need someone to challenge you? Someone to quickly get down to business? Someone to make you think more deeply about your business? Check, check and check! The multi-tool tenant has the potential to challenge you and help develop you into the best owner You Can Be.

THE WRECKING BALL

Although I doubt any of us have a wrecking ball in our garage, this type of applicant is the one to avoid. They are wired to destroy anything in their path. Often playing the toxic victim, they will bad mouth past landlords, challenge you on every front, hesitate or refuse to provide you information and give you every reason not to trust them.

With all this talk of tools, it's equally important that you also implement the other critical landlord-specific tools of background screening, consistent criteria, and online rental collections into your daily business practices. Regardless of the "tool type" your tenant turns out to be, if you examine your business and make a goal to get organized, you will be ready for anyone that walks through the door. By viewing each applicant as a tool with the potential to make you a better landlord and investor, you can see them positively for the good they bring to your life, and not just as another tool you can shelve, use, or throw away.

Scot Aubrey is Vice-President of Rent Perfect, a private investigator, and fellow landlord who manages short-term rentals. Subscribe to the 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.



Ask an Attorney

Can Rental-Property Owner Sue Tenant Over Oil Stains?

By Bradley S. Kraus

Hello Brad,

Through a property-management company, our two-year tenant stained the garage and driveway with oil leaks from their car. The home is 2 years old, new construction. A power-wash company can't get the large stains removed.

We charged the tenant for cleaning; can we charge additional for the permanent damage? Thank you. – Bruce

Hello Bruce,

Thank you for reaching out. Much like the internal area of the premises, your tenants can cause damage to the exterior of the premises as well.

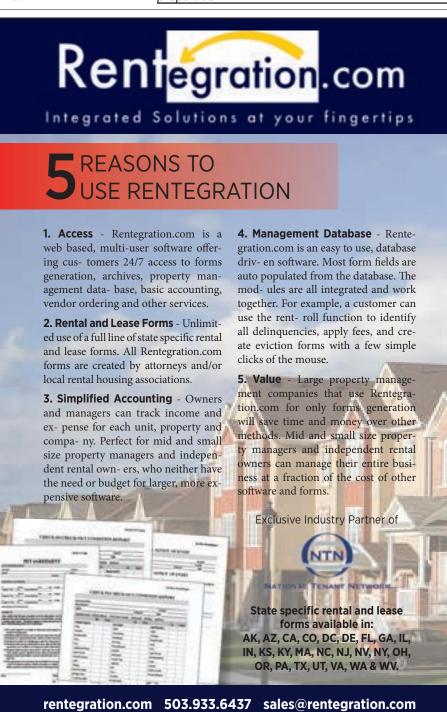
The key is whether such a charge is beyond "normal wear and tear," an amorphous standard which depends on the facts.

Assuming your facts meet that standard, then yes, you could technically pursue your tenants for the damages.

The question becomes what amount you could pursue.

Again, this would depend on a number of factors that can't be properly covered in this answer. However, if the stains cannot be removed, or if the amount of money it requires to do so is high enough, it may make sense to pursue your damages civilly.

Bradley S. Kraus is an attorney at Warren Allen LLP. His primary practice area is landlord/tenant law, but he also assists clients with various litigation matters, probate matters, real estate disputes, and family law matters. You can reach him at kraus@warrenallen. com or at 503-255-8795.



How Should Landlord Deal With Gun Fired into Apartment Below?

Continued from Page 1

My experience shows that the landlord's duty to deal with such a matter does not matter if the shooting was accidental or intentional. However, if intentional you will see a landlord move swiftly to remove the tenant.

Q. I had the police come out and file a report. The officer confirmed that it was a discharged firearm and filed it in the report. The tenants would not answer the door when the officer went up there to address them. However, I gave the officer the tag and car information of the tenants. I subsequently filed a complaint with the leasing office for an immediate termination of the tenants' lease along with the pictures of the bullet hole, police report and picture of their car and tag.

A. Once the complaint has been delivered to the landlord, the landlord has a duty to investigate and to act accordingly. Regardless of the investigation, the nonshooting tenant has a right to be fearful when a bullet comes through the ceiling. Further, the non-shooting tenant has an absolute right to peaceful and quiet enjoyment of the property. The non-shooting tenant's peaceand-quiet enjoyment has been obviously shattered and will continue to be shattered as long as the shooting-tenant remains upstairs. I would advise the landlord to evict the shooting-tenant or let the shooting-tenant out of his/her lease in some fashion - but to get rid of the shooting tenant immediately. It is better to lose a little rent, make the downstairs tenant happy, and avoid later

liability or lawsuit. Leaving the shootingtenant in the property puts too much liability on the landlord. And the landlord either knows about this liability, or should know. The landlord's attorney should be advising the landlord to remove this shooting tenant. There is ample case law on this issue. In the future, if ANYTHING causing damage by this same shooting-tenant happens to anyone else on the property the landlord is looking at almost a strict liability situation for negligence in letting that shooting-tenant stay on the property. It would be an ugly situation for the landlord. No reasonable landlord wants this situation, and any knowledgeable attorney would so advise their landlord. Any good landlord, in my opinion, will find a way to get rid of the shooting-tenant. I do not know any judge that would allow that tenant to stay even if the discharge was accidental.

Q. Can the leasing office withhold information about what they are doing to address this situation?

A. Yes, at least until the non-shooting tenant files a complaint in court over the matter due to a landlord's refusal to remove the shooting-tenant. However, a good landlord would do everything they could to keep the non-shooting tenant informed of what is going on, and that landlord should move as quickly as possible to remedy the situation. Constant communication with the non-shooting tenant is key to assuring the non-shooting tenant that the landlord is taking the matter seriously and that they care about the non-shooting tenant. The non-shooting tenant knows the incident itself is

not the landlord's fault. But what happens now is in the landlord's hands, and everyone in the community is watching.

Q. What are my rights as the victim? I could have been killed had I been in that room at the time the firearm was discharged.

A. The non-shooter's rights are woven into my response above. There is nothing that covers this exact situation in the Arizona Residential Landlord and Tenant Act (and that is true of most situations), but 33-1311, 33-1312, 33-1324, 33-1341(7) [for this reason alone the landlord has a duty to remove the shooting-tenant] all apply. It is my opinion that if the landlord does not take action and remove the shooting-tenant that the non-shooting party has a right to damages against the landlord for basically forcing the non-shooting tenant to move to find a safe and peaceful place to live. Landlords are usually not dumb enough to not take care of the non-shooting tenant and to not remove the shooting-tenant.

Dobbins adds, "In the alternative, the landlord may just allow the non-shooting tenant out of the lease. Not the best idea. The moving tenant may want the landlord to pay the cost of moving and other damages, especially if the landlord refuses to remove

the shooting-tenant, and the non-shooting tenant may well be entitled to such damages. As a landlord and for my landlord clients I would rather fight the battle removing the shooting-tenant rather than to fight the possible consequences of leaving the shooting-tenant at the property.

"Under the Arizona landlord and tenant act I would consider it unconscionable to force the non-shooting tenant to remain in his/her lease with the shooting tenant remaining on the property. The landlord may offer to allow the non-shooting tenant to relocate to another unit on the property. I would not accept that as the non-shooting tenant. The purpose of the lease has been frustrated, and the peaceful and quiet enjoyment of the non-shooting tenant has been destroyed."

Note from the author: I have dealt with these types of matters in the past, and each incident is specific with its own unique set of facts. However, in every instance of a shooting, intentional or accidental, the landlord moved on the shooting party to remove them from the property.

Denny Dobbins is a Mesa, Ariz. attorney who has represented landlords' issues for more than 30 years.

Sponsored Content

6 Items to Troubleshoot in Your Crawl Spaces

By PHIL SCHALLER

Crawl spaces are great for storage, but because humans don't frequent this area of the house, they can also provide a great home for rodents, mold, asbestos, and other fun things. Conducting a DIY inspection of your crawl space can be a good way to keep tabs on the area, but bringing in a pro will give you the full picture.

Because lists are always helpful, let's start with a general list of what to focus on while performing an inspection of your crawl space (in no particular order):

Ventilation — A lack of airflow is a problem for several reasons. Mold and other types of moisture damage can become much worse and spread faster without ventilation. This is especially true here in the Pacific Northwest.

Foundation Cracks — Cracks in the foundation can be very bad news (especially horizontal cracks), or not a big deal at all (vertical cracks). Horizontal cracks usually mean ground forces are causing the foundation to bow — not good. Vertical cracks are common and not a cause for concern. Vertical cracks are usually caused by precipitation putting pressure on the foundation, but stability

Electrical — We recommend having an electrician come in to evaluate the situation. What you want to be wary of is any electrical wiring or equipment near moisture build-up. Knob and tube wiring is common in the Puget Sound region and it should be replaced or at least inspected somewhat regularly.

Mold — Per the Environmental Protection Agency, every type of mold can cause some health effects. Three types of mold typically occur in crawl spaces: black, white, and yellow. Mold can cause serious allergic reactions and should be dealt with as quickly as possible. Again, unfortunately in the Northwest, mold is common. Black mold

(sometimes looking grey or greenish) is the most dangerous. White mold is still dangerous (often looking fuzzy) but not as bad as the black variety. Yellow mold occurs on organic material (wood) and can cause decay and destruction of the material it inhabits. Vapor barriers can be installed on your crawl space floor and up the walls to prevent mold.

Pests— Insects and little critters love these areas in a house. Termite damage is easy to spot and mice/rats/squirrels leave their droppings everywhere. It's best to get ahead of these issues and they're pretty easy to fix (call a pest-control company); doing so just requires some diligence and the occasional inspection.

Asbestos — Another really bad one, along with the black mold. With many, many houses in the Puget Sound region being built before 1980 (when asbestos was used frequently) this is a point of concern for homeowners. Asbestos can be in the walls, ceilings, floors — virtually anywhere in a crawl space. When this material is destroyed the toxic fibers go airborne and can seriously contaminate the air, possibly making a home unlivable. If you haven't had a professional out to your house to check on this, please do!

In conclusion, crawl spaces can be a source of headaches for a landlord. It's best to have a look in this area at least a couple of times a year. Here at RentalRiff, we can definitely help.

Phil Schaller is an experienced landlord and the founder/CEO of RentalRiff – an alternative service to traditional property management that provides ongoing oversight and upkeep of rental properties, while serving as the main point of contact for tenants. Maintenance and repair costs are included and property specialists are licensed/insured. Phil is a Pacific Northwest native, father of two, and fly-fishing addict.





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Should Landlord Let Tenant Repaint a Rental?

By Hank Rossi

Dear Landlord Hank: A new tenant has moved into one of my units and the tenant wants to repaint and has asked to repaint. I just paid to have the unit painted white so it would go with everything. What do you think? — Mike

Dear Landlord Mike: I would tell the tenant that he or she cannot make any changes to the paint.

In the past, tenants have sworn they would repaint to original color and it has never happened.

The tenants often paint some color that is difficult to cover — very bright or very dark — so when they move out it will cost you two times as much to repaint for next family.

I like to give tenants a nicely painted, neutral color, normally bright white to make the units feel even larger.

But, occasionally someone asks if they can repaint. Now the answer is 'NO.'

If you don't like the color, I'm sorry but repainting is not an option.

In my experience, either tenants don't repaint, as promised, or they do a poor job and get paint on carpet, or use the wrong color, etc., therefore costing even more money to fix and repair.

I even had a tenant who worked as a painter (not for me on my rentals), but promised he'd repaint. That promise went out the window when his divorce occurred and he couldn't find the time.

I've had prospects say they will take an unpainted unit after viewing the unit prior to the current tenant leaving. I thought that I couldn't really lose, since I would not be supplying the paint or labor.

Wrong. These tenants added accent walls in bold colors and designs which made repaint far more work when they moved out.

WHAT CAN YOU DO ABOUT TENANTS WHO FIGHT?

Dear Landlord Hank: I have a tenant couple that fight on a regular basis and call the police.

I do not want the police in my park. I feel it makes for a bad reputation. Can I evict them? And how?

Thanks in advance. —Debbie

Dear Landlord Debbie: I'm not an attorney so I can't give legal advice. I would look at your lease.

In my lease, in the section "USE OF PREMISES: Tenant shall maintain the premises in a clean and sanitary condition and not disturb surrounding residents or the peaceful and quiet enjoyment of the premises or surrounding premises."

I would warn these tenants in writing that this kind of behavior will not be tolerated and is in violation of the lease.

Then I would talk to an attorney for advice.

This kind of conduct in your establishment will definitely lead to a bad reputation and it may attract exactly the kind of tenants you don't want.

Good luck, Debbie.

WHAT QUESTIONS DO YOU ASK WHEN A TENANT FIRST CALLS?

Dear Landlord Hank: You have received your first inquiry regarding your rental property, via phone or email. What do you ask someone inquiring for information about your property and why, when they first contact you?

Hank's Answer: Even though you may have put an ad on the internet loaded with details and photos, someone may have seen a sign for your property or heard about the unit through a friend or current resident.

No. 1 – So my first question is, "How do you know about our property"?





If the prospective tenant says they saw an ad, then most of their questions will have been answered in the ad.

If they haven't seen an ad I do a brief description of the unit and development.

No. 2 – My second question then is, "When you do need to begin a lease?"

If someone wants to rent a currently available unit NOW, then you may have a candidate. If prospective tenant's current lease isn't up for six months, then your immediately available unit will be long gone. If you have multiple units, perhaps another down the road could work for this prospect.

No. 3 – My third question is, "Do you have any other questions?

Answer any specific questions related to the property so prospective tenant can determine if they would like to move forward to a tour.

No. 4 – This is really a series of questions

These relate to determining if you as a landlord could want this prospect as a tenant.

For instance, if your community doesn't accept pets you could ask, "Do you have pets?" If you do accept pets, you'll need that information as well, as prospective tenant could have a pack of pit bulls.

Next I want to know how many individuals will be in the unit. We don't want two families sharing a unit, etc.

By now, you will have built up some rapport with prospective tenant and you could ask, "Is there anything else you would like to tell me?

Maybe you'll find out that the prospective tenant had an unreasonable landlord. Or maybe they will say, "We just lost our house!" Or, maybe the prospective tenant has a legitimate complaint about their current property. There could be issues around poor

maintenance history, poor management, unpleasant living conditions such as noisy neighbors, barking dogs, a messy complex, parking problems, etc.

No. 5 – If consider this prospect a potential tenant then ask, "When would you like to tour the property?"

The sooner the better so you can begin the process of vetting the tenant and renew the income stream from this unit.

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



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