$2.95
DECEMBER 2021

What to Expect From Ruling on Gender Bias *Page 5*

6 Tips for Exceptional Community Maintenance *Page 5*

Higher-Income Millennials Have Preference for Renting *Page 7*

RENTAL HOUSING JOURNAL
INSIGHT FOR RENTAL HOUSING PROFESSIONALS

COLORADO

rentalhousingjournal.com • Rental Housing Journal, LLC
DENVER • COLORADO SPRINGS • BOULDER

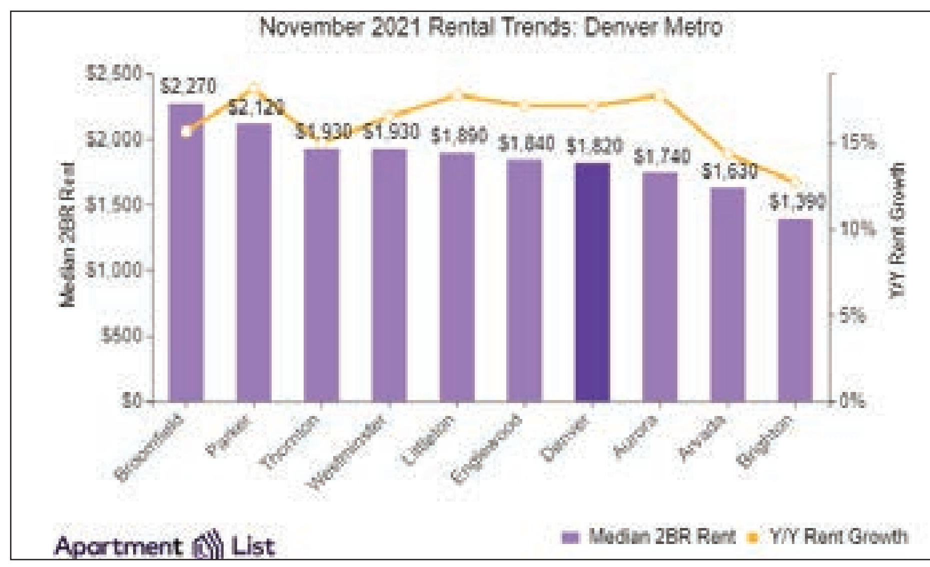
Circulated Monthly To Thousands Of Local Apartment Owners, Property Managers, On-Site & Maintenance Personnel

Denver Rents Have Declined Significantly Over Past Month

RENTAL HOUSING JOURNAL

Denver rents have declined 0.4 percent over the past month, according to the November report from Apartment List. However, rents in the city are still up sharply, by 17.1 percent, in comparison to the same time last year.

Median rents in Denver are $1,487 for a one-bedroom apartment and $1,822 for a two-bedroom. Denver's year-over-year rent growth leads the state average of 17.0 percent, but trails the national average of 17.7 percent.



Rents rising across the Denver metro

Throughout the past year, rent increases have been occurring not just in the city of Denver, but across the entire metro. Of the largest 10 cities for in the Denver metro for which Apartment List has data, all have seen prices rise. Here's a look at how rents compare across some of the largest cities in the metro:

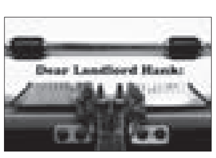
- Parker has seen the fastest rent growth in the metro, with a year-over-year

See 'Denver' on Page 7

Does Adding New Person Reset Lease's Expiration?

BY HANK ROSSI

Dear Landlord Hank: When a new person is added to a lease, does this reset the one-year clock? Also, if rent is late, how long do you have to collect late fees?



I have a tenant who has been late almost every month by several days. I have not filed formal late-payment paperwork. –Jennifer

Hello Landlady Jennifer: When you add a tenant to the lease they are signing the original lease and are only there for that original time frame. Make sure you check credit/ background/ rental history/ employment history and so on, just as you would with any other tenant.

As far as someone paying the rent on time, that depends upon your lease. It's customary to have rental payments due on the first of the month and to have a grace period of up to four days before the late fee applies.

In that scenario, if a tenant hasn't paid

See 'Must' on Page 4

'Tis the Season for Separation — From Your Less-Focused Competitors

BY SCOT AUBREY

Let's face it, it's easy during this time of year to want to just shut things down and enjoy family, friends, food, and football.

For many of us, the holi**DAYs** turn into holi**MONTHs**, starting with a mid-November shutdown that extends well into the New Year. Most people figure that this time of year is the perfect time to sit back, relax and slow everything down; after all, they've earned it.

In the ultra-competitive landscape in which we operate, if you want to distinguish yourself from your fellow landlords, this is the "separation season" you must utilize to create distance from them and from your past habits. Let everyone else get lazy while

See 'Time' on Page 6

Presorted
Standard
US POSTAGE
PAID
Mt. Vernon, WA
Permit #34

ECRWSS
POSTAL CUSTOMER

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

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.

* Past performance does not guarantee or indicate the likelihood of future results. Diversification does not guarantee profits or protect against losses. All real estate investments provide no guarantees for cash flow, distributions or appreciation as well as could result in a full loss of invested principal. Please read the entire Private Placement Memorandum (PPM) prior to making an investment. This case study may not be representative of the outcome of past or future offerings. Please speak with your attorney and CPA before considering an investment.

* No representation is made that any QOZ Fund will or is likely to achieve profits or losses similar to those achieved in the past or that losses will not be incurred on future offerings.

Diversification does not guarantee profits or protect against losses. All real estate investments provide no guarantees for cash flow, distributions or appreciation as well as could result in a full loss of invested principal. Please read the entire Private Placement Memorandum (PPM) prior to making an investment. This case study may not be representative of the outcome of past or future offerings. Please speak with your attorney and CPA before considering an investment.

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.

Sponsored Content

Hurry Up. Time is Running Out to Use Qualified Opportunity Zones to Help Defer Taxes on a Windfall Profit

Qualified Opportunity Zone Deadlines

Within 180 Days of Asset Sale	Within 180 days of realizing the gains of a sale, the investor must reinvest those gains into a Qualified Opportunity Fund to avoid capital gains taxes.
Before Dec.31, 2026	Until the earlier of December 31, 2026 or the date the investor pulls their interest from a Qualified Opportunity Fund, the investor can defer payment of capital gains on the reinvested gains.
Interest Held in a Fund for 5 -7 Years by Dec.31, 2026	If the investor holds their interest in the fund for at least 5 years, the tax paid (by December 31, 2026 or when they pull interest in the fund) is reduced by 10%; if held for 7 years, it is reduced by 15%.
Interest Held in a Fund for 10+ years	After being held for at least 10 years, upon the sale, there is no tax on any appreciation on reinvested gains that occur while in the Qualified Opportunity Fund.
Dec. 31, 2028	Opportunity Zone designations expire
Dec.31, 2047	The last date to sell interest in a Qualified Opportunity Fund.

By Betty Friant, CCIM, Senior Vice President, Kay Properties & Investments

It's a great feeling when you sell some stock, a piece of real estate or the business you've poured your life into for a nice profit that puts a small fortune into your bank account. But then comes the tax bill to take a little bit of the bloom off that rose. It's downright painful to hand your hard-earned money over to the government — even at the reduced capital gains rate.

The good news is, every now and then, the feds are willing to cut you a break. And there's one tax break a surprising number of investors have never even heard of, let alone taken advantage of.

What Are Qualified Opportunity Zones?

Qualified Opportunity Zones (QOZ) are relatively new, and were created by Congress as part of the Tax Cuts and Jobs Act of 2017. The purpose of this new program was to encourage long-term investments in low-income communities across the United States. According to the United States Department of Treasury, there are more than 8,700 QOZs in the country, including in territories like Puerto Rico. The bottom line is that QOZs are a social program with the intent of redeveloping impoverished districts throughout the country by driving private capital to underserved communities and 35 million Americans by offering tax incentives to investors. These Zones are typically located on the outer edges of underdeveloped areas — outside the most blighted areas which investors will avoid no matter how many tax advantages they offer.

Doing Well by Doing Good

Qualified Opportunity Zones can provide qualified investors a unique way to reduce taxes while doing something good for those who are less fortunate. By simply rolling profits over from the selling of stocks, cryptocurrency, bonds, jewelry, art, or real estate into a Qualified Opportunity Zone, accredited investors can reap an array of tax benefits — assuming they make the investment within six months of realizing their capital gain.

It's critical to note that unlike a 1031 real estate exchange, you're re-investing your profit only — not your basis.

Three Examples of How QOZs Work (Be Warned: one of these benefits expires soon)

Let's take a look at the three ways you can save…

- **Tax Saving Opportunity #1:** Investors who invest capital gains income can defer their re-invested capital gains taxes until the end of 2026. In other words, you won't owe the IRS a penny on that money until April 2027.
- **Tax Saving Opportunity #2 (expires on December 31, 2021):** Better yet, if you invest your profits before December 31, 2021, you get the added benefit of a 10% step up on the basis of your original investment — which only adds to your tax savings.
- **The BIG Prize:** Reduce A seven-figure tax bill down to zero
- **Tax Saving Opportunity #3:** However, those tax savings are nothing when compared to the much bigger benefit you get if you hold your investment for at least 10 years and a day. If an investor held their Qualified Opportunity Zone investment for 10 years, that taxpayer wouldn't have to pay even a penny in taxes on the profits they made— no matter how big they are.

As you can see in the chart above, the biggest takeaway of Qualified Opportunity Zone Funds is that after an investor holds their position in the investment for 10 years, there is no tax on the asset's appreciation. That's zero. So, if an asset appreciates 20 or 30 percent, that could translate to a significant return for the investor.

Who Might Take Advantage of this Unique Tax Savings Opportunity?

Qualified Opportunity Zone Funds are best suited for investors who have capital gains generated from the sale of an asset that may not be eligible for a traditional, like-kind 1031 exchange. So, one type of investor for a Qualified Opportunity Zone Fund could be appropriate for someone who holds shares in a stock that experienced high appreciation and now wants to sell it.

Or, another candidate who might be a good Qualified Opportunity Zone Fund investor would be someone who recently sold a business that created a potential significant long-term capital gains tax event.

The third type of investor who might be interested in a Qualified Opportunity Zone fund is a real estate investor who wants to generate some liquidity by selling their investment property. While a 1031 exchange investor is required to leave in their original principal and their gains, and even roll forward their debt, a Qualified Opportunity Zone investor is able to keep their original basis to do with as they please, and receive a tax deferral on the portion of the gains they invest in an OZ fund, resulting in instant liquidity.

The critical component for any investor is that they need to have sold the asset(s) within the prior 180 days and realized a capital gain.

Tax savings aren't enough

As great as all this sounds, it's important to carefully evaluate a project's true investment potential before considering the tax benefits — especially since you're required to keep your money locked up for at least 10 years in order to enjoy the full tax benefit. Like any real estate investment, there is no guarantee for cash flow, distributions or appreciation, and can result in the full loss of invested principal.

You see, as an investor with 20 plus years of experience in commercial real estate and investment sales who regularly advises high-net-worth investors, Kay Properties always emphasizes the importance of understanding the investment first and then the tax benefits. It's better to look at the tax benefits as "gravy," rather than as a reason to make an investment you otherwise wouldn't even consider.

The good news is, plenty of development projects currently available. Plus, because many of these locations were determined to be economically challenged areas based on 2010 Census data and the Tax Cuts and Jobs Act was passed in 2017, many of these properties are now located in some of the hipster neighborhoods across the country.

How to find good Qualified Opportunity Zone projects?

Kay Properties & Investments works with a variety of carefully vetted sponsors to find the projects best suited to our clients. And we help our clients find Qualified Opportunity Zone properties that match their objectives and are appropriate for their situation.

We're happy to introduce you to these sponsors and to help you analyze which one is the best fit for you.

Regardless of whether an investor decides to move forward with a Qualified Opportunity Zone fund investment or not, there are certain questions that each investor should ask their advisor before moving forward with this type of investment. These questions include:

Where are the real estate properties located?

Make sure you understand the underlying market fundamentals of the area. One thing in particular I advise my clients is to try and find a location where long-term demand is inherent in the market.

What is the make up of the fund in terms of diversified assets?

One of the ways to help reduce risk is to choose a property that are diverse in nature. For example, a portfolio with only one large project could be considerably more vulnerable to other competitors with the same type of building. Try to find a portfolio that has a balance of multifamily, retail, and distribution.

Who is sponsoring the investment properties, and what kind of reputation do they have?

Just like with any profession, there are quality QOZ advisors with years of experience and there are very inexperienced advisors who have very little experience. Avoid financial planners and other generalists and look for a firm that does nothing but real estate investments. Also, you will want to find a firm that is very particular about the type of properties they offer investors. Ask specifically what type of real estate assets they have previously invested in, and try to get some historic performance data.

What are the risks associated with investing in a Qualified Opportunity Fund?

It's important to go into any investment with eyes wide open. Walk away from any firm that tells you this investment is "guaranteed" to make money. There are always 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.

About the Author:

Betty Friant holds her FINRA Series 6, Series 22, and Series 63 licenses, in addition to the coveted CCIM designation, that recognizes expertise in commercial and investment real estate.

She currently is Senior Vice President with Kay Properties & Investment's Washington D.C. office where she serves as an expert Delaware Statutory Trust (DST) 1031 exchange advisor to high-net-worth investors and 1031 exchange clients. In her executive capacity with Kay Properties, Friant was instrumental in assisting the firm achieve a record $408 million of equity placements for real estate investments in 2020 and is at the forefront of helping Kay break that record in 2021.

Prior to joining Kay Properties, Betty spent 35 years in the commercial real estate industry focused on the acquisition and disposition of single-tenant NNN properties, including acting as Senior Managing Director for the Calkain Companies and co-founder of a Sperry Van Ness office in Winchester, VA.

Betty has spent her career building a reputation for providing superior client service that emphasizes transparency, integrity, and attention to details. This lifelong effort was recently recognized by GlobeSt. as one of the "2021 Women of Influence" in the commercial real estate industry.

In addition to her focus on the commercial real estate industry, Betty is dedicated to her family and is involved in the volunteer efforts of several community and civic organizations.

Must Tenants Verify They Changed Batteries?

Continued from Page 1

by the 4th of the month, the tenant is late on the 5th and that is when the late fee must be paid.

If you have a tenant that has been paying rent late every month, then have a talk with them that going forward, if they pay after the grace period ends, they must pay the late fee that day as well or you won't accept the rent, because they aren't paying all that is due.

If they don't pay rent when due, then you either post or hand a three-day notice (legal notice) saying that the tenant has three days to "cure" the problem or you will start eviction proceedings.

Often when a tenant knows they face serious consequences by not paying as they agreed to in the lease, they become model tenants.

Must I Have Tenants Verify Changing Smoke Detector Batteries?

Dear Landlord Hank: Am I required to have my tenants sign something that says they changed the smoke detector batteries for all of the smoke detectors in the house every year?

I live in Oregon; am wondering if there are any laws specific to states regarding this? Thank you! -Megan

Dear Landlady Megan: I can't give legal advice. I do not know about fire codes in your state, but in both Georgia and Florida I have tenants sign a lease that includes a provision saying that they are responsible for changing the smoke detector batteries in all smoke detectors as needed.

In Georgia, I have to have a special lease addendum regarding this.

It's just a good idea for the tenants' safety and the safety of your property to have working smoke detectors at all times.

Parent Died and Left a Rental to Sell; How Do I Move the Tenant Out?

Dear Landlord Hank: One of my parents died and left me a single-family home rental in Dublin, Calif., in Alameda County. We'd like to take the home off the rental market and sell it. Is there a legal way to notify the tenant? -Dave

Hi Dave: You just inherited a rental property, and now you want to sell it.

You can easily do this. I would send the tenant a certified letter letting the tenant know your intention. But I would talk to the tenant first and let them know what you plan; this will help you determine whether they're going to cooperate.

You selling the property and gaining entry is usually addressed in the lease, so look at it closely. Most leases have a right-of-entry clause stating that you can access the property with reasonable notice to the tenant for showings and that you can post for-sale signs.

This doesn't mean that the tenant's lease doesn't have to be honored – it does. A lease is a contract for a set time, and if you sell it during this time, the new owner must honor the lease too.

The lease may have clauses for early termination, so check for that. I'd have a real discussion with the tenant to try to get them on your side and make sure they know you intend to honor the lease.

You don't want to show a property when the tenant is against your plan, as the condition may not be optimal if the tenant is trying to discourage the sale (dirty dishes in the sink, unmade beds, etc.).

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.

SUBSCRIBE TODAY TO RENTAL HOUSING JOURNAL

NAME		
ADDRESS		
CITY	STATE	ZIP
E-MAIL ADDRESS		

I am an:
☐ OWNER ☐ INVESTOR ☐ PROPERTY MANAGER ☐ VENDOR ☐ OTHER

***Print subscriptions $25/year**

I would like: ☐ PRINT ☐ E-MAIL

Editions: ☐ ARIZONA ☐ COLORADO ☐ PORTLAND, OR ☐ SALEM/EUGENE, OR ☐ SEATTLE/TACOMA ☐ UTAH

☐ VISA ☐ MASTER CARD

CARD NUMBER	EXP.	CVV
NAME ON CARD		
BILLING ADDRESS		

OR MAIL A CHECK TO:
Rental Housing Journal
4500 S. Lakeshore Drive, Suite 300
Tempe, AZ 85282

RHJ Rental Housing Journal — Insight for Rental Housing Professionals
COLORADO

Publisher/General Manager
John Triplett

Editor-in-Chief
Linda Wienandt

Associate Editor
Diane Porter

Vice President/Sales
Terry Hokenson

Accounting Manager
Patricia Schluter

Rental Housing Journal is a monthly publication of Rental Housing Journal, LLC.

Website
www.RentalHousingJournal.com

Mailing Address
4500 S. Lakeshore Drive, Suite 300
Tempe, AZ 85282

Email
info@rentalhousingjournal.com

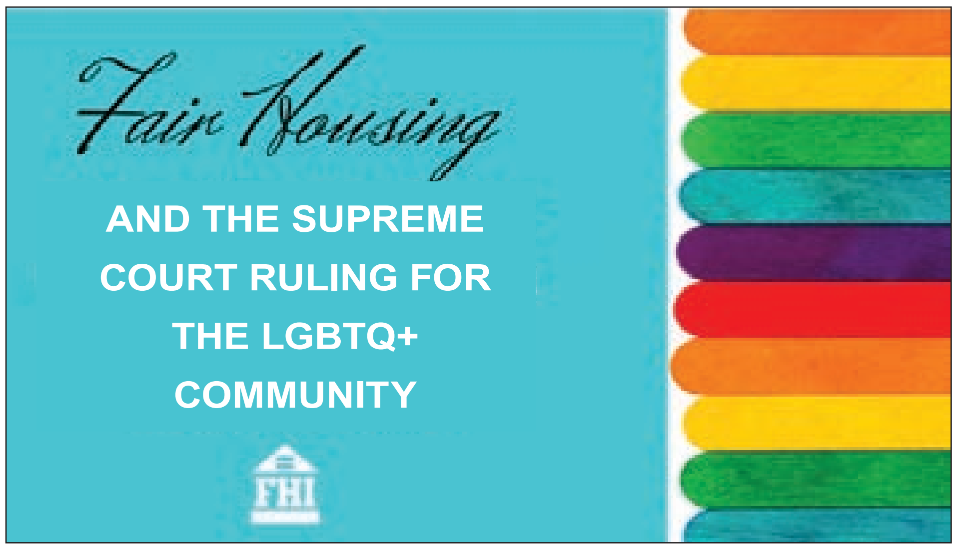
Phone
(480) 454-2728 - main
(480) 720-4385 - ad sales

What Can Property Management Companies Expect from Court Ruling on Gender Bias?

By The Fair Housing Institute

In line with the Supreme Court's decision regarding discrimination based on sexual orientation or gender identity, President Biden signed an executive order earlier this year mandating that all federal agencies review the ruling and make needed adjustments.

So, what can property-management companies expect? Should we wait on updated guidelines from HUD (Department of Housing and Urban Development) or should we make changes now to avoid any appearance of housing discrimination against LGBTQ+ prospects?



A Quick Legal Recap

President Biden signed an Executive Order on January 25, 2021, requiring protections of LGBTQ+ people in housing, health care, and education. The Executive Order cites the recent Supreme Court decision, Bostock v. Clayton County, that held that the prohibition against sex discrimination in the Equal Employment Act prohibits discrimination on the basis of sexual orientation and gender identity.

The Executive Order requires the applicable federal agencies, including HUD, to promulgate actions consistent with Bostock and the various civil rights laws. This Executive Order will result in new HUD regulations explaining the protections of LGBTQ+ persons under the Fair Housing Act.

A New Protected Category?

There is always confusion with any change. With this new ruling, questions have been raised as to whether this ruling meant a new protected category.

To clarify, we do not have a new protected category, rather we now have an expanded protected category of sex. Under this expansion, it is illegal to discriminate against anyone based on their sexual orientation or the gender they are presenting.

The Time to Act Is Now

The next question raised is whether or not housing providers should start making changes now or wait for guidance from HUD.

We believe there will be a notable increase in testing and enforcement of the new fair-housing protections of LGBTQ+ people. Whenever changes in regulations occur, housing providers can expect an increase in testing by housing-advocacy agencies.

To avoid unnecessary liability, all housing providers should be educated about these changes, and ensure that all employees are properly trained and prepared for testers now.

Fair Housing Compliance and LGBTQ+ Prospects

Consider a few situations that may arise. A same-sex couple is interested in renting an apartment.

- Can you ask them for a marriage certificate?
- How would you handle an individual who is dressed as a woman and the name they give doesn't match their government-issued ID?

Fair housing best practices in both of these situations are to ensure your policies are up to date according to the new laws and that they are applied across the board. If your policy does not require a heterosexual couple to produce a marriage certificate, then you cannot request one from any other type of couple. As far as a person who uses a name other than what is on their ID, your policy needs to be the same for everyone regardless of how they are dressed.

Now is the time to review your policies and make any needed changes according to the expanded understanding of the category of sex. Expect that testers will be focusing their attention on compliance with the new law. Up-to-date training is also absolutely necessary to make sure that every staff member is prepared to handle any situations that will arise. Remember, the best way to avoid a fair-housing complaint is to be fair-housing compliant!

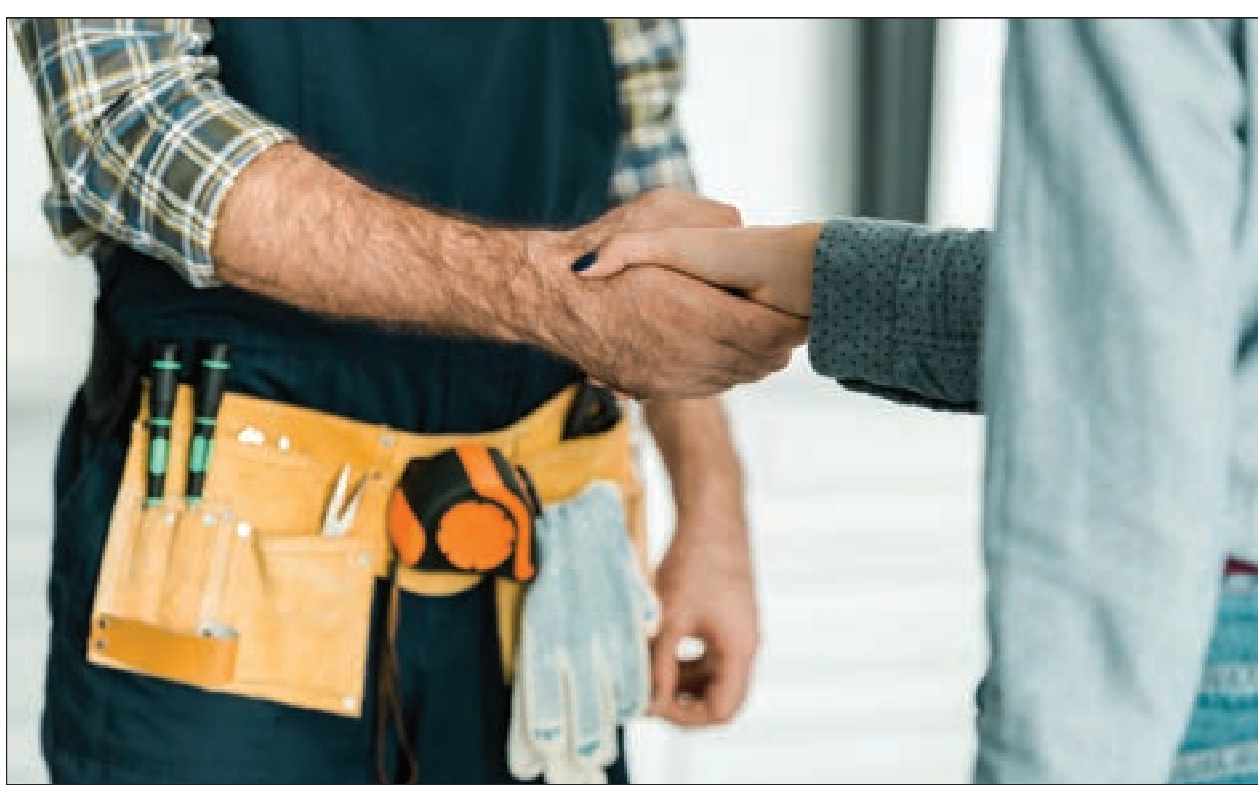
In 2005, The Fair Housing Institute was founded as a company with one goal: to provide educational and entertaining fair housing compliance training at an affordable price, all at the click of a button. Visit www.fairhousinginstitute.com for more information.

6 Tips for Exceptional Community Maintenance

By Kris Servidio / Mark-Taylor Residential

The dedicated everyday work of maintenance and service teams at a multifamily community has an incredible impact on the overall living experience. Creating an inviting home-like environment would not be possible without expert community-maintenance practices.

Here are six community-maintenance tips from us here at Mark-Taylor:



1. Your work, their home

While it may sound simple, remembering that you are working on someone's home is critically important to creating an exceptional experience. This is where your residents live, relax, enjoy time with their loved ones, and make memories. When something needs to be fixed in their unit or in the building, it is happening to their home – the place where they should feel most at peace. They may feel unsettled or frustrated until the situation is fixed or resolved.

Our service teams deliver service that goes above and beyond because we share an understanding that our goal is to provide incredible places to call home. It reinforces that there is a real effect on a person's life even when a small inconvenience occurs, so we fix it quickly and efficiently, with compassion for the resident.

2. Be proactive today, save time tomorrow

Being proactive is a helpful hack in all areas of our work, but particularly with community maintenance. By consistently keeping areas clean and maintained and checking up on our building appliances before issues arise, our teams save an incredible amount of time (and money) in the long run. Cutting corners will always come back to bite you. By holding ourselves to proactive community-maintenance practices, we have less serious issues. When needed, we can make fixes before they become a disturbance to our residents.

3. Difference is in details

One of our long-standing points of pride is our detail-oriented approach. A resident may not specifically notice how thoroughly their kitchen was cleaned when they moved in, or how polished the fresh coat of paint looks in their bedroom, but all of those details will contribute to a positive and excited feeling when they get settled into their new home. When a five-star level of maintenance is always used, it truly sets the living experience apart as exceptional. Details cannot be underestimated.

4. Attitude sets the tone

Our service professionals embody one of our company principles in particular, "choose the right attitude." Because service team members have frequent interaction and face time with residents, they are an incredibly important representation of who we are as a company, and they have a significant impact on the resident living experience.

The positive, welcoming and customer-centric attitude of our service team members can make the difference in a resident's everyday elevator ride, maintenance repair or pool visit. These little interactions can brighten someone's day, and choosing the right attitude is contagious.

5. Consistency adds up

One well-completed maintenance request followed by a mediocre one does not balance out to create a good experience. However, consistent quality completion of maintenance requests over time creates trust, and trust leads to brand loyalty.

Upholding the consistency of your service standards is a key part of being successful. Rare mistakes happen, but if the rest of your service has been consistently exceptional, residents will trust your service and be understanding.

6. Collect your kudos

Picture this: You have just completed a maintenance request quickly and efficiently, and the resident is grateful for your help. This is a great opportunity to politely suggest that the resident could share their feedback in an online review.

Review reputation is critical for multifamily communities, but when residents are satisfied, they may not go out of their way to post a review online. However, following a positive experience, it is an appropriate and opportune time to capture their genuine kudos.

Kris Servidio is the senior associate director of facilities and support for Mark-Taylor Residential. He provides strategic oversight for Mark-Taylor's service and facilities teams, who support more than 20,000 units with residents across Arizona and Nevada.

Time to Set Yourself Apart from the Competition

Continued from Page 1

you get to work improving your business and yourself by looking at these five qualities in your work and your life.

1. Time

For most of us, there just isn't enough of this precious commodity. We mistakenly wear the badge of honor that we are "too busy" to add in new things or invest time in changing or mending broken things. When was the last time you spent an hour (or even 10 minutes) analyzing how you use your time as a landlord? This has proven to be a great exercise we advise our clients on repeatedly. Set aside at least an hour to study the following:

- Where do you spend most of your time as a landlord? Calls, service, collecting payments, evictions, etc.…
- What processes and procedures can you modify to make those time-consuming tasks easier?
- Are there existing programs that have a minimal cost but a maximum payoff in regard to time that you could incorporate into your business?

A one-hour investment dedicated to better understanding your business and life will pay major dividends moving forward.

2. Fitness

You can make the obvious connection to fitness and our lack of it during the holidays, along with our renewed commitment to it in the New Year. But I'm not talking about your fitness, I'm talking about the fitness of your properties. In a competitive marketplace, how does your property stack up against others? A great landlord will walk other properties in the neighboring areas to see how their products compare to others. Maybe it's time for a deep clean. Or maybe replacing paint, carpet, fixtures, and finishes are what will be the ticket to making your property shine. Just as in life, the fittest-looking property will attract more attention – and that is what every landlord and investor want. While everyone else is taking time off, put on those running shoes and give your portfolio a complete workout.

3. Focus

It's easy to lose focus during the holidays because there are a million distractions clamoring for your attention. But to separate yourself from every other landlord, focus during these weeks is critical and can be a game changer. Instead of continuing to put off those things you have been putting off for months, buckle down and pay attention. Here are a few areas I like to focus on during this "separation season:"

- Rental Fee Analysis: Should I or can I be charging more than I currently am? What will the market support?
- Conversion: Is it time to turn my long-term rental properties into short-term rentals? Or vice-versa? Is it time to sell one or more of my properties?
- What are my goals for the next year, and what areas can I improve in as a landlord to accomplish those goals?

What I find helpful in my "focus" sessions is to put all my devices away, find a quiet place to think, and write things down with pen and paper. Something about tapping into the old-school methods of note-taking provides an inspirational spark.

4. Education

While it is easy to fall back on your experience, there is a whole world of educational opportunities available to you during "'separation season" – and most of them won't cost you a dime. Instead of listening to holiday music over and over again, find a great landlord/investor podcast and look for episodes that address some of your current challenges. Link up with a local real estate investment association and see if it is having any events during December and January that can kickstart your year. Research online rental-payment platforms and experience the joy of direct deposit for your payments. Examine what is happening in your state and local area political scene to see if there are legislative changes coming that may affect your business. Make the commitment to work smarter and not harder in the next year, and that starts with bumping up your personal education.

5. Fun

Being a landlord and having fun shouldn't be mutually exclusive. After all, this is the greatest business in the world and allows us the freedom to have fun. But can we make our business fun at the same time? I believe you can by adding some of the following to your processes:

- Connect with other local investors who don't do exactly what you do. If you're the long-term hold type, find a "fix-and-flip" investor to see what their business is all about.
- Create an incentive program for your tenants that rewards them periodically and creates a long-lasting landlord/tenant relationship. Be creative!
- Host a party for your team or invite the contractors and other service providers who help keep your properties functioning and fully occupied.

Implementing some fun into your business can help kill the monotony and frustration that can creep into your day-to-day processes.

In a time where we all celebrate connections to the things we love, make sure to carve out some time to find ways to separate yourself from old habits, costly processes, and time-consuming tasks. I'm not suggesting you don't enjoy the holiday season, but by keeping your foot on the gas while everyone else is coasting, you will set yourself up for your most successful, rewarding, and joyful year yet, with more time available to enjoy the things you love all year long.

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

Higher-Income Millennials Prefer Renting

Rental Housing Journal

Higher-income millennials are renting homes instead of buying as they are being priced out of the overly competitive real estate market as prices continue upward.

Thus, the higher-income millennials lead the ranks of "lifestyle renters," according to a new study from RentCafe.

"The share of applications for apartments from renters who earn more than $50,000 is at its highest level in five years, 39 percent, as many would-be homebuyers were priced out of an overly competitive real estate market in 2021," RentCafe says in the report.

Rapidly rising housing prices and bidding wars have pushed up the number of people who have decided to rent despite having the income to buy a home.

"This year's rental applicants are making on average 10 percent more than those who moved last year, the equivalent of $4,300 more in annual wages. Of all renter groups of typical home-buying age, the share of millennials with incomes greater than $50,000 saw the fastest increase in 2021 — a significant 20 percent more than in the previous year," the report says.

The growing percentage of lifestyle renters is due, in part, to many millennials realizing that the benefits of homeownership don't outweigh the difficult path to get there, says Noah Echols, vice president of marketing at Carroll, a national real estate investment company.

"Housing prices have been rising for years, making it more difficult for renters to transition into homeownership," Echols said. "Student loan debt has also increased, making it difficult for young people to save for a down payment.

"Previous generations put an emphasis on homeownership as a marker of achievement for an adult. Lifestyle renting has been normalized by millennials, removing the pressure to purchase a home in order to feel successful," Echols said.

Compared to 2020, there are now 51 percent more millennials in the $50,000 or more income bracket who applied for rent in Indianapolis, IN., where the individual median income grew by 11 percent since last year, further solidifying Indy's status as an emerging job hub and increasingly attractive spot to call home.

Across the country, surging home prices make lifestyle renting in Las Vegas a viable option for many. The share of rental applications among upper-income millennials went up 43 percent year-over-year. Notably, a large portion of these renters were recent transplants, particularly from neighboring California, for whom Vegas offers more space at a more affordable price while working remotely and waiting out the pandemic.

Phoenix also continues to be an attractive relocation destination, especially for millennials. This year, Phoenix had 39 percent more rental applications from millennials who earn more than $50,000. As home prices encourage members of this generation to embrace renting, Phoenix is ready to meet the demand, thanks to a surge in new apartments delivered in 2021 alone.

Rent Growth Continues to Cool Across Nation

Rental Housing Journal

Rent growth is continuing to cool rapidly across many markets, according to the November report from Apartment List.

"While our national index was essentially flat, 53 of the nation's 100 largest cities saw rents fall this month, indicating a widespread rental-market cooldown," wrote housing economists Chris Salviati and Igor Popov in the report.

The pace of rent growth has been slowing for several months, but yearly total growth is still up and outpacing the pre-pandemic levels of rent.

Rents normally drop this time of year due to seasonality.

"Since January of this year, the national median rent has increased by a staggering 17.8 percent. To put that in context, rent growth from January to November averaged just 2.6 percent in the pre-pandemic years from 2017-2019," the report says.

"The national median rent is $1,312 this month, which is $117 greater than where we project it would be if rent growth over the past year and a half had been in line with the growth rates we saw in 2018 and 2019," the report says.

Rents grew by 0.1 percent in November, the fourth straight month that growth has slowed after peaking at 2.7 percent in July.

"This represents the smallest month-over-month growth rate that we've recorded in 2021," the report says.

A slowdown in rent growth during the fall and winter is typical, but this year "the seasonal slowdown is capping a year that has been characterized by unprecedented price increases."

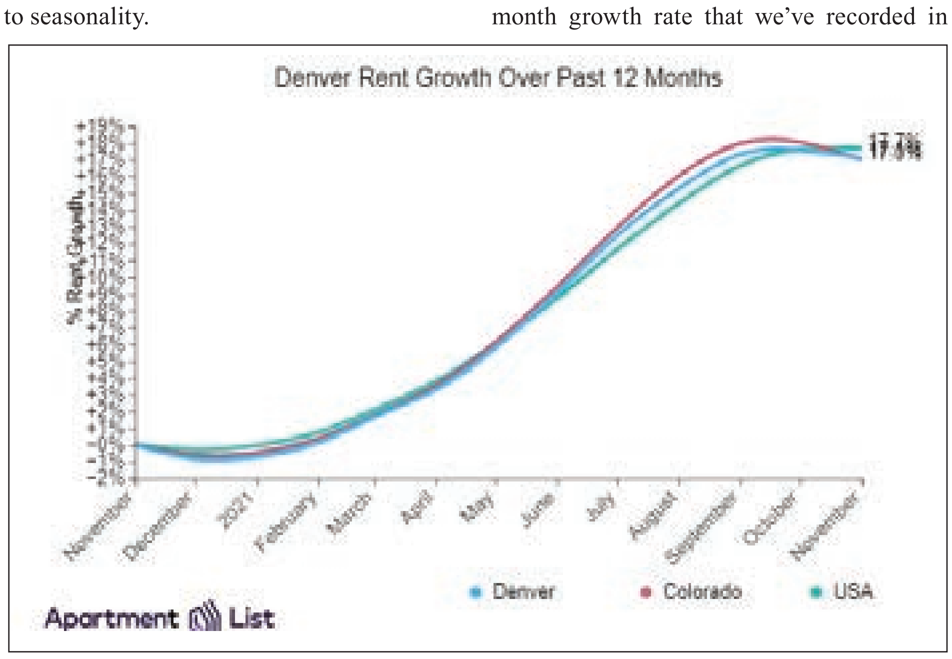
While cities saw strong rent growth from March through September this year, 53 of these cities actually saw rents fall in November, the most since the previous November, when rents fell in 62 of the 100 largest cities.

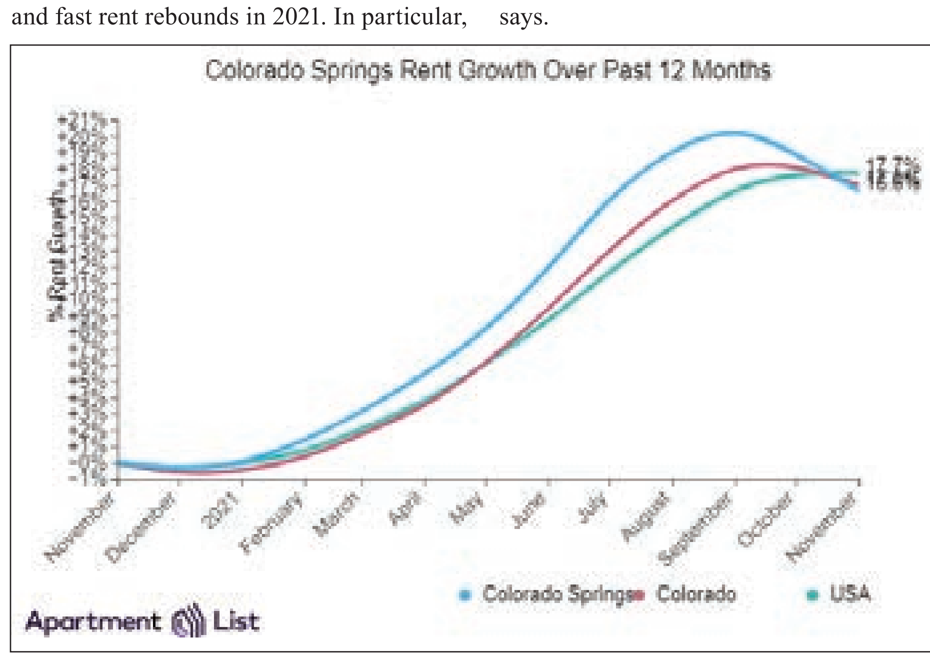
The Apartment List report says among the cities where prices have started their winter cooldown, many are expensive coastal markets that saw steep rent drops in 2020 and fast rent rebounds in 2021. In particular, rents fell by 2.7 percent this month in San Francisco, the city's second straight monthly decline and the fourth largest decline in the nation.

After bottoming out at 3.8 percent in August, "Our vacancy index has ticked up slightly for three consecutive months and now stands at 4.2 percent.

"Although the recent increase has been modest and gradual, 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," the report says.





Denver Rents Down Significantly Over Past Month

Continued from Page 1

increase of 18.1 percent. The median two-bedroom there costs $2,119, while one-bedrooms go for $1,869.

- Over the past month, Westminster has seen the biggest rent drop in the metro, with a decline of 3.2 percent. Median two-bedrooms there cost $1,928, while one-bedrooms go for $1,572.
- Broomfield has the most expensive rents of the largest cities in the Denver metro, with a two-bedroom median of $2,273; rents went down 1.3 percent over the past month but rose 15.6 percent over the past year.
- Brighton has the least expensive rents in the Denver metro, with a two-bedroom median of $1,390; rents decreased 1.1 percent over the past month but were up 12.7 percent over the past year.

Colorado Springs rents also decline

Colorado Springs rents have declined 1.9 percent over the past month, but much like Denver are up sharply by 16.6 percent in comparison to the same time last year.

Median rents in Colorado Springs are $1,145 for a one-bedroom apartment and $1,453 for a two-bedroom.

This is the second straight month that the city has seen rent decreases after an increase in September.

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

Sponsored Content

What to Know Before Creating an LLC for a Rental Property

Contributed by Colorado Realty & Property Management, Inc.

Interested in joining the more than 11 million real estate investors making money off rental properties? It's a form of potentially passive income with great appeal, but like any investment, it also comes with potential risks.

One way to mitigate risk is by setting up a business that would own the property rather than buying it in your own name. Creating an LLC for a rental property can help manage income, taxes, and liability for your rental business.

If you've been wondering, "Should I put my rental property in an LLC?" this guide should help you answer that question and others related to the LLC business structure.

What is an LLC?

LLC stands for limited liability company and is one of several business structures you could choose for your rental property. The structure ensures you are not held personally liable for any claims against the company or any debts owed. It allows you to be taxed as a partnership while getting the limited liability benefits of a corporation.

An LLC can be you alone, with a partner, or with a group, and the LLC holds ownership of any assets placed in it. It can have a separate tax ID number, open a bank account, and conduct business transactions.

Benefits of an LLC

Starting an LLC for rental property makes good business sense for four key reasons.

1. Limited Liability

When you own a property as an individual, you are personally liable for any legal actions, which means your personal assets are at stake. By operating through an LLC, only the LLC's assets would be at state should there be any lawsuit or claim made. This is one of the primary benefits of an LLC for rental property holdings since your tenants could claim the business.

2. Separate the Assets

Because an LLC is easy to set up, creating a new one for each property makes sense. This insulates each property from liability claims made on any others. It provides the same separation protection you get for your personal assets.

3. Pass-Through Tax

An LLC allows you to take advantage of what is called pass-through taxation. A business structured as a corporation would typically be taxed on its profits, then you as the owner are taxed again when you take out income.

With an LLC, the company income passes straight through to you, and you claim it on your individual tax return. Your rental income is only taxed once instead of twice.

4. Personal vs. Business

Any corporate structure is going to allow you to keep your personal and business expenses separated. This allows you to write off and claim business expenses on your taxes since you will have separate bank statements for yourself and the LLC for investment property.

Creating Your LLC

What's involved in setting up your LLC for a rental property? It's important to understand when the best time is to do it, along with the potential costs in doing so.

When to Create Your LLC

The good news is whether you have your LLC set up before or after you buy, it's a relatively simple process to transfer ownership over to the LLC. However, if you plan to finance the purchase rather than pay cash, there are definite benefits to having the LLC set up before the purchase.

Transferring a mortgaged property could result in some additional headaches and costs:

- Notifying your mortgage holder of the title transfer
- Mortgage holder could close the loan and issue you a new one, which creates closing costs and potentially a higher interest rate
- Notifying tenants that the LLC now owns the property
- Update rental agreements
- Transfer could trigger new taxes like a title transfer tax

Creating the LLC first means the property deed is in the company name from the start and keeps you from dealing with these issues.

How to Create Your LLC

Because the LLC is regulated at the state level, the rules and regulations for setting up a company might vary. But the basic process involves the following:

- Choose an available business name
- Fill out the Articles of Organization
- Create an LLC Operating Agreement
- Obtain any necessary licenses and permits
- Register your LLC with the state

Once you've done all that, you can issue leases in the business name and set up your bank account. Costs involved in setting up the LLC can come from registration fees, title transfer fees, and legal fees for creating or reviewing your operating agreement.

Pros and Cons of an LLC

The LLC is a good structure for rental property businesses, especially if you are going into business with other people or entities. But there are some drawbacks to be aware of as well.

Pros

- Limit your personal liability
- Separate and protect individual properties if you set up an LLC for each one
- Pass-through taxation keeps your income from being taxed twice
- Easily separate business and personal expenses

Cons

- Additional paperwork for initial setup and bookkeeping
- Can be more difficult to get a mortgage as an LLC
- Potentially higher interest rates on your mortgage
- Annual filings and fees

Despite the downsides, keeping your rental property in a dedicated business structure sets you up for success.

Considering Creating an LLC for a Rental Property?

Eager to get started in real estate investing? Creating an LLC for a rental property is a good way to protect yourself and your money from liability issues. Depending on the state you live in, you could benefit by making it easier to manage your income and taxes as well.

Colorado Realty
& Property Management, Inc.

Colorado Realty and Property Management, Inc is an established property management firm that represents the Denver, Broomfield, Colorado Springs and Fort Collins region with reliability, professionalism, and knowledge. We specialize in single-family, residential homes, duplexes, condominiums, townhomes and student rental properties. We are a results-oriented company with the experience, efficient systems, cutting-edge technology, and an extensive network of staff and vendors that allows us to effectively manage properties in a large geographic area like this. Colorado Realty and Property Management, Inc. is one of the few property management companies in the Metro Denver, Broomfield, Colorado Springs and Fort Collins area where the company founder and Managing Broker holds the prestigious MPM® designation (Master Property Manager) awarded by the National Association of Residential Property Managers®.