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RENTAL HOUSING JOURNAL
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Seattle Rents Decline 2.1%

RENTAL HOUSING JOURNAL

Seattle rents have declined 2.1 percent over the past month, mirroring trends showing rent growth cooling across many markets, according to the November rent report from Apartment List.

While rents are starting to cool, Seattle rents have increased by 22.6 percent in comparison to the same time last year.

Median rents in Seattle are $1,710 for a one-bedroom apartment and $2,133 for a two-bedroom.

This is the second month in a row that the city has seen rent decreases after an increase in September. Seattle's year-over-year rent growth leads the state average of 20.3 percent, as well as the national average of 17.7 percent.

Rents rising across the metro

Overall throughout the year, cities across the metro have seen rent increases, and some

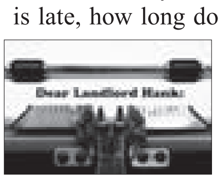
See 'Seattle' on Page 15

City	Median 1BR Rent	Median 2BR Rent	M/M Rent Growth	Y/Y Rent Growth
Seattle	$1,710	$2,130	-2.1%	22.6%
Tacoma	$1,270	$1,660	-0.7%	18.1%
Bellevue	$2,320	$2,490	-2.2%	19.4%
Everett	$1,400	$1,750	-0.0%	18.6%
Kent	$1,480	$1,890	-0.3%	14.2%
Renton	$1,660	$2,180	-0.7%	16.5%
Federal Way	$1,570	$1,850	0.0%	16.7%
Auburn	$1,430	$1,740	-1.2%	16.2%
Lakewood	$1,190	$1,570	-0.9%	17.5%
Redmond	$2,200	$2,470	-1.9%	14.9%

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 11

'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 13

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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.

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

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

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.

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.

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.


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Congratulations to the 2022 Emerald Award finalists!

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Community Manager of the Year

1-150 UNITS
Lindy Michlig, Promenade at the Park - Epic Asset Management
Michael Olson, Chelsea by the Bay - ConAm Management
Nick Fletcher, Westwynd - Thrive Communities
Rachel Salter, St. Theodore - ConAm Management
Susan Conley, Edition - Tarragon Property Services
151-300 UNITS
Cynthia Pugh, Boardwalk Apartments - Fairfield Residential
Evelina Ford, Pines at Canyon Station - Pacific Crest Real Estate
Lynne Bain, Vintage at Everett - FPI Management
Mario Manriquez, Alto - Thrive Communities
Simon Mendiola, Six Oaks - Thrive Communities
301+ UNITS
Amy Simpson, Met Tower - Avenue5 Residential
April Ramsey, Stadium Place - Pillar Properties
Jamie Paul-Rizzo, Atlas - Avenue5 Residential
Miranda Dymond, Green Lake Village - Thrive Communities
Zhenya Ilieva, Lakeside - Weidner Apartment Homes
AFFORDABLE
Sarah Olason, Kitts Corner - HNN Communities
Shereese Mroczkowski, Aspen Ridge - Allied Residential

Assistant Community Manager of the Year

1-300 UNITS
Alisha Baker, Madison Bellevue - First Pointe Management Group
Brittany Roberts, Park on 20th - Avenue5 Residential
Cody Angeney, Echo Mountain - Avenue5 Residential
Shannon Trichler, Terrace Station - Thrive Communities
Trey Leotti, Pike Motorworks - Greystar
301+ UNITS
Jonathan Murphy, Enclave - Thrive Communities
Mark Crull, Woodin Creek Village - Weidner Apartment Homes
Rinna Oleynik, Green Lake Village - Thrive Communities
Tressa Clinton, The Retreat at Bothell - Decron Properties
Vaughn Hollenshed, The Winsley - Greystar

Leasing Consultant of the Year

1-300 UNITS
Amanda Lackey, Terrace Station - Thrive Communities
Brett Brennan, Villaggio on Yarrow Bay - Avenue5 Residential
Galina Ivanova, The Berkshire - Greystar
Hillary Parker, Salix Juanita Village - Thrive Communities
Jahaila Johnson, Waterstone at Silver Creek - Thrive Communities
301+ UNITS
Jordan Reyes, Palermo at Lakeland - Tarragon Property Services
Taryn Stowe, Tower 12 - Weidner Apartment Homes
Tyler Davis, Hyde Square - Greystar

Rookie of the Year

OFFICE
Abby Gimenez, Alaire - Thrive Communities
Andrea Avitia, Portsmith - Weidner Apartment Homes
Chris Allmon, Hill Crest - Epic Asset Management
Kenia Alberdin, Alderwood Court - Fairfield Residential
Reyna Santonil, The Bond - Allied Residential
MAINTENANCE
Evan Bolz, Terrace Station - Thrive Communities
Kyle Lever, Pike and Summit Flats, 1404 Boylston - Thrive Communities
River Hamel, Crosspointe and Highland Flats - Allied Residential

Regional Maintenance Director of the Year

Bruce Smith - Tarragon Property Services
Jedd McDaniel - Allied Residential
Nate Tester - AMC

Maintenance Supervisor of the Year

1-150 UNITS
Andrew Varness, Scout - Thrive Communities
Habib Ahmadzai, Elara at the Market - Greystar
Marcel Jordan, Residences at 3295 - FPI Management
Nolan Spring, Viva - Avenue5 Residential
Slava Popescu, Yarrowood Highlands - Avenue5 Residential
151-300 UNITS
Eric Gordon, Breckenridge - Weidner Apartment Homes
Fulvio Granados, Pacific Park - Epic Asset Management
Gary Botkin, Excalibur - Epic Asset Management
Kevin Hanson, The Mercer - Avenue5 Residential
Nick Lorisch, Park88 Residences - Pacific Crest Real Estate
301+ UNITS
David Beaver, Grammercy Apartments - Bridge Property Management
Ellis Spear, Lake Washington - FPI Management
Jeff Kelly, Woodin Creek Village - Weidner Apartment Homes
Mike Alvarado, Stadium Place - Pillar Properties
Terry Spivey, Green Lake Village - Thrive Communities

Maintenance Technician of the Year

1-300 UNITS
Bryan Starr, Puget Park Apartments - HNN Communities
Christy Rolfe, Liberty Ridge - Thrive Communities
David Escobedo, Vintage at Bellingham - FPI Management
Orly Nacorda, Six Oaks - Thrive Communities
301+ UNITS
Ashish Lal, AMLI Arc - AMLI Residential
Dimitrius Spencer, Parkside by Lincoln Property Company
Dominick Buenrostro, Atlas - Avenue5 Residential
Timothy Cann, Maintenance Support Group - Epic Asset

Credential Holder of the Year

Hailey Gorman, CALP, CAM - Epic Asset Management
Laina Pickrel, CAM, CAPS - Thrive Communities

Community of the Year

1-150 UNITS
Carolina Court - Epic Asset Management
The Pop Apartments - Insite Property Solutions
151+ UNITS
Bell Overlake - Bell Partners
Centerline - Greystar
Encore - Epic Asset Management
Sky Sammamish - Insite Property Solutions
Bell Overlake - Bell Partners
Centerline - Greystar
Encore - Epic Asset Management
Sky Sammamish - Insite Property Solutions
AFFORDABLE
Lake Washington - FPI Management
Springfield Meadows - HNN Communities
Woodlands at Forbes Lake - Fairfield Residential

Portfolio Manager of the Year

Alexander Behar - Coast Property Management
Andrew Kiepprien - Avenue5 Residential
Christina Koski - Thrive Communities
Erin Heathers - Epic Asset Management
Jacky Nelson - Edison47
Ruchelle Erwin - Thrive Communities

New Development of the Year

1-150 UNITS
Luna - Greystar
Madison25 - Edison47
151+ UNITS
Center Steps - Avenue5 Residential
Jackson - Greystar
North at Totem Lake - Fairfield Residential
Terrace Station - Thrive Communities
The Verge - Pillar Properties
AFFORDABLE
Riverview Apartments - HNN Communities
Watermark Apartments - HNN Communities

Renovated Community of the Year

AMLI Bellevue Park - AMLI Residential
Arterra - Greystar
Cooper - Thrive Communities
Dockside - Thrive Communities

Curb Appeal Award

GARDEN STYLE PRE-2000
Shorewood - Greystar
The Madison Bellevue - First Pointe Management Group
Westwynd - Thrive Communities
GARDEN STYLE POST-2000
Bailey Farm - Avenue5 Residential
Bella Sonoma - FPI Management
The Stinson - Avenue5 Residential
MID/HIGH RISE
888 - Greystar
Center Steps Apartments - Avenue5 Residential
Junction Apartments & Retail - Insite Property Solutions

Community Service Award

Epic RAC Team - Epic Asset Management
Goodman Real Estate

Industry Partner of the Year

All Kleen
Genesis Credit Management
Shaun Hudson - AFB Floors

Thanks, Sapphire Sponsors:

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For more information, please visit: www.wmfha.org

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Washington Multi Family Housing Association

Two Steps Forward, Two Steps Back

As we end a most challenging year for the rental housing industry and our valued employees who passionately serve renters throughout Washington, we are searching for normalcy.

Solutions to housing affordability, eviction prevention, supply of housing options, and the long-term sustainability of the housing system have been sidelined by eviction moratoriums and new laws around dispute resolution in non-payment-of-rent cases.

The best course of action is to work within the framework of past legislative sessions regarding landlord-tenant law to make them successful. Piling on regulation after regulation without knowing what is working and what is not, is counter-productive.

Making what we have better and working together to make improvements to success rates and accountability, rather than a patchwork of short-term solutions, is the prudent path. Let's stop the self-inflicted wounds.

Housing Supply is Essential

Seattle's population grew by about 50,000 people between July 2018 and May 2021, b t the city saw a net loss of 785 rental properties, according to Seattle's Rental Property Registration Program. The city's Rental Registration Report applauds the fact that the total number of units stayed relatively stable, with only a 0.65 percent decrease.

So, what's going on?

Between 2018 and 2021, the city enacted several anti-housing policies that reduced housing creation and drove rental homes off the market. These policies are now having a measurable impact on Seattle's available rental supply. They include:

- **First-in-time,** which increases property-owner risk by forcing them to rent to the first qualified applicant.
- **Winter eviction ban,** which forces property owners to provide housing for free without any financial assistance during the winter months.
- **School-year eviction ban,** which forces property owners to provide housing for free without any assistance to those with school-aged children and those working in schools.
- **De facto rent control,** which caps rental rates at 10 percent under penalty of paying a tenant punitive relocation fees.
- **Long-term COVID-related eviction protections,** such as extended defenses to eviction beyond the eviction moratorium, and other contract-infringement ordinances.

These anti-housing policies increase housing costs for renters and reduce the availability of rental housing. They are having the opposite effect of the city council's stated intentions, but the results were entirely predictable.

It is anticipated even more rental homes will disappear from the market in the next round of Rental Registration reporting. That's because Seattle's onerous regulations have put significant pressure on housing providers, making it even more difficult for them to offer housing options in Seattle.

Job Growth Outpaces Housing Creation

Job growth in Seattle has significantly outpaced housing creation too, exasperating the issue and forcing more than 34,000 low-wage workers to commute long distances. According to a recent study commissioned by the city of Seattle, it is anticipated that by 2030 there will be about 35,000 net new jobs in lower-wage occupations.

The study also revealed that there is a shortage of 21,000 market rental units that are both affordable and available to households at 80 percent of area median income or below. If something doesn't change, Seattle's developers will have no other option but to continue creating housing for higher-income households, pricing out lower-income households and forcing them to rent outside the city.

Seattle City Council needs to place an immediate hold on all new rental housing ordinances until the full picture of their damage to the rental housing market can be assessed.

We will know more about how many homes we lost, including essential single-family homes that Seattle desperately needs, when the Rental Registration data is updated in 2023.

Eviction Procedures Have Changed Drastically

Governor Inslee's eviction moratorium finally ended on Oct. 31. It succeeded only in providing cover for slow-moving rental-assistance programs that had no urgency to distribute funds to renters.

Rather than extending the moratorium multiple times, which only served to dig a deeper hole for residents and their housing providers, the state should have focused on the efficient use of the legislative off-ramp to provide immediate access to rental assistance money. But here we are.

Many states across the country have now been without eviction bans since the CDC ban was struck down. Nowhere are we

See 'Searching' on Page 8

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.

Searching for Normalcy as We Near the End of a Trying Year

Continued from Page 7

seeing the "eviction cliff" many fearmongers warned about. A mass-eviction event is even less likely in Washington.

That's because the state has essentially taken over the responsibility for the eviction process. The housing provider's role is to bring any issue of nonpayment of rent to the Dispute Resolution Center (DRC) through the Eviction Resolution Pilot Program (ERPP).

From that moment forward, the DRC is responsible for seeking rental assistance on behalf of the tenant and housing provider for past-due rent. Through this process, the state and DRC have the power to stop evictions through the distribution of rental-assistance relief funds.

There are some differences in the state laws and local laws in Seattle when it comes to creating a payment plan. For the state, a housing provider must offer a payment plan that is no greater than three months for every one month of unpaid rent. In Seattle, the repayment requirements are stricter: three months for the first unpaid month, five months for one to two unpaid months, and six months for three or more unpaid months.

Mediation and dispute resolution are invaluable tools to assist housing providers in solving issues with tenants as long as they are unbiased and fair. Every county in Washington offers free dispute resolution and mediation services.

Rent Control

Rent control measures passed recently in Minneapolis and in St. Paul, Minn. (see related story on Page 10). The fallout from these measures seems to be swift and devastating. Housing providers have pulled permits on development or paused proposed projects and discontinued future investment given the now untenable conditions in St. Paul, in particular. Rent control in St. Paul will also greatly affect affordable housing development, which may not pencil out any longer.

Washington will no doubt once again face a push in the next legislative session in Olympia for rent control, despite its unpopularity among most legislators and their district constituents.

Research conducted recently by Partnership for Affordable Housing (www.partnershipforaffordablehousing.com) shows clear evidence of the negative impact rent control would have on renters in our state. The research provides evidence that:

- When the government restricts rental prices, the artificial price controls make it difficult to maintain existing housing or build new housing.
- It also reduces the development of new housing because rental prices don't match the rising costs of skilled labor, materials, taxes, and fees.
- For the rental homes that remain on the market, property owners have fewer resources to maintain them, causing homes to fall into disrepair.
- Due to Washington State's tax law, state and local property tax collections are heavily reliant on new construction. Rent control would slow the pace of new construction and reduce tax collection across the state.
- Residents of rent-controlled cities such as San Francisco and New York City experience all these problems and are still among the most expensive cities in which to live.
- If Washington enacted the same type of rent control as New York City or San Francisco, it would lead to 26,000 fewer housing units built over the next 10 years.

We need to be working together to support the rental housing industry that has been so negatively affected by the COVID-19 pandemic and related state and local policies.

Supporting and solidifying housing providers and the rental market is the best way to ensure that renters have available, reliable, and affordable housing at all rent levels and in all counties in our state. Continued regulation that impedes housing production will only harm renters more.

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

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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.

Developers React After St. Paul Rent-Control Vote

Rental Housing Journal

The recent rent-control vote in St. Paul, Minn. that capped annual rent increases at 3 percent has caused developers to pull permits, pause projects, or reconsider sites for future housing, according to reports.

The St. Paul rent-control measure does not exempt new construction, unlike rent control in some other cities, so developers who had projects underway moved quickly to stop construction and plans tied to new housing, which also affects planned affordable-housing units.

St. Paul Mayor Melvin Carter is reportedly asking the city council to amend the strict cap on rent increases, but legal questions put any changes in doubt.

The *Minneapolis Star-Tribune* reported that Ryan Companies was scheduled to submit three building plans to the city this week, but Tony Barranco, Ryan's north region president, said those reviews have been postponed indefinitely in light of the rent-control referendum's outcome.

Ryan Companies warned before election day that the rent-control ordinance could prevent the company from finding investors for the 760 affordable-housing units the city pledged to bring to the former Ford site.

The company, which is developing a total of 3,800 housing units at the old Ford site under the "Highland Bridge" project, told KARE 11 that it pulled applications for three buildings there.

"If our banking partners won't loan us dollars to build the buildings that are planned as market-rate because they can more safely lend their dollars elsewhere, we will not be able to build the market-rate projects" that help subsidize affordable housing, Barranco told the Star-Tribune.

"We're aware that Mayor Carter has asked the St. Paul City Council to pass a clarifying ordinance that allows exemption for new housing construction. We support that position and hope to learn more about those clarifications as soon as possible," Barranco said.

Other developers are waiting to see what will happen amid the confusion over the rent-control ordinance.

"We, like everybody else, are re-evaluating what—if any—future business activity we'll be doing in St. Paul," said Jim Stolpestad, founder of development company Exeter, in an interview with the *Star-Tribune*.

Stefanie Sokup, the vice president of marketing and head of new construction at Real Estate Equities, told KARE 11 the lack of an exemption for new projects also troubled her. Real Estate Equities owns five apartments in St. Paul.

"I do worry about other developers in St. Paul and what this means. I think it will halt development, or at least stall it for a while," Sokup said. "Ultimately, we feel this wasn't thought through... Is this the best solution to help the people that need affordable housing in five years, or is this just a quick fix?"

Divided Court Upholds Portland Relocation-Payment Rule

Rental Housiing Journal

Oregon landlords "lost a good fight" after a divided Oregon Supreme Court upheld the Portland Relocation Ordinance, according to attorney John DiLorenzo Jr. with Davis Wright Tremaine LLP.

DiLorenzo, who represented the interests of landlords who sued the City of Portland, said the ruling was contained in a 31-page majority opinion and a nine-page dissent.

"We did not get the result we hoped for. The bottom line is that we did not prevail. According to the dissent, we should have," he said. "The long and the short of all this is that we lost despite a good fight."

The majority opinion concludes that ORS 91.225 does not prevent municipalities from enacting measures that might have some influence over a landlord's decision to raise rent unless it actually controls the amount. The opinion also concludes that the ordinance did not impermissibly create a private cause of action. Also, "it goes on to say the statute does not define rent control or control."

On the other hand, the dissent says, "The text of the ordinance and the circumstances surrounding its adoption permit only one conclusion: The city, as a means of 'stabilizing' rising rents, intended to deter landlords from setting rents at fair market levels and selected a coercive tool to accomplish that objective."

The dissent concludes that the ordinance "controls the rent" and should therefore be preempted.

DiLorenzo added his opinion, saying, "The City of Portland has over the past several years created an extreme regulatory environment for housing providers. "Yet it decries the lack of sufficient rental housing. It is unrealistic to, on the one hand, adopt policies that discourage ownership of rental housing and, on the other hand, complain that there is too little supply and that rents are too high."

The landlords, who lost in lower court rulings, argued the city ordinance is in conflict with state laws that ban rent control. On March 7, 2018, the Portland City Council made the ordinance permanent and extended its application to landlords who own as few as one rental unit. The ordinance requires landlords to pay tenant moving costs if they want to increase rent by 10 percent or do no-cause evictions to move tenants out to rehab old apartment buildings to upgrade them.

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.

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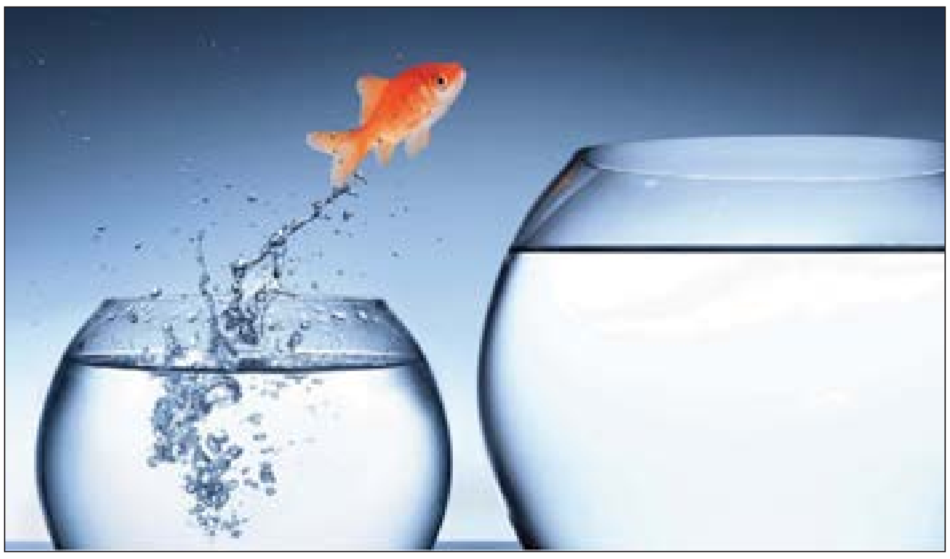
Financing The Niche with RE Preferred Equity

'Multi Family Financial Pivot, Stabilization New Acquisitions'



By Gary Williams / Rothchild Capital Solutions of Illinois

"The Age of Disruption" and the title alone suggests the insurmountable obstacles within the commercial real estate development and new acquisition. This article will serve two purposes. One, it will highlight how the distinguishing factors impact the way that developers, sponsors, and lenders approach the negotiation table to discuss key elements of commercial real estate projects along with financing and will discuss obstacles facing developers and sponsors in need of equity and or investment capital and the lack of capital available during covid-19.

'A Measurement of Risk and Financing'

It's true the possibilities are great as real estate owner and or investor however before you take the plunge ahead, you should realize and understand that project leveraged to high followed by sponsor low balance sheet is recipe for disaster.

Now depending on your level of optimism and the appetite you bring to the of hotel development and or acquisition table this transaction will either represent an opportunity to obtain a higher rate of return on your investment, or this may signal you to lower your risk tolerance. As a young man in the very early days of my career "A Wise Man" once told me that Risk comes from three places in the life of any business transaction (a). not knowing and or understanding what you are doing, (b) failing to plan for the unseen, (c) without strategies to mitigate and or exit.

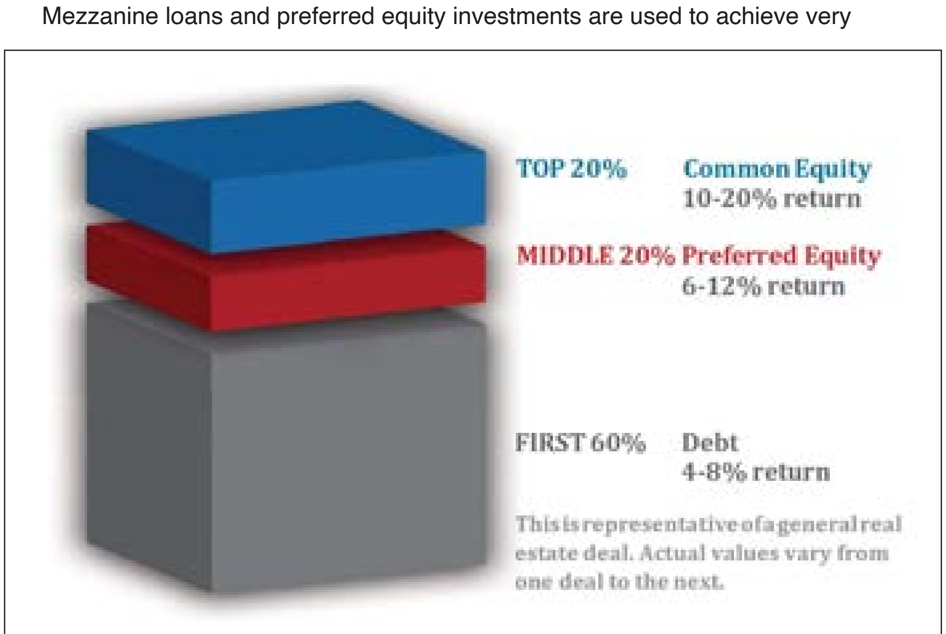
RCS looks at three of the main factors that differentiate a hotel business operation from other commercial real estate business operations and or investments. (a) absence the benefit of long-term cash flow (tenant lease), (b) projects that are leveraged to high with the wrong type of financing and (c) short terms tenants known as Hotel Guest only pay market daily rates that are influenced by several factors out of your control.

RCS Preferred Equity Euclid Algorithms

Our first approach to the RE EQUITY fund was to lower the term cost of financing which we accomplished developing a term that allowed stabilization to mature. Secondly, we developed CMT rate structure that lower the cost of financing over the term significantly which is a key element using a preferred equity approach.

Mezzanine vs. RE Preferred Equity

Mezzanine loans and preferred equity investments are used to achieve very



high leverage on large commercial projects. Normally conduits, banks, and life companies will not exceed 80% loan-to-value when making commercial mortgage loans. Mezzanine loans and preferred equity investments are stacked on top of big construction loans or big permanent loans to achieve loan-to-cost ratios as high as 95% in most cases. A preferred equity investment is quite different from a mezzanine loan, but it accomplishes almost the exact same thing. The lender makes an investment of equity with a preferred return in the LLC that owns the big commercial project. If the management of the LLC fails to pay the preferred member the promised return, the old management is ousted and the common members of the LLC (the former owners) lose their voting rights, dividends, and right to the distribution of any profit.

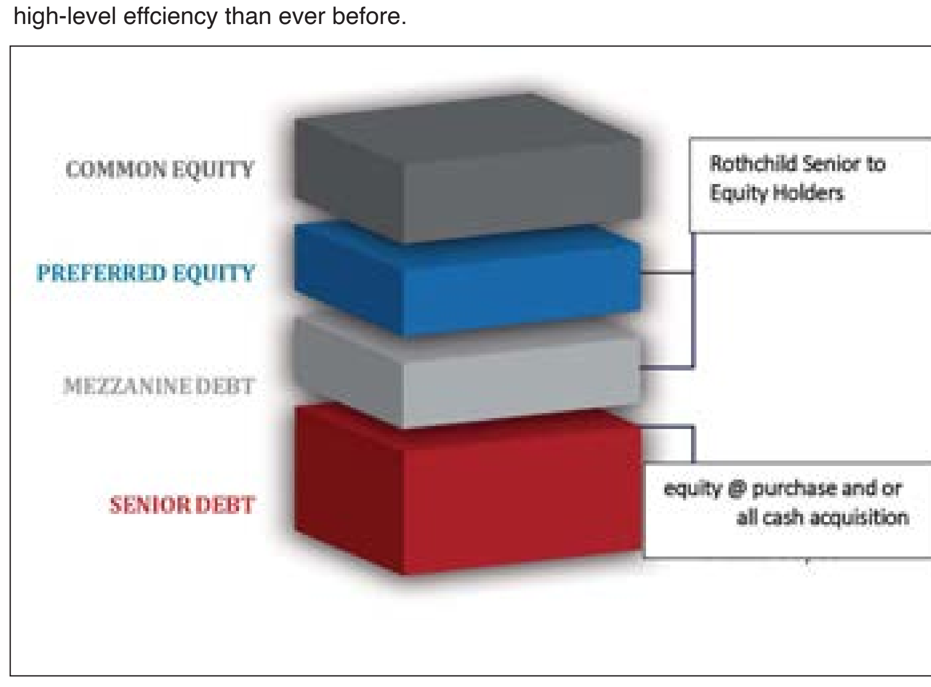
The Norm RE Preferred Equity

Preferred equity investment in real estate come in various forms and, unlike subordinate or mezzanine loans they are typically documented in the borrower's organizational (entity) documents. Generally, the deals are structured as an investment from a third party in the real estate owner's legal entity and or affliates entities. The exchange on the norm is interest in the real estate direct cash flow and or indirect under a preferred priority return. Such have provision where (i) interest on the investment money paid monthly regardless, (ii) total

investment amount paid upon maturity date, (iii) default rate with interest and other penalties assessed against the borrower followed by loss of management and or ownership. This is considered a very HARD approach and structure.

The New Wolf of Wall Street Real Estate 'Rothchild RE Preferred Equity Investment Model'

Preferred equity Rothchild Capital a real equity investment into the real property borrowing entity, junior to the development debt lender but senior to the borrowers' equity, secured and packaged under a new formula into a single asset instrument EJV with far less provisions eliminating all threats of violating the senior lenders loan agreement. Where the legalese will have some standards of DEFAULT NON-COMPLIANCE and CARVEOUTS over all this new and innovative approach is unlike the more traditional model image above use in most real estate preferred equity transactions today. Accordingly, these investment transactions raise many issues and have many concerns and pitfalls for both the senior lender and equity provider which includes transfer of management and controlling interests. The legal term at LaSalle has developed a workable solution in the event of such. Controlling interest can be shared and or third party out and management can be yield by agreement. The transfer of controlling interest will always remain a concern and never go away, in addition there is no "one-size-fits-all" solution. A wise man once told me "Only the Hands of the Diligence will be made rich". Preferred equity investment is here to stay and will play an important role in filling the gap left by traditional financing. Our current financial and lending environment with the introduction of BASEL III and recent adjustments to HVCRE will required financial practitioners to be much more solution oriented with a high-level effciency than ever before.



The RE Preferred Equity Investment: The RCS Model

Rothchild Capital Solutions managing partner Shelton has developed a new financial formula for RE Preferred Equity transactions achieving much higher leverage ratios on the capital stack then the traditional model shown above. RE Preferred Equity Group at RCS (the PEI model) Shelton has coined a unique blended structure with elements of Private Equity, Mezz Debt, and Investment Finance.

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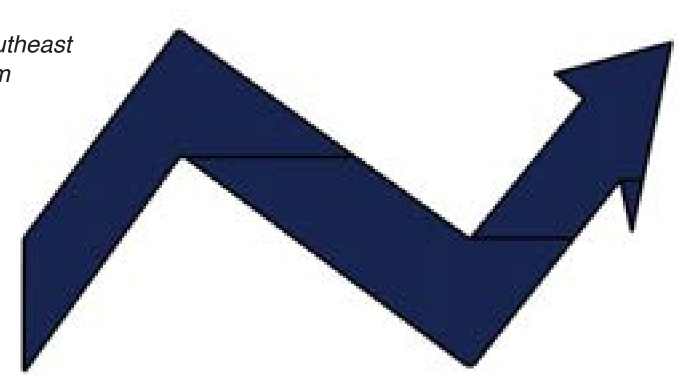


Time to Set Yourself Apart from the Competition

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 b sy" 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.

Sponsored Content

How to Winterize Your Rental Property

By Phil Schaller

It's that time of the year again. Winters aren't too harsh here in the Pacific Northwest, but it's still important to winterize your rental. Just one cold spell can wreak havoc on your pipes, gutters, roof, and more, unfortunately. But we are here to help! The checklist below is a must-do heading into winter.

While the items listed below will set your property up well for the cold months ahead, it is not exhaustive. Your koi pond in the front yard will require some attention, although we don't have it listed below (maybe a future post!).

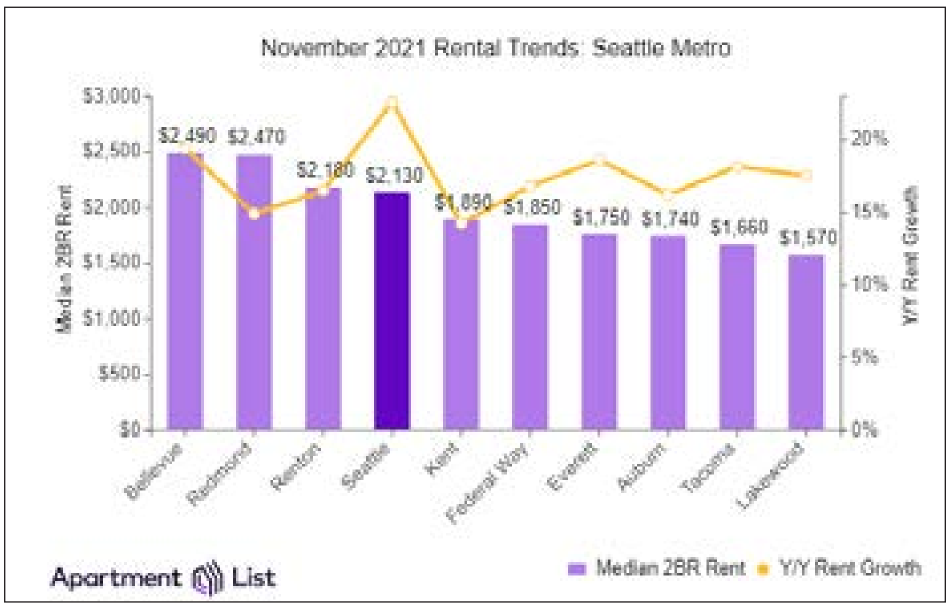
- Blow the irrigation system. This will require a landscaping company to come out to clear your systems, but it's quick and not very expensive.
- Detach your hose(s) and cover the spigots. Water left in the hose/spout can cause pipes to crack and the spouts to malfunction (not to mention the hose as well).
- Caulk any cracks or holes around your windows. Exterior silicone caulk is the way to go here. It's water-resistant and very durable.
- Clear the gutters. With more precipitation in the winter months, your gutters need to function as well as possible. All those needles, leaves, pine cones, etc., can clog things up.
- Clean up the roof and siding. If you notice any moss buildup (common in the Pacific Northwest), it's best to scrape it to prevent further buildup. We don't recommend hopping on the roof yourself; hire someone who has the proper equipment.
- Bring in outdoor furniture and grills. If your furniture sits outside all winter in the elements, you'll be buying new furniture before you know it.
- Insulate water-supply pipes. Focus on pipes that aren't kept warm by insulation or heating – those in the attic, crawl spaces, garage, and so on. Foam pipe covers work well and are easy to install.
- Install draft guards and weather stripping to necessary doors. Draft guards are inexpensive and slide onto the bottom of a door.
- Replace the furnace filters. This is important to do regularly, but especially important heading into winter. You and your tenants will want the furnace working as well as possible.
- Adjust the thermostat. If you're turning over a unit or a single-family home, make sure you don't let the thermostat dip below 50 degrees. Damage to unprotected pipes can ensue if it gets too cold.

While this is a decent-sized to-do list, winterizing your rental property (or any property, for that matter) will pay dividends in the long run. On top of that, these tasks aren't very time-consuming or expensive.

If you have any questions for us, please feel free to reach out anytime. Happy winterizing!

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. To learn more about RentalRiff's rental property maintenance service, call 541-600-3200.

RentalRiff



Seattle Rents Down 2.1% Over Past Month

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are now seeing rent declines.

Of the largest 10 cities for which Apartment List tracks data in the Seattle metro, all have seen prices rise on a year-over-year basis.

- Bellevue has seen rents fall by 2.2 percent over the past month, the biggest drop in the metro. It's also the most expensive city in the Seattle metro, with a two-bedroom median of $2,487.
- Redmond rents have declined 1.9 percent over the past month. Median rents in Redmond are $2,199 for a one-bedroom apartment and $2,468 for a two-bedroom. Year-over-year Redmond rents are up 14.9 percent.
- Lakewood has the least expensive rents in the Seattle metro, with a two-bedroom median of $1,568; rents fell 0.9 percent over the past month but rose 17.5 percent over the past year.

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

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.