

WHAT'S INSIDE:

3. Delaware Statutory Trusts & Investing Across Real Estate Market Cycles

4. **Chair's Message:** Ring in the New Year With New Goals

4. **Ask the Attorney:** What to do When Tenant Non-Payment of Gas Bill Leads to Shutoff

6-8. A Photo Gallery of Our 2021 Topaz Award Winners

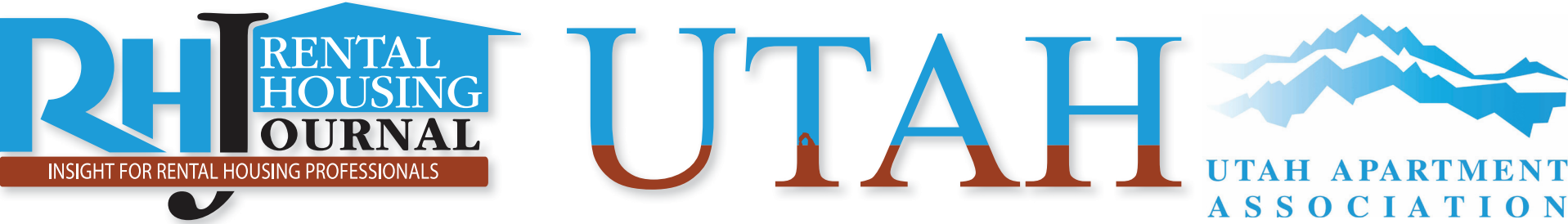
9. What's in Store for Multifamily After Record Year?

9. LA Freezes Rents for Occupied Apartments Until '23 at Earliest

10. Landlords Warned on Protections for Military Tenants

UPCOMING EVENTS:

General Membership Meetings –
7 p.m. Jan. 27, 2022 — Live Meeting:
'2022 Legislative Update'
www.uaahq.org/gmm



www.rentalhousingjournal.com • Rental Housing Journal, LLC

Official Publication of The Utah Apartment Association – Utah's Leading Advocate for the Rental Housing Industry
801-487-5619 – www.UAAHQ.org



Short-Term Rentals Can Generate 6x Gains

BY DAVID PICKRON

Rarely in life can the quick version of anything ever compete with the more time-intensive “real deal.” Think of any instant food and you will quickly realize that I’m telling the truth. The same had held true for real estate investments for at least the last century... but times, they are a changin’. As you look at your portfolio it may be time to consider transitioning some of your long-term holdings into short-term rentals, and here is why: Short-term rentals can generate up to six times the amount of revenue as a long-term hold. My average long-term hold properties cash flow at around \$200 per month; my short-term rentals cash flow just over \$1,200 per month. Does that get your attention?

As you consider transitioning from
See ‘Short-Term’ on Page 11

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

ECRWSS POSTAL CUSTOMER

Hostile Bills Abound This Session

UTAH APARTMENT ASSOCIATION

With the 2022 Legislature now underway, there are many significant issues and challenges the rental housing industry faces. In this article you will find a summary of these issues. For more information, you can go to our Government Affairs Committee Website at: <https://www.uaahq.org/government-affairs-committee>.

ADVERSARIAL BILLS

There are three Fit Premises Bills that have come out. We are working with the sponsor of the second two and have reached out to the sponsor of the first one.

HB 119 Utah Fair Housing Amendments Act, Jennifer Dailey-Provost (D-Salt Lake City)
See ‘Many’ on Page 4



Congratulations to Our Topaz Awards Winners for 2021

See Photo Gallery of the Award Winners on Pages 6-8

UTAH APARTMENT ASSOCIATION

On January 14th, 2022, we held our Topaz Awards event. We would like to thank all of those who made it to the event

It was a fantastic opportunity to honor the finalists and winners who had been nominated by their peers, customers and supervisors as representing the best and the brightest in Residential Rental Housing.

Our last event was almost three years ago! After that last very successful event the UAA board created a task force to consider changes to the format we had been using for the previous 16 years. We decided to go all in on revamping the entire event and process. We have dramatically increased the professionalism and standards of our process and made sure it is completely transparent.

We now use professional judges and property shoppers from out of state. There is a nomination fee to apply, so companies are very serious about the people and properties they nominate because of that fee. That fee then covers the significant cost of judging. All of these guidelines may be found at www.topazawards.com.

We had over 600 rental housing professionals and industry members in the



ballroom at the Little America Hotel, proving that despite the challenge of holding an event during a pandemic, so many professionals are serious about our industry, promoting excellence, and honoring our best!

We would like to thank the board, the committees, the volunteers, the sponsors, and the members of the association who submitted nominations for the awards this year. Above all, we would like to thank the finalists and the winners for their dedication and example of excellence.

Congratulations!

Sign up today for **FREE** 1031 property listings delivered to your inbox!

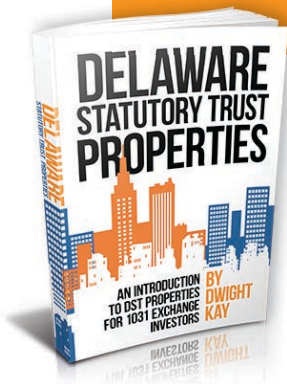
DST, TIC, and NNN PROPERTY LISTINGS.
You will also get a free book on 1031 Exchanges!

Sign Up for Free at **WWW.KPI1031.COM**
Or Call **(855)899-4597**

If You're Considering A 1031 Exchange It's Time To Set Sail!



SIGN UP FOR FREE At kayrhj.com
Or Call **1 (855) 875-2781**



Get **FREE** Delaware Statutory Trust (DST) 1031 Exchange Listings Delivered To Your Inbox! **PLUS**

**CALL TODAY FOR
A FREE BOOK ON
1031 EXCHANGES AND
DELAWARE STATUTORY TRUSTS**



**YOU WILL ALSO
GET FREE 1031
EXCHANGE
LISTINGS!**



**PROPERTIES &
INVESTMENTS LLC**

Find Out How To Avoid Capital Gains Taxes, And More!

- ✓ Management Free - No More Tenants, Toilets And Trash!
- ✓ Cash Out Refinance - Defer Your Taxes And Receive Liquidity Potential
- ✓ Monthly Income Potential
- ✓ Close Your 1031 Exchange In 2-3 Days
- ✓ All-Cash/Debt-Free Offerings
- ✓ Multifamily, Net Lease, Self Storage, Industrial And Mobile Homes
- ✓ Tenants include Amazon, FedEx, Dollar General, Walgreens, CVS, Fresenius And More
- ✓ Non-Recourse Financing From 40-85% Loan To Value

Securities offered through Growth Capital Services, member FINRA, SIPC, Office of Supervisory Jurisdiction located at 2093 Philadelphia Pike, Suite 4196 Claymont, DE, 19703 Potential returns and appreciation are never guaranteed and loss of principal is possible. Please speak with your CPA and attorney for tax and legal advice.

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.

Diversification does not guarantee profits or protect against losses.

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

Delaware Statutory Trusts & Investing Across Real Estate Market Cycles

By Jason Salmon | Senior Vice President, Kay Properties & Investments

Key Takeaways:

- What are the Four Stages of a Real Estate Cycle?
- What are some Current Macro Real Estate Trends Impacting Investment Real Estate?
- Why Should Delaware Statutory Trust Investors Be Aware of Current Real Estate Trends?

One of the common topics that frequently pops up in investment conversations these days involves questions about what stage of the “real estate cycle” is the market currently in, and how does the current real estate market cycle impact the world of Delaware Statutory Trust 1031 exchanges?

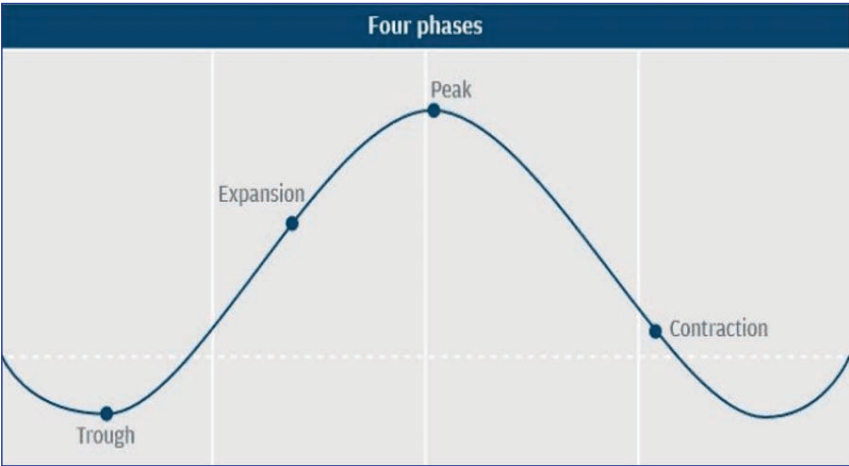
The first caveat that must be iterated here is that nobody can predict the future of any market, and there are always material risks associated with investing in real estate, which investors should carefully consider with their own tax and legal advisors. However, by taking a closer look at typical real estate cycles and why these cycles are important to understand, investors can be better prepared for the future, and maybe recognize why more and more real estate owners are selling their properties and moving into DST 1031 exchanges.

WHAT IS A REAL ESTATE CYCLE?

A market cycle basically refers to the periodic ebbs and flows that occur in the economy and across individual sectors, such as technology, stocks and bonds, and real estate. Real estate cycles typically include a wave pattern that moves across the four phases of trough, expansion, peak, and contraction. Understanding the real estate cycle can help people anticipate shifts in the market and make more informed decisions relating to their real estate asset, whether it’s single-family home, multifamily building, commercial building, or net leased property.

UNDERSTANDING THE FOUR REAL ESTATE CYCLES:

- Trough/Recession: In the recession phase,



supply has over-exceeded demand, and demand drops—causing downward pressure on values, high vacancy rates and negative rent growth. Anyone who owned real estate during the “Great Recession” faced dramatic events such as loan defaults, massive layoffs, and vacated homes that owners abandoned after property values plummeted. Still, some speculative investors look at this cycle phase as a good time to buy as property values will be at rock bottom. Some of the advantages of buying real estate during recessions include lower prices, less competition, and many sellers might be more willing to offer provisions as improvements and amenities. If successfully executed, a buyer who purchases during a trough or recession will wait and hold the investment property until the real estate cycle circles back, and the downturn is over—as the market begins to recover and eventually expand.

- Recovery/Expansion: English theologian and historian Thomas Fuller once famously said, “It’s always darkest before the dawn”, which many real estate investors apply to the earliest moments of a recovery. In the recovery phase, the real estate market begins at a low point from the recession and gradually rises in strength. Some people who invest in the recovery phase look at Core real estate assets that will generate stable income with very low risk. These assets include a NNN property with a long-term lease or a fully leased office building in a prime location. Other assets that savvy investors target during a recovery phase of real estate investment include value-add real estate, and opportunistic investments like distressed properties or even raw land. While many people have a hard time identifying when the trough stage segues into the recovery phase, experts look at trends like gradual occupancy increases or growing demand to identify when the recovery stage has begun. The recovery phase

- is a popular time for real estate investment and speculation since prices of properties are typically high, which helps the potential for a solid return upon the sale of the asset.
- Peak: The peak phase will be when supply catches up with and even exceeds demand pushing prices up. During this phase, assets are fully priced, and some real estate investors feel eager to sell at attractive prices and reap profits. However, the peak market can also be a good time for savvy investors to refinance any leverage while interest rates are low and fixed.
- Contraction: The contraction phase generally occurs after the business cycle peaks, but before it becomes a trough. If growth stalls or becomes negative, it can fall into a recession, which is usually defined as two consecutive quarters of negative growth. During this period, investors need to act very cautiously while simultaneously monitoring the market for opportunities - because while contraction cycles can be difficult, they can also coincide with some great opportunities. For example, in a recessionary environment, the worst-performing assets are those that are highly leveraged, very speculative, and fraught with risk. For many years, Kay Properties has avoided the sectors of hospitality, senior care, and oil & gas for this exact reason.

While this cycle pattern is widely accepted to view the real estate market over the long-term, there are many variables that come into play with real estate. For example, real estate is a highly localized industry with different conditions in every state, market, and sub-market making real estate a constantly moving target.

RECORD-BREAKING EXPANSION CYCLE AND DST INVESTMENT OPPORTUNITIES

Timing investments correctly may potentially help to increase returns. Yet getting market timing exactly right is never easy unless you happen to be a fortune teller. Right now, the length of the current economic expansion has many people suspecting that we are close to a peak market cycle. However, others suggest current slow and steady growth may be sustainable, and there doesn’t appear to be anything imminent that could derail that pattern. The peak could very well turn out to be more of a plateau than the beginning of the end. Even if there is a contraction or trough ahead, it could be a slight downturn rather than a sharp drop off a cliff. There are numerous variables that contribute to the shape of market cycles that range from Fed monetary policy to market bubbles that pop, such as the housing and Dot.com booms that caused the last two recessions.

But real estate experts point to several macro real estate trends that suggest it might be a good time for investment property owners to consider selling their buildings and consider DST 1031 investments. Even if we cannot know if we are currently experiencing a peak in the real estate market cycle, many real estate investors have seen their properties appreciate significantly and recognize an opportunity to sell and potentially unlock trapped equity.

SOME MACRO REAL ESTATE TRENDS THAT COULD BENEFIT DST INVESTORS

Macro Real Estate Trend #1: Low Inventory

- According to the National Association of Realtors, inventory of available homes was down nearly 30% in 2021 compared to a year ago, multifamily buildings are attracting institutional real estate investors, and according to real estate firm CBRE in is first quarter 2021 report on the industrial and logistics market, demand for this type of asset is through the roof, after nearly 100 million square feet was absorbed during the first quarter – the third highest absorption rate on record.
- How This Could Benefit DST Investors? Whether you are talking about a multifamily apartment building or a single-family home, low inventory means higher selling prices and shorter sales cycle – all good news for the seller’s position. However, this low inventory could also cause trouble for a seller who will find it hard to purchase a replacement property to avoid a large capital gains tax bill at the end of their sale. The DST marketplace allows sellers to easily find a 1031 like-kind exchange for nearly every level of transaction, providing sellers a strategy to not only defer their capital gains taxes but also gain access to a much more diversified portfolio with monthly cash flow potential. DST 1031 specialty advisory firms like Kay Properties & Investments

has access to the largest menu of DST 1031 exchange properties in the nation and works with more than 25 different sponsor companies.

Macro Real Estate Trend #2: Rising Real Estate Asset Prices

While real estate prices have slowed slightly in recent months, they have still grown by nearly 20% compared to last year, and according to a recent report on net leased real estate points out that net leased real estate is experiencing its highest level of demand in history, with billions of dollars flooding in from seemingly everywhere.

- How Could This Benefit DST Investors? Rising real estate prices might indicate the real estate cycle is nearing its peak, and so it could be a good opportunity for investors to sell their multifamily investment buildings. However, selling in an expansion market cycle could trigger a significant capital gains tax bill! DST 1031 exchange investments help sellers defer their capital gains taxes while gaining access to institutional quality real estate assets with the potential for monthly income. DST 1031 exchanges can be structured with leverage for replacing debt, or all-cash/debt-free eliminating the risk of lender foreclosure.

Macro Real Estate Trend #3: Low Interest Rates

With historically low interest rates in place, buyers are more motivated and capable of financing investment property more quickly.

- How Could This Benefit DST Investors? According to the Quantity Theory of Money, any time the money circulation increases (either through government spending or lower interest rates) inflationary pressures tend to surface. DST 1031 properties may potentially help investors reduce the negative effects of inflation. For example, many DST investments have access to properties that have historically shorter lease terms that allow the investor to pass along any inflationary pressures to their tenants. On the other hand, most single-tenant net leased investment properties commonly have 20–25-year leases that generates flat to minuscule rental increases over the course of the lease term. Over time this flat rental structure could be devastated by inflationary pressures.

TODAY’S REAL ESTATE CYCLE COULD BE A GOOD TIME TO 1031 EXCHANGE INTO DST PROPERTIES

There is no doubt that mature market cycles are fueling an increase in property sales and 1031 tax deferred exchanges. Property owners who believe values may be at or near peak see it as a good time to take chips off the table and sell real estate that has experienced good appreciation. DST Properties are blessed by the IRS for use in a 1031 tax-deferred exchange. Individuals also have an opportunity to reinvest proceeds into a variety of different property types and geographic markets. For example, Kay Properties has DST opportunities with a minimum investment amount of \$100,000 for investors with offerings that span multifamily, self-storage, net lease (NNN), industrial and medical office properties.

The Delaware Statutory Trust 1031 exchange vehicle can be a potentially smart strategy for investors who want to take advantage of the current real estate trends and leverage the tax deferral aspects of the 1031 exchange process.

ABOUT THE AUTHOR

Jason Salmon is Senior Vice President Managing Director of Real Estate Analytics for Kay Properties & Investments New York City office where he applies his more than 20 years of commercial real estate and financial advisory experience in assisting thousands of property owners as they navigate their 1031 exchange transactions and direct acquisitions of securitized real estate investments. He is considered one of commercial real estate industry’s leading experts in providing high-net-worth clients DST 1031 exchange investment strategies, tax advantaged exit strategies and estate planning solutions.



Jason takes his deep and diverse expertise in identifying good real estate investment opportunities across multiple sectors including commercial, industrial, medical, and multifamily and combines it with Kay Properties & Investments’ dynamic platform that includes a full menu of DST properties and a complete team of 1031 exchange experts to provide his clients the best advisory and execution practices in the industry.

Chair’s Message

Ring in the New Year With New Goals



BRAD RANDALL
Chair,
Utah Apartment Association

It’s that time of year again when we reflect on our accomplishments of the last 12 months and commiserate with one another on all the things we didn’t get done or goals we let slide away when life “got too busy.”

In 2022, I encourage you not to give up on New Year’s resolutions and to make some new goals (or re-ignite missed

goals) for yourself both personally and professionally. Write them down to make them real and then look at them every day to remind yourself where you need to direct your time and focus.

Some examples might be:

- Do something you love every day
- Do something just for you
- Give yourself credit when you deserve it
- Move more
- Start a new hobby
- Strive to learn something NEW every day
- Make PROFESSIONAL contacts and network
- Practice professional courage
- Create or rewrite a business plan
- Stop procrastinating

AND I encourage you to take advantage of your Utah Apartment Association membership by attending the events like our Annual Fair Housing Conference on April 26th and the Reverse Trade Show on August 18th to further some of your goals.

Our education trainings and events are great ways for you to expand your knowledge and business savvy in the rental housing industry. They are also a prime place for you to network with other professionals in the business that may have experience with something in your business you’re currently struggling with. Making the right connection with a new vendor could open up a whole new range of possibilities for services you can offer to your clients.

Let’s ring in the New Year and make it a success together!

Ask the Attorney

What to do When Tenant Non-Payment of Gas Bill Leads to Shutoff



JEREMY SHORTS, Esq.
Utah Eviction Law

Q. My tenant was not paying the gas bill and now the utility company shut off the gas. What should I do?

A. That’s a common concern this time of year.

First, check your lease to see if it addresses your situation. Second, you normally DO NOT have a legal obligation to turn on utilities if they were in the tenant’s name and were shut off for nonpayment (that’s an issue between the tenant and the utility company that doesn’t involve you). BUT – From a practical standpoint, paying for utilities is probably cheaper and less time consuming than fixing frozen pipes.

Again, follow your lease, but it might be better to pay the utilities and bill the tenant. Judges are fine doing an eviction for unpaid rent, but something like this might be a bit different.

You should clearly communicate what you’re doing and what your expectations are (i.e. needs to be paid with the next month rent and will be paid first before rent). If your rent is \$1,000 and utilities were \$200 and they only pay \$1,000, apply the first \$200 to the utilities with \$800 toward the rent. That way you can issue a pay or quit eviction notice for \$200 in rent (not utilities).

Jeremy Shorts, Esq.
Utah Eviction Law
Phone: 801-610-9879
Fax: 801-494-2058
Email: info@utahevictionlaw.com

Many Hostile Bills This Legislative Session

Continued from Page 1

This is possibly the very worst bill we are facing this year. It turns a section of the Fit Premises Act that lists best industry practices without penalties, into requirements that if we do not follow tenants can sue the landlord about. We will be working very hard to defeat this.

To read the section that would become requirements, you can find the bill at: <https://le.utah.gov/~2022/bills/static/HB0119.html>

(not yet numbered) Application Fee Amendments, Gaylynn Bennion (D-Cottonwood Heights)

This bill would create a process for a renter who thinks they have paid an application fee for a bill that wasn’t processed to request a refund and require an owner to provide one. There are claims that renters are paying fees for applications that are not being processed because the market is tight, and the unit is not available. In other words, the allegation is that owners are taking multiple fees on one vacancy and comparing people to each other

or just pocketing extra fees. There have been no confirmed cases of this presented so far – just anecdotal accusations.

As a reminder, professional rental operators disclose rental criteria in advance, take one application at a time, and compare that application to their criteria. If that person doesn’t meet the criteria, they move on to the next applicant. They run one application at a time and don’t process backup applications unless they need to. Application fees are not a profit center.

(not yet numbered) Notice to Enter Amendments, Gaylynn Bennion (D-Cottonwood Heights)

This bill is back after we defeated it last year 50-20 in the House. The sponsor wants to require 24-hour notice to enter in almost all cases. Right now, the law says property owners/managers must give 24-hour notice to enter unless modified by contract. There are many reasons we may need to enter quicker: emergencies, suspicion of criminal activity, maintenance, etc. We think contracts should determine how much time is needed, not statute. We are hopeful we can find a compromise that alluded us last year, but it may be the sides are just too far apart.

BILLS THAT AFFECT US TO SOME EXTENT

(not yet numbered) Expungement of Eviction Records During Covid – Marsha Judkins, (R-Provo)

This bill would allow people evicted during COVID to get their eviction records sealed/expunged if they applied for rental assistance to pay it, or otherwise have paid it off. We support the concept that people get evictions (only non-payment ones) off their record if they satisfy the judgement. Such a law would incentivize people to pay off their eviction and/or apply for federal COVID relief funds to pay off balances they owe. We are working with the sponsor and expect to come to agreement that all sides can support.

PROACTIVE BILLS

We are supporting several proactive bills

this session to help improve the Rental Housing Industry.

Appropriation for Section 8 Guarantee Fund

In the 4 years since it has been set up, we have gone through the \$1 million that was in the Section 8 Guarantee Fund. We are requesting an appropriation of \$750,000. This fund allows landlords who are damaged by section 8 renters (who you are required to work with if they meet your other criteria) to make a claim for up to \$5,000 from the state. It was part of a compromise to keep Section 8 a protected class. We already have agreement to put this money in the housing bill and are fairly confident we will get it!

(not yet numbered) Rent Control Prohibition Amendments – Jon Hawkins, (R-Utah County)

This bill adds the word “deposits” to things municipalities and counties cannot regulate without legislative consent. We currently prohibit them from interfering in rents and fees. All over the country we are seeing cities pass laws regulating deposits. One Utah City this past year was considering requiring landlords to take deposits in installment payments, or offer security deposit alternatives (like insurance products). We think it is essential Utah add deposits to the things that cannot be regulated at the local level.

OTHER BILLS

There are some tax bills that we are following that affect rental property. There is a fair housing bill that may make it easier for renters to request a modification to their property. There are water bills, impact fee bills and bills that affect zoning and development that we are watching and will keep you updated on.

The Legislature runs 45 days and ends on Friday, March 4th.

Rentegration.com

Integrated Solutions at your fingertips

5 REASONS TO USE RENTTEGRATION

1. Access - Rentegration.com is a web based, multi-user software offering customers 24/7 access to forms generation, archives, property management data-base, basic accounting, vendor ordering and other services.

2. Rental and Lease Forms - Unlimited use of a full line of state specific rental and lease forms. All Rentegration.com forms are created by attorneys and/or local rental housing associations.

3. Simplified Accounting - Owners and managers can track income and expense for each unit, property and company. Perfect for mid and small size property managers and independent rental owners, who neither have the need or budget for larger, more expensive software.

4. Management Database - Rentegration.com is an easy to use, database driven software. Most form fields are auto populated from the database. The modules are all integrated and work together. For example, a customer can use the rent roll function to identify all delinquencies, apply fees, and create eviction forms with a few simple clicks of the mouse.

5. Value - Large property management companies that use Rentegration.com for only forms generation will save time and money over other methods. Mid and small size property managers and independent rental owners can manage their entire business at a fraction of the cost of other software and forms.

Exclusive Industry Partner of



NATIONAL TENANT NETWORK

State specific rental and lease forms available in:
AK, AZ, CA, CO, DC, DE, FL, GA, IL, IN, KS, KY, MA, NC, NJ, NV, NY, OH, OR, PA, TX, UT, VA, WA & WV.

rentegration.com 503.933.6437 sales@rentegration.com





HAINSWORTH
LAUNDRY COMPANY

YOUR TENANTS DIRTY LAUNDRY, OUR PROBLEM.

Hainsworth — keeping properties and tenants clean and happy for 55 years.

- State-of-the-art brand name equipment
- 24/7 personalized assistance
- Friendliest and fastest response time
- Easy-to-use app for payments and rewards
- Residual income stream for your property

Call 800-526-0955 today to get started.

hainsworthlaundry.com



SURFACE TECH

REDEFINING RESURFACING



CALL FOR A FREE ESTIMATE!

(801) 676-5275

Surface Tech takes your outdated, worn and damaged fixtures and makes them look new again. We resurface over Countertops, Bathtubs, Tile, Sinks and Cabinets for a fraction of the cost of replacing.

TUBS - COUNTERS - TILE - SINKS - CABINETS



BEFORE



AFTER



BEFORE



AFTER

WWW.SURFACETECHUTAH.COM

RENTAL HOUSING JOURNAL UTAH • JANUARY 2022

5



Congratulations, 2021 Topaz Award Winners!



100% Section 42 Property of the Year
The Sage, Wasatch Property Management
Sponsored By: Law Offices of Kirk A. Cullimore



Assistant Manager of the Year North
Sydney Sagel, Triton Investments
Sponsored By: Valet Living



Assistant Manager of the Year South
Jane Seegmiller, Greystar
Sponsored By: Law Offices of Kirk A. Cullimore



Outstanding Customer Service
Utah Eviction Law
Sponsored By: Brewster Insurance Group



Development of the Year
ICO Vista Station, ICO Communities
Sponsored By: WSI Trash Valet & Recycling



Leasing Agent of the Year
Alek Hernandez, Greystar
Sponsored By: Western Reporting



Best Leasing Office or Clubhouse
Hardware Village, Greystar
Sponsored By: Apartments.com



Maintenance Supervisor of the Year North
Eric Boettcher, NXT Property Management
Sponsored By: HD Supply



Maintenance Supervisor of the Year South
Matthew Wheelwright, Bridge Property Mgmt
Sponsored By: WSI Trash Valet & Recycling

www.TopazAwards.com



Congratulations, 2021 Topaz Award Winners!



Maintenance Technician of the Year

Aisake Ongoonotau, Greystar
Sponsored By: Fitlogistix



Best Model

Colonial Court, Greystar
Sponsored By: Western Reporting



Outstanding On-Site Team North

Hardware Village, Greystar
Sponsored By: Alpine Cleaning & Restoration



Outstanding On-Site Team South

Copperwood Apartments, Greystar
Sponsored By: Smart Rain



**Property of Excellence
Northern Utah**

Foothill Lofts, Wasatch Property Management
Sponsored By: Rentler



**Property of Excellence
Salt Lake County**

San Marino, Wasatch Property Management
Sponsored By: Rent Path



**Property of Excellence
Southern/Central Utah**

Herriman Town Center, AMC
Sponsored By: HD Supply



**Property Manager of the Year
Large Community**

Kirsti Collins, NXT Property Management
Sponsored By: Rentler



**Property Manager of the Year
Medium Community**

Courtney Cottle, NXT Property Mgmt
Sponsored By: Rent Path

www.TopazAwards.com



Congratulations, 2021 Topaz Award Winners!



**Property Manager of the Year
Small Community**

Kori Desimore, Greystar
Sponsored By: Xfinity



Regional Manager of the Year

Chantay Fry, Triton Investments
Sponsored By: Apartments.com



Rookie of the Year

Sean Flounlacker, Greystar
Sponsored By: Xfinity



Outstanding Senior Property

Cottages on 7th, Greystar
Sponsored By: Valet Living



Service Provider of the Year

Rent Path
Sponsored By: Real Property Management



**Single Family Management
Company of the Year**

HomeRiver Group
Sponsored By: Brewster Insurance Group



Supplier of the Year

HD Supply
Sponsored By: Real Property Management

www.TopazAwards.com



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.

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

Website
www.RentalHousingJournal.com

Email
info@rentalhousingjournal.com

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

The statements and representations made in advertising and news articles contained in this publication are those of the advertisers and authors and as such do not necessarily reflect the views or opinions of Rental Housing Journal, LLC.

The inclusion of advertising in this publication does not, in any way, comport an endorsement of or support for the products or services offered. To request a reprint or reprint rights, contact Rental Housing Journal, LLC at the address above.

© 2022, Rental Housing Journal, LLC. All rights reserved.

What’s in Store for Multifamily After Record Year?

By JOHN R. TRIPLETT

Multifamily rent growth had a record year in 2021, with many factors contributing to the unprecedented growth that led to the average asking rent growing by \$190 during the year, according to Yardi Matrix.

Expectations for 2022 continue strong for multifamily but not at the level of 2021, as rents cooled near the end of the year.

“The multifamily market closed the book on 2021 with strong performance, a good end to a year that featured robust demand and record annual rent growth. Although a repeat of 2021 is not likely, many of the trends that led to the stellar performance remain intact,” Yardi Matrix writes in the report.

HIGHLIGHTS OF THE REPORT:

- “U.S. multifamily rents rose modestly in December, increasing by \$2 to a record \$1,594, closing the book on an extraordinary year in which asking rents rose by 13.5 percent year-over-year. Rent growth in 2021 was more than double any previous year recorded by Matrix.
- “Although we expect rent growth to decelerate in 2022, it should be a strong year nonetheless by historical standards, closer to the 5 percent

LA Freezes Rents for Occupied Apartments Until ’23 at Earliest

RENTAL HOUSING JOURNAL

Landlords in Los Angeles cannot increase rent on the more than 650,000 occupied and rent-stabilized apartments in the city despite rising construction-repair costs and increasing city fees.

The *Los Angeles Times* reports that number is about three-fourths of all the apartments in the city.

Under the rules, landlords are not allowed to increase rents for an entire year after the expiration of the emergency order signed by Mayor Eric Garcetti in March 2020, when the policy went into effect. As of now, no rent hikes will be allowed for most L.A. tenants until 2023. And possibly beyond, the *Los Angeles Times* reported.

Landlords in Los Angeles say costs have risen sharply due to inflation, for everything from labor and materials for building repairs to city fees for trash pickup.

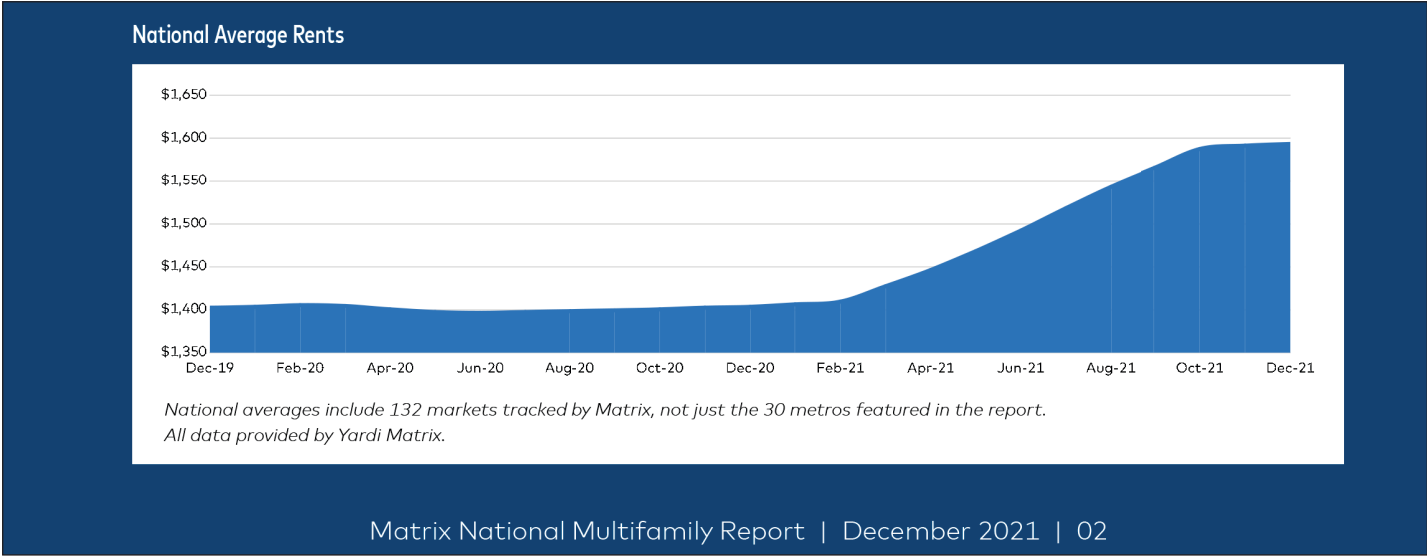
“We have to pay a mortgage and pay utilities,” said Ari Chazanas, president of Lotus West Properties, which manages about 1,000 apartments across the city, to the *Los Angeles Times*. “I think there’s a lot of fatigue from people like me because it’s been going on for so long.”

While Los Angeles rents declined substantially at the beginning of the pandemic, they are climbing steadily now.

Apartment List reports that L.A. median rent for recently leased apartments has rebounded to \$1,947 a month in November, up nearly 15 percent from the low in January and eclipsing pre-pandemic levels.

The city’s rent-stabilization rules generally apply only to apartments built before October 1978. Normally, landlords are allowed to raise rents on existing tenants by no more than 3 percent annually, depending on inflation.

But the mayor’s emergency order changed that, marking the first time in more than four decades under the city’s current rent-control laws that landlords have been blocked completely from increases. Landlords remain able to charge whatever they want for apartments once a tenant vacates.



- annual increases recorded in the middle of the past decade. Demand for apartments remains robust, and the national occupancy rate has been at or near record highs for the last six months.
- “Single-family rentals also remain in high demand, with the national occupancy rate up 0.4 percent year-over-year through December. Single-family rental asking rents rose 13.8 percent in 2021,” the report says.

The report says the economy should

remain strong based on higher wages, the continued opening up of the economy, easing of supply-chain issues and the wealth built up by some consumers during the pandemic.

At the same time, inflation and a new wave of COVID-19 may keep the growth to a moderate level.

“Consumers’ financial health should continue to feed growth of new households, while the rapid increase in home prices will funnel much of that demand to multifamily and single-family rentals,” the report says.

“The pandemic continues to affect commerce and travel, and the future of migration remains unknown, but clearly the shift to the South and West will endure.”

John R. Triplett is publisher and general manager of Rental Housing Journal. For more information about Yardi Matrix, its research and reports on multifamily, office and self-storage properties across the United States, visit www.yardimatrix.com or call 480-663-1149.



Boost your knowledge, skills, and confidence!

Certified Apartment Manager



WE RECOMMEND THIS COURSE for community managers and experienced assistant managers.

Earning your CAM credential allows you to demonstrate that you have the knowledge and ability to manage an apartment community and achieve the owner’s investment goals. The CAM credential positions you well for career opportunities and advancement.

2022 Certified Apartment Manager (CAM) Program

Come Learn about:

- Occupancy Rates
- Comprehensive marketing plans
- Sales team management and product readiness
- Equitable treatment of current and potential residents
- Resident retention and maintaining a positive company image
- Communicating with residents
- Customer service and issue retention
- Enforcing company policy and complying with laws and regulations
- Property inspections
- Preventative maintenance programs
- Service request process
- Apartment turnover
- Working with contractors and vendors
- Recruiting high-caliber employees
- Employee orientation and training
- Employee evaluation
- Employment regulations and record keeping
- Analyzing the property’s financial operations and taking corrective actions for underperformance
- Monitoring property performance to achieve the owner’s investment goals
- Accounting principles and practices
- Maximizing net operating income
- Reporting property performance accurately

Full course with materials \$825

Register online : www.uaahq.org/CAM



Landlords Warned on Protections for Military Tenants

RENTAL HOUSING JOURNAL

The U.S. Department of Justice and the Consumer Financial Protection Bureau (CFPB) are warning landlords and other housing providers about military tenant protections when they are providing rental housing for military families, according to a release.

The Justice Department and CFPB have sent a letter to landlords and housing providers reminding property owners of the important housing protections for military tenants, some of whom may have had to relocate or make other changes to their housing arrangements in response to the pandemic.

While military families enjoy the same legal protections and privileges afforded to all other homeowners and tenants, they also have additional housing protections under the Servicemembers Civil Relief Act (SCRA), which is enforceable by the DOJ and servicemembers themselves.

Military tenants have several legal protections under the SCRA that are designed to enable them to devote their entire energy to the national defense. These include, for example, a prohibition on foreclosing on certain servicemembers' mortgages without court orders, the ability for military families



to terminate residential leases early, and without penalty, upon receipt of military orders, and a prohibition on evicting military families from their homes without court orders.

The Justice Department and CFPB

also issued a letter to mortgage servicers regarding military borrowers who have already exited or will be exiting COVID-19 mortgage forbearance programs in the coming weeks and months.

“The Department of Justice takes

seriously its responsibility to safeguard the rights of servicemembers and veterans,” wrote Assistant Attorney General Kristen Clarke in a release. “While servicemembers carry the great burdens of this nation, they should not have to worry that their sacrifices will result in economic harm to their families. Mortgage servicers and landlords must ensure that they are in full compliance with federal laws intended to protect servicemembers and their families during military service.”

The letter to mortgage servicers comes in response to complaints from military families and veterans on a range of potential mortgage-servicing violations, including inaccurate credit reporting, misleading communications to borrowers, and required lump-sum payments for reinstating their mortgage loans. These complaints are being reviewed for compliance by the CFPB with the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other applicable requirements.

“The illegal foreclosures of military families in the last crisis was one of the financial industry’s worst failures,” CFPB Director Rohit Chopra said in the release. “The CFPB will be closely watching mortgage servicers and will hold them accountable for illegal tactics perpetrated against military families.”

During the COVID-19 pandemic, roughly 7.6 million homeowners entered forbearance. While the majority have resumed their regular mortgage payments, approximately 1.25 million borrowers – many of whom are military borrowers – were still in forbearance programs that expired at the end of 2021. Ensuring that mortgage servicers comply with their legal obligations is crucial, especially since a decade ago some large financial institutions illegally seized the homes of military families, sending their lives into tailspins. These violations were a result of breakdowns in the mortgage-servicing industry that were severe and widespread. The result was numerous settlements with regulators, including a \$186 million settlement between DOJ and some of the country’s largest mortgage servicers.

Under the CARES Act and Regulation X, servicemembers and veterans have the same protections available to all mortgage borrowers. These include, for example, streamlined COVID hardship forbearance options, requirements that mortgages receiving a COVID-19 hardship forbearance be reported as “current” to credit reporting agencies if the loan was current before entering forbearance under the CARES Act, and requirements in the Bureau’s Regulations X and Z for treatment of delinquent borrowers and borrowers who have applied for loss mitigation.

“The CFPB and DOJ are calling on mortgage servicers and landlords to ensure that military homeowners and tenants are safeguarded during the pandemic and benefit equally from the nation’s economic recovery,” according to the release.



State law requires that persons who service public pools by maintaining the cleanliness, water quality, and chemical balances be certified by an approved training provider. Successful completion of this 2 day CPO course and *passing* the exam fulfills the state requirements.

Held at UAA Office:
230 W Towne Ridge Pkwy
Sandy, UT 84070
Register: www.uaahq.org/cpo



CPO
Certified Pool Operator
March 16 & 17, 2022
9 AM to 4 PM
(must attend both days)

\$235

More Info: 801-487-5619 OR info@uaahq.org



Register by March 5th and Save \$30



Short-Term Rentals Can Generate 6x Gains

Continued from Page 1

long-term to short-term rentals, you should examine the following factors to help ensure that the changeover is successful: location, needs, and saturation.

LOCATION

The old mantra of “location, location, location” in relation to real estate has endured because it is true. For short-term rentals, it may even be more important. A friend of mine recently converted his 5,000-square-foot custom home in a regular residential neighborhood in Phoenix into a short-term rental. In his mind, he was already cashing the checks after he listed the home on the popular short-term rental sites. But there was a big problem: there was no draw for potential renters to come to the property, as it wasn’t near any major attractions. That property quickly turned back into his full-time residence, having never once been used as a rental.

Having an attraction or destination near your property makes it ripe for transition to short-term. Whether it is near other resort properties, mountain towns, beachside escapes, or national parks, having a natural draw for people to come to the area instantly makes it an eligible property.

Obviously, warm places in the winter and cooler places in the summer create demand when people are looking for an escape. If you have an extensive portfolio or are just looking to purchase your first investment property, make location a key component of your research process.

NEEDS

Depending on the location of your property, the needs of your potential renters need to be paramount in your conversion



decision. I have several properties that are located near a cancer-treatment center. When I originally purchased those properties, I did not know there would be a severe need for this type of property because the treatment center hadn’t even been built.

My curiosity got the best of me when this facility was built, and I called to inquire if they ever had patients with short-term housing needs. It was after this conversation that I decided to convert these units into what they are today. Most of those renters in these properties are in town for several weeks or months at a time receiving treatment for life-threatening illnesses, and insurance companies are reimbursing their housing expenses. In this case, my short-term rentals cost thousands less than costly overnight hospital stays.

These tenants have very specific needs, whether it be accessible facilities or high cleanliness standards. I have prepared those properties with those specific needs in mind and can market them as such.

In other areas, I have properties that are more vacation-oriented, with access to golf courses, hiking trails and other recreational

opportunities. Those homes are equipped to help my renters have the best experience while on the property, with helpful hints on where to play, where to relax and where to eat.

There is an obvious expense to preparing properties to meet the needs of potential short-term renters, but those expenses are recouped quickly with satisfied renters who rebook and share their experiences with others.

SATURATION

While it may seem too easy to look at a booming area where everyone is converting to short-term rentals and think it would be great to ride the same wave, you would be right. Markets with a lot of short-term rentals are strong for this very reason and should give you the confidence to at least try your hand.

Competition should ignite your creativity, so if you do decide to convert your property in a saturated area it is critical to find a way to make your property stand out. Maybe it’s time to complete those upgrades you’ve been putting off. Or you may need to commit some extra marketing dollars to make sure your property has that “it” factor that makes it more desirable.

If being in a saturated market scares you, maybe you look to create a more rural opportunity experience. I have a friend that has taken a five-acre rural property and created an “Old West” type of experience for their guests, and there is a massive waiting list of people who want to spend their time and money there.

There is no perfect formula for determining how many is too many short-term rentals in an area, but with effort and your expert insight you can successfully make the jump.

A FEW OTHER ITEMS TO CONSIDER:

Always check with your homeowners association (HOA) before you even start down the road to see what the rules are in regard to short-term rentals. I’ve heard too many horror stories about owners spending time and money to prepare a property only to have it shut down by their HOA.

There is no reason to fear the managing/cleaning/scheduling of the property. This is the No. 1 thing I hear from investors, but it really is a non-factor.

In short-term, your renter pays the cleaning fee. You just need to find a cleaning crew you can depend on. Take their bid, add \$50.00 to it to pay for toilet paper, paper towels, and other disposable goods. A well-paid cleaner is more than happy to go the extra mile for you when needed.

While I am not advocating you run out and convert your entire portfolio today, I do recommend you run through your portfolio to determine which, if any, of your properties are ideal for creating a 6x return over what you are getting now.

It may take a little trial and error to get it right, but with considerable returns on the line, now may be your time to shine in the short-term rental market. If there were such a thing as “instant” housing, short-term rentals would likely fall into that category, and – unlike everything else – can turn out to be better than the original.

David Pickron is President of Rent Perfect, a private investigator, and fellow landlord who manages several short- and long-term rentals. Subscribe to his weekly Rent Perfect Podcast (available on YouTube, Spotify, and Apple Podcasts) to stay up to date on the latest industry news and for expert tips on how to manage your properties.

Surprised? Don't Be!

Precision Appliance offers a large selection of the highest quality, low cost, gently used and new appliances.

- Prompt, professional delivery and installation
- 90-day warranty on parts and labor
- Locally owned – Salt Lake City
- Credit cards accepted

www.precisionapplianceslc.com
(801) 474-9166

Washers • Dryers • Refrigerators
• Dishwashers • Freezers •
Gas or Electric • Stoves/Ranges

1494 South 300 West Salt Lake City, UT 84115

Meet My Property Manager...

Everything I need to manage my property from anywhere... right on my phone!”

rent perfect
An Investigative Screening Company

Contact Us Today!
1-877-922-2547
www.RentPerfect.com



**WHAT’S GOOD FOR HEALTH
IS GREAT FOR BUSINESS.**

For a higher appraisal and healthier tenants,
go smoke-free.

way to quit



UTAH DEPARTMENT OF
HEALTH