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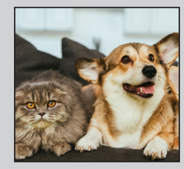

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INSIGHT FOR RENTAL HOUSING PROFESSIONALS

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

Phoenix Rents Up for 20th Month

Tucson Rents Also Rise Sharply

RENTAL HOUSING JOURNAL

Phoenix rents have increased 0.4 percent over the past month, and are up sharply by 26.7 percent in comparison to the same time last year, according to the March report from Apartment List.

Median rents in Phoenix are $1,221 for a one-bedroom apartment and $1,491 for a two-bedroom.

The city's rents have been increasing for 20 straight months; the last time rents declined was in June 2020. Phoenix's year-over-year rent growth leads the state average of 26.3 percent, as well as the national average of 17.6 percent.

Rents rising across the Phoenix Metro Area

Throughout the past year, rent increases have been occurring not just in the city of Phoenix, but across the entire metro.

Of the largest 10 cities for which Apartment List has

See 'Mesa' on Page 7

City	Median 1BR Rent	Median 2BR Rent	M/M Rent Growth	Y/Y Rent Growth
Phoenix	$1,220	$1,490	0.4%	26.7%
Mesa	$1,410	$1,620	0.7%	29.3%
Chandler	$1,630	$1,850	0.1%	25.2%
Glendale	$1,210	$1,520	0.6%	27.6%
Scottsdale	$1,730	$2,050	-1.3%	28.2%
Gilbert	$1,580	$1,840	0.9%	25.0%
Tempe	$1,460	$1,740	0.3%	27.4%
Peoria	$1,630	$1,700	-1.0%	25.0%
Surprise	$1,640	$1,930	0.5%	26.8%
Avondale	$1,500	$1,740	0.6%	25.0%

Can One Bad Applicant Spoil Whole Bunch?

BY DAVID PICKRON

It might seem like an antiquated phrase since most of us no longer buy apples in bulk, but the concerns about one bad apple spoiling the whole bunch are real.

As it applies to our industry, this is becoming a critical issue. Here's why: With the rapid increase in rents over the past few years, more and more of our properties are being shared by more than one tenant in an effort to be able to just afford the rent.

In most cases as we backtrack, having more than one tenant would equate to having more than one applicant for the lease. And when you have more than one tenant potentially on the lease, there are three major questions you need to answer before signing that lease.

Question 1: Will I Get my Rent?

Logically, it is easy to assume that having more tenants in the property would up the odds that you are going to get paid in full and on-time. More people and more income should add up in the landlord's favor, but that isn't always true. Proper screening, including criminal, civil and credit checks, is critical if you want to protect your investment. Let's

See 'Can' on Page 7

Allergies and Reasonable Requests for Accommodation from Tenants

BY THE FAIR HOUSING INSTITUTE

There has been a noticeable upsurge of residents requesting reasonable accommodations due to allergies. This is likely due to an increase in people suffering from both chemical and environmental sensitivities. A resident requesting accommodation due to allergies can create a challenging situation for the housing provider. This raises two questions:

1. Are properties required to offer reasonable accommodations for allergies?
2. If yes, what are some best practices to follow?

What Criteria Do Allergies Need to Meet?

In order to determine if an allergy meets the criteria for a reasonable accommodation, we must first determine if the allergy qualifies as a disability. The Fair Housing Act defines a disability as a mental or physical impairment that substantially limits one or more major life activities.

For most of us with allergies, while the reactions may be uncomfortable, it

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Six Ways to Ensure Your 1031 Exchange is Successfully Completed

By Steve Haskell
Vice President, Kay Properties

Whether you are an investor or a real estate broker, selling investment or business real estate can be an expensive venture unless you are prepared to conduct a 1031 exchange.

Section 1031 of the federal tax code dictates that no gain or loss shall be recognized upon the sale of a real estate property held for business or investment purposes, as long as the seller purchases a replacement property of equal or greater value. This can be a solid opportunity, potentially, to preserve the gain and accrue additional wealth. However, the 1031 exchange can be a tricky process that has frustrated many amateur and professional real estate investors alike.

So, to help potentially avoid having your 1031 exchange blow up in your face, here are six steps to consider as you advise a client on undertaking and entering into a 1031 exchange:

Step 1: Know the applicable deadlines.

The IRS requires an investor to identify a replacement property within 45 days, and to close on the target property within 180 days of selling the relinquished property. That doesn't leave much time to hunt for the right deal, but it's enough time. Working with an expert 1031 exchange investment firm like Kay Properties can help investors successfully complete their 1031 exchange within these timelines.

Step 2: Get educated about acceptable types of replacement properties.

The IRS requires an exchanger to reinvest in a "like kind" property. However, "like kind" does not necessarily mean the same type of property. There are a variety of options available. For example, if you are selling a duplex in San Diego, that doesn't mean you need to replace it with another duplex. The 1031 exchange allows investors to replace relinquished real estate with a variety of asset types. It can be a medical building, single-family home, multifamily apartment building, raw land, self-storage facility or any other investment real estate. The type doesn't matter as long as it is held for investment or business purposes. Ideally, investors should know what they are looking for in a replacement property well before going into escrow on the property they are selling. Again, working with a 1031 exchange investment firm like Kay Properties can greatly reduce the stress and confusion surrounding 1031 exchanges.

Step 3: Narrow down the options while in escrow.

I cannot tell you how many times I have seen 1031 exchange investors in a desperate panic once they hit day 30 of their 45-day window with not a single replacement option identified for their exchange. This is an extremely stressful position. But don't worry, this article should help spare you the anguish.

One good strategy is to locate five to 10 potential replacement properties as the closing date of the property you are selling gets closer. But be prepared that as you move through escrow, many of the new properties you have identified will likely be acquired by other buyers or will not prove to be satisfactory under the scrutiny of some due diligence. That's why developing a short list of potential replacement properties prior to relinquishing the original asset can be one of the most important strategies for preventing having your 1031 exchange blow up!

Step 4: Make sure your financing is lined up ahead of time.

Investors will often call me in a panic because they've located their replacement property, but they cannot access the financing necessary to purchase the asset. It is important to make sure that they have the financing lined up before closing on the property being sold to spare themselves from a stressful and potentially expensive predicament. That's one reason fractional ownership structures for 1031 exchanges can be attractive for investors wanting to complete a 1031 exchange. For accredited investors, a Delaware Statutory Trust (DST) investment may be a suitable option. In addition, DSTs have a non-recourse financing component baked-in to each investment so the investor does not need to sign for a loan. A DST may be an ideal opportunity for an investor looking to a 1031 exchange to be a passive, turn-key solution with required financing already established.

Step 5: Have a backup property identified just in case.

The IRS code allows investors to identify replacement properties using different rules. The most common rules used are to either identify three properties for their 1031 exchange or identify real estate valued at up to 200% of the property that's being (or been) sold. This means there is room for back-ups. Take advantage of the opportunity. An exchanger should never leave an empty space on their ID form, which is submitted and filed with a qualified intermediary. More often than not, the exchanger's primary option won't work out … even if it looks like a sure thing! Also, I have often seen unscrupulous sellers exploit the buyer's 45-day time clock in order to press their back against the wall, forcing the exchanger into an inferior negotiating position. Backup property options can strengthen the exchanger's negotiating power by providing additional options.

For accredited investors, a DST can be an excellent option for a backup strategy. DST properties are already purchased, stabilized, and can potentially provide monthly distributions to investors. There is no negotiating and the due diligence is already complete. Additionally, an exchanger can often close on a DST in three to five business days. I often recommend my clients use a DST as a backup ID if there is room in their exchange and it is appropriate for their situation.

Step 6: Make sure to start to negotiate a 1031 contingency in your purchase and sale agreement.

Many buyers are willing to allow a 1031 contingency that will permit the seller to extend escrow on the property being sold if the seller can't find a replacement property. For example, try to negotiate a clause that extends escrow for you by including an additional 30 days if you are unable to identify a suitable replacement property. This can be a quick and easy way to buy additional time should you have difficulty locating the right 1031 exchange investment.

Bottom Line: a 1031 exchange can be a potentially great tool for building and preserving wealth, but it can be a daunting process if not properly prepared. If you decide to do a 1031 exchange, make a point to start early, get educated, narrow down their options, line up financing, have a backup ID, and negotiate for more time in case they need it. When appropriate and if they qualify as an accredited investor, use a DST as part of your 1031 exchange strategy. There are no guarantees in real estate, so it is always best to plan ahead when considering a 1031 exchange.

About the Author:

Steve Haskell serves as Vice President at Kay Properties and Investments working with 1031 exchange and direct investment clients throughout the country. Steve is based out of Kay Properties San Diego office.

Steve comes to Kay Properties and Investments after serving for seven years as an officer in the United States Air Force in the special operations community where he led small teams as well as a large staff of hundreds of military and civilian personnel. He has served in numerous locations around the world, including multiple deployments to Afghanistan and locations throughout Africa. Though Steve has retired from active duty, he still serves in the Air Force Reserves.

Prior to his military service, Steve worked in sales and marketing for multiple businesses, which included providing energy management solutions to REITs and multifamily apartment owners.

Steve holds a Master's degree from the American Military University and a Bachelors in Accounting from Point Loma Nazarene University where he graduated as International Development Student of The Year for his work providing business education to entrepreneurs in impoverished areas in Mexico, Nicaragua, and San Diego.

Call us at 1 (855) 875-2781 or visit us at kayrhj.com

FCC Cracks Down on Apt.-Broadband Revenue-Sharing Arrangements

Rental Housing Journal

The Federal Communication Commission (FCC) in a ruling, criticized by many multifamily housing operators, says it is prohibiting revenue-sharing agreements between broadband companies and apartment-building owners, according to a release.

"The Federal Communications Commission has long banned internet service providers from entering into sweetheart deals with landlords that guarantee they are the only provider in the building. But the record in this proceeding has made it clear that our existing rules are not doing enough and that we can do more to pry open to the door for providers who want to offer competitive service in apartment buildings," said FCC Chairwoman Jessica Rosenworcel in a release.

"One third of this country live in multi-tenant buildings where there often is only one choice for a broadband provider, and no ability to shop for a better deal," Rosenworcel said. "The rules we adopt will crack down on practices that prevent competition and effectively block a consumer's ability to get lower prices or higher quality services."

Multifamily buildings are denser than single-family housing, "which should make them less costly to serve. For this reason, the multifamily market should be at the leading edge of competition, but too often, that's just not the case. One reason why is that there is a complex web of agreements between incumbent service providers and landlords that keep out competitors and undermine choice," Rosenworcel said.

The FCC order contains three main requirements

1. Prohibits broadband providers from entering into certain revenue-sharing agreements with a building owner who keeps competitive providers out of buildings.
2. Requires providers to inform tenants about the existence of exclusive marketing arrangements in simple, easy-to-understand language that is readily accessible.
3. Clarifies that existing FCC rules regarding cable inside wiring to prohibit so-called sale-and-leaseback arrangements that block competitive access to alternative providers. The FCC said companies have circumvented rules by selling the wiring to the building and leasing it back on an exclusive basis.

Criticism of the FCC Broadband Order for Multifamily

The National Multifamily Housing Council (NMHC) and National Apartment Association (NAA) criticized the move by the FCC.

"The FCC claims its actions will increase competition, lower costs, and promote broadband in apartment buildings," the NMHC and NAA said in a statement.

"Yet, by nullifying existing, legal agreements between broadband providers and property owners, the order may very well discourage investment and harm deployment and maintenance of broadband networks, particularly in already underserved properties most in need of broadband deployment and modernization. Unfortunately, the order does nothing to help Americans living in these communities that lack adequate broadband service, including lower-income, affordable and smaller rental properties.

"The multifamily industry cares deeply about equitable access and providing the highest quality of broadband to our residents. Industry data shows competition and superior broadband service already exists, with 80 percent of apartments surveyed having two or more providers on site," the NMHC and NAA said in the release.

Adapting Amid the Pandemic's Influence

By Kaycee Kisling

Before COVID-19, the multifamily industry was arguably a much simpler space; traditional fundamentals were sufficient and there was less pressure to adopt mass digital-first solutions. The pandemic has propelled us into a new way of thinking: virtual connections, automated support, a customized user experience, and innovative communication platforms.

As the stages of the pandemic have ebbed and flowed, versatility in the multifamily industry is a resulting priority that is here to stay. The following scalable solutions, driven by the pandemic's influence, have successfully elevated and equipped our teams to be more adaptable to future residents at a moment's notice.

1. Empower Future Residents with Remote Options

It is imperative that today's multifamily sales function just as well with face-to-face interactions as in instances of semi- or fully remote interaction with team members. A heightened focus on your remote capabilities creates a seamless future resident process, enables team members, and ensures the "white glove experience" that residents know and love is not diminished.

The integration of modernized technology can transform future residents' online search for a home at the convenience of their fingertips. Amid the pandemic, Mark-Taylor put enhanced technology at the forefront with the following upgrades:

- Custom Customer Relationship Manager (CRM)
- Virtual and self-guided tours
- Improved online scheduling
- Artificial intelligence (AI) support tool

These innovations have provided a means for team members and future residents to engage in timely and personalized, two-way communication 24/7, 365 days a year. Benefits have expanded beyond what was thought to be a temporary span of time and now, remote optionality is an essential function of exceptional service.

2. Optimize Resident Communication

Relationship management has remained as relevant as ever throughout the pandemic. To maintain trusting relationships, all accounts of communication should be two things: transparent and consistent.

We have discovered multifaceted value for community management and residents by creating a streamlined flow of communications through a community mobile app. The app supplements our traditional communication channels such as in-person, phone calls and email. Now, as a predisposed practice, management has been able to successfully enhance resident communication with consistency, speed and accessibility, from any location.

3. Stay True to your Mission & Put People First

Our unchanging mission is to create communities that invite, inspire and feel like home. While the pandemic has created obstacles for traditional means of connecting with the people at the center of this mission, innovation allows us to adapt to the changes we are experiencing in the industry and around the world. Upholding a people-first approach constitutes a new level of motivation to make fitting changes onsite, elevating resident experiences upon inquiry, at the time of leasing and finally, move-in.

A quip from 2018 states, "the pace of change has never been this fast, yet it will never be this slow again" (Justin Trudeau, World Economic Forum). The pandemic has clearly challenged our adaptability in multifamily housing in ways we never imagined. Yet, we have been presented with an unmatched opportunity— to transform archaic industry norms and provide a state-of-the-art experience to residents, future residents, and team members alike.

The need for speed will not be temporary as digitization, globalization, automation, analytics, and the other forces of change will continue to accelerate in 2022.

Kaycee Kisling is a Managing Director of Multifamily Investments for Mark-Taylor Residential, where she oversees an extensive portfolio of luxury Class A apartment communities. She leads client relations and drives strategic direction for her communities, enabling her teams to create exceptional places to call home. Kisling is an active member of the AMA and the Institute of Real Estate Management.

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Welcoming Pets is a Smart Financial Move

By Judy Bellack

According to the American Pet Products Association, 70 percent of American households own a pet, and pet owners in the United States spent more than $100 billion on their animals in 2020. The popularity of pets and the amount of money we are willing to invest in them indicates that the traditional definition of a pet has changed dramatically from a cute and cuddly addition to the household to a treasured member of the family who is an integral part of our emotional well-being.

It's a happy coincidence that multifamily communities can embrace this reality while also boosting their bottom lines significantly. The 2021 Pet-Inclusive Housing Report, which was conducted by Michelson Found Animals and the Human Animal Bond Research Institute, reveals the powerful financial and operational benefits operators can experience by making their communities as pet-inclusive as possible.

The Gains from Being Pet-Friendly

When pet owners find a welcoming environment, they want to stay. According to the PIHI report, residents in pet-friendly rental housing stay about 21 percent longer than those in non-pet-friendly housing (the report defined pet-friendly housing as any housing that allows residents to have at least one pet, regardless of other restrictions). Residents tend to become familiar and dependent on their pet-friendly neighbors and communities, particularly as 72 percent of renters say pet-friendly housing is hard to find. When residents know their neighbors and communities support their pets, why make a change?

If residents are staying longer, that's fewer units for the leasing team to fill, which means reduced marketing and turn costs. And even when these units are vacated, they're not on the market for long, resulting in significantly lower vacancy loss. In the PIHI report, 83 percent of surveyed owner/operators state that pet-friendly units are filled faster, and 79 percent say that they are easier to fill. These dynamics free up leasing managers and teams to support and grow communities in other beneficial ways. All of this adds up to more net operating income.

The Losses from Restrictions and Not Being Pet-Friendly

Apartment communities can really shoot themselves in the foot if they're not hospitable to pets. For starters, if a potential resident encounters any issue with being a pet owner, there's little chance they'll rent from that community. This is an issue that very few pet owners are flexible on since nobody wants to give up a member of their family.

Furthermore, communities often are housing unauthorized pets when they have restrictive pet policies and, in turn, are losing out on potential pet-driven income. According to the PIHI report, about 11 percent of pet owners reported leasing with unapproved pets. As a result, owner/operators are missing out on more than $1.5 billion in potential revenue each year in the form of pet fees and deposits from pets already residing in the community.

Restrictions on size and breed continue to be one of the biggest struggles pet owners face. While 76 percent of owner/operators say their units are pet-friendly, only 8 percent of those are free of restrictions. That stance can definitely have a negative impact on a community's revenue. Consider this: of the top 10 breeds in the United States according to the American Kennel Club, six would be excluded due to typical multifamily weight and/or breed restrictions.

Broadly speaking, it's time for operators to consider relaxing their breed and weight restrictions. Many restrictions are based on decades-old research that has been denounced even by the organizations that conducted it. In addition, there are services available that run background checks on specific pets and owners to give communities a better understanding of the individual animals renters are bringing with them.

Ways to Make Communities More Pet Inclusive

Even with many communities considering themselves pet-friendly, more than 70 percent of pet-owning residents reported difficulty in finding suitable housing, largely due to restrictions. Clearly, this presents a huge opportunity for rental-housing operators.

To maximize appeal to today's pet owners and to enjoy the resulting financial benefits, consider the following steps:

- **Rework pet deposits.** Fewer than 10 percent of pets cause any damage, so consider using regular security deposits, or raise them slightly, to pay for the relatively little damage they do cause. And if you can't entirely eliminate these fees, offer to waive the pet deposit or offer a free month of pet rent for first-time residents.
- **Remove/reduce breed and weight restrictions, and, consider increasing the number of pets permitted in each unit.** This is not to suggest allowing a resident to have 12 dogs, but it could be beneficial to increase your allowable pets to two per household, for instance. To pave the way for changes like these, check with your insurance company and secure a policy that is more pet-friendly. On the resident side, mandatory renter's insurance policies can help with any pet-related claims. Again, there are many misconceptions about large dogs and certain dog breeds; the rule of thumb is that concerns are associated with individual dogs, not a category.
- **Implement an easy-to-use screening process.** New services make it easier for communities to screen individual owners and pets for issues. Using these technologies also assures all residents that you're working to have a community with safe and well-behaved pets. Make sure your process is easy to use. Furthermore, getting residents to sign agreements that outline acceptable pet (and owner!) behaviors, policies and disciplinary action can protect the overall well-being of the community and ensure that any pet-related issues are handled promptly.
- **Embrace pet amenities.** There are countless amenities that create a more pet-friendly community. Dog parks, washing stations, waste stations and pet events are all great ways to let residents know you care. Consider partnering with a local shelter to connect your residents with opportunities to adopt or foster pets and waive any pet fees if they do.

Apartment owners and operators are always looking for an edge over the competition and the next thing that's going to boost a community's performance. In today's pet-obsessed world, creating a truly welcoming environment for pets is a great way to attract and retain residents and boost the bottom line.

Judy Bellack is the industry principal for the non-profit Michelson Found Animals Foundation, helping to advance the Pet-Inclusive Housing Initiative. She is a 30-year veteran of the multifamily industry, holding various executive leadership positions with some of the foremost supplier companies. Judy has served both as Chair of NAA's National Suppliers' Council and NMHC's Supplier-Partner Alliance and was the recipient of NAA's Outstanding Supplier in 2010. She currently operates a consulting practice advising start-up technologies in the multifamily space.

Monthly Meeting Schedule for the Arizona Real Estate Investors Association

PHOENIX MEETING
MONDAY, MARCH 14, 2021
5:45 P.M.

VENUE 8600
8600 E. ANDERSON DR.
SCOTTSDALE, AZ 85008

FOR INFORMATION:
memberservices@azreia.org
480-990-7092

The Phoenix meeting is held on the second Monday of the month. These meetings are full of education, information, and networking.

Open Networking: The perfect time to get checked in to the event and chat with other local real estate investors in attendance.

Market Trends and Outlook: Your up-to-date analysis on the trends in national, regional, and local areas. Come find out where the market is heading – valuable information no real estate investor should do without.

Association Update: Find out about what's happening at AZREIA, how to best leverage your membership benefits, and get the best prices on upcoming events!

Trade Show, Networking and Guest Orientation: Spend time meeting AZREIA business associates and other investors and build your team. (Live meetings)

Market Update for Fix ands Flip and Rentals: Full analysis of fix & flip and rental markets. Plus, the latest market news affecting your business.

Main Presentation: How to Make More Money & Do More Deals with John Burley

Join us to hear from John Burley as he will be focusing on how to "see" the value, how to find the deals, and how to get the money to do even more deals. Plus, he will share some recent deals to show you how the numbers stack up today.

John will cover:

- How to Get Paid $10k Upfront on Every Deal
- Secrets to Raising Private Money
- How to Get Money Coming to you for Deals
- Private Equity Model
- "Cash Flow" Model
- How to Maximize Income and Profits on Every deal

It is truly a privilege to have John Burley at AZREIA. John Burley lives and breathes the concepts he teaches on a day-to-day basis. He has been an active real estate investor for over 35 years and has been teaching others to invest for 25 years. Having completed thousands of real estate deals, this international best-selling author of many books has the perfect mix of street-savvy knowledge and sound investing practices.

TUCSON MEETING
TUESDAY, MARCH 15, 2021
5:45 P.M.

TUCSON ASSOCIATION OF REALTORS®
2445 N. TUCSON BLVD,
TUCSON, AZ 85716

The Tucson meeting is held the Tuesday after the Phoenix monthly meeting each month. These meetings are full of education, information, and networking.

Investor to Investor Networking and Dynamic Haves and Wants are an important part of the Tucson AZREIA meeting. This is your chance to meet local investors, ask for what you need, and share what you have. **Deal of the Month** is your chance to find out what your local investors are doing and how they are doing it. Don't miss this opportunity!

Open Networking: The perfect time to get checked in to the event and chat with other local real estate investors in attendance. (Live meetings)

Local Market Update: The latest in trend analysis for the U.S., Arizona and Greater Tucson area, including existing homes, new homes, foreclosures, REO, short sales and traditional sales. What investment strategies are working and why? This is must-know information for the serious real estate investor.

Main Presentation: How to Make More Money & Do More Deals with John Burley

Join us to hear from John Burley as he will be focusing on how to "see" the value, how to find the deals, and how to get the money to do even more deals. Plus, he will share some recent deals to show you how the numbers stack up today.

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- Secrets to Raising Private Money
- How to Get Money Coming to you for Deals
- Private Equity Model
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- How to Maximize Income and Profits on Every deal

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The cost for meetings is $10 for AZREIA Members and $20 for guests. PLUS members can attend free of charge.
Please refer to the website www.azreia.org closer to the meeting time for up-to-date information on meeting place/format and agenda.

REGISTER ONLINE AT: www.azreia.org

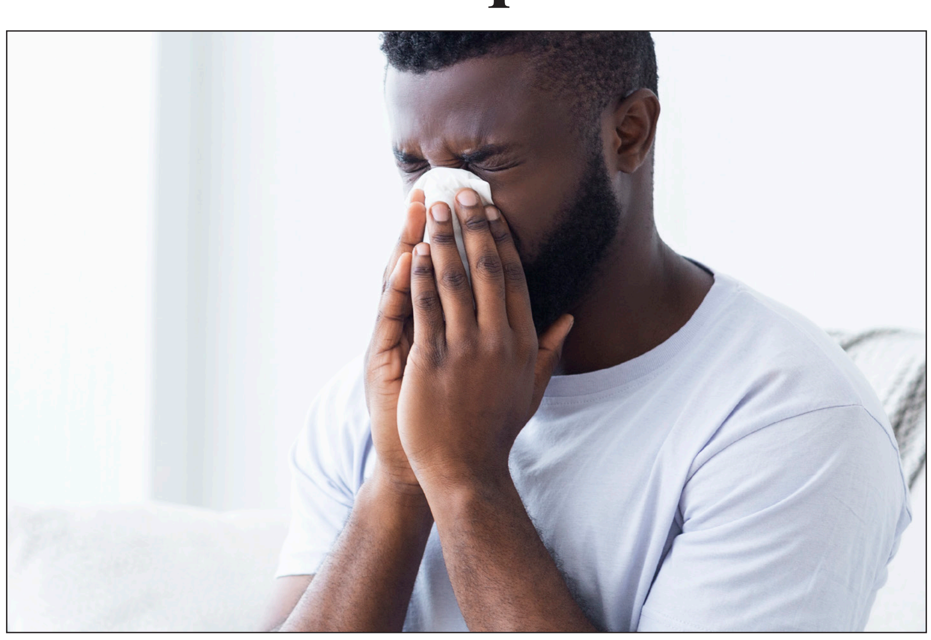
Allergy-Accommodation Requests Can Be Challenging

Continued from Page 1

is probably reasonable to state that those reactions do not "substantially limit one or more major life activity," thereby rising to the level of a disability.

To help you determine whether the allergies meet the criteria, you need to have reasonable-accommodation request and verification forms that can be filled out by a third-party verifier. It is okay for your reasonable-accommodation forms to highlight the difference between a disability and an impairment. Your forms can also include a section for the verifier to provide pertinent information regarding allergy testing to determine what the tenant is allergic to. It is important to note that only a third-party verifier can make the determination if the allergy is in fact a disability and what accommodations need to be met.

If the allergy is not a disability, then management is not legally required to accommodate the resident. On the other hand, if the allergy results in the resident's throat closing and hives, these symptoms would probably be considered a fairly substantial limitation to major life activities and would meet the criteria for a reasonable accommodation. Now you are faced with how, and to what extent, modifications can be offered. This can be especially difficult in a multifamily setting.



Creating a Reasonable Accommodation Plan

Once a reasonable-accommodation request has been verified, it is time to create a plan that addresses the needs of the resident. The housing provider wants to provide reasonable accommodations, while also not limiting the use of chemicals and products by other residents and staff, particularly those that are critical to building maintenance. This is where open communication to discuss alternatives is critical between the resident, the property owner or manager, and the verifier. HUD and the courts now view the "interactive process" as an essential step by housing providers during the reasonable-accommodation process, whether the property plans to deny or offer the resident an alternative accommodation. Documenting the plan is also a critical best practice and ensures that everyone clearly understands the plan.

Fair Housing Training Is a Must

Dealing with reasonable-accommodation requests can be quite dynamic. Regular Fair Housing training is a must for property-management professionals. Property-management professionals are best served when regularly trained to identify the issues and then discuss them as a team. If you are not clear on the legal requirements, reach out to a qualified fair housing attorney. The more you know, the better you will be when dealing with complex reasonable accommodation requests.

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 at the click of a button.

Can One Bad Applicant Spoil the Whole Bunch?

Continued from Page 1

consider that you have three individuals who are friends apply to rent your property. They each complete an application and upon review, you find that one of them has a history of evictions, has credit below the standard you normally require for this property, and is currently unemployed.

What do you do? You have a few options and things to consider.

- How is the credit and eviction history of the other applicants?
- How long ago was the eviction for the affected applicant?
- Was it affected by COVID or other outside circumstances?
- What kind of history does the applicant have with the other applicants who have good credit?

In essence, you have to rely on your criteria and your calculated trust in the other applicants on the lease to pull through with payments, even when or if the poorly qualified tenant can't fulfill his portion of the lease payment.

This by far is the easiest of the three questions to answer because the additional tenants can always help carry the payments if needed. The next question is much more difficult as it deals with the complexities of personality and behavior.

Question 2: Will My Property be Taken Care Of?

This question is where a careful review and analysis of each applicant's criminal history is critical in ensuring the value of your property.

It's been said that we become the sum of the five people we spend the most time with. If one or more of your applicants has a criminal history, the likelihood of them having friends and associates with similar history grows exponentially.

Let's say you have an applicant with a history of drug-related arrests. While it's not a guarantee, the odds of that applicant having friends with similar histories are high.

Any seasoned landlord will testify that the criminal crowd has a history of destroying property, either through their own negligence or the negligence of the people they invite over. So while you may have two tenants who are law-abiding and take great care of your property, you have to be on the lookout for the one that can bring destruction.

Again, having and applying a strict criteria on each applicant can help save you and your property.

Question 3: Is My (and the Neighbors') Safety Compromised?

This may seem like an outrageous question, but my experience says that it's much less far-fetched than you might believe. The last thing a landlord wants is to compromise their safety and the safety of the surrounding neighbors.

We've all heard the news stories where the neighbor can't believe that their neighbor was involved in (fill in the blank) and that they seemed like such "nice guy." It's only when the reporter unveils the laundry list of criminal offenses and past disturbances that the neighbors and the general public see what the offender was really like.

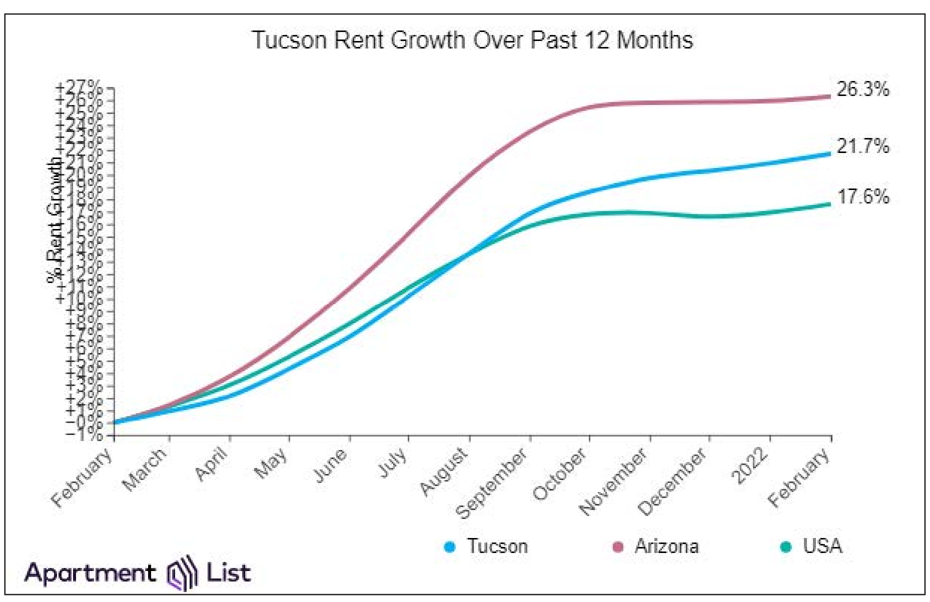
Having a criteria and using the background check results to measure against it for each and every applicant is paramount in keeping all involved in a safer situation. If I have to go to the home to collect unpaid rent, I'd rather go in knowing my safety wasn't in question when I knock on the door.

Let me reiterate, you need to look at each applicant individually. Then take that individual analysis, add it all together, and make your rental decision.

I always invite you to reach out with questions you have regarding applicants. While we don't offer legal advice, we can provide you with practical solutions that we have discovered over the last 30 years in managing properties and performing applicant background checks.

Our goal is to help ensure you get paid and that your property is taken care of, all while keeping you safe.

David Pickron is president of Rent Perfect and a fellow landlord who manages several short- and long-term rentals. He is a private investigator and teaches organizations across the country the importance of proper screening. His platform, Rent Perfect, was built to help the small landlord find success. You can reach David at david@rentperfect.com.



Mesa Posts Fastest Rent Growth in Phoenix Metro

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data in the Phoenix metro, all have seen prices rise.

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

- Scottsdale has the most expensive rents in the Phoenix metro, with a two-bedroom median of $2,048; however, the city has also seen rents fall by 1.3 percent over the past month, the biggest drop in the metro.
- Mesa has seen the fastest rent growth in the metro, with a year-over-year increase of 29.3 percent. The median two-bedroom there costs $1,620, while one-bedrooms go for $1,412.
- Phoenix proper has the least expensive rents in the Phoenix metro.

Tucson rents increase sharply over the past month

Tucson rents have increased 0.6 percent over the past month, and have increased sharply by 21.7 percent in comparison to the same time last year.

Median rents in Tucson are $1,020 for a one-bedroom apartment and $1,363 for a two-bedroom. The city's rents have been increasing for 21 straight months; the last time rents declined was in May 2020.

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. The data is extrapolated forward to the current month using a growth rate calculated from listing data and filtered to capture the prices at which rental units transact, which quite often differ from initial or average list prices 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.