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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.

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After Cool-Down, U.S. Rent Growth on Upward Trajectory

RENTAL HOUSING JOURNAL

After a few months of cool-down, national rents are now back on an upward trend, according to the March report from Apartment List.

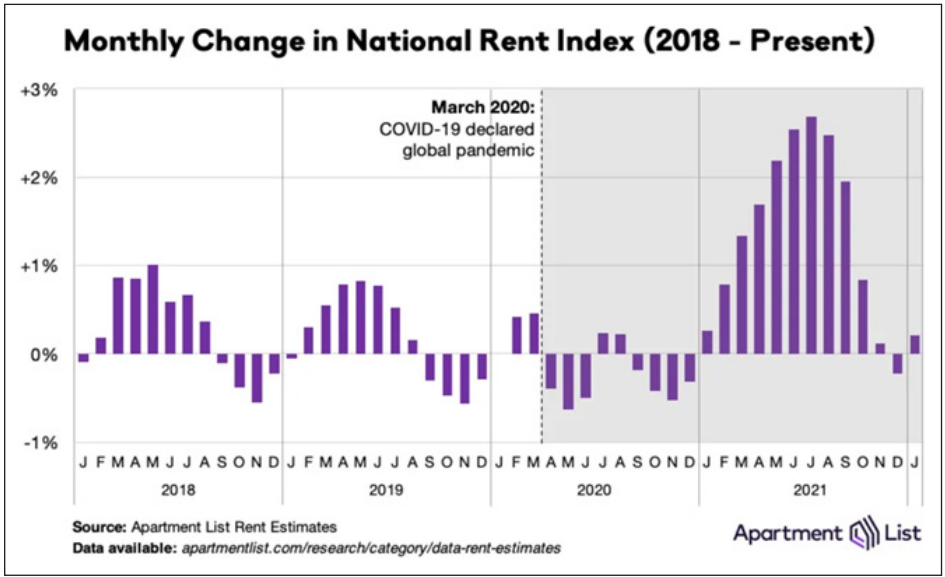
The rent-growth gain of 0.6 percent in February month-over-month in national rents reversed the slowing rents over the past few months, in which total rent growth was just 0.7 percent.

Plus, the most recent month's rent growth was still faster than the pre-pandemic norm for this time of year.

"Even though month-over-month rent growth has moved back into positive territory, it remains substantially cooler than last summer, when rents grew by more than 2 percent per month for four straight months," the report says. "As we enter the spring and summer months, it's likely that rent growth will speed up amid increased moving activity. Even if prices don't rise as rapidly as they did in 2021, we're already seeing signs that 2022 will be another year of above-average growth."

The report says the vacancy rate has continued to climb but that increase "has been modest and gradual."

Vacancy still remains historically tight.



"Over the past six months, our vacancy index has been increasing by an average of 0.1 percent per month. If that pace continues, we won't hit a vacancy rate of 6 percent – the pre-pandemic norm – until next summer. Nonetheless, the gradual increase in vacancies in recent months has likely been contributing to the slowdown in rent growth."

Apartment List reports that while rent growth has cooled from last summer's peak,

"it continues to exceed pre-pandemic trends. While the apartment market has shown some signs of easing, our vacancy index still sits at 4.5 percent.

"As we enter the spring and summer months, rental activity is likely to pick up, and rent growth is likely to accelerate ... Many American renters are likely to remain burdened throughout 2022 by historically high housing costs."

Apartment Associations File Suit Over LA County Eviction Moratorium



RENTAL HOUSING JOURNAL

Two Los Angeles apartment associations have filed suit asking for a preliminary injunction against the county's residential eviction moratorium, which has recently been extended to June of 2023.

The Apartment Association of Greater Los Angeles (AAGLA) and the Apartment Owners Association of California, Inc. (AOA) filed a joint lawsuit in Los Angeles County Superior Court for the State of

California on behalf of their members and the county's rental housing providers seeking a preliminary Injunction against the County of Los Angeles's residential eviction moratorium, according to a release.

The move follows close on the heels of the County of Los Angeles's recent extension of its COVID-19 related residential-eviction protections until June 30, 2023.

On Jan. 25, 2022, the Los Angeles County

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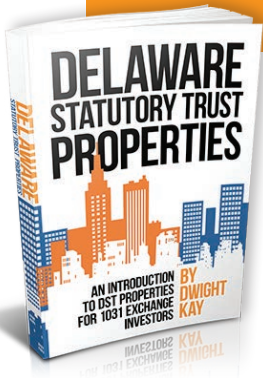
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ABOUT KAY PROPERTIES AND WWW.KPI1031.COM

Kay Properties 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 150 years of real estate experience, are licensed in all 50 states, and have participated in over \$30 Billion of DST 1031 investments.

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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.

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Allergies and Requests for Accommodation

Best Practices For Addressing Reasonable Requests 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 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.

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Easy Tenant Screening in Minutes

Contributed by SimplifyEm

Are you having trouble choosing the right tenant for your property? The average eviction cost is \$3500 and picking the right tenant increases rent revenue.

It’s a common issue and it’s challenging to know which tenant to go with. Some factors to keep in mind are a tenant’s credit and their criminal history. These factors are important as it can affect paying the mortgage on time and avoiding other potential issues.

Luckily, there are many tenant screening services available that can help. One tenant screening service allows the applicant to grant you access to the tenant screening reports, but this can take hours or even days as applicants don’t finish things in an urgent manner. This slows down the process of filling your vacancy and you end up losing time and money. This has frustrated thousands of people which is why SimplifyEm Property Management Software allows you to generate tenant screening reports in minutes without having to wait for the tenant. SimplifyEm has changed businesses for the better and gives confidence in choosing the right tenants.

SimplifyEm provides a wide range of tenant screening services. Tenant screening reports include a background check, credit check, social security validation report, an eviction search and instant payroll verification. No need to wait for tenants to submit their pay stubs, instant payroll verification automatically checks their income for you. SimplifyEm Property Management Software will also offer instant bank balance verification. This will allow real estate investors and property managers to confirm the tenant’s bank account balance ensuring that the tenant is dependable. With all of these reports available in your account within minutes, you can make a decision quickly, filling vacancies faster.

SimplifyEm streamlines every part of the process online. SimplifyEm also



offers rental advertising where you can publish a vacant listing to 20+ sites, online applications so a prospective tenant can apply to the property or unit and online leases to e-sign the lease agreement. Once the lease agreement is signed, you can also provide a tenant portal for smooth tenant onboarding and a professional experience. The tenant portal includes online payments, renter’s insurance, documents, and the ability to submit maintenance requests. No more dealing with paper documents or paper checks. Everything is done and saved online.

SimplifyEm Property Management Software also has tracking of income

and expenses, vendor management, automation, texting, sub-user accounts, notices, print checks, bank reconciliation, Schedule Es, 1099 tax reports and more. SimplifyEm can streamline your business and automate the most time consuming tasks.

SimplifyEm has been in business for sixteen years now and is one of the most popular property management software companies in the U.S. As a SimplifyEm user, you’ll get free training, and free unlimited customer support for yourself and tenants and vendors via phone, email and text. Simplifyem has over 150,000+ happy customers and has helped each and every one stay better organized and keep everything in one system. Get 50% off SimplifyEm today and get the right tenants faster.



Contact SimplifyEm to schedule a FREE software demo at 510-790-9066 or support@simplifyem.com.

How to Handle Noise Complaints the Right Way

By James Durr

If you are the landlord of a property that is home to multiple tenants, or if the building you own is located close to other properties, it is possible that you will receive noise complaints. These complaints may be from members of the local community about your tenants or vice versa, or from different tenants about one another.

Let’s explore how to resolve these complaints and ensure that tenants and local residents are able to enjoy a peaceful and relaxing experience in and around your property.

PREVENTING NOISE COMPLAINTS

Ideally, you should already have taken steps to prevent major sound bleed between and from your rental properties. If possible, when renovating a property, extensive soundproofing should be included in the budget. You should consider installing acoustic insulation in walls, floors and ceilings, and selecting soundproof doors and windows.

It is also highly advisable to include a noise clause in any tenancy agreement you produce. This means that, upon signing the document, a tenant agrees that if they are to make excessive noise – particularly during any specified hours – they will be in breach of their contract.

WHAT TO DO IF YOU RECEIVE A NOISE COMPLAINT: 7 STEPS

1. ACCEPT THE COMPLAINT GRACIOUSLY AND ACT IMMEDIATELY

It’s important that your building is able to maintain a good reputation, and that the tenants who live there – and the residents of the local area – are able to enjoy a positive relationship.

“To this end, if someone comes to you with a noise complaint, show that you are sympathetic to their problem. You should also let them know that you will take steps to resolve the issue straight away,” comments



auctioneer and fast home buyer James Durr of Property Solvers.

It may be that the individual making the complaint has already spoken to the “perpetrator.” It’s a good idea to check whether this is the case before doing so yourself. After all, this will give you a clearer idea of how they are likely to respond to you.

2. CHECK WITH OTHER NEIGHBORS AND TENANTS

It’s best to corroborate any claims of excessive noise with others who may be affected before taking action.

If you receive a complaint, you may consider checking with other residents nearby to see if they too have been disturbed by the same incidents.

Of course, different people are affected by noise in different ways – and sound travels differently from space to space – so some individuals may be less troubled by the situation than others.

3. LOOK INTO THE CAUSE OF THE NOISE

If there is a specific type of sound that is causing problems, there may be a way to resolve the matter in a manner that suits all parties. Some loud sounds, such as a baby crying or a dog barking, can be difficult to prevent. However, if it appears that the repeated noise is the result of neglect or abuse, this must be reported to the relevant

authorities immediately.

In many cases of animal abuse, the owner may be prevented from keeping pets for a number of years in the future. This means that not only will the current animal be spared any further cruelty, but also that the tenant will not be permitted to replace it.

Of course, it’s extremely important that you do not make baseless claims of neglect or abuse just to resolve a noise complaint. Look into the issue as much as you can yourself before deciding to take action of this kind.

4. ASK THE “NOISY” PARTY TO MAKE CHANGES

This step is easier to take if you have already included a noise clause in your tenancy agreement, as you can remind the problem tenant of this fact and reiterate that they are currently in breach of their contract.

Explain to them that, if this continues to be the case, you would be within your right to ask them to remove the source of the noise from the property. Be sure to speak politely and allow them the opportunity to explain themselves; after all, there may be another side to the story.

5. GET IN TOUCH WITH A MEDIATOR

If the individual in question refuses to make any changes or to discuss the matter with you in a civil manner, you may need to contact a professional tenancy mediator

in order to resolve the problem. Be sure you select an established and experienced specialist, and go to the meeting with an open mind.

6. REPORT TO YOUR LOCAL AUTHORITY

By getting in touch with your local Environmental Health Department, you may be able to make a formal complaint and get a noise-abatement notice issued. This course of action may be particularly helpful if you have neglected to include a noise clause in your tenancy agreement, but it is also applicable if your own tenants have made noise complaints about other residents of the local area.

7. EVICTION

If the tenant in question is the repeated subject of noise complaints, you may be within your right to evict them. This may only be the case, however, if you have included a noise clause in the tenancy agreement, and if you have evidence of repeated breaches of that clause.

It is worth remembering that landlords themselves are not responsible for the noise made by their tenants, so no action can be taken against you unless you are the source of the disturbance. However, in order to ensure that your property is a pleasant place to live and to build positive relationships with other local residents, it is always worth doing what you can to resolve problems of this kind.

By carefully vetting tenants, including a noise clause in your tenancy agreement and soundproofing your building, you may be able to avoid any noise complaints whatsoever.

James Durr has been a property buyer and developer for almost two decades. As one of the co-founders of a leading United Kingdom homebuying firm, he knows how to speak effectively and empathetically with property owners and business owners to find genuine win-win solutions.

Top Metro Areas for Development in the Last 10 Years

RENTAL HOUSING JOURNAL

Throughout the past decade, Texas metros acted as powerhouses of real estate construction, with Dallas and Houston taking the first two spots in the top 10 most active metros for new construction, according to a new report from Storage Cafe.

Researchers at StorageCafe analyzed multiple data sources on new construction in the single family, multifamily, self-storage, office, retail and industrial sectors in the 50 largest metropolitan areas.

Here are other major findings from the report:

- Residential construction, arguably the hottest real estate sector, picked up great speed in the second half of the decade with single family additions at the

forefront. In the past decade, across the 50 metros, more than four million building permits have been issued for single family construction. The leading metro area was Greater Houston with 392,000 permits.

- For multifamily units, a total of 3.3 million building permits were issued. The New York metro area easily took the crown with more than 410,000 permits issued in the past 10 years, almost double the number of permits issued in Dallas-Fort Worth, which ranked second.
- The self-storage sector, which generally mimics residential construction patterns, has also seen considerable growth over the past decade. It totaled more than 299 million square feet of new construction at the end of the decade. Among the 50 metro areas

analyzed, the Dallas-Fort Worth metro area ranks first for self-storage construction with around 22.9 million square feet added to its inventory in the past 10 years.

- The office sector also experienced inventory increases, with 740 million square feet of new office space added in the country’s 50 biggest metros over the past decade. The New York metro area was at the forefront once again, with more than 78 million square feet of office space built.
- Overall, the Dallas-Fort Worth metro area ranks as the most active real estate market among the country’s 50 biggest metros. It ticked all the boxes when it came to real estate development, from residential to industrial to self-storage.



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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 BE 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:

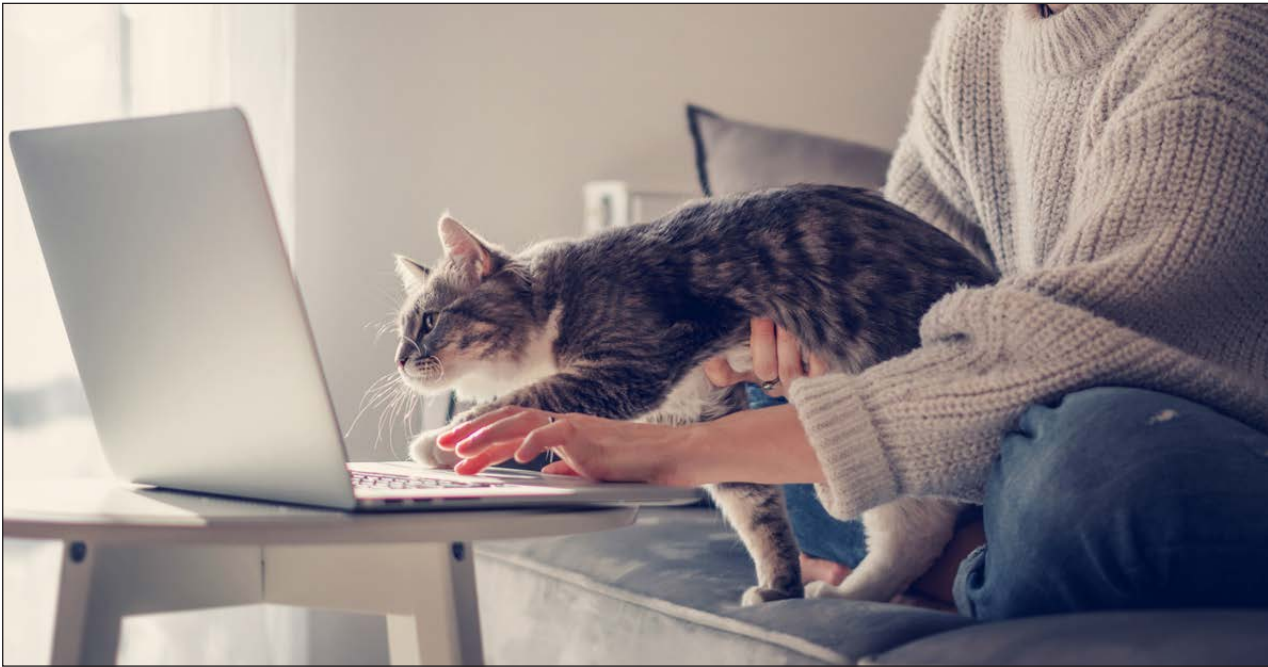
- **Rework pet deposits.** Fewer than 10 percent of pets cause any damage, so consider using regular security deposits, or raise them slightly, to pay for the relatively little damage they do cause. And if you can’t entirely eliminate these fees, offer to waive the pet deposit or offer a free month of 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.



Can One Bad Applicant Spoil the Whole Bunch?

Continued from Page 1

Proper screening, including criminal, civil and credit checks, is critical if you want to protect your investment. Let’s 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 are the credit and eviction histories 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?

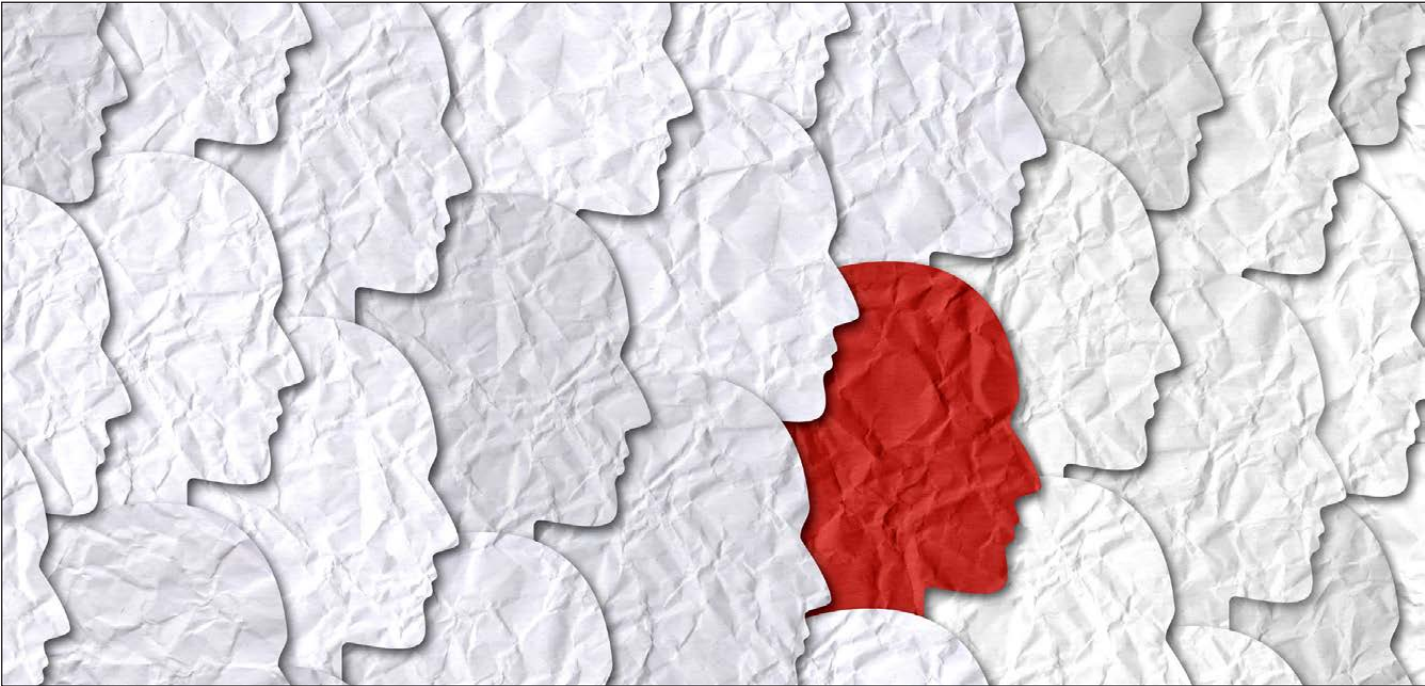
In essence, you have to rely on your criteria and your calculated trust in the other applicants on the lease to pull through with payments, even when or if the poorly qualified tenant can’t fulfill his portion of the lease payment.

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 “a 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.

Suit Challenges LA County Eviction Moratorium

Continued from Page 1

Board of Supervisors voted to extend its “temporary” eviction moratorium in three separate phases, leaving eviction protections in place until June 30, 2023.

“These same or similar ‘temporary’ residential-eviction protections have been in place since approximately March 2020, and in establishing these protections, the county has claimed jurisdiction not only over unincorporated areas, but also most of the incorporated cities within the county,” the two associations said in the release.

In their joint complaint, AOA and AAGLA said that “there is no rational basis for extending the eviction moratorium and

creating what is, in effect, a ‘rent holiday’ that has not only allowed the county’s renters to remain housed without paying rent for up to two years, but which has now been extended by the county until June 2023.”

The joint lawsuit hinges upon the county’s permitted self-certification practice, which allows renters to merely declare they have been adversely affected by COVID-19 without offering any kind of proof or being required to provide a declaration of COVID-19 impact under penalty of perjury to their landlord. According to the lawsuit, the U.S. Supreme Court, in a recent ruling, has declared self-certification “schemes” like that of Los Angeles County unconstitutional.

Jeffrey Faller, president of AOA, stated: “For nearly two years, more than 700 days, some renters have taken advantage of the situation created by the county’s ordinance and been able to forgo rent payments by alleging they have been impacted by COVID-19 without any burden of proof. The unsubstantiated ‘financial impacts’ of any tenant’s self-certification are woefully vague.

“Tenants are merely allowed to unilaterally decide to not pay rent based on the facts and circumstances they determine. Eviction bans such as the county’s merely encourage unscrupulous renters to skip paying rent, with past-due rental debts continually piling up that in most instances will never be

repaid.

“How could this create a situation that is good for renters, let alone housing providers? Moratoria on evictions are unfair for those residents who have worked hard and sacrificed to pay their rent. Many of our property-owning members have been forced to sit idly by as their renters have forgone making rent payments for months, and in some cases years, while at the same time making major purchases of luxury automobiles or expensive vacations owners view on Facebook.

“From the very beginning, the ‘solution’ should have consisted of rental relief provided by our government, not a ‘free-pass’ on rent,” Faller said.



RENTAL HOUSING JOURNAL COLORADO

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

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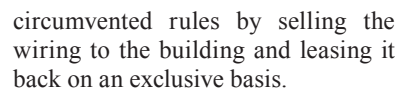
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Multifamily buildings are denser than

“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.

1. Prohibits broadband providers from entering into certain revenue-sharing agreements with a building owner who keeps competitive providers out of buildings.
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3. Clarifies 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



“Yet, by nullifying existing, legal agreements between broadband providers and property owners, the order may very well discourage investment and

“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.

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The collage displays several issues of the Rental Housing Journal and Colorado Real Estate Journal. Key headlines visible on the covers include:

- Denver Rents Have Drastically Increased** (Colorado Real Estate Journal, December 2021)
- How to Deal With Gun Fired into Apartment Below** (Rental Housing Journal, December 2021)
- Rent Growth is Slowing Down** (Colorado Real Estate Journal, November 2021)
- Is Your Tenant a Tool? (It's Not What You Think)** (Rental Housing Journal, November 2021)
- Does Adding New Person Reset Lease's Expiration?** (Rental Housing Journal, December 2021)
- 'Tis the Season for From Your Less** (Rental Housing Journal, December 2021)
- 6 Tips for Exceptional Community Maintenance** (Colorado Real Estate Journal, December 2021)
- Higher-Income Millennials Have Preference** (Colorado Real Estate Journal, December 2021)
- Tenant-Screening Firms Warned About Name-Only Matching** (Rental Housing Journal, December 2021)
- Combating Fraud Uptick in Multifamily Rentals** (Colorado Real Estate Journal, November 2021)
- What do Tenants Prefer in Build-to-Rent?** (Colorado Real Estate Journal, November 2021)

At the bottom of the collage, there is a promotional banner for KAY Property Investments, LLC, which includes the text: "Sign up today for FREE 1031 property listings delivered to your inbox! DST, TIC, and MNN PROPERTY LISTINGS. Sign up for free at WWW.KP1031.COM or Call (855) 697-4597".

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