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The Do’s and Don’ts of Fair Housing Advertising

By The Fair Housing Institute

Advertising is an essential part of day-to-day business for the housing industry. But is your advertising fair-housing compliant? How can you avoid common mistakes that lead to violations? In this article, we will discuss the do’s and don’ts when it comes to fair housing and advertising.

Different Types of Media

There are many forms of advertising media available today. The law says you can’t “make, print, or publish. . . any notice, statement, or advertisement . . . that indicates any preference, limitation, or discrimination based on a person’s race, color, religion, sex, handicap, familial status, or national origin.”

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Rent Growth Continues in April

Rental Housing Journal

National rents continued upward with a national index increase of 0.9 percent over the course of April, according to the latest report from Apartment List.

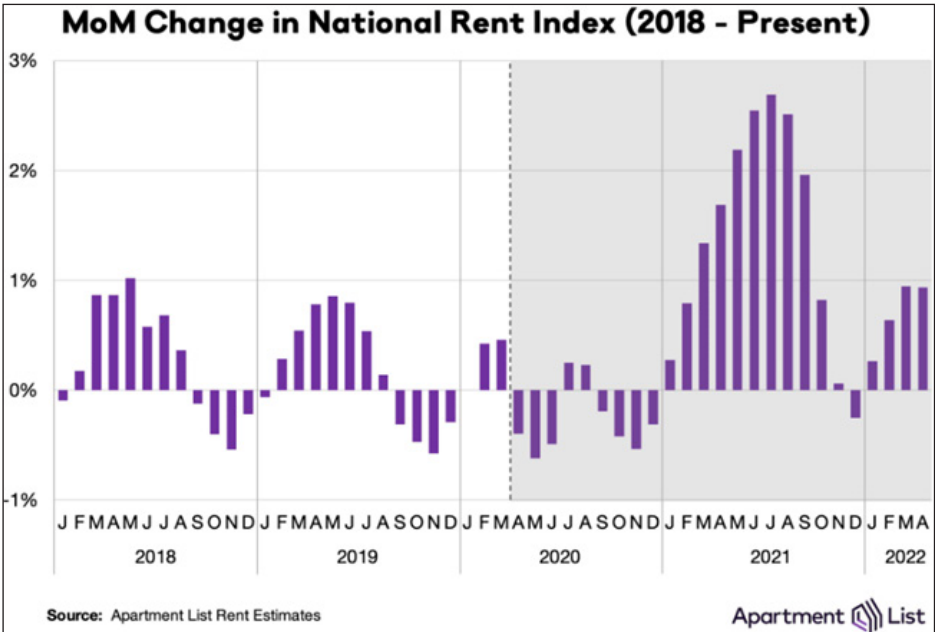
While rents are growing more slowly than they did in 2021 at this point in the year, they are still growing faster than in the years immediately preceding the pandemic.

In April, rents were up in 93 of the 100 largest cities.

Year-over-year rent growth currently stands at a staggering 16.3 percent, but most of that growth took place last spring and summer.

“Over the first four months of 2022, rents have increased by a total of just 2.5 percent, though we’re only beginning to enter the busy season for the rental market, when the bulk of annual rent growth typically occurs,” according to the Apartment List Research Team.

“Even if prices don’t rise as rapidly as they did in 2021, it’s likely that this year will continue to bring rent growth in excess of the pre-pandemic trend,” the report says.



VACANCY REMAINS LOW ENTERING BUSY RENTAL SEASON

“As we’ve explored in detail, much of the 2021 rent boom was attributed to a tight market in which more households were

competing for fewer vacant units.

“Our vacancy index spiked above 7 percent at the onset of the pandemic in 2020, as many Americans moved in with family or friends amid the uncertainty and economic

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Why Screening Must Be Nationwide



By David Pickron

For the first 100 years of being a country, the United States was comprised of small, rural family or ethnic groups that thrived upon sharing resources to support their entire communities.

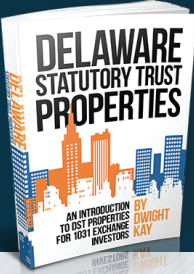
Over the last 100 years of our history and with the massive population growth in our major cities, many of us have become strangers to even our closest neighbors. Being a landlord today requires so much more than in the past.

Gone are the days of knowing most of the people in our communities and getting referrals from those same people – trusted friends or family – to fill our properties. In the past a person’s actions might be known town-wide, but now people can live and move anonymously within our

See ‘Screening’ on Page 7



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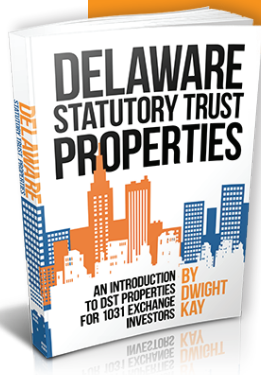
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Kay Properties Publishes New Issue of the “1031 DST Digest,” a Magazine Written for Investors Who Want to Educate Themselves on the 1031 Exchange Process and Delaware Statutory Trust (DST) Investment Vehicle

Kay Properties & Investments, a national leader in Delaware Statutory Trust equity placements and in educating DST investors nationwide, announced it recently published its exclusive 1031 DST Digest magazine, a publication designed exclusively for 1031 Exchange and Delaware Statutory Trust investment strategies and education.

According to Dwight Kay, Founder/ CEO of Kay Properties and editor of the magazine, the 1031 DST Digest was designed to help educate investors on the DST 1031 Exchange marketplace, while also answering specific questions his firm’s team of expert representatives hear from investors daily.

“Inside this accessible magazine, readers will find out what makes Delaware Statutory Trust 1031 investments so popular, how to build a defensive DST real estate portfolio, and how DSTs help investors replace debt in a 1031 Exchange. The magazine is offered free of charge as part of our commitment to providing educational resources to 1031 exchange DST investors nationwide. Request your complimentary copy today and in addition to a print version delivered to your doorstep,

The 96-page glossy magazine dissects present-day investment themes and explores investment strategies for today’s 1031 Exchange and DST real estate investor.

you’ll also receive instant access to an electronic version of the magazine.” said Kay.

People can receive a copy of the limited-edition periodical by going to <https://www.1031dstdigest.com>.

“The intent of the 1031 DST Digest magazine is to help educate existing and potential clients about DST 1031 properties, the potential benefits and risks of DST investments and whether they might be a right fit for investors considering a 1031 exchange,” said Kay.

Specifically, the Kay Properties “1031 DST Digest” will cover topics like :

- How 1031 Exchanges into Delaware Statutory Trust Investments Can Unlock More Quality Time for Investors
- Why Now Might be a Good Time to Sell the Income Property you Love
- What Real Estate and DST Investment Opportunities Should be Considered after the Pandemic recedes?

View the newest issue of the 1031 DST Digest now.

Renter-Preferences Survey Shows the Future is Remote Work

RENTAL HOUSING JOURNAL

The 2022 renter-preferences survey report shows that renters have been on the move over the past 18 months and clearly seek more space in their living arrangements.

And, more telling is that a quarter of respondents who moved reported that their moves were due to a shift to remote work during the pandemic, according to the 2022 Renter Preferences Survey Report from National Multifamily Housing Council and Grace Hill.

“In general, renters are teleworking with higher frequency than ever before. And there’s little expectation of that changing. In fact, nearly two-thirds (64 percent) of survey respondents said they expect to be teleworking about the same amount over the next year as they are now. This shift is driving demand for home offices and meeting space,” the report says.

The Renter Preferences Survey Report’s hot trends and key findings include:

DEMAND FOR MORE SPACE

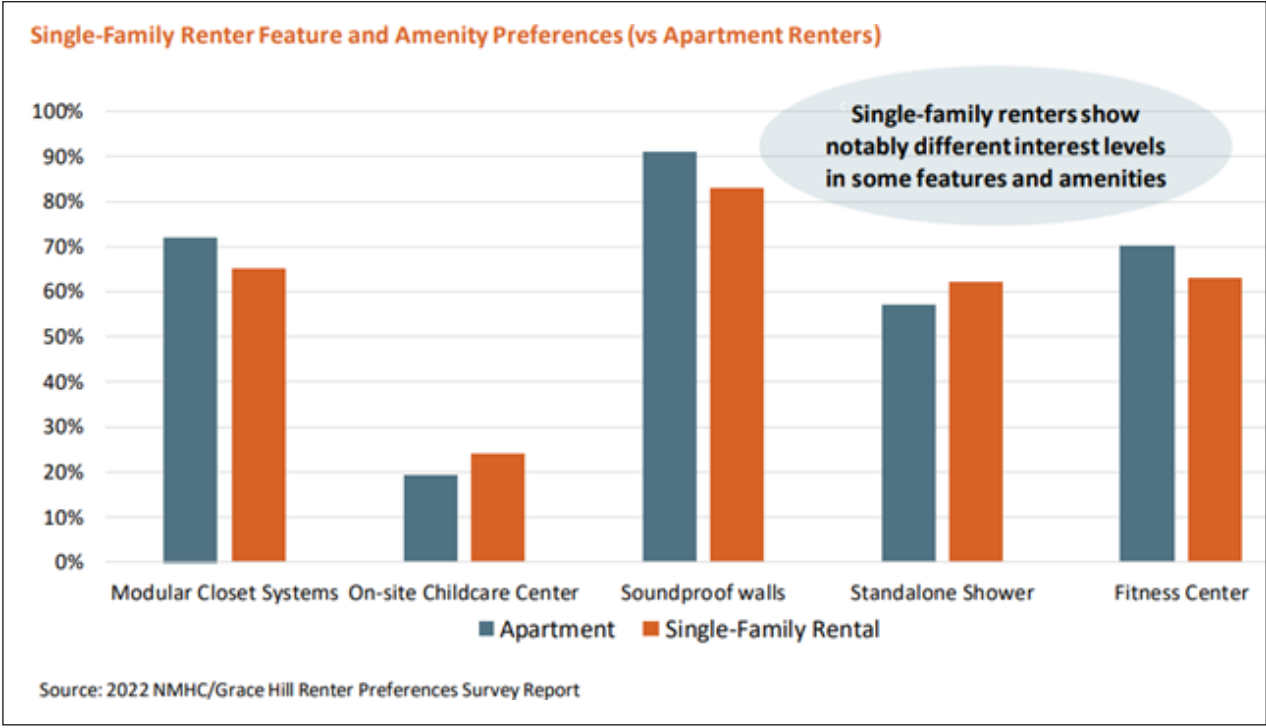
“Lockdowns seemingly led to a strong desire for additional space; twenty-eight percent of renters who said they intend to move to a different rental community when their lease expires cited “additional living space” as a reason, up from just 19 percent two years ago.

WASHERS AND DRYERS, AIR CONDITIONING, SOUNDPROOF WALLS AND HIGH-SPEED INTERNET

“Now, more than ever, home is proving to be a sanctuary, and renters have a great desire — and are willing to pay a premium in additional monthly rent — for certain amenities.

Reported must-haves include: washer/dryer in-unit (92 percent of renters interested, \$54.73 monthly premium), air conditioning (91 percent, \$54.73) , soundproof walls (90 percent, \$46.21), high-speed internet access (89 percent, \$47.93) , and walk-in closet (88 percent, \$43.46).

PACKAGE DELIVERY INCREASE



“The share of renters who received two or fewer packages per month dropped from 45 percent in 2019 to just 24 percent this round, while the share who received three or more packages per month increased from 55 percent to 76 percent over the two-year period,” the report says.

RENTERS WANT CHOICES

“Our survey asked residents what types of rental homes they considered during their last home search. While traditional apartment homes garnered a majority of responses (57 percent), townhomes and single-family rentals were also in the mix at 23 percent and 19 percent of responses, respectively.

“There were also strong correlations between what type of rental home they ultimately ended up in and their preferences for features and amenities like storage solutions, fitness centers and package management,” the report says.

INTEREST IN SMART HOME TECHNOLOGY

Renters’ interest in smart home technology is tied to its ability to add convenience or drive savings. Survey results show that the most popular smart home feature for renters is a smart thermostat, with 70 percent of respondents saying they were interested in or wouldn’t rent without this feature.

Smart sensor technology is also feeding renter interest in leak detection systems (67 percent) and water-saving features (67 percent).

Also connectivity is an issue with reliable cell service and internet service a requirement.

“Reliable cell phone service ranked as the No. 1 community amenity, with 86 percent of survey respondents indicating interest. Renters are even more serious about their internet

connectivity, with nine out of 10 respondents saying they were interested in or wouldn’t rent their home without it.”

PET-FRIENDLY AMENITIES

Roughly one-third of renter respondents indicated they lived with a pet or service animal.

Dogs are proving to be a renter’s best friend, with 70 percent of pet owners indicating their fur babies were dogs.

The preference is driving interest in—and premiums for—four-legged friendly amenities like community dog parks, pet washing stations and on-site pet services like doggy daycare and grooming.

Moreover, survey results show that pet breed restrictions may be falling out of favor with renters, with 77 percent of respondents indicating that pet breed restrictions would either have no effect on their leasing decisions or would make them less likely to rent a property with restrictions in place.

NOISE-RELATED ISSUES STILL A PROBLEM

Noise remains a leading environmental pollutant at rental communities, detracting from renters’ wellbeing and living experience.

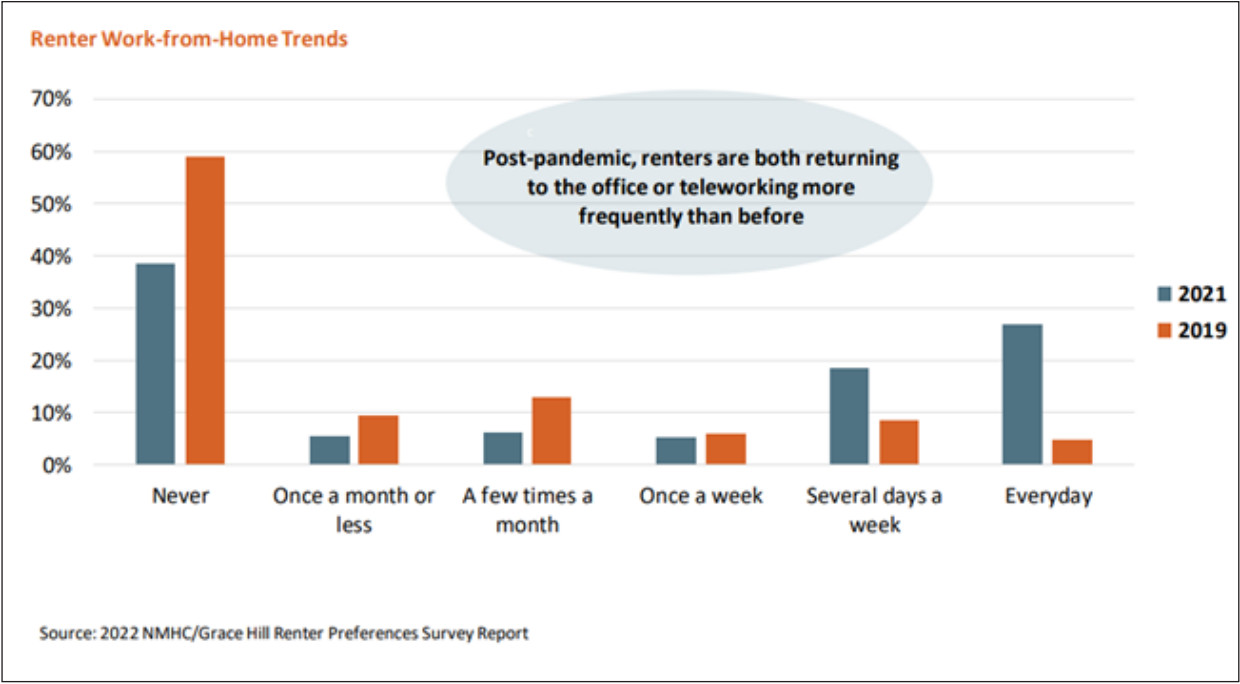
“As a result, renter interest in sound mitigating tech in windows and walls remains sky high. In fact, soundproof walls are the third most popular home feature after air conditioning and an in-unit washer/dryer, with 90 percent of respondents indicating they were interested or wouldn’t rent without them.”

A PREFERENCE FOR OUTDOOR SPACE ALSO

“Renters have long put a premium on private outdoor space like patios and balconies, as well as other community outdoor amenities.

“Nationally, nearly three-quarters (73 percent) of survey respondents indicated strong interest in a community pool, with the strongest interest levels coming mostly from fairer climates in the Southeast and Texas. Geography also factored into interest levels around amenities like rooftop space and common area barbecue grills as renters in higher density areas in and around some of the nation’s leading cities showed stronger interest levels,” the report says.

About the Renter Preferences Survey: “Our team conducted the survey in September and October 2021. Web-based surveys were distributed to more than 1 million residents. Along with the national report, metro-level reports are available. To qualify, each market needed at least 150 responses from five properties and at least two participating firms.” A total of 221,559 renter responses were received.



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Understanding the Rules of Fair Housing Advertising

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So as you can see, the law is very, broad and covers a range of media like flyers, brochures, deeds, signs, banners, posters, billboards, and even pictures in your office.

The law also covers what we say about a property, whether over the phone or in person. Expressing an illegal preference or limitation to one of your fellow agents, brokers, employees, prospective sellers, renters, or any other person in connection with the sale or rental of your property is illegal.

PHOTOS AND DECORATIONS

Our rental offices are usually the first thing a prospect sees. We all like to showcase different amenities with eye-catching photos of residents enjoying them. But do your pictures show only people of the same race or perhaps the same age group?

This can give the impression that your property only leases to people of a certain age and race, which is considered illegal advertising and is a violation of the Fair Housing Act.

Instead, you should use a variety of both resident images and images that include models so that a variety of both sexes, people who have disabilities, and, when appropriate, children of all ages are represented.

WRITTEN CONTENT

The law says you can't use "words, phrases, symbols or forms of any kind" that would tend to give the impression that your property is available (or not available) to certain types of people.

For example, when advertising a unit for rent, it's common to see "No Pets" in the ad,



which is fine. However, adding statements like "Christian Roommate," "No Children," or "No Wheelchairs" is illegal.

Using phrases such as "great view," "walk-in closets" or "walk to bus stop" is acceptable.

However, there are certain buzz words you should still avoid. These are words or phrases that have been associated with discriminatory practices in the past. They include such words as "restricted," "exclusive," "limited," and so forth.

Also, while religious discrimination is illegal, using words like "kosher meals served

on the premises," or including phrases such as "Merry Christmas" or "Happy Easter" in an ad is not considered discriminatory.

A great tip to remember is that HUD will consider your use of certain kinds of advertising words and slogans to be evidence of your compliance with the Fair Housing Act. For example, using HUD's "Equal Housing Opportunity" or fair housing logo in your ads will be viewed with approval.

FAIR HOUSING ADVERTISING - FINAL TAKEAWAY

Every company should have a clear

understanding of the laws and guidelines that HUD and The Fair Housing Act provide.

Along with that, every employee should have access to targeted training to ensure that when it comes to advertising, they are fair-housing compliant.

In 2005, The Fair Housing Institute was founded as a company with one goal: to provide educational and entertaining fair-housing compliance training at an affordable price at the click of a button.

Fastest Metro-Level Rent Growth Among 53 CBSAs with Population >1 Million				
Rank	Over Past 6 Months		Over Past 12 Months	
#1	Miami	(+7%)	Miami	(+30%)
#2	New Orleans	(+6%)	Orlando	(+28%)
#3	Orlando	(+6%)	Tampa	(+28%)
#4	Salt Lake City	(+5%)	Phoenix	(+23%)
#5	Nashville	(+5%)	Las Vegas	(+22%)
#6	New York	(+5%)	Nashville	(+22%)
#7	Dallas	(+5%)	Austin	(+22%)
#8	San Diego	(+4%)	Tucson	(+21%)
#9	San Jose	(+4%)	Jacksonville	(+21%)
#10	Louisville	(+4%)	Raleigh	(+21%)

Source: Apartment List Rent Estimates
Data Available: apartmentlist.com/research/category/data-rent-estimates

Apartment List

Rents Continuing to Grow

Continued from Page 1

disruption of the pandemic's onset. After that, however, vacancies began a steady decline, eventually falling below 4 percent," the report says.

After bottoming out at 3.8 percent last August, "Our vacancy index slowly ticked back up for seven consecutive months, until dipping slightly this month. Our index fell from 4.7 percent in March to 4.6 percent in April.

"We should be hesitant to put too much stock into a single data point, but it's possible that as we enter the traditional busy season for the rental market, the gradual easing of our vacancy index may begin to level off. The vacancy situation remains historically tight, and even if it were to continue gradually easing, it will likely be some time before we get back to the pre-pandemic norm."

MIAMI CONTINUES AS KING OF RENT GROWTH

The Miami metro has seen the nation's fastest growth over the past six months (+7

percent), nearly tripling the growth rate of the national index over that period.

The Miami metro also ranks No. 1 for year-over-year rent growth, and No. 2 for growth since March 2020.

"As we enter the spring and summer months, rental activity is likely to pick up, and rent growth is likely to accelerate. Despite a recent cool-down, many American renters are likely to remain burdened throughout 2022 by historically high housing costs," the report says.

Apartment List is a technology-driven rental marketplace with over 5.5 million units on the platform, reaching millions of renters on their path to find their next home each month. Apartment List was founded with the mission to deliver every renter a home they love and the value they deserve. Apartment List offers a unique success-based business model with aligned incentives - connecting renters who want a curated concierge experience with properties that want flexible marketing solutions.

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Are You Ready for the Green-Resident Wave?

By REGAN HARTLEY

Environmental measures have faced slow adoption in the multifamily industry. The reluctance is understandable. After all, owner/operators, along with everyone else, have been told for years that the green boom was on the way.

The truth, however, is that the green resident wave is already bearing down on the multifamily industry. As more environmentally conscious residents begin to dominate the leasing market, it's the green buildings that are set to rise above the competition. Multifamily communities are faced with taking action now to adapt and thrive in the shifting leasing environment. Those that don't will face the inevitable consequences of needing to rebuild.

GREATER DEMAND FOR SUSTAINABILITY PUSHING MULTIFAMILY INVESTING

About 36 percent of multifamily developers are involved in green projects, a number that's expected to increase to 47 percent in 2022, according to a recent report by the National Association of Home Builders. In addition, a recent analysis by Bloomberg predicted that global environmental, social and governance (ESG) assets are expected to top \$53 trillion by 2025, which is more than double what they were in 2016 and which make up around 33 percent of the market.

Sound environmental preparation is not only important for a community to distinguish itself from competitors, but it's also developing into a necessity to secure investment funding for new projects, updates and conversions. ESG is becoming an important factor for investors, looking at the increased demand by society and becoming more green-conscious themselves. Fannie Mae offers preferential pricing on loans for multifamily projects that seek one of the lender's recognized green building certifications.

ESG certifications, such as LEED, significantly raise the value of a building, making them necessary moving forward. The multifamily industry is reaching the point where ESG certification and sustainable building practices will become an unavoidable part of projects. ESG is no longer daunting, and both private and public companies are putting greater focus on it. Private companies are creating policies and programs, as well as sharing their efforts online. On the public side, earnings calls contain a greater focus on the company's ESG efforts, and even private companies are beginning to feel the pressure.

The race to be at the forefront of ESG allows owner/operators to begin implementing the amenities that are soon to be must-haves, not nice-to-haves.

EXPLOSIVE GROWTH FOR EV DRIVING MANDATES CHARGING STATIONS

Electric vehicle (EV) demand among consumers has been on the rise for years. It regained steam after a brief dip in sales during the pandemic, bolstered by economic and global turmoil. Sales of EVs more than doubled from 2020 to 2021 and tripled from 2019, according to sales data from Green Car Report.



Nearly 23 percent of licensed U.S. drivers stated they would purchase a new or used electric vehicle, according to a YouGov poll conducted for Forbes Wheels. While this may not seem jarring, this number is significant, as it's eight times the number currently on the road. In the same group, 65 percent of respondents said they believed EV is the future of the automobile industry.

The auto industry is in agreement with this view, developing fully electric and hybrid vehicles at unprecedented and accelerated rates. There are more than 50 electric vehicle and plug-in hybrid electric vehicle (PHEV) models currently available on the market. Acura, Audi, Chevy, Chrysler, Ford, GMC, Honda and every other major car manufacturer is slated to release at least one, if not many, EV models in the next five years. Ford recently stopped reservations on the base model of its new 2022 F-150 Lightning after receiving 200,000 requests in just months.

New companies, such as Rivian, Canoo, and Byton, are not making splashes in the auto industry, but massive waves. California-based FISKER has more than 40,000 reservations for their Ocean SUV model being fulfilled in July 2022. Lucid, another new electric company, had their model Air named the 2022 MotorTrend Car of the Year.

As the number of electric vehicles on the road begins to increase, owners need EV chargers – and they're going to put their rental dollars into housing and communities that offer this amenity. This is going to create a snowball effect: As the number of communities that supply chargers increases, sales of electric vehicles are predicted to increase, thus creating greater demand for chargers.

SMART TECH NOW A PRIORITY FOR RESIDENTS

A recent study by NMHC/Grace Hill showed that close to half of millennial and Gen Z renters put a greater emphasis on smart tech than other generations. In 2021, Gen Z was the only generation that saw an increase in the number of leasing applications, and they are credited with the recent resurgence in urban multifamily leasing.

Of the top two smart tech gadgets these green residents desire, one of those is smart thermostats, which provide residents greater control over energy use and access to local usage programs. They aren't just for residents, however. Owner/operators can utilize smart tech to control utilities in unoccupied units to maximize savings.

In addition, there is smart tech that can detect leaks, control water usage, control lighting and HVAC in common areas, and improve building health, along with a whole host of other environmentally friendly, cost-saving measures. Not only will these increase net operating income, but they're also the green items residents are seeking out.

THE NEXT WAVE

When it comes to the environment, "As California goes, so goes the nation" tends to hold true. The state has been a bellwether for social change for a while now, even if many don't want to agree. California ushered in a composting requirement, which includes multifamily, at the beginning of 2022. There are several other states, counties and municipalities that have also started efforts to require or encourage composting efforts.


Denver ran a pilot program for recycling to reduce waste in the near future. The goal is to eventually make proper recycling a condition of a resident's lease.

The number of people who grew at least a portion of their own food rose to around 35 percent in the summer of 2020 during the pandemic. Now that restrictions have eased, community gardens in multifamily housing is a great amenity that brings residents together and can provide people with a new skill.

The EPA Water Score provides owner/operators with an analysis of their water use compared to similar properties and shows how to make adjustments to a property to maximize its water, energy and sewage systems.

After years of false starts and predictions, the green resident wave is arriving on the shores of the United States with full force. Multifamily owner/operators will need to begin a serious evaluation of their current portfolio and upcoming projects to determine if they're ready for this unstoppable change in the culture.

Regan Hartley serves as the vice president of sales for Xeal Energy, where her focus is on strategic partnerships and new business development, sales strategy and collateral development, national accounts, marketing and brand development, and product and market growth. Regan is an investor, innovator, and advisor with more than 8 years of experience in the multifamily industry.



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Screening Must Include Nationwide Checks

Continued from Page 1

neighborhoods. How does that affect you as a property owner? And how does that affect your ability to operate “successful, lazy landlord,” a concept I teach and live by? I’ll tell you; it affects both dramatically.

A disclaimer before you read too far: I’m not advising you to never rent to any individual with a criminal history. I am advising you to utilize criminal history checks as just another tool in your landlord “toolbox.”

CRIMINAL HISTORIES

When it comes to understanding criminal behavior, we have to rely on the criminal statistics to give us a true and accurate look at our current situation. Recidivism, the tendency of a convicted criminal to reoffend, and the rates of reoffending are a powerful indicator for you as a landlord as you analyze a potential tenant. The Bureau of Justice recently released the results of a 10-year study of individuals who were released from prison in 2008. This is what they found:

- 66 percent of prisoners released across 24 states in 2008 were arrested within three years.
- 82 percent were arrested within 10 years.
- Of those that were arrested within 10 years, 47 percent were arrested for offenses involving property and another 47 percent for drug-related offenses.
- The average inmate committed nine crimes before they were sentenced.

Based on just this data, what risks are you willing to take? Though this is federal data, state recidivism rates closely mirror them.

A COUNTRY ON THE MOVE

The moving industry reports that more than 15 million American households move annually, with an average of three people per household: great news for us as housing providers. That equates to 45 million people a year calling somewhere new “home.” More than three million of those moves are considered interstate, meaning they are leaving one state for another.

What that means for you as a landlord is that a “current state only” search of any history, criminal or otherwise, for your



applicant is likely insufficient. Specific to criminal, 16 percent of those who were arrested within 10 years of release from prison were arrested in a state other than the one they were convicted in.

Would you as a landlord be happy with a one in six chance for anything, but especially when searching an applicant’s criminal history?

One reason individuals with a criminal history move is to get away from their communities, especially in small towns. For better or worse, it’s hard to escape the stigma of being the town drunk when the whole town knows your history. Also, individuals with criminal histories often move to states that have less stringent research and reporting laws, seeking asylum where their history can’t even be reported to you as a landlord, leaving you feeling handcuffed in managing your property.

And finally, 33 percent of the individuals released from prison could not find active employment within the first three years of their release. These factors combined with the transient nature of our country indicate that including a nationwide check shouldn’t

just be an option, it should be a necessity for successful landlords.

APPLYING CONSISTENT CRITERIA

What kind of criteria do you have when it come to an applicant’s criminal history?

If you don’t have one, I’d encourage you to visit with your attorney to determine what is fair and legal in your state when it comes to criminal background research and use in housing.

We have a sample criteria you can request

at info@rentperfect.com. If you do have criteria, make sure you are applying it fairly and equally across the board for each applicant.

A question I get often is “Is it okay to have property-specific criteria?” Not only is it OK, but I would also encourage you to make this a key part of your practice. Your portfolio may contain properties of varying locations, values, and restrictions, and each of these will affect how you manage the property.

For example, you may have a property that qualifies as low-income housing. Would the criteria you use for a tenant there differ from the criteria you might have in place for a property in an age-restricted community?

Of course it would. What doesn’t differ is your enforcement of whatever criteria you use for each specific property. Consistency is king whether you are considering criminal, credit, or eviction history.

As much as we might like a return to the old days where agreements were sealed with a handshake, our future is much different.

Knowing criminal histories, seeing moving patterns, and using consistent criteria make us better landlords and more profitable investors. This is why it is so important to include a nationwide criminal history check on every tenant from whom you receive an application.

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 to stay up to date on the latest industry news and for expert tips on how to manage your properties.

Can a Landlord Prohibit Portable Washer/Dryers?

Dear Landlord Hank: A lot of our renters are using small washers and dryers in their unit. Can we put a stop to it and how many people per unit?— John

Dear Landlord John: You had two questions:

1. How many people per unit?

Normally the lease will detail who is renting (adults) and other occupants (children) and a clause about guests (how long they can stay without written permission). The general rule of thumb is maximum occupancy is two people per bedroom.

2. Some tenants are using portable washers and dryers in the units and can landlord stop this practice?



Again, John, check your lease – often under the Use of Premises clause there is this language: Tenant shall secure insurance for any water-filled devices with loss payable to landlord. You could also add that to your lease – a prohibition of portable washers and dryers since there is the possibility of flooding and damage to your property. Good luck!

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