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Voting is Best Way to Find Sensible Housing Solutions MULTIFAMILY NW

In Search of **Housing Equilibrium** Page 8



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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 See 'Understanding' on Page 6

ECRWSS POSTAL CUSTOMER Standard US POSTAGE

Why Tenant 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 neighborhoods. How does that affect you as a property owner? And how does that affect your ability to operate as a "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 that 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 who 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 See 'Why' on Page 4

National Rent Continues p 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

"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

"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.

"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 disruption of the pandemic's onset. After

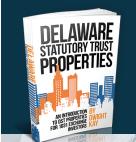
that, however, vacancies began a steady decline, eventually falling below 4 percent," the report says.

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

"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."



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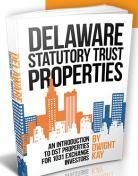
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ABOUT KAY PROPERTIES AND WWW.KPI1031.COM

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.

This material does not constitute an offer to sell nor a solicitation of an offer to buy any security. Such offers can be made only by the confidential Private Placement Memorandum (the "Memorandum"). Please read the entire Memorandum paying special attention to the risk section prior investing. IRC Section 1031, IRC Section 1033 and IRC Section 721 are complex tax codes

therefore you should consult your tax or legal professional for details regarding your situation. There are material risks associated with investing in real estate securities including illiquidity, vacancies, general market conditions and competition, lack of operating history, interest rate risks, general risks of owning/operating commercial and multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, potential returns and potential appreciation are not guaranteed.

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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

The 96-page glossy magazine dissects

present-day investment themes and explores

investment strategies for today's 1031

Exchange and DST real estate investor.

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, 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
- What Real Estate and DST Investment Opportunities Should be Considered after the Pandemic recedes?

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Why Tenant Screening Must Include Nationwide Checks

Continued from Page 1

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 lowincome housing. Would the criteria you use for a tenant there differ from the criteria you might have in place for a property in an agerestricted 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

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.



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From the Desk of the Executive Director

Exercise Your Right to Vote: It's the Best Way to Work Toward Sensible Solutions for Us All

Rental Housing Alliance Oregon was established in 1926 and has a rich legacy of assisting landlords throughout the state to become successful and more professional. Through a variety of services including training, networking, and up-to-date forms, RHA Oregon has long been a steadfast advocate for property rights, high standards of practice, and promoting fair and affordable housing. Much of our base membership includes long-term members that have second- and even third-generation family members, sons and daughters who have taken over and/or absorbed their "family business" as independent rental property providers.

Small landlords are small business owners. They take on all the financial responsibilities and risks to provide a valuable product to their communities: housing. Like small business owners everywhere, their success drives an important and substantial segment of the state's economy. Small landlords, like most small business owners, add unique personalities and take personal pride in their endeavors. This trait is lost on large "big-box" or institutional owners who cannot replicate it. Buying a handcrafted belt or purse from a local store, for example, is not the same experience as picking something off the rack from Macy's or Fred Meyers. Likewise, renting a house or a unit in a duplex from a long-term independent landlord is not the same experience one might have as when moving into a large apartment complex.

Over the past four years, much has changed for these landlords due to increased regulations levied on them by new state laws. While promoted as means to help increase affordable housing, these laws have had just the opposite

effect. Current market trends tell it all. Vacancies are significantly down. Higher rental rates are pacing at record year-over-year rates. Since the government made it nearly impossible to evict a tenant for non-payment of rent for the last two years, many small owners have now decided to sell. Rental homes, as well as two- to four-unit properties, are either being purchased by owner-occupied buyers (thereby eliminating more rental inventory), or picked up by institutional investors who eagerly seek highly regulated markets in order to reap the mega-rewards of hidden profit

Throughout the years, and including the recent past, Rental Housing Alliance Oregon has continued to work with lawmakers to find balanced solutions, no matter what the prevailing party's strategy "du jour" happened to be. After all, a fundamental basis of promoting good business practices is the importance to follow the law, whether the opinion is that it's a good or bad regulation.

As part of this long tradition, RHA Oregon has made a practice of avoiding recommendations for political candidates. In other words, in the end, we know that we need to work with those who hold office. So the question has arisen: "How's that been working out for you?"

The answer is, not too well I think. But it's complicated...

In my opinion, recent housing policies have had a shortterm negative impact on small landlords. (Duh. I am probably not alone in that conclusion.) But honestly, I believe the real damage is being done to the tenants who will continue to suffer long-term consequences of these poor policies.

Yet even as I say this, many may accuse me of being self-serving and obfuscating facts to prove a point. What's not complicated is that good rental-property providers can't be in business without good renters. We are all on the same page in desiring safe and affordable housing. Forcing landlords, for example, to approve non-qualified tenants (whose income does not support the rent) means that the qualified candidates who missed out on the unit are forced to pay higher rents in a tighter market. And the neighbors of the disruptive tenant who can't be terminated other than for a legal action "for-cause" are forced to choose to move away and find replacement housing that has skyrocketed in price, due to low supply. It's just an example of the selfperpetuation of a cyclic process that has no cap. What's the end result? Choose your scenario: If the bottom falls out (as it did in 2009) everyone suffers (remember zombie houses?) If it continues to escalate, who are the winners? Large investors who were trying to be tamed in the first place, because the smaller landlords got strangled in the imposed overregulation.

So here is my solution today, as of May 2022: Vote. Make sure the check box goes to a candidate who supports sensible economics. If you can't determine the best candidate, look at the record of the incumbent. Are they supportive of the free market or are they proponents of social change? And (this is where I might be accused of going off-road) if nothing else is evident, choose a candidate whose party has NOT been in power for the last 4 years, just to add some necessary balance in all federal, state, and local housing solutions. Either way, remember, Rental Housing Alliance Oregon will stay open for business.

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Understanding the Rules of Fair Housing Advertising

Continued from Page 1

discrimination based on a person's race, color, religion, sex, handicap, familial status, or national origin."

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.

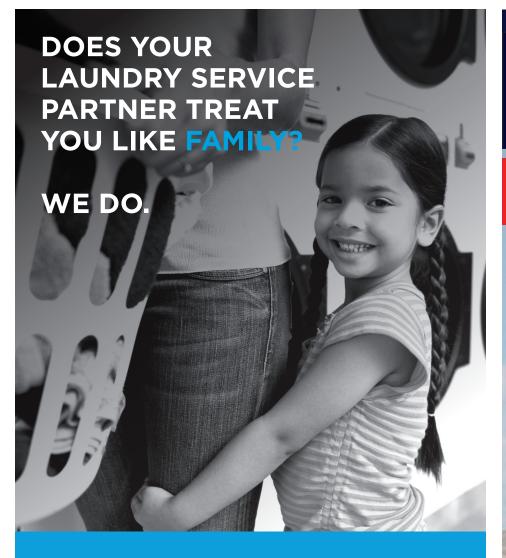
A great tip to remember is that HUD will consider your use of certain kinds of advertising words and

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.

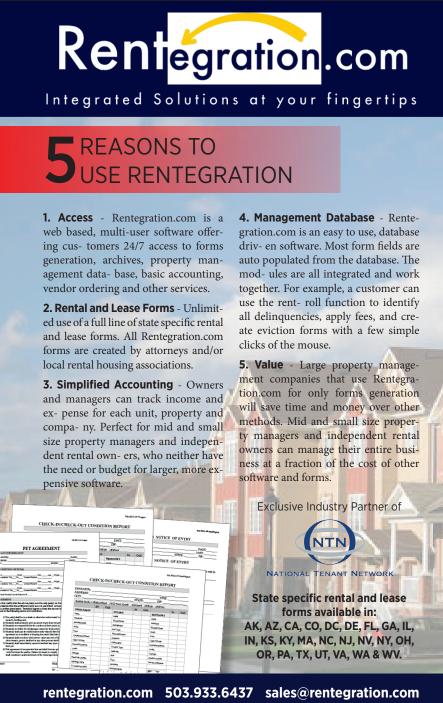


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FORM OF THE MONTH

Appliance Addendum M078 OR-WA

This form allows for the resident to acknowledge all appliances provided in the rental by the Owner/ Agent. It also sets rules for whether resident may supply any appliance for use on the premises, and if allowed, detailing installation and operation disclosures for the resident.

The Multifamily NW Forms Collection is available immediately and electronically at www.RentalFormsCenter.com, via electronic subscription software through www.tenanttech.com & by mail or pick-up of printed triplicate forms at www.multifamilynw.org.

Multifamily NW Schedule		
MAY 4	WEBINAR: MAY LANDLORD STUDY HALL - PROPERTY INSPECTIONS AND TURNOVERS	6:30 PM - 8:00 PM
MAY 12	WEBINAR: HR ANSWERS - MANAGING REMOTELY	8:00 AM - 9:00 AM
MAY 12	MAINTENANCE FAIR 2022	8:00 AM - 4:00 PM
MAY 13	WEBINAR: IT'S THE LAW: HABITABILITY DISPUTES	12:00 PM - 1:00 PM
MAY 17	WEBINAR: WA IT'S THE LAW: TWO STATES, ONE RIVER	12:00 PM - 1:00 PM
MAY 18	DECKS, WATER, AND THE HEALTH OF YOUR BUILDINGS	2:00 PM - 3:00 PM
MAY 23	WEBINAR: FAIR HOUSING BASICS	10:00 AM - 12:00 PM
MAY 31	AFFORDABLE AFTERNOONS WITH ADAM-AFFORDABLE HOUSING 102: BEYOND THE BASICS	12:00 PM - 1:00 PM



In Search of Housing Equilibrium

By Deborah Imse, MPA
Executive Director, Multifamily NW

The Multifamily Housing Industry has faced a flurry of legislation throughout the COVID-19 pandemic, and is struggling to access a state rental assistance program that by all measures is still broken.

We recently learned that for many local housing providers, it has all been too much. In a study by ECO Northwest, it was reported that the number of single-family detached rental units in the Portland Metro declined by 6,415 units between 2017 and 2020. It is clear that misguided legislation, poor management of assistance programs, inflation, labor shortages, and financial losses have made a number of housing providers lose their desire to continue conducting business in Oregon.

It is against this backdrop that the city of Eugene is preparing to adopt even more new ordinances that incorporate aspects of Portland's FAIR Ordinances. The City Council recently voted to prepare Phase 1 of these concepts for a public process.

Concepts include:

- Increasing the annual per unit registration fee
- Limiting screening charges to \$10, effectively eliminating professional, independent screening companies
- Limiting deposit amounts
- Mandating minimum credit scores of 500
- Lowering gross income screening standards
- Instituting additional relocation charges, beyond SB 608
- Adopting a new highly prescriptive process for documenting move-in/move-out conditions
- Requiring housing providers to distribute written educational documents with each lease (rather than having them available electronically at the city)
- Eliminating all no-cause evictions

Each aspect of the proposal increases legal liability and increases the cost of owning and managing rental housing.



The vacancy rate in Eugene is hovering around 1.5 percent, and rents are increasing at or near the maximum allowable amounts.

With a dramatic undersupply issue, the City Council should consider incentives for developers to build in Eugene rather than increasing costs and risk. They should also avoid any action that sends independent rental owners looking for the exit doors.

In 2022, the National Apartment Association will be evaluating the impacts of local housing regulation on supply

and development. But by the time the study is complete, it may be too late for Eugene.

The key to finding housing equilibrium is creating a stable and predictable operating environment, statewide. This starts with treating housing providers as partners, not opponents.

Deborah Imse is the executive director of Multifamily NW, an association of landlords, rental housing providers and advocates whose members represent more than 250,000 units of rental housing in Oregon.





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