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Ask an Attorney

### How Do I Prove a Tenant is Smoking Pot, Violating Lease?

By Bradley S. Kraus

**Dear Attorney Brad:** I have a tenant who smokes marijuana, and the lease states no smoking at all. How can I prove that she is smoking to prove it to the judge in court? Thanks. -Romy

**Dear Romy:** Thank you for your email. Smoking issues can prove challenging when it comes to proof.

If no one sees the tenant smoking, how can you prove it's occurring?

Well, there's a couple different methods you may be able to employ.

First, the complaints of smoke smell likely came from neighbors. Try to "box" the smoke in, which will assist you with pointing the finger at this tenant. In essence, if the neighbor above, the neighbor below, and the neighbors

See 'How' on Page 7



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# Rent Growth Accelerates Again, Posting 1.2 Percent Rise in May

RENTAL HOUSING JOURNAL

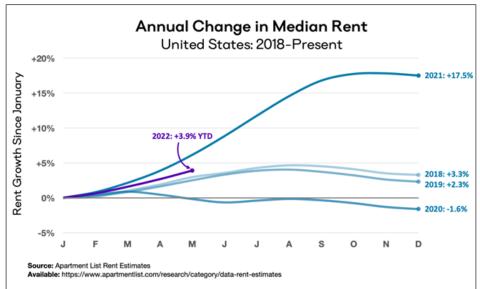
National rent growth accelerated slightly again in May, with the national index up by 1.2 percent over the course of May, the largest monthly increase of the year so far, according to Apartment List.

"So far this year, rents are growing more slowly than they did in 2021, but faster than the growth we observed in the years immediately preceding the pandemic. Over the first five months of 2022, rents have increased by a total of 3.9 percent, compared to an increase of 6.1 percent over the same months of 2021," the Apartment List research team writes in the report.

### RENT GROWTH LIKELY TO EXCEED PRE-PANDEMIC TRENDS

Year-over-year rent growth currently stands at a staggering 15.3 percent, but is down slightly from a peak of 17.8 percent at the start of the year, the report says.

"Based on what we've seen so far this



year, rent growth in 2022 seems likely to continue exceeding the pre-pandemic trend, even as it moderates substantially from 2021 levels," the report says.

Rents increased in May in 96 of the nation's 100 largest cities, though 70 of these cities have seen slower rent growth so far in

See 'National' on Page 10

# Are You an Easy Target for Fraud?



### By David Pickron

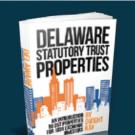
Just last week I received an email that promised me the easy life. King Jeremiah from Zimbabwe had \$45 million that he needed my help with to get out of his country. Imagine that... little ole me being contacted to help royalty in another country. And for my troubles, I'd get half of the money. I was blown away, even overwhelmed, by this amazing turn of fate that had come my way.

Most of us can clearly see through offers like this a mile away, but they keep coming. Someone must be falling for these types of scams, or they would not continue month after month, year after year. Though fraud schemes like these are easy to see, scammers are getting better and better at using your

See 'Take' on Page 10



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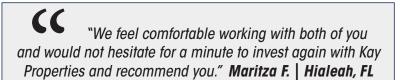




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# Picking the Right Delaware Statutory Trust Companies

Investors often must juggle multiple investment options, like where to invest and with whom. When it comes to evaluating a Delaware Statutory Trust or DST investment, real estate investors should look for a firm that specializes in DST investments to help ensure their 1031 Exchange is executed, with no detail being dropped.

One of the most important reasons investors need to carefully research any Delaware Statutory Trust company is because 1031 Exchange investment decisions need to be made within a tight timeframe, and within strict IRS requirements. These are not easy decisions to make within the timeframe, as they require careful assessment and specialized know-how of both the 1031 Exchange and DST industries.

### **Typical 1031 Exchange Timeline**



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### 1031 Exchange Timeline Considerations

The IRS timeline on a 1031 exchange can be extremely challenging, including completing the following steps within the specified timeframe as outlined under Section 1031 of the United States Internal Revenue Code:

- 1. Investors must purchase another "like-kind" investment property
- 2. The replacement property must be of equal or greater value
- Investors must invest all the proceeds from the sale (i.e. the sale cannot receive any "boot".)
   NOTE: A boot is a portion of the sales proceeds you receive from a 1031 exchange that isn't re-invested in a replacement property. For example, if you sell a property for \$200,000 but only re-invest \$180,000, the \$20K difference is known as boot.
- 4. The investor must be the same title holder and taxpayer
- 5. Investors must identify new property within 45 days
- 6. Investors must purchase new property within 180 days

### How Knowledgeable is your Delaware Statutory Trust Company?

One of the greatest benefits of working with a specialized and skilled Delaware Statutory Trust company is that they can provide investors not only expert advice and insight into the various property options, but also provide advice on building a conservative, customized, and diversified portfolio for their investor's. Some firms advise investors to select risky businesses like hospitality, senior care, and oil & gas industries for 1031 exchange property options. Firms like Kay Properties & Investments is focused on building conservative, customized, diversified portfolios for their clients, doing everything possible to minimize risk.

Another important investment criterion investors should consider when a DST 1031 exchange, is does the firm provide 1031 Exchange investors a diversified menu of real estate assets from which they may choose, rather than forcing them to pick from limited options.

Kay Properties has access to the marketplace of DSTs from working closely with more than 25 DST sponsor companies. This allows investors to close their 1031 Exchange in little as 2-3 days, and invest in quality assets within the multifamily, net-lease, self-storage, industrial and manufactured housing sectors. In addition, Kay Properties offers the industry the largest inventory of custom debt-free DSTs while other firms only have 1 or 2 available. In addition, Kay Properties provides its clients a cash-out refinance option for those investors seeking potential liquidity.

### Are They Offering a Breadth of Investment Options?

One of the concerns with having limited investment options is that investors may choose to invest their

money in a particular investment not because it is necessarily the most suitable available in the market, but simply because it is the best option amongst those presented to them. For example, Apple and Microsoft are often considered by some to be well managed and profitable companies, but if those were the only options presented to a stock investor by their financial advisor, that investor would not necessarily know about other companies sometimes considered by others to also be well managed and profitable in which they could diversify their holdings, such as Amazon, Google, Netflix, etc... The same is true in the world of Delaware Statutory Trust brokers.

Many 1031-exchange investors are sometimes introduced to DST 1031-exchanges by someone that only has access to one or two DST properties and/or who has very little experience/knowledge in completing and evaluating 1031 DST exchanges.

#### What About the Education Process for DST 1031 Investors?

Because the Delaware Statutory Trust 1031 IRS laws can be confusing, the best Delaware Statutory Trust broker should offer investors educational tools to help them find the right DST investment vehicle. In addition, a good DST 1031 firm should also possess extensive knowledge about the different types of DST options, and be able to share this knowledge so that their client can pick the right property that meets their goals and objectives, be it in terms of tax deferrals or benefits and of course potential returns. And – depending on your unique goals and objectives – an excellent DST broker may help you select DST investments as you consider all three: potential income, potential capital preservation, and capital appreciation potential.

Kay Properties has one of the most (if not the most) robust 1031 Delaware Statutory Trust educational platforms in the nation. Some of these educational tools include:

- DST 1031 Conference Calls
- 1031 Exchange Delaware Statutory Trust Seminars and Workshops
- Vast Library of DST blog articles where investors can learn about DST trends, transactions, and insights
- A Regularly Updated Library of Podcast Episodes dedicated to DST 1031 exchanges

### What Does their Track Record Say?

Another good idea for investors who are looking for the right Delaware Statutory Trust company should do is to examine the track record of any firm you are thinking of working with to determine whether they have extensive experience with DST 1031 investments. A long track record suggests they have acquired the necessary financial skill set and industry expertise which can help them evaluate several options to help you pick the right one. Plus, with years of experience in the DST sector, the best DST companies boast of a broad network of DST sponsors, offering you many options to choose from.

Kay Properties & Investments is considered one of the most experienced and knowledgeable investment firms in the country specializing in Delaware Statutory Trust (DST) and private equity real estate investments. The firm was established in 2010 with the emphasis on providing real estate investment options to high-net-worth clients looking for passive real estate ownership. In addition, Kay Properties believes it has created one of the largest 1031 exchange and real estate investment online marketplaces in the country that generates some of the largest DST 1031 investment volume in the United States. In 2021, for example, Kay Properties clients participated in thousands of transactions, and the \$610 million of equity invested through the Kay Properties platform was invested in more than \$8 billion of real estate offerings totaling approximately 50 million square feet of multifamily, manufactured housing, single tenant net lease, industrial, self-storage and medical properties nationwide.

Besides a deep network, what accredited investors deserve is an experienced and knowledgeable 1031 Delaware Statutory Trust broker that can provide them with valuable insight, guidance, and access to a large amount of diverse DST properties from many different DST sponsor companies. Kay Properties, a national Delaware Statutory Trust (DST) investment firm, is such a DST broker.

### What Kay Properties Can Do for You?

One of the tremendous resources offered to investors by Kay Properties is the kpi1031.com online marketplace. The www.kpi1031.com platform provides access to the marketplace of DSTs from over 25 different DST 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 are 1031 exchange DST brokers who have participated in over \$30 Billion of DST 1031 investments.

Sophisticated real estate investors know that choosing the right DST broker is critical when looking to place their 1031-exchange or cash-investment dollars into a DST.

What to Look for When Searching for a Delaware Statutory Trust Company		
WHAT TO LOOK FOR	WHAT DOES IT MEAN?	WHAT QUESTIONS TO ASK
Make sure the firm is hyper-specialized in DST 1031 Investments.	A true DST specialist firm will have participated in billions of dollars of DST investments and be able to provide clients custom options to satisfy their specific, unique needs.	Key Takeaway: Ask how many DST 1031 deals the firm has successfully completed.
Make sure you use a firm that has an entire team of DST 1031 professionals.	It's important to understand how the concepts of debt replacement, lease structuring, diversifying real estate portfolios, etc. are relevant to any 1031 exchange. A true DST 1031 expert will be able to explain these and other terms in great detail.	Key Takeaway: Ask very specific questions and demand very specific answers.
Make sure you use a firm that is very particular with their DST properties.	Many firms that don't specialize in DST properties encourage investors to look at assets that have higher risk, overly priced, and little performance data.	Key Takeaways: Ask where the advisory firm sources their properties for 1031 exchanges, and what type of due diligence they have performed on the properties
Make sure to use a firm that has some of its own skin in the game.	Smart investors work with DST 1031 advisory firms who invest their own money in the investments they are selling.	Key Takeaways: Ask if your advisory firm personally invests in the specific properties they are advising other people to invest in.

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"). Please read the entire Memorandum paying special attention to the risk section prior investing. IRC Section 1031, IRC Section 1031 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 appreciation are not guaranteed. Nothing contained herein constitutes tax, legal, insurance or investment advice, nor does it constitute a solicitation or an offer to buy or sell any security or other financial instrument. Securities offered through FNEX Capital, member FINRA, SIPC.

# 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 greenconscious 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

The race to be at the forefront of ESG allows owner/ operators to begin implementing the amenities that are soon

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.

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.

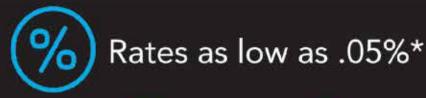
The number of people who grew at least a portion of their own food rose to around 35 percent in the summer of 2020 during the pandemic. Now that restrictions have eased, community gardens in multifamily housing is a great amenity that brings residents together and can provide people with a new skill.

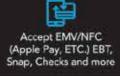
After years of false starts and predictions, the green resident wave is arriving on the shores of the United States with full force. Multifamily owner/operators will need to begin a serious evaluation of their current portfolio and upcoming projects to determine if they're ready for this unstoppable 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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# **Attempting to Influence Where a Prospective Tenant Lives is Violation of Fair Housing Laws**

### BY THE FAIR HOUSING INSTITUTE

The Fair Housing Act makes it illegal for a housing provider to attempt to influence or steer where a prospect lives due to the prospect's race, color, religion, national origin, sex, familial status, or disabilities—otherwise known as protected categories.

An important point to remember is while the Fair Housing Act is applicable in all states, some states have additional protected categories. For example, in addition to the seven categories listed above, California's fair housing law also protects prospects on the basis of their citizenship, immigration status, primary language, age, sexual orientation, gender identity and expression, genetic information, marital status, source of income, and military or veteran status.

Not being knowledgeable of your state's particular laws or additional protected categories can leave you open to complaints and violations.

### WHAT IS STEERING?

The two elements of a steering violation are:

- 1. An effort to influence a prospect's choice of a house or apartment
- 2. The housing provider's effort is related to the prospect's protected category.

Notably, this "effort to influence" does not have to be malicious or result in injury to the prospect in order to establish illegal steering. In other words, all steering is illegal even when it is well-intentioned.

There are many fair housing cases involving a housing provider who had the best of intentions and was just "looking out," so to speak, for the prospect's best interests. The general rule is that it is up to the applicants to determine where they want to live. Any efforts by a housing provider to encourage, discourage, or redirect a prospect based on any of the protected categories will be viewed as illegal acts of steering and are prohibited by the Fair Housing Act.

Examples of steering:

- "Since you have several children, our experience has shown that we will have fewer complaints from neighbors if you live on the first floor."
- "That area of the property is viewed as our 'quiet' area, so you should choose an apartment in a different area closer to other young families."
- "This property has a lot of Latino residents, so you should fit right in."
- "I assume from the last name you are Jewish, like me. I have a vacant apartment that is next door to another Jewish family. Would you like to see it?"
- "The only available unit we have is on the second floor, so since I see you use a wheelchair, I can put you on a waitlist for a first-floor unit."

### How To Handle Questions That Could Lead To Steering

It is common and helpful when a prospect shares what they are looking for in a home and their specific preferences with the leasing agent. However, if a prospect starts asking questions regarding the property, such as "What kind of people live here?" (looking for a breakdown of race), or "My church is close by, are there many of my denomination living here?" these types of questions should not be answered!

Regardless of the prospect's motivation, answering questions like these could have either an encouraging or discouraging effect and are based on protected categories, making it illegal steering. Another point to keep in mind is that it is also considered steering if a housing provider attempts to protect the prospect from one or more of the neighbors who are known to be prejudiced against people in the prospect's protected category. Housing should be determined based only upon availability and any preferences provided by the applicant, unless those preferences are based on protected categories.

Another more subtle pitfall can be in discussing local schools. For families with school-age children, the local schools are often a topic of discussion. The National Association of Realtors recommends that agents use caution when answering questions about the local schools, as this can be a method for describing the surrounding community's racial and national origin characteristics. To avoid inadvertently steering prospects, housing providers should only discuss the schools' known facts, not include their personal opinions. It may be helpful to maintain a list of resources containing factual information about the local schools. When the topic of local schools is raised, you can refer the prospect to your list of websites instead of offering your personal opinions.

### POLICIES AND BEST PRACTICES WHEN SHOWING VACANCIES

Having a clear policy as to the way vacancies are shown can help avoid any appearance of steering. One best practice is to show the units that have been vacant the longest. If your policy is to show units based on the prospect's answers to interview questions, it is a good idea to keep notes

The go-to periodical for multifamily professionals in Portland and Oregon



or guest cards describing the areas of the community the prospect requested and the reasons for their preferences. This way, if a claim of steering is ever made, you have documentation to prove exactly what happened.

### STEERING - THE FINAL TAKEAWAY

It is part of every property's job to lease vacant units. Using sales techniques like showcasing amenities or brand-new appliances is the right way to encourage a prospect to lease an apartment or house. The efforts to influence a prospect's choice of a home should never include consideration of either the prospects' or the existing residents' protected categories. Proper training is essential for every employee to understand what steering is and how to avoid it.

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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# Portable Cooling Devices and the ORLTA: How SB 1536 Affects You as a Landlord

**EDITOR'S NOTE:** With area temperatures starting to heat up, we thought it a good idea to share this previous article from the author.

### By Bradley S. Kraus Partner, Warren Allen LLP

The 2022 legislative session has concluded. When compared to the sessions of the past two years—and the flurry of new laws landlords have had thrown at them arising from the same—this session seemed less noteworthy. However, the legislature did pass SB 1536, a bipartisan piece of legislation amending the Oregon Residential Landlord and Tenant Act. This law tackles restrictions on the use of "portable cooling devices" from May to September of each year and imposes new requirements that housing provide cooling devices in new construction.

As you can imagine, this law was reactive to the unprecedented heat wave the Pacific Northwest experienced in the summer of 2021. Prior to SB 1536, the ORLTA had little discussion about air conditioners within the same, unless it was provided for by the landlord (at which time the landlord would have an obligation to maintain the same). From a definitional perspective, SB 1536 defines "portable cooling devices" as "air conditioners and evaporative coolers, including devices mounted in a window or that are designed to sit on the floor." Notably, this does not include devices whose installation or use would require alteration to the dwelling unit. Senate Bill 1536 prohibits landlords from restricting tenants from installing or using portable cooling devices in most circumstances



There are several standards to be found within SB 1536 to which tenants will need to adhere. First, the installation and use of the portable cooling device cannot violate building codes, damage the premises, or make it uninhabitable, or require electrical power that cannot be accommodated by service to the building or dwelling unit. Landlords can also require that the portable cooling device be installed or removed by the landlord or their agent, be inspected and serviced by the landlord or their agent, and finally, require that it be removed from October 1 through April 30.

There are additional restrictions allowed

for portable cooling devices installed in the window. The window-installed device cannot impede necessary egress from the dwelling, interfere with the ability to lock a window, or damage the housing unit. Finally, the window-installed unit must be installed so that it is not at risk of falling. In the event the resident installs the portable cooling device (as opposed to the landlord), the landlord is immune from liability for claims for damages, injury, or death caused by a device installed by the renter. In essence, the landlord will be able to maintain some oversight over the device-and install it themselves as detailed above, should they desire—but doing so removes this liability exception.

Finally, with respect to new construction, cooling devices are now required. In buildings where permits are issued on or after April 1, 2024, the dwelling units must have cooling facilities that provide cooling in at least one room, not including a bathroom, which conform to applicable law at the time of installation and are maintained in good working order. This can include central AC or a portable air conditioning device provided by the landlord.

The impacts of global warming are upon us. The temperatures during the summer months continue to rise. The extreme temperatures felt in 2021 may be an outlier, but similar heat waves will continue. Senate Bill 1536 became effective March 24, 2022, with input from both sides of the aisle, and Multifamily NW. As the summer months approach, landlords should handle any requests related to AC units with the above in mind and reach out to counsel if they have any questions about their rights and obligations.

Bradley S. Kraus is an attorney at Warren Allen LLP. His primary practice area is landlord/tenant law, but he also assists clients with various litigation matters, probate matters, real estate disputes, and family law matters. You can reach him at kraus@warrenallen. com or at 503-255-8795.





### **Bradley Kraus**

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# **How Can Landlord Prove Tenant is Smoking Pot?**

### Continued from Page 1

on both the left and right sides of the tenant smells smoke, and that smell is strongest towards the alleged smoker, then there's certainly favorable circumstantial evidence to suggest that particular tenant is smoking.

Second, marijuana smoke can leave a particular odor in an enclosed area. If you inspect the property, and the place stinks of marijuana (but none of the surrounding neighbors' premises smell like marijuana), again, there's a favorable inference to be had there.

Finally, if you have an onsite manager, it may be appropriate to have that individual walk through the hallway (assuming it's a multifamily building) when there's a smoking complaint. If the manager walks by

the tenant's door, and can smell marijuana from the outside, that's solid proof.

Ultimately, the best proof is what you can see, and have someone testify to. If you don't have that type of proof, there's always risk.

. but that risk must be weighed against the headaches your other tenants are currently experiencing.

Bradley S. Kraus is a partner at Warren Allen LLP. His primary practice area is landlord/tenant law, but he also assists clients with various litigation matters, probate matters, real estate disputes, and family-law matters. A native of New Ulm, Minnesota, he continues to root for Minnesota sports teams in his free time. If you have a question for him, fill out the form here: https://bit.ly/3mbiTjV



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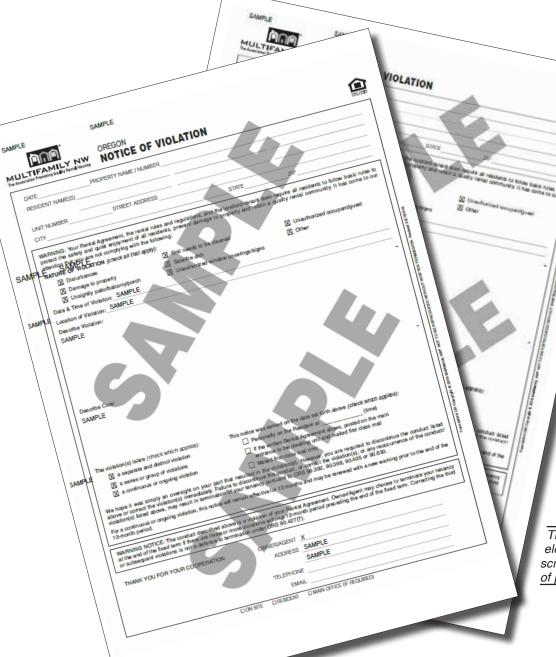
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The Association Promoting Quality Rental Housing



# FORM OF THE MONTH

Notice of Violation Form M04A

Holding tenants responsible for violations of the Rental Agreement is one of the most critical roles of a landlord or property manager. The Notice of Violation form provides an easy template to take the initiative to enforce the rules and help maintain peace and order to your property. Although this form does not terminate the tenancy, it does assertively and politely remind the tenant of the violation and creates a useful written record your action.

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		
FURRY FAIR HOUSING	10:00 AM - 11:30 AM	
WEBINAR: IT'S THE LAW: TWO STATES, ONE RIVER: UNDERSTANDING THE DIFFERENCES	12:00 PM - 1:00 PM	
SPECTRUM BOOTH REGISTRATION OPENS	8:00 AM - 4:00 PM	
MOLD REMEDIATION	9:00 AM - 12:00 PM	
WEBINAR: WA IT'S THE LAW: TENANTS GONE, NOW WHAT?	12:00 PM - 1:00 PM	
WEBINAR: HR ANSWERS - PROVIDING EMPLOYEE FEEDBACK	3:30 PM - 4:30 PM	
AFFORDABLE AFTERNOONS-DON'T LET SECTION 8 GET YOU IRATE	12:00 PM - 1:00 PM	
MWV CHARITY PUTT-PUTT GOLF TOURNAMENT 2022	11:30 PM - 5:00 PM	
WEBINAR: HR ANSWERS - EMPLOYEE ONBOARDING	8:00 AM - 9:00 AM	
	FURRY FAIR HOUSING  WEBINAR: IT'S THE LAW: TWO STATES, ONE RIVER: UNDERSTANDING THE DIFFERENCES  SPECTRUM BOOTH REGISTRATION OPENS  MOLD REMEDIATION  WEBINAR: WA IT'S THE LAW: TENANTS GONE, NOW WHAT?  WEBINAR: HR ANSWERS - PROVIDING EMPLOYEE FEEDBACK  AFFORDABLE AFTERNOONS-DON'T LET SECTION 8 GET YOU IRATE  MWV CHARITY PUTT-PUTT GOLF TOURNAMENT 2022	



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# **Best Cities for Renting Apartments in 2022**

### **RENTAL HOUSING JOURNAL**

RentCafe has ranked the best U.S. cities for renting an apartment in 2022, using a unique combination of 17 metrics and proprietary data, according to a release.

"In addition to what it costs to live in America's cities, we also looked at the selection and quality of apartments, the quality of their neighborhoods, occupancy rates, local economy growth, air quality, job opportunities and much more," the company said in the release

The report ranks the suburb north of Austin, Round Rock, as the best city for renters in 2022, followed by North Carolina's fastest-growing city, Raleigh.

Here is the ranking across the three main categories of cost of living and housing, local economy and quality of life:

### ROUND ROCK, TEXAS

Round Rock leads other Southern cities, small and large, which confirms not only Texas' appeal for renters, but the South's as an entire region.

Round Rock stands out especially due to its highly rated schools, having one of the best job growths in the country: 9.1 percent, and a large stock of high-end apartments: 75 percent.

### RALEIGH, N.C.

Raleigh takes the second spot due to its great quality of life metrics, as well as its highend apartments in quality neighborhoods, low unemployment rate -4.3 percent, and access to high-quality education.

### CONROE, TEXAS

Conroe ranks third, thanks to its great cost of living and housing, followed by Greenville, S.C., and Orlando, Fla., which rounds up the top 5.

### JACKSONVILLE, FLORIDA

Jacksonville, Fla., takes the title of best large city for renters, at No. 6 overall. What made it stand out were its large apartments, high number of new business applications – one of the highest in the country, good job growth – 5.4 percent, and low unemployment rate – 5.5 percent.

### **SMALLER CITIES**

Small cities dominate the cost of living & housing section, with Savannah, Ga., in the lead. Its large floorplans and lower overall cost of living helped the city rank high up in the general chart as well, at No. 12. Plano, Texas ranks best for local economy, with a low unemployment rate of 4 percent, one of the highest average incomes: \$78,700, and a healthy job growth of 7.4 percent.

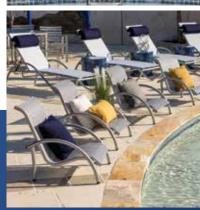
RentCafe analyzed data for hundreds of cities across the nation and narrowed them down to 115 candidates for the best cities to live as a renter in 2022, using a unique combination of 17 metrics based on proprietary data that covers not just affordability, but also the selection and quality of apartments available in each city, the quality of the neighborhoods where rentals are located, occupancy rates, opportunities for job growth, air quality; and much more.

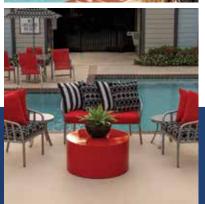
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# National Vacancy Rate Ticks Up Slightly in May

### Continued from Page 1

2022 than they did last year, and some of the hottest Sun Belt markets are finally showing signs of plateauing growth.

### **V**ACANCY RATE ON UPWARD TREND

The national vacancy index ticked up slightly again in May, continuing a streak of gradual easing dating back to last fall.

"Our vacancy index now stands at 5 percent, up from a low of 4.1 percent, but remains well below the pre-pandemic norm," the report says.

Although this gradual easing in occupancy is a positive signal, the market remains historically tight.

"And although we're now at the start of the busy season for the rental market, when the bulk of moving activity normally takes place, rapidly rising rents may incentivize many renters to stay put and renew existing leases rather than looking for new ones. At the same time, the recent spike and mortgage rates has created yet another barrier to a historically difficult for-sale market, potentially sidelining would-be homebuyers and keeping them in the rental market.

"Given these factors, it's possible that the easing of our vacancy index could level off in the coming months," the report says.

Apartment List estimates the median contract rent across new leases signed in a given market and month, using data from the Census Bureau's American Community Survey. Growth rates are calculated using a same-unit analysis similar to Case-Shiller's approach, comparing only units for which they observe transactions in multiple time periods to provide an accurate picture of rent growth that controls for compositional changes in the available inventory.



# Take Steps to Protect Yourself from Fraud

### Continued from Page 1

information against you. One slip and you could lose your identity or thousands of dollars.

Recent statistics provided by a Federal Trade Commission (FTC) report that there are more than 6,000 reports of fraud on average every single day. And that's just those that are reported. I would guess that the actual number of acts of fraud committed daily are three or four times as many, but they go unreported. These acts include check, credit card, bank account, email, and/ or mail fraud; they are all around us. As an investor/landlord you have to ask yourself are you at risk, and if so, how?

Investors have their information literally everywhere online as it is stored in several databases. The simple act of buying a home opens you up to people seeing and eventually stealing your data. Think of the places you provide personal information during this process: application forms, down payments for escrow, public websites like the county recorder and assessor, landlord registration, corporation commission, Zillow, and other data harvesters. In fact you've probably experienced our very own investing industry grabbing this data and soliciting you directly

to buy, sell or manage your properties. How many unsolicited texts, phone calls or emails have you received from people who want to buy your home? Ever wonder how they are getting your number? Your personal information is more accessible than ever.

As a private investigator with the click of just a few buttons, I could tell you everywhere you lived, what you owned, who your neighbors were, names of your family members, cell phones, Social Security number, date of birth, extended relatives, cars, employment, etc. When you set up your last online profile, wherever it may be, did you answer a new security question? Boom, that is one more piece of data collected on you. It used to be as simple as asking for your mother's maiden name, but that has now extended to things like your high school best friend, sister's date of birth, name of first pet or any other crazy question. Unknowingly we are all sharing information that may be used against us.

We rely on great relationships with our bankers, who have seen a large increase in bank fraud over the last several months. While they may seem safe, wire and money transfers have become targets for fraudsters, and they do not have the protection credit cards have. Wire transfers are immediate and clear banks quickly and before you know it, your money is gone.

Our personal and business accounts are at risk, too. It is crazy to me that we will diligently protect our Social Security number but then give anyone a check with our routing number and bank account number printed right on it, leaving us massively exposed to online check fraud. It's time to protect our bank account numbers like just like we do our Social Security number.

I suggest that you do these three things immediately:

- 1. Put a freeze on your credit. Experian has made it easy to freeze and unfreeze. Freezing your data stops anyone other than you from accessing your information and receiving new credit. If you are at a car dealership and looking to finance, you simply go to the Experian portal and remove the freeze for the day. It automatically freezes again the next day. Create your freeze today at: https://www.experian.com/freeze/center.html
- Use an online rent payment system to manage your rental payments. This system allows rent to be paid from bank account to bank

- account, without giving out your personal bank account numbers to your tenants. This will protect you from one more person having your personal information.
- Watch what you post online. When you search your name, what do you see? I personally write many articles, do podcasts, record videos, and have my information everywhere...I am toast! In helping others, I expose myself and, in an attempt, to be personal, tell many stories that give data about my family, properties, hobbies etc. Social media is also the perfect medium for people to grab pictures or personal information. If you find yourself in a similar situation with a growing online presence or increased exposure, go back to number 1 above and make sure you freeze your credit. You don't want to be one of those 6,000 reports a day going to the FTC.

In reality, we aren't ever going to be able to entirely get away from those who want to use our good information for bad purposes. But we can take steps to protect ourselves that will at least limit the damages. The good news for me is that King Jeremiah is going to make me mega rich, so I'll just find a quiet home in a sleepy town, own a Dairy Queen, and be set for life.

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



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From the Desk of the Executive Director

# No Better Time Than the Present to Let Lawmakers Know of Landlords' Frustration

By Ron Garcia

June is here. The Rose Festival is happening at Waterfront Park. The NBA playoffs, Stanley Cup finals, and Indy Car races are all running at full speed. Golf courses and hiking trails are packed, and rush hour traffic is at a standstill, exaggerated by summer roadwork and detours. Google calendars are jammed with happy-hour events and networking groups and business coffees and lunch appointments. Zoom meetings are now arranged only for their convenience rather than their necessity. Everyone seems to be making vacation plans despite higher gas prices, while real estate values continue to rise.

It could easily lead us to forget that the COVID-19 pandemic ever happened. Except that it did, and it is still threatening, and there are reminders everywhere we turn. Its negative effects linger in cautious handshakes and arise every time someone sneezes in public or stands apart while cloaked in a mask.

As a landlord, you may still be feeling the throbbing headache of your tenants' unpaid rent as they continue to be protected under Oregon's Safe Harbor regulations. Today it's not uncommon for tenants who had been approved for Emergency Rental Assistance, and who were already paid thousands of dollars for back-owed rent by the state, to still be delinquent either for recent months or for some gap that occurred in 2020 or 2021 that remained uncovered and unpaid by any assistance dollars.

It is frustrating especially to smaller landlords who are straddled with mortgage payments and burdened by a lack of income from their investment properties. They are unable to terminate the tenancy to either sell or re-rent the unit and they can't do much about raising old, below-market rents beyond small percentages now prescribed by state law.

Many tenants are equally distressed because they have been incentivized by the state to not pay rent. They have fallen behind beyond any amount they might qualify for, even if their applications for assistance get approved. Those dollars are drying up and OHCS announced that the portal has closed. Meantime, the market has tightened up with very few vacancies and higher rents, so tenants are now left with limited alternatives for replacement housing when that day finally comes, and they are forced to pay up.

How did we get here? The more the market is regulated, the more "unintended consequences" arise, creating more problems. The pandemic was not the only catalyst creating bad regulations, but it sure piled a lot more of them on! Hello – is anybody home?

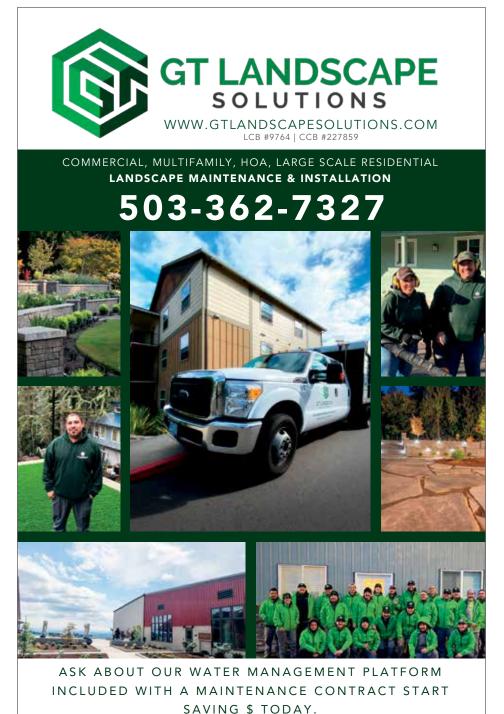
One example is a law passed last year called SB 291. It's a requirement to lower screening guidelines stating that criminal backgrounds should rarely be used as they do not indicate an applicant's ability to pay rent. Consider this: When an existing tenant feels threatened by a newer neighbor's behavior, they are also generally too intimidated to testify against it, thus providing the landlord with little or no ability to terminate the bad actor for cause. So, what happens? The existing neighbor moves out and is now forced to pay a much higher rent for a new unit. Then, what happens to that vacancy? The landlord renovates it and raises its rent, of course, to cover their losses. Is this any way to solve affordable housing issues? Are lawmakers so far removed that they don't see what is actually happening at home? And even though both the landlord and the existing tenant were each negatively affected by this forced arrangement brought on by a convoluted regulation, some advocates try to use these optics to "prove" that discrimination exists and the only thing that matters to landlords are higher returns.

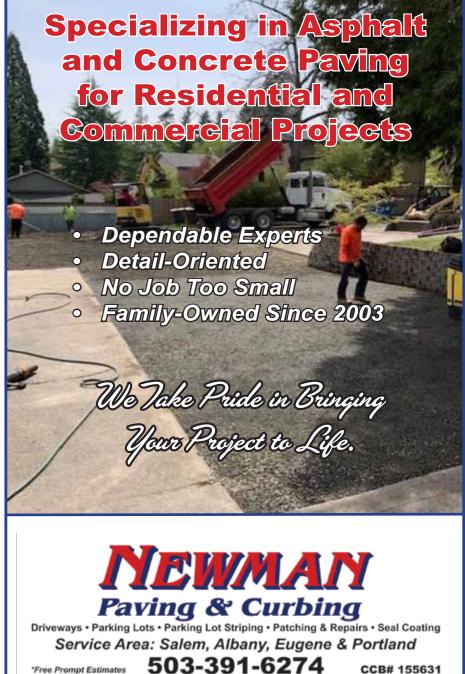
Many affordable housing advocates are now using the homeless crisis to demand even more regulation. As they re-brand the problem as "houselessness," it's easy to see where they expect to find solutions. Wide-ranging allencompassing statutes that claim to defend and protect classes of people who are disproportionality affected and who are rent-burdened due to long standing social injustices are having the exact opposite effect on the people they claim to be defending.

No wonder so many small landlords are compelled to call it quits and get out of town. We need a break!

Affordable and safe housing is paramount to a thriving community. We elect lawmakers to help create solutions to improve the well being of us all. As we collectively relax this summer in our re-opened social endeavors, let's all agree to write a postcard to our representatives at the state house and tell them our stories of frustration. Maybe let them know that "we wish they were here" to protect us too.

Ron Garcia is Executive Director of Public Policy at Rental Housing Alliance Oregon. He can be reached at ron@rhaoregon.org.





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# What to Do About Hoarder-Tenant Friend

By Hank Rossi

**Dear Landlord Hank:** We rent out a house next to us to a lifelong friend of my husband's. She used to babysit him when he was little. She is now in her 60s, with very poor physical and mental health. She is a hoarder and as her physical health has deteriorated, this problem has become out of control and unhealthy for her.

My husband has gone in with her permission several times and cleaned up the place. Within two weeks it is always a mess again. There is literally just a path through from the front door to a chair she lives and sleeps in. She can no longer reach a bedroom or the bathroom. She wears adult diapers and cleans herself up afterward, but is now getting too weak to even do that very well. It takes her an hour.

She also has a dog and a cat, which just use a back room of the house to go to the bathroom because she can no longer take care of their needs either. There is no family willing to help. We have repeatedly tried to talk her into assisted living, which she shoots down immediately.

At this point, she really needs nursing home care. She refuses to go to the hospital and insists she wants to stay here and that she is fine

At what point do we override her free will and take legal action to get her help? We are concerned for her, of course, but are also worried we could be held responsible for her unsanitary living conditions. We have tried to help. She just won't let us.

But her health is so poor, we could be calling an ambulance for her someday soon. At that point, the state of her living conditions would no doubt be reported to somebody. Could that come back on us in the form of criminal charges or something similar? If we



take action to get her out into assisted living or whatever she needs, she will see it as the ultimate betrayal. She thinks that families that allow a loved one to go into a nursing home are just terrible people.

Some thoughts or insight into our level of responsibility? We live in Ohio. Thanks so much for your time. – Crystal

**Dear Crystal:** This is a very tough situation to be in, as your tenant is far more than a tenant.

It seems like you consider her "family" and she has the same feelings. I'm not able to diagnose this person but from your description of the situation it appears that this tenant may be battling a hoarder disorder, which has been officially designated as a subtype of obsessive/compulsive disorder.

This disorder is also considered a disability by the American Psychiatric Association, meaning that she would also be protected by the Fair Housing Act. She would be protected on many levels, and I know eviction is not any part of the plan – nor should it be. Since she is failing both physically and mentally and has basically created a toxic environment, this is no longer a safe place for her to be.

You may have to be the mother figure here and tell her that since she can no longer take care of herself properly you are very concerned about her continued well-being

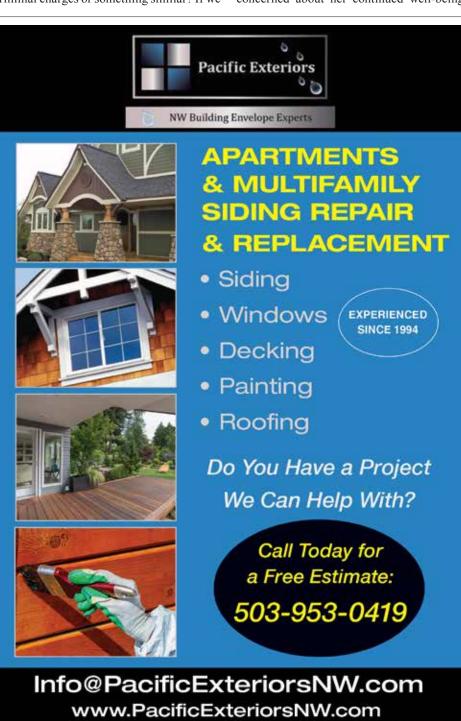


and she is going to need more care than she is getting and a clean, safe environment in which to live. This is not up for discussion, and she can either be a part of the decision or she can fight you, in which case she'll have less say so in where she moves from your place.

I would talk to your local social services and health department and ask for help. You could also visit some assisted living communities for advice and availability. I would first contact a local Ohio attorney dealing in landlord-tenant law and ask for

advice. This is not going to be an easy battle since she is in denial about her health and the need for more care. I know you care for her very much and hopefully she will come to see that you only have her best interests at heart.

Each week Hank Rossi answers questions from landlords and property managers across the country in his "Dear Landlord Hank" blog in Rental Housing Journal. Visit https://rentalhousingjournal.com/asklandlordhank/



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# How a 'Property Specialist' Can Streamline Your Rental

### By Phil Schaller

Being a landlord can be challenging. Finding the right tenants, navigating pandemics, ever-changing landlord/tenant laws, fixing the kitchen sink that's leaking, the list goes on. Luckily here at RentalRiff, we've come up with a cost-efficient solution to take a lot of the burden from landlords.

### What exactly is a property specialist?

A property specialist is a licensed/insured general contractor or professional handyman who serves as the main point of contact for the tenants and can help out with any repairs or property-level support. Every RentalRiff property specialist goes through a lengthy interview, trial, and training process before starting to work with our customers.

We put a huge emphasis on customer service, punctuality, and communication skills as it is critical to providing a successful solution (we also leverage quite a bit of technology to assist with this). At the end of the day, property specialists are simply good people who communicate well and can fix just about anything.

### What kind of work can a property specialist do?

Our property specialists are very well-rounded and can tackle just about anything themselves. The services a property specialist can provide fall into ad-hoc repairs/maintenance, preventative maintenance, turnovers, showings, improvement projects, and tenant support (if a tenant can't program the thermostat, for example). Here is a more detailed

list of skills property specialists possess.

Of course, there will always be situations where outside help will be needed (replacing a sewer line, for example), but in 2021 our specialists were able to complete 91% of all tenant/owner requests themselves. We have a large team of specialists who can hop in and help, or we can tap into our network and bring in outside folks.

### How exactly does it work?

It's a pretty straightforward process - when a new customer signs up, we assign a property specialist who is on-call for the property (or properties). Tenants can reach out directly to their property specialist with any questions or property needs, and the specialist will head over to the property and address the situation.

No more fielding tenant requests, finding a handyman or pro, and coordinating the whole process. Your property specialist will know the property, know what to do, and the tenants know who's coming over to help - the landlord can sit back and relax.

#### How much does it cost?

There are a few different plans landlords can choose from (based on the amount of included maintenance and based on property type), but overall our service is significantly less than hiring a property manager. Take our Standard Plan for a single-family home: the cost is \$140/month and includes 1 visit to the property every month. If you were to hire a property manager they'd charge 10% of the monthly rent collected, and you'd pay for any handyman or

maintenance visits on top of that.

If you take a property that charges \$3,000/month in rent, you'd be looking at \$3,600 for the year and zero maintenance included. With RentalRiff, you'd be looking at \$1,680 for the year and ample maintenance included (and we believe a much better experience for your tenants).

### What about tenant experience?

Tenant retention is a critical element of running a successful rental. Vacancy costs money via lost rent, turnover costs, time finding a new tenant, etc. The tenants we work with absolutely love our service. They feel supported, property needs are addressed quickly, and they know the person coming over to help (as opposed to a stranger from the internet).

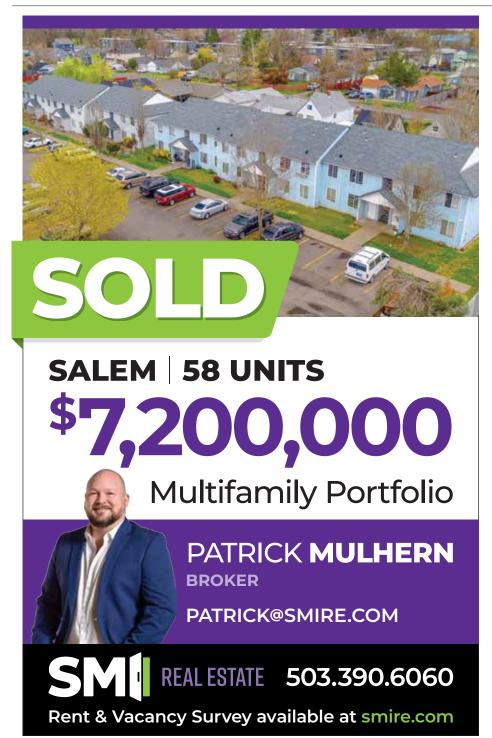
There's a better way to be hands-off, make sure your property stays in great shape, and provide a fantastic support system for your tenants. Happy landlording!

Phil Schaller is an experienced landlord and the founder/CEO of RentalRiff, an alternative service to traditional property management that provides on-

going oversight and upkeep of rental properties, while serving as the main point of contact for tenants. Maintenance and repair costs are included and property



specialists are licensed/insured. Phil is a Pacific Northwest native, father of two, and fly-fishing addict. If you are interested in learning more about RentalRiff's rental property maintenance service, give us a call at 541-600-3200.





# RenterPreferences 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**

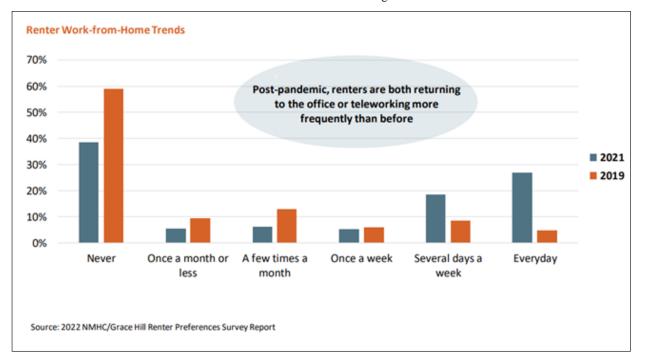
"Lockdowns seemingly led to a strong desire for additional space; twenty-eight percent of renters who said they intend to move to a different rental community when their lease expires cited "additional living space" as a reason, up from just 19 percent two years ago.

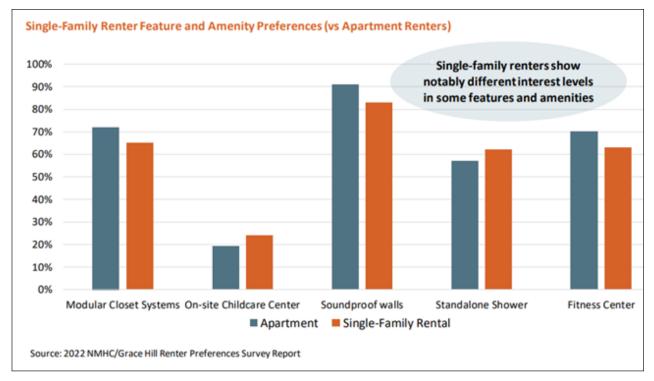
### WASHERS AND DRYERS, AIR CONDITIONING, SOUNDPROOF WALLS AND HIGH-SPEED INTERNET

"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

### NOISE-RELATED ISSUES STILL A PROBLEM

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

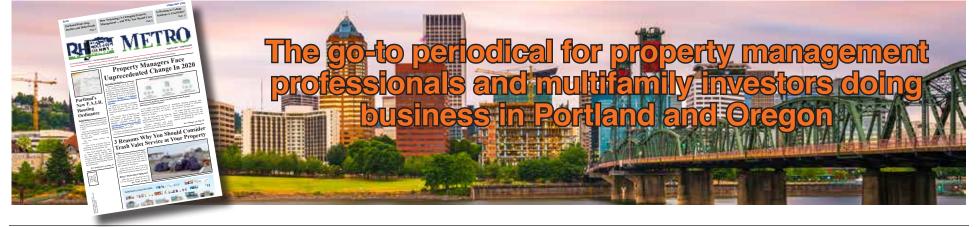
"As a result, renter interest in sound mitigating tech in windows and walls remains sky high. In fact, soundproof walls are the third most popular home feature after air conditioning and an in-unit washer/dryer, with 90 percent of respondents indicating they were interested or wouldn't rent without them."

### 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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