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JULY 2022

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Analyze More Than Simply the Income of Applicant

By Scot Aubrey

Everyone loves a good survivor story. Whether it is a group of 12 boys rescued from a cave in Thailand or the indomitable spirit of a soldier who endured more than two and a half years as a prisoner of war during World War II, these stories strike a chord with all of us. Naturally we put ourselves into the shoes of the survivors and wonder if we would have what it takes to make it through such an ordeal.

For the vast majority of us, we will never experience anything even close to the life-or-death battles that these people have undergone, but we do face challenges in an industry that is ever-changing and bringing new challenges

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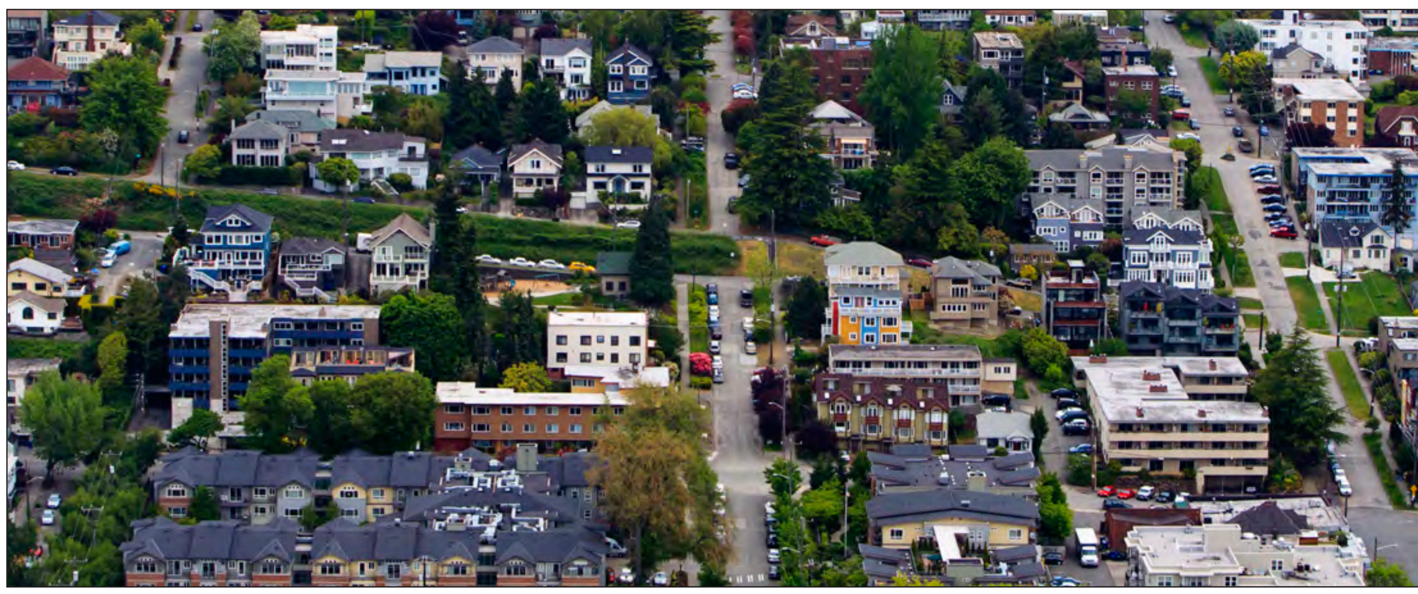

Greater Seattle Mid-Year Update

By Cory Brewer

As I sift through the mountain of data that I collect every six months, I look for trends that have developed or any outlying numbers that catch my attention. The first half of 2022 is no different, and this time it relates specifically to how changes in the real estate sales market are affecting the residential rental market.

As we all know, the real estate seller's market has been red-hot over the past couple of years, but a cooling effect began this spring with rising mortgage interest rates. I've spoken with real estate agents who saw deals fall apart because a buyer went under contract, and six weeks later right before closing they decided to walk away and forfeit their earnest money (sometimes up to $100,000) because they saw a similar home come on the market for $300,000 less than what they had already agreed to. They figure they can walk away from a huge earnest money deposit and still come out ahead. The forces of supply and demand at work, the way I see it.

So I wanted to quantify this somehow. I decided to look at the number of homes being sold compared to the number of homes that failed to sell. The NWMLS being my database, I found that in January through April 2022, for every 100 homes

See 'Greater' on Page 7

Court Upholds Law Requiring Landlords to Pay One Month Rent to Evicted Tenants

A federal appeals court in California has upheld a law requiring landlords to pay one month of rent to evicted tenants, according to reports. The *San Francisco Chronicle* reported that the court has upheld a California law requiring a property owner who legally evicts a tenant to pay one month of the tenant's rent in order to reduce the costs of relocation.

The law, sponsored by then-Assembly Member David Chiu, D-San Francisco, took effect in 2020. In addition to limiting rent increases to 10 percent a year in areas without local rent control, the law provided some financial assistance to renters who were evicted because the owner was moving into the property, converting it to a condominium or demolishing it. The owner must either repay a month's rent to the tenant or cancel the final month's payment, the newspaper reported.

A lawsuit by the owners' group Better Housing for Long Beach accused the state of unconstitutionally confiscating their property by requiring the payments. But while the suit was pending, the Ninth U.S. Circuit Court of Appeals upheld an Oakland ordinance, similar to laws in San Francisco, San Jose and Los Angeles, requiring property owners to pay all of a legally evicted tenant's relocation expenses.

Better Housing for Long Beach, a grassroots group that has consistently opposed efforts to enact rent control or measures similar to it in Long Beach, filed the federal court lawsuit challenging the Long Beach City Council majority-enacted Tenant Relocation Assistance Ordinance and California's rent cap and just-cause eviction law (AB 1482) signed into law by Gov. Gavin Newsom.

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How This Investor Closed 15 DST 1031 Exchanges in 30 Days — Without a Hitch!

High net-worth investor decides to relinquish a portion of his rental property portfolio in a succession of sales before entering into multiple DST 1031 exchanges to help achieve diversification, non-active management, and potential monthly income

KEY TAKEAWAYS:

- Kay Properties registered representatives spent more than one year educating the client on DST investments.
- Kay Properties worked closely with client's CPA and real estate attorneys to create a custom investment strategy that fit perfectly with the client's specific goals.
- Kay Properties created a workflow plan that achieved the closing of 15 DST investments in 30 days without a hitch.

BACKGROUND:

A high-net worth accredited investor spent more than 40 years building a substantial rental property portfolio of nearly 20 different multifamily buildings. In addition, he managed all the property management challenges himself.

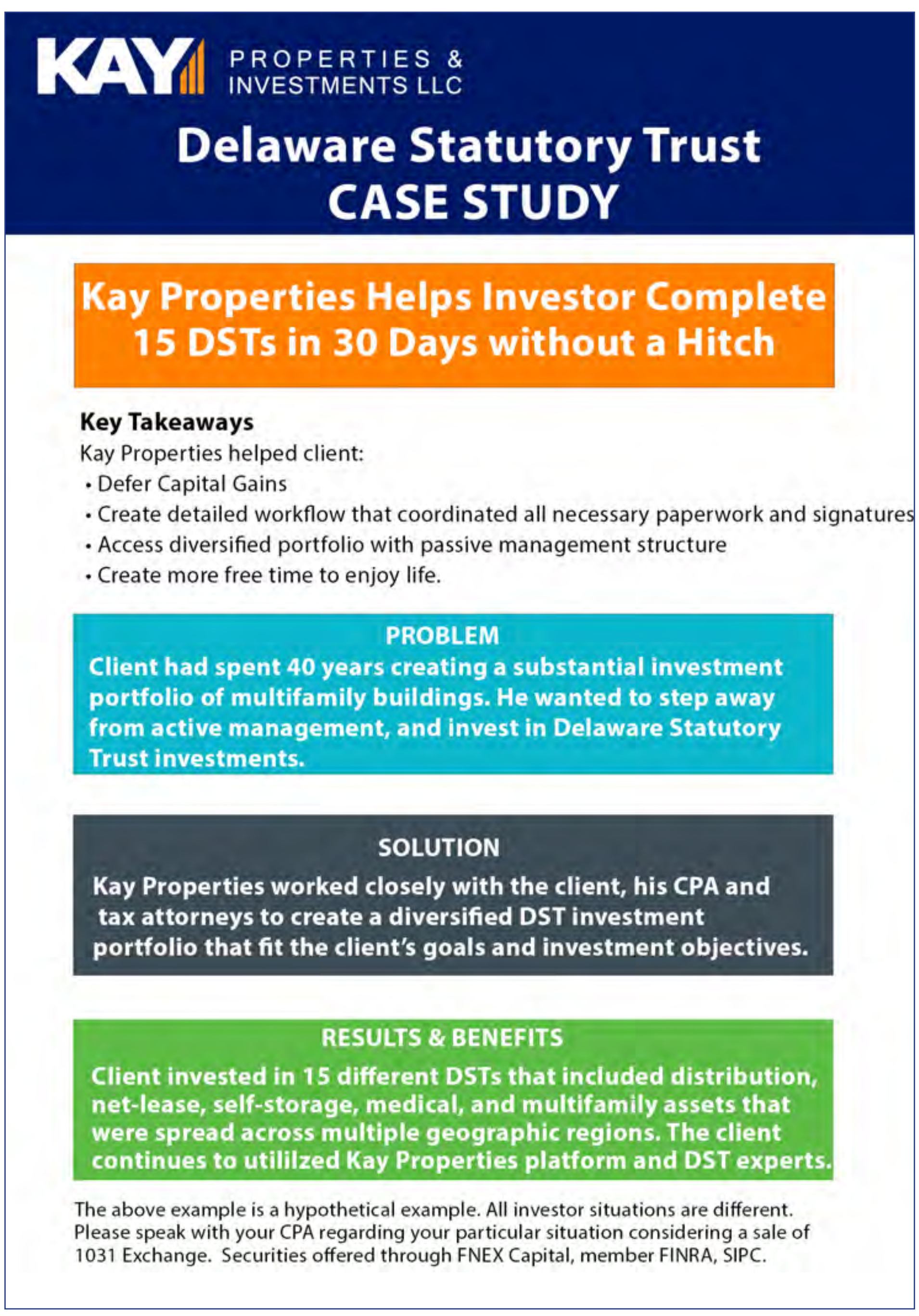
When he decided it was time to start selling some of his real estate holdings, he approached Kay Properties because he wanted to learn more about how he could deploy the Delaware Statutory Trusts for future 1031 Exchanges. For more than a year, Kay Properties worked closely with the investor, utilized the firm's robust educational platform to help the client fully understand the potential benefits and risks of DSTs. He eventually sold one of his properties and reinvested the proceeds into a DST.

Because he was so pleased with the results of the initial DST investment, he decided to liquidate multiple assets within his portfolio in successive sales and reinvest in multiple DSTs.He once again came to Kay Properties to help coordinate the 1031 exchanges and DST investment strategies.

To learn more about the Kay Properties DST offering, please visit kayrhj.com or call 855-875-2781.

CHALLENGE:

The initial challenge was creating an extensive, multi-year, customized educational program that included lots of reading material, one-on-one consultations, and a custom menu of diversified DST investment options that fit his goals and investment objectives. However, the next challenge was how to coordinate 15 different sales and DST investments within a short period of time.



KAY PROPERTIES & INVESTMENTS LLC

Delaware Statutory Trust CASE STUDY

Kay Properties Helps Investor Complete 15 DSTs in 30 Days without a Hitch

Key Takeaways

Kay Properties helped client:

- Defer Capital Gains
- Create detailed workflow that coordinated all necessary paperwork and signatures
- Access diversified portfolio with passive management structure
- Create more free time to enjoy life.

PROBLEM

Client had spent 40 years creating a substantial investment portfolio of multifamily buildings. He wanted to step away from active management, and invest in Delaware Statutory Trust investments.

SOLUTION

Kay Properties worked closely with the client, his CPA and tax attorneys to create a diversified DST investment portfolio that fit the client's goals and investment objectives.

RESULTS & BENEFITS

Client invested in 15 different DSTs that included distribution, net-lease, self-storage, medical, and multifamily assets that were spread across multiple geographic regions. The client continues to utililzed Kay Properties platform and DST experts.

The above example is a hypothetical example. All investor situations are different. Please speak with your CPA regarding your particular situation considering a sale of 1031 Exchange. Securities offered through FNEX Capital, member FINRA, SIPC.

SOLUTION:

Together with his CPA and real estate attorneys, Kay Properties representatives to create a very detailed plan that included anticipated closing times on the relinquished properties, timelines for finding and vetting replacement properties that fit within the investors very specific parameters and creating a custom workflow that coordinated all the necessary paperwork and signatures so that everything was organized, and every closing went smoothly.

RESULTS:

The client ultimately invested in 15 different DST investments that included distribution facilities, net-lease properties, self-storage, medical, and multi-family assets that were spread across multiple geographic regions. The client continues to utilize Kay Properties best-in-class kayrhj.com and customized advice by DST experts with more than 150 years of combined experience.

ABOUT KAY PROPERTIES

Kay Properties is a national Delaware Statutory Trust (DST) investment firm. The Kay Properties platform provides access to the marketplace of DSTs from over 25 different sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 150 years of real estate experience, are licensed in all 50 states, and have participated in over $30 Billion of DST 1031 investments.

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With Traditional Multifamily Rent Drivers Disrupted, What's in Store for the Future?

Rental Housing Journal

Traditional drivers of multifamily rent growth were upended during the pandemic, first as shelter-in-place policies led to massive job losses and migration, and then as the employment rebound and loosening of restrictions caused demand to skyrocket, Yardi Matrix writes in a June bulletin.

Paul Fiorilla, director of research, Yardi Matrix, and Casey Cobb, senior analyst, in the bulletin examine the implications for multifamily rent and growth going forward, especially employment and rent increases.

The report points out that traditional rent drivers have been disrupted twice due to the pandemic. First came the massive jobs losses, sheltering in home and a migration toward Sun Belt cities. Then came booming pent-up demand and rent increases across the country.

"A question facing the industry is what this means going forward. The pandemic created circumstances that are unlikely to be repeated, especially since the 15 percent year-over-year growth in asking rents nationally (and upwards of 25 percent in some metros) cannot be sustained for very long," Fiorilla and Cobb write.

How will rent drivers evolve?

The report points out that with the pandemic impact, "We found a huge shift between the first year (April 2020 to March 2021) and second year (April 2021 to March 2022). Some of the difference can be attributed to the short-term dynamics of the pandemic—i.e. large gateway metros were locked down more tightly than metros in the Sun Belt, and economic activity suffered."

However, they point out that some of the changes of the last two years may have started out as pandemic-related "but are likely to remain as part of the landscape for years or even decades into the future. Migration is an example. The Sun Belt has been growing more rapidly than the Northeast or Midwest for decades, but the flow of households from coastal/urban downtowns to suburbs and smaller warm-weather markets was exacerbated by COVID-19 and the growing work-from-home paradigm."

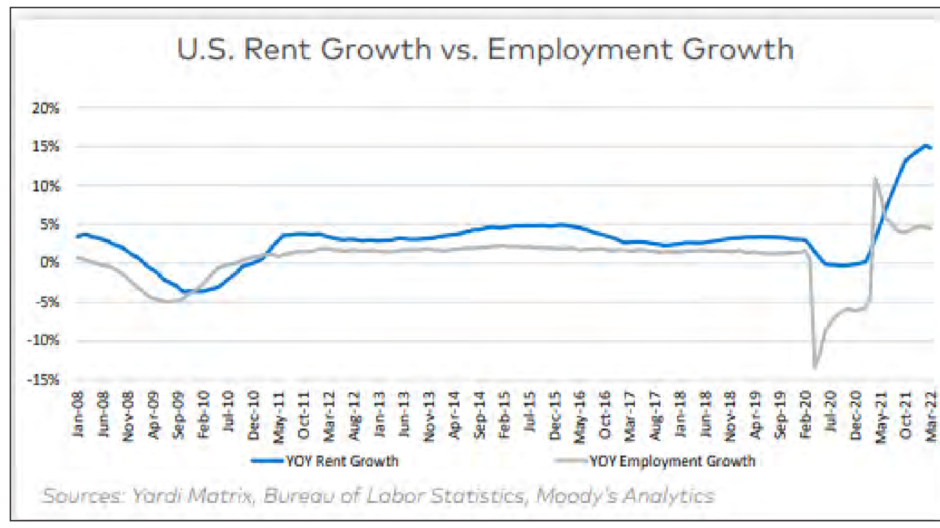
Driving factors of rent growth and regional demand

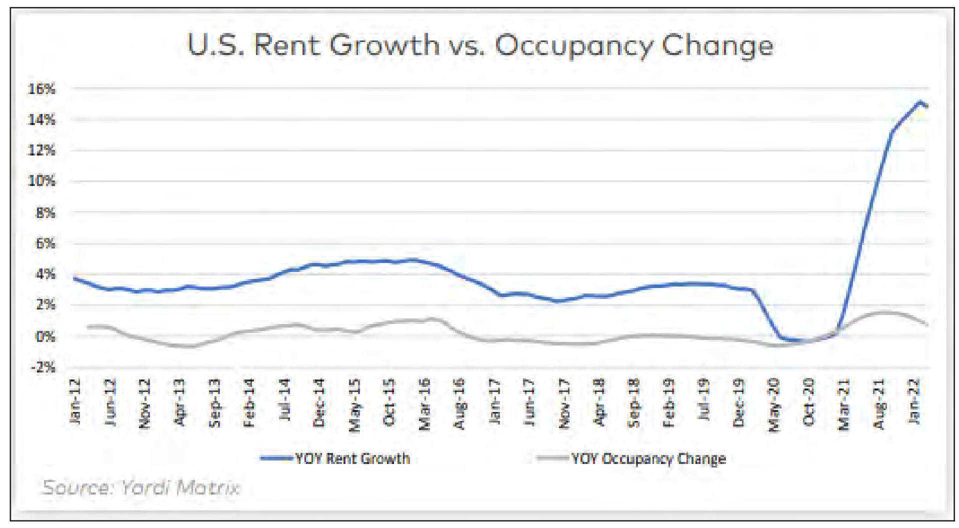
Among the many factors are:

- Will office workers continue to have the flexibility to work from home?
- What does it mean for employers to locate where employees want to be?
- Will wage growth support rising rents?
- Can municipalities fight NIMBYism to increase supply growth?
- How many metros will fight back against record-high rent growth by implementing counterproductive rent control or other regulatory measures?

"Currently rents are growing about 10 percentage points faster than wages, which means that rent growth is all but certain to moderate. When and how much the moderation occurs, and how that plays out among metros, will be determined by the performance of the economy, migration and regulation," Fiorilla and Cobb write.

Get the full report and more details at www.yardimatrix.com/publications.





Yardi Matrix researches and reports on multifamily, office and self-storage properties across the United States, serving the needs of a variety of industry professionals. Yardi Matrix Multifamily provides accurate data on 18+ million units, covering more than 90 percent of the U.S. population. Contact the company at (480) 663-1149.

Why Customer Service is an Important Part of Fair Housing

By The Fair Housing Institute

It's easy to get hyper-focused on fair housing rules and regulations when it comes to property management. But we need to remember that an integral part of what we do is steeped in customer service. Our residents and prospects are customers and need to be treated accordingly. In addition, it stands to reason that when our customers or residents feel well-cared-for, they are less likely to file a complaint. Let's discuss three aspects that can lead to an exceptional customer or resident experience.

1. Effective Communication

Your resident is speaking, but are you truly listening? An effective communicator will listen intently. Listening intently requires that you are focused on what's being said, not how you are going to reply. By doing this, not only do you get a better understanding of what's needed, the resident will feel valued and understood.

Follow-up is another part of effective communication. Many issues raised by residents are seldom resolved in one visit or phone call. Make sure that you continue communicating with your residents until the situation is resolved.

Effective communication can come easily when everyone involved is in a good place or state of mind, but it may be particularly challenging when emotions are running high. What can you do? The next aspect we will consider is imperative to handling these types of situations.

2. Respect While Being Disrespected

There is a saying that respect is a two-way street. We naturally want to be treated with the same dignity and respect we show our residents. Unfortunately, this may not always be the case.

A common situation we see is when a maintenance request has not been handled in a timely manner, at least as far as the resident is concerned. Remember that it is imperative that you always stay calm. Reassure your resident that they have been heard, and you will take appropriate action to try and find a resolution. Hopefully, by showing them respect and maintaining your patience, you can defuse the situation and create an environment that encourages the resident to do the same.

Part of effective communication and being respectful is having a thorough knowledge and training of your company's policies and procedures. It stands to reason that in order to help your resident, you need to know how to answer their questions. The final part of this article will detail why this is important.

3. Know Your Policies and Procedures, so You Know How to Answer

Imagine you are the resident, and you need information. Would you be happy if the person behind the desk or on the grounds gave you a vague or confusing response? Probably not. Being well-versed in your company's policies and procedures allows you to answer quickly and efficiently, which can go a long way if the person is already agitated. It can also help us avoid giving out misinformation.

To that point, every person who has contact with your residents should be trained in your policies and procedures so that the information disbursed is the same and will help you avoid a potential fair housing complaint or accusation of discrimination.

Property management companies face many different and challenging situations every day. Training and role-playing can help you develop the skills of effective communication, respect, and a thorough knowledge of policies and procedures, which in turn will help you deliver the exceptional customer experience you want to give.

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.

Greater Seattle 2022 Mid-Year Update

Continued from Page 1

for over asking price in the first week, it wasn't really a "thing." But then in May we started getting the calls. A "stale" listing on the Sammamish plateau … beautiful 5-bedroom house … hadn't sold after about three weeks on the market and the sellers were getting nervous. Suddenly buyers weren't lined up around the corner. Had they missed their chance to sell for as much as their neighbor got the previous month? That certainly seems to be the case, and in the month of June alone our office fielded over three times as many such referral calls from real estate agents as we did last year.

Local legal regulations aside, it's a good time to be a rental property investor. Good-paying jobs continue to flood our market, whether it's Blue Origin (Kent), Meta (Redmond), Google (Kirkland), or any number of other major employers in the region. We are, however, talking to our clients about some balancing effects … it's not all 100 percent great news all the time. Expanding a bit further on some of the current and near future challenges we're facing…

A combination of rising property values and inflation has resulted in increased carrying and operational costs. Property taxes and insurance rates, each a product of property value, are climbing. The cost of fuel, labor shortages, and supply-chain issues have led to vendor invoices trending higher, upwards of 15 percent in many cases. So we do what we can with our clients to help them manage expectations.

We also continue to advocate for what we feel is ultimately the preservation of rental housing supply in the region – particularly in the single-family house category. I've long held that most people don't consider single-family houses when they think "rental housing" and that belief was reinforced twice very recently. My firm hosted a group of students from the University of Washington in early July. I went around the room and asked each of them to respond with the first word that came to mind when I said "rental housing." Some said "limited," others said "expensive." We heard "flexibility" and not surprisingly, multiple people simply said "apartments." Not one of them said "house." Similarly, the *Seattle Times* recently put out a request for renters to write in about their experience with a recent rent increase. The form asked for name and contact information … and specifically "name of apartment building." The media does it, and worse, lawmakers do it. They focus on large-scale apartment housing, and completely discount the very existence of the small mom-and-pop housing provider.

An organization called ARCH (A Regional Coalition for Housing) put out a memo to its members in April encouraging them to adopt policies similar to those recently passed in Seattle (caps on security deposits and late fees, among other things). Fortunately (to date) many of the ARCH member cities have taken a wait-and-see approach while we continue to work with them behind the scenes through RHA to develop sound housing policy. They need only to look at the loss of over 2,500 single-family rental houses in Seattle between May 2021 and April 2022 as their guide. In addition to finally ending the Seattle eviction moratorium at the end of February, Mayor Bruce Harrell also vetoed the first major piece of rental housing legislation that crossed his desk (an ordinance that would have dipped into the private affairs of both housing providers and their residents in the name of "data collection"). Add that to our success during the 2022 state legislative session earlier this year, and we are feeling optimistic. ARCH, by the way (in case you were curious) oversees 1,843 rental units, at last count. Unsurprisingly they are all — you guessed it — apartment units.

We continue our advocacy efforts to help illustrate the distinctions between the different types of housing, housing providers, tenants and their economic situations, etc., in a push toward more targeted solutions that will benefit those who need help without disproportionately affecting others, and ultimately without chasing housing supply right out of town. I think there's a lot of common ground to be found, just different ways to get there.

Cory Brewer is vice president of residential operations for Lori Gill & Associates and Windermere Property Management in Bellevue, WA. He oversees a team of property managers in the greater Seattle area who manage approximately 1,500 rental properties. Brewer can be reached via www.wpmnorthwest.com or at coryb@windermere.com and 425-623-1330.

Rate of Rent Growth Slows But Multifamily Still Poised for Strong Year

Rental Housing Journal

The rate of rent growth in multifamily has slowed slightly as year-over-year asking rents decelerated, from 16 percent in April to 14 percent in May, Yardi Matrix says in a special report called "Multifamily Rent Forecast Update."

"So while we are seeing the usual seasonal increase leading into the summer months, 2022 does not look like a repeat of 2021 even though rent growth remains elevated," Yardi Matrix writes in the report.

"Our forecast update for this month sees most markets receiving an increase to their end-of-year projections, and some markets have been revised upward substantially. The biggest increases were concentrated in secondary and tertiary markets that continue to outperform expectations, with Scranton-Wilkes-Barre, Wilmington, South Bend and Spokane all seeing a greater-than-5 percent increase for our end-of-2022 forecast."

While high inflation is forcing the Federal Reserve to raise interest rates, the job market still remains strong.

"While the chance of a recession in the next 18 months has increased, we still see a less than 50 percent chance of that happening. Strong demographics and limited supply will keep apartment rent growth strong throughout the year," Yardi Matrix says.

However, there is caution in the report about the Fed, interest rates and inflation, plus the war in Ukraine, all of which have the potential to cause disruption.

"While it will be prudent to keep an eye on these risks, we still believe that we will most likely make it through 2022 without a recession or major shock to multifamily markets."

Sponsored Content

How to Waterproof Your Basement

By Phil Schaller

The basement is an important part of your property to protect. Aside from providing additional living space (or storage), many critical systems and structures live in the basement (think plumbing, the foundation, electrical panel, etc.).

One of the most damaging things to any property is water. If a pipe bursts in the basement, the foundation leaks, or the washer malfunctions, you want to make sure the basement can handle the water damage. Enter: waterproofing.

There are several ways you can waterproof the basement. We'll take a quick look at each so you can determine what solution is best for your property. But first, let's take a look at why basements are especially susceptible to water damage:

Drainage

If water naturally runs towards your property, this puts you at an increased risk of water damage. Water should run away from the foundation when possible (we'll explore a solution below if that's not the case).

Foundation

Cracks or deterioration in the foundation can be a source of moisture build-up in the basement (especially if the drainage isn't dialed in). Water can seep through the foundation after heavy rain and cause foundation and wall damage.

Plumbing failure

If a pipe bursts or even if there's a small plumbing leak, water can pool in the basement. Because many basements have a lot of plumbing infrastructure,

they have a bit higher probability of water damage.

Waterproofing is important in the event of flooding or moisture damage to negate any mold, flooring damage, or drywall damage, and the list goes on. Here are three methods for waterproofing the basement:

French drain

This can be a more costly way to combat water buildup, but a French drain is a great solution. You can run a French drain along the side of the property where the natural slope of the land pushes water towards the foundation. A French drain will capture much of the water that would otherwise seep into the foundation and carry it away from the property.

Interior sealant

Sealing up the floors and walls is a pretty cost-effective way to prevent structural damage (mainly to floors and walls). The process involves applying waterproofing sealant to the walls and floors. You'll want to wash the walls/floors first, seal any cracks with epoxy, and then apply the sealant. Paint or any flooring would need to be removed before the sealant is added.

Exterior waterproofing

Waterproofing the exterior of your property can take many forms (installing a French drain being one). It's helpful to check and clean the gutters, make sure downspouts are aimed away from the foundation and working properly, and ensure foliage is at a proper distance from the foundation (one foot for plants and at least 3 feet for trees). Finally, where possible, make sure the soil and earth are sloped away from the foundation.

Some properties may require just one waterproofing solution while others may warrant all three. If you have any questions about your basement or how to prevent water damage, please feel free to reach out anytime.

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

RentalRiff

Which Are the Most Competitive Among Rental Markets?

Rental Housing Journal

A look at the 100 largest markets in the United States shows where the most competitive rental markets are and what is driving the competition, according to research from RentCafé.

Using Yardi proprietary data, RentCafé looked at how many days rentals were vacant in the first part of 2022, occupancy rates, the number of renters competing for an apartment, the share of renters who renewed their leases, and how much the apartment inventory increased.

Here's what RentCafé found:

- Competition intensifies as more renters opt to stay put. Nationwide, almost two-thirds of renters renewed their leases. Amid a soaring 95.5 percent occupancy and a modest 0.7 percent increase in inventory, a vacant apartment was filled within 35 days on average, with 14 renters competing for it.
- Whole regions across Florida are red hot with competition. In Miami-Dade County, three quarters of all leases got renewed, and 31 renters competed for each vacant apartment, in a market that is 97.6 percent occupied. While the apartment supply grew by almost 2 percent, this was not enough to stem the tide of renters moving here. What's more, Orlando and Southwest Florida are facing the same situation.
- In the Northeast, Harrisburg, Penn., ranks second nationally, as no new apartments were built in the first half of the year. Other highly competitive locations in the area are Rochester, N.Y., and some of the best alternatives to renting in New York City: North and Central Jersey.
- Certain locations in the Midwest are in the top 20. The hottest markets here include Grand Rapids, Mich.; Milwaukee, Wisc.; Omaha, Neb.; and suburban Chicago. Securing an apartment in the fast-growing Grand Rapids will require some effort. With only a few units built in the first part of 2022, almost all rentals are occupied. The average vacant unit was filled in 32 days, and 18 prospective renters competed for each apartment here.
- Orange County became California's most sought-after market as Los Angeles renters on tight budgets went searching for better options. The area boasts a more relaxed lifestyle, cheaper entertainment, and a thriving economy with better job opportunities, as Orange County is home to many Fortune 500 & 1000 companies that are on the lookout for skilled professionals. No less than 20 renters compete here for one apartment, while the occupancy rate is a sky-high 97.5 percent.

The wave of migration to Florida during and after the pandemic is one reason for the big jump in Florida lease competition. Good weather, low taxes and good employment opportunities also are reasons.

Also in some markets, the lack of any new apartment availability has led to the competition.

For example, in Harrisburg no new apartments were opened between January and April, prompting about 75 percent of renters to stay in their existing apartments, creating a highly competitive environment for anyone seeking to find one to rent. As a consequence, the average rental unit was filled in just 36 days, and as many as 19 renters competed for an apartment here.

"More and more house hunters are starting to feel the strain of surging inflation and mortgage rates. As a result, they are delaying or completely giving up on their dream to become homeowners, which puts even more pressure on the apartment market," RentCafé writes in the report.

Top 20 Most Competitive Rental Markets in 2022

Rank	Market	Competitive Score	Average Vacant Days	Occupied Apartments
1	Miami-Dade County, FL	114.5	27	97.6%
2	Harrisburg, PA	106.3	36	96.7%
3	Orlando, FL	104.9	30	97.0%
4	Southwest Florida, FL	103.7	30	96.8%
5	North Jersey, NJ	102.9	35	97.1%
6	Grand Rapids, MI	100.7	32	96.8%
7	Rochester, NY	96.0	39	96.5%
8	Central Jersey, NJ	95.3	45	97.1%
9	Milwaukee, WI	93.7	34	96.3%
10	Broward County, FL	92.1	36	96.4%
11	Orange County, CA	91.4	31	97.5%
12	Tampa, FL	89.8	34	96.1%
13	Omaha, NE	85.2	29	96.7%
14	Central Valley, CA	79.7	33	97.6%
15	Suburban Chicago, IL	78.9	39	95.8%
16	San Diego, CA	78.8	31	97.2%
17	Suburban Philadelphia, PA	78.1	42	95.8%
18	Eastern Virginia, VA	77.3	30	96.0%
19	Inland Empire, CA	71.8	37	97.0%
20	Eastern Los Angeles County, CA	70.7	35	97.5%

To calculate the competitive score, each metric was assigned a weight: average vacant days (15%), occupied apartments (30%), prospective renters (15%), lease renewal rate (30%), share of new apartments (10%).

Table: RentCafe • Source: Yardi Systems, Inc. • Created with Datawrapper

A Patchwork of Tenant Protections

The state legislature is out of session. This past session, new tenant-protection laws that could harm the housing industry were thwarted by our advocacy efforts. This was not the case in the past several sessions, in which a multitude of tenant-friendly regulations were passed, changing the entire rental housing dynamics in favor of tenants.

While well-intentioned, these many measures to “change the balance of power between landlords and tenants” will, over time, result in the exact opposite of advocates’ intended purposes.

They will make housing scarcer and more expensive, and harm residents of rental housing at the lower end of the income scale disproportionately.

That is because a robust, vibrant and growing housing industry will be able to provide the multitude of housing options that are needed to try to keep up with demand. More and more regulations and limitations on typically negotiated terms and conditions create unintended consequences of driving away rental housing creation, investment and innovation, leaving residents with fewer housing choices and higher prices.

The best circumstance for renters is to allow all these new protections to play out, become socialized, become more understood and their impacts be able to be studied and quantified, before any new onerous regulations tip the scale farther away from the needs of housing providers.

However, the new game in town has reared its ugly head: New tenant protections measures are being pushed upon local city jurisdictions, which have the power to pass their own landlord-tenant and housing laws, resulting in a patchwork of mismatched housing laws city by city.

Unfortunately, there are many cities in King County with councils and city staff that are amenable to advancing housing laws that are out of balance between housing providers and their tenants.

Again, these measures, which are akin to rent control, will harm the very constituents they are intended to help. Advancing laws that disincentivize housing providers, make housing more costly and riskier, disallow the freedom of fair negotiation, and benefit one party over the other, will have unintended consequences that will affect the most vulnerable of our neighbors.

Tenant advocates have pushed new laws in several King County cities, such as Kenmore, Shoreline, Newcastle, Issaquah, Redmond and Kirkland. We have a shared goal of housing creation and preservation of affordable housing. However, we do not agree with their recent resolution supporting increasing the already onerous burdens placed on small housing providers.

For two years now, housing providers have shouldered the burden of this pandemic, risking missed payments for mortgages, taxes, insurance and other operating expenses. Meanwhile, renters unable or unwilling to pay continue to rack up debt.

The Seattle City Council recently passed another in a string of laws affecting the housing industry. The vote was 5-4. Seattle Mayor Bruce Harrell subsequently vetoed the bill. This was the first veto of this mayor’s administration.

“I do not believe CB 120325 will achieve its stated aims; the reliability of the data’s accuracy will be questionable according to the University of Washington; it will be costly to create with no funding source identified; and it will be difficult to implement in enough time to inform the update to the city’s comprehensive plan,” Harrell said in his veto letter.

The Seattle City Council attempted to override the mayor’s veto, but that override passed 5-3, short of the 6 votes needed.

The King County Bar Association, through its Housing Justice Project, has developed an array of tenant protections that could be enacted at the local level. The neighboring city of Kenmore has begun to consider and adopt a number of these measures. More broadly across the region, tenant-protection measures in varying degrees have been enacted in unincorporated King County, Auburn, Burien, Federal Way, Seattle, Tacoma, and Tukwila. In addition, the state legislature has weighed in during the past few legislative sessions, establishing several tenant-protection measures for most residential leases.

Everybody has been affected by rising costs since the start of the COVID-19 pandemic. Housing providers have been further burdened by the dramatic increase of property taxes, maintenance, utilities, insurance, and other associated operating costs. Increasing the minimum-notice period requires the housing providers to take on those costs for even longer, as these cost increases are nearly impossible to predict. Housing providers will be forced to increase their rents annually, as they will be penalized for failing to do so.

Additionally, these increased costs must be paid by the housing provider in a timely manner. Failure to pay a mortgage or property taxes can have grave consequences for both the housing provider and the tenant. Having a late fee be limited to a nominal amount provides no incentive for a tenant to pay their rent on time, which many small housing providers rely on.

Finally, in light of all the recent changes and regulations added at the state and local levels, housing providers must be more cautious and diligent when screening applicants. Increased security deposits or move-in fees allow housing providers to mitigate the risk associated with an underqualified tenant. By removing this option, you would be preventing these tenants from gaining access to much-needed housing.

> *Whereas, some policymakers and renters’ rights groups have long attempted to change the balance of power in the landlord-tenant relationship to favor renters through housing policy; and*
>
> *Whereas, to that end, advocates suggest adopting renters’ bill of rights laws that promote certain expectations in housing; examples from proposals include, but are not limited to, the right to safe and accessible housing, freedom from discrimination and retaliation, the right to fair compensation and restorative justice, and the right to organize a tenant’s union and collectively bargain rents and establishing a renter oversight commission to punish housing providers for violations; and*
>
> *Whereas, the adoption of a renters’ bill of rights creates unnecessary duplication of renter protections that are already required by and disclosed in landlord-tenant, eviction and Fair Housing laws or far exceed the parties’ responsibilities in a standard leasing transaction; and*
>
> *Whereas, renters’ bill of rights laws create a confusing patchwork of requirements on housing providers that can circumvent or, in some cases, conflict with the lease agreement which governs rights and the responsibilities that both parties agree to during the lease term, according to long-established contract law; and*
>
> *Whereas, other provisions commonly included in renters’ bill of rights laws (i.e. collective bargaining, limitations on rent increases and requiring housing providers to disclose certain property-related data) interfere with property owners’ rights and their ability to effectively manage their rental communities and mitigate their risk, instead promoting failed policies associated with socialized housing; and*
>
> *Now, therefore, be it resolved that the National Apartment Association opposes the establishment of renter’s bill of rights laws and housing policies included therein that interfere with the validity of lawful lease contracts; and*
>
> *Now, therefore, be it further resolved that renters’ bill of rights laws are short-sighted and do nothing to promote sustainable solutions for increasing the supply of housing, which is the primary course for America’s renters to achieve safe, quality, and affordable housing, such as efforts to reduce barriers to rental housing construction and rehabilitation and housing policies that drive development of rental housing at all price points; and*
>
> *In a time where the rental market supply is scarce, we should instead pass legislation that protects our rental properties instead of onerous regulations that are pushing housing providers off the market.*

Rent control will only continue to hurt the rental market supply. Some points that should be taken into consideration are as follows:

Rent Increase

- Rent increases occur when housing costs, including utilities, taxes, and maintenance, go up.
- COVID-19 and eviction bans have also played a significant role. Housing providers were barred from raising rents for well over a year while shouldering the burden of housing residents who could not or would not pay rent.
- Rising rents, driven largely by costs and macro trends, do not necessarily result in increased profits for housing providers. Ninety cents of every dollar of rent goes to costs like property taxes, maintenance, and utilities. Only 10 cents returns to the housing provider.
- As costs like taxes go up, so does the

See ‘Housing’ on Page 11

Housing Providers Continue to Leave Seattle

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cost of rent.

- Washington state residents in several counties again saw increases in their property taxes. These taxes must be paid and must be factored into the cost of providing housing. They have a direct impact on the cost of rent and are a contributing factor to increasing housing costs.

Rent Control

- Washington state is in the middle of a severe housing shortage.
- Despite a 16 percent population boom over the last decade, the state underproduced by 225,000 homes between 2000 and 2015 – ranging from apartments to single-family homes.
- Washington state needs to create thousands of new apartments each year just to keep up with the demand for rental housing.
- Rent control has failed in New York, San Francisco, Minnesota, and elsewhere. Cities that implemented rent control have seen an immediate decline in housing construction, which strained the existing housing market, ultimately driving up housing prices and making homes less affordable. Property owners cited an inability to invest in maintenance, repairs, and upgrades due to reduced rent payments – leading to apartment buildings falling apart.

Instead of rent control, there are statewide policies we can build on and new ones to implement that will help create more homes. These include expanding rental assistance programs for residents in need, increasing and expanding the Washington Housing Trust Fund, and eliminating exclusionary zoning policies.

We are only seven months into 2022, but the trend of housing providers leaving the Seattle market hasn't slowed down. According to the latest data from Seattle's Rental Property Registration database, Seattle continues to experience a decline in rental housing, with a net loss of 313 properties and added 240 units since January 2022.

These folks have provided rental housing at fair prices to anyone who needed it for the past 30 years. The city's burdensome regulations make it too difficult for them to continue, so they are opting to leave the market.

"We are selling because we are tired of dealing with the city of Seattle and its poor attitude towards housing providers," said Ed, a local housing provider.

Ed and Lorraine are just one example of many small housing providers being pushed out of the city by growing piles of counterproductive laws that restrict housing options. The result is an ongoing departure of rental housing as people sell and leave the market. These homes typically become owner-occupied, rather than continuing as a rental. Seattle City Council needs to place an immediate hold on all new rental housing ordinances until the full picture of their damage to the rental housing market can be assessed. Mayor Harrell's recent decision to veto CB 120325, requiring housing providers to report the rent they charge, shows that we are moving a step in the right direction.

WMFHA supports the rental housing industry by providing quality educational opportunities to promote career development, coordinating networking events for connection and personal growth, and by advocating for balanced legislation that supports our industry and the community. To learn more about membership in this passionate organization, simply call us at 425.656.9077 or visit our website at www.wmfha.org. Follow us on Facebook and our other social channels for up to date information on association activities.

Sponsored Content

One Sure Way to Increase Tenant Selection Success Rates

By Rebekah Near

First in a 6-Part Series

Time and time again over the 27 years working on the front lines of a tenant and employment background screening company I have witnessed the magic happen when a small or large apartment management company creates a clear and concise Tenant Selection Policy. In selecting tenants their confidence becomes sky-high with a success rate to match.

Now isn't this what we all need – a high success rate of finding great tenants? At the same time the liability from lawsuits is minimized.

When you attend a Fair Housing class, one of the first things they encourage you to do is develop such a policy. Much of my time in the last five years has been helping landlords — both large management companies and residential management owners — build a solid rental criteria. It can be tricky. It takes thought and knowledge to create a good one but the effort is well worth it.

This article is the first of six exploring how you can create a clear and concise Tenant Selection Policy. Here are some of the rewards received when you create such a policy:

- **COMPLIANCE** with federal, state, local and Fair Housing laws
- **EFFICIENCY** in corporate management oversight of one property or multiple sites (specifically site-managers)
- **ESTABLISHES BOUNDARIES** giving the message to potential tenants – this management company has its act together. The company has rules and enforces them.
- **OBJECTIVE DECISIONS** are made as to which rental applicants qualify for a rental unit and which ones do not .
- **TRAINING TOOL** for new staff – policies for both rental applicants and staff members are in writing and integrated into the selection policy – no guessing
- **SALES TOOL** – When an apartment owner or landlord is shopping for a "premier" management company, a highly defined and organized Tenant Selection Policy can be impressive.

WHERE TO FIND HELP

It is the law to have and use a clear and concise Tenant Selection Policy – at least it is in Washington State. I am sure other states require the same. The Washington state law, Fair Tenant Screening Act of 2012, has been in place for many years now, yet management companies and landlords are having to face Fair Housing complaints, audits and even costly lawsuits due to non-compliance.

Later we will review the law in Washington State, but first, HOW does a landlord find help establishing a good Tenant Selection Policy? And how does one stay awake and aware of the ever-changing and sometimes oppressive laws? Trying to accomplish this on your own is enough to make you want to sell your assets and buy apartments in Texas, Idaho or Arizona, where the laws are FOR LANDLORDS and business owners. In the states where the laws are less and less favorable to landlords and more favorable to tenants, we need to stay more "on our toes" in understanding Fair Housing and state, local and federal laws.

Landlords appear to have more confidence and success in the rental business when they are members of, and active in management/landlord associations. These associations help keep a landlord updated on laws, offer use of rental forms – such as Tenant Selection Policies, provide education and mentoring and have a most important element: a Political Action Committee. They hire lobbyists to speak to legislators on behalf of landlords. These lobbyists fight for landlords, and they fight hard. If you hear yourself mumbling under your breath or even shouting from the rooftops because of the burdensome landlord/tenant laws and you want to see a change for the better, join an association and support the Political Action Committee and lobbyist! They are your voice when it comes to laws for or against landlords.

Here are a few (but not all) of the associations I personally recommend:

- **LANDLORDS** — Washington Landlord Association, WLA
- **RESIDENTIAL PROPERTY MANAGERS** — National Association of Residential Property Managers, NARPM
- **MANUFACTURED HOUSING COMMUNITIES** — Manufactured Housing Communities of Washington, MHCW. In Oregon it is Manufactured Housing Communities of Oregon, MHCO
- **AFFORDABLE HOUSING PROVIDERS** — Affordable Housing Management Association, AHMA

HELPING LANDLORDS

At Orca Information, Inc. we process many background screenings each day. Before we bring on a new client, we are required to review the paperwork they present to rental applicants. Gross negligence and even small oversights in proper wording of forms and rental documents can easily cause our clients lawsuits, and sometimes those lawsuits could carry over to the screening company. Orca Information, Inc. therefore has a vested interested in helping our clients with basic laws governing the background screening process. This means much of my time is spent helping landlords improve their Tenant Selection Policy and other forms. Actually, all tenant screening companies have a responsibility to help their clients with complying with the laws governing the application process.

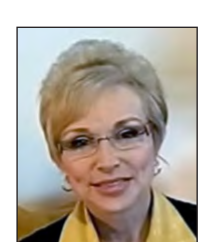
Clients will also call our office asking questions regarding a challenge they are having with a rental applicant. Example: An applicant does not qualify for a rental; how does the rental manager legally tell them they are unqualified for the tenancy? There is a simple answer to this question. The first step to solving this problem is to look at the company's Tenant Selection Policy, then examine the applicant's background screening report – looking for the reasons they have not qualified. Where it gets complicated is when the Tenant Selection Policy has not been correctly worded or is vague in its description of what qualifies an applicant and what does not. That's where I usually come into the scene – to help the client create a strong policy so they can avoid such challenges in the future.

NEXT: The Fair Tenant Screening Act of 2012 and how it defines what is required of you to bring up to date or create a clear and concise Tenant Selection Policy.

NOTE: Rebekah Near is not an attorney and is not qualified to give legal advice. The above information is her opinion based on her work in the tenant screening industry.

Orca information

Rebekah Near is CEO and owner-operator of Orca Information, Inc., a nationwide tenant and employment screening service since 1993. She is a Certified Washington State Real Estate Instructor giving classes and trainings to landlords and employers in Washington, Idaho, Montana, Oregon and Hawaii since 1998. For more information contact her at Rebekahn@orcainfo-com.com or visit our website: www.orcainformation.com.



Analyze More Than Income of Applicants

Continued from Page 1

on what feels like a monthly basis.

If I were to build a survivor's guidebook for investors in today's challenging market, near the top of the list would be these three questions about employment:

1. What type of employment does my applicant have?

For most of your applicants, no job means that within a few months no rent will be paid. So while it is critical that they are employed, it is also important to look at what type of employment they have.

I was reading recently about the types of employment that are most recession-resistant. As expected, at the top of the list were medical professionals and those who have specialized skills in care, therapy and counseling. No real surprise there, as the economy doesn't care about our health, but it definitely can affect it both physically and mentally.

Next would be individuals employed in law enforcement and public utilities, both essential in our communities. The top six were rounded out by those in financial services and education. The bottom of the list is pretty diverse, with jobs in the construction industry, vehicle sales, and vacation travel.

When reviewing applicants for your property it is vital to analyze not only income, but also the likelihood that their income will survive and economic downturn.

2. How long have they been with their current employer?

Employee turnover is at an all-time high and this can directly affect your tenant's ability to pay rent. Job statistics state that 31 percent of employees quit their jobs within the first six months of starting. And even for the employees that make it past those first six months, employee-loyalty statistics show the average tenure of an employee is only 4.2 years. Gone are the days of the past where someone worked for the same company their entire life.

When reviewing a tenant application, make sure to verify how long they have been with their current employer. A conversation with the prospective tenant may shed even more light on this important area, where you can get a feel for how much they enjoy their current employment and if there are any plans to change while they are in your property.

3. How does the rest of their employment history stack up?

Let's say an applicant would like to rent your property but they just started a new job or are waiting to start in the next few days. What are your options?

You can ask for a more extensive employment history covering the last 12-24 months. Is their new job in the same industry? Were they with their former employer for a long period? Are there any major gaps in their employment history, and if so, can they be explained?

If they don't want to share this information or if they were employed in a less consistent paying job (sales, commission-based, piecemeal work, self-employed service provider), you can always ask for the last 12 months' worth of bank statements that show money coming into their account. Seeing the past 12 months' statements lets you average their monthly income and is valuable in determining if they might qualify for your property.

Tough times may lie ahead, and having the right tools and asking the right questions are just as important as food and shelter are for the triumphant survivor. While most of us won't qualify for the "Hollywood treatment" of our life stories, it doesn't mean our survival story is less important. After all, to those who depend on your success as a landlord and investor, the results will directly affect their lives.

Knowing that your tenant will be able to pay you every month is the key to you being the hero and survivor that you deserve to be.

Scot Aubrey is vice-president of Rent Perfect, a private investigator, and fellow landlord who manages short-term rentals. Subscribe to the 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.

Building Stronger Communities by Welcoming More Pets, Thoughtfully and Responsibly

By Judy Bellack

Lifting breed and weight restrictions for our four-legged friends and generally becoming more pet-inclusive can create significant financial gain for multifamily communities, such as increased NOI and higher resident-retention rates.

However, opening your doors to more pets requires planning in order to manage a larger pet population, and rental-housing operators may need to make an investment in pet-focused amenities, services and events to best accommodate their pet residents. But don't fret – even with these steps, the financial benefits of happier, longer-tenured residents have been shown to far outweigh the costs, since pet-friendliness not only means an increase in pet-related revenue but also helps mitigate the costs associated with bringing in new residents.

Below are a few steps apartment communities should consider in conjunction with lifting or easing breed and weight restrictions.

Establish clear pet policies and communicate to owners

While most communities already have some form of pet policies in place, broadening your pet community may necessitate adjustments. Establishing comprehensive guidelines as well as onboarding third-party resources to manage more pets responsibly are a few things to consider.

All of a community's policies, along with any rent or fees associated with pets, should be clearly spelled out in the resident's lease. Even better is a separate pet lease or contract that provides all the pertinent information and is easy for the resident to understand and access. Documentation, guidelines, rules and expectations should be easy to locate electronically and posted throughout the community.

Provide tools and amenities for responsible pet ownership

Some pet tools and amenities – such as pet-waste stations – may be deployed immediately when additional pets are on site, while others can be rolled out over time depending on resident preferences. While it's not required to provide all of the items below, implementing as many as possible will increase the chances of success by mitigating a community's risk and increasing resident responsibility. Certain amenities, such as dog parks, also give residents and their pets the chance to meet and bond, boosting the connection residents feel with their property and increasing the chances they will renew their leases.

Here are some amenities and services that result in well-managed pet populations and responsible pet owners:

- **Pet-waste stations:** This is a feature that would be considered a must-have for any community with pets. Not only does it encourage responsible behavior, but it also helps to reduce risk. Pet waste is detrimental to the health of your community, and its presence can have consequences on resident retention and curb appeal.
- **Dog parks or runs:** According to a 2021 study from Michelson Found Animals Foundation and the Human Animal Bond Research Institute (HABRI), fewer than 10 percent of animals cause any damage to units, but a bored pet is more likely to exhibit destructive behavior. Dogs need to be active, so providing them with a convenient place for exercise can further reduce the risk of property damage. Parks are one of the primary areas where the pet community will bond. Creating this space should not be cost-prohibitive, and is sometimes as simple as repurposing a seldom-used area.
- **Dog-washing stations or services:** Washing a pet in a home can be a hassle, especially for medium- to large-size dogs, and not everyone can afford or wants to use a grooming service. This amenity can be a factor for anyone considering a renewal. If an installation is not an option, consider partnering with a mobile service that provides self-washing or grooming for your residents' pets.
- **Dog-training services:** During the pandemic, many residents became first-time pet owners. Pet parents don't become experts overnight, and improperly trained pets can increase risk. Providing dog-training resources and services gives an opportunity to pet owners to become the best stewards they can be.
- **Pet background checks:** Third-party services are available to screen prospective pets, making sure that no incidents have occurred that might indicate potential future risk to residents or other pets. These services allow for onsite teams to feel confident that the pets in their community will be assets and not liabilities.
- **DNA analysis of pet waste:** Even in a community with ample waste stations, there's a chance that some pet owners won't pick up after their dogs. Communities can request residents submit a sample of their pet's DNA, which can be submitted to a service that uses the sample to identify any culprits of unattended waste. Communities can implement penalties to discourage future incidents and help offset costs.
- **Pet events:** This is another opportunity for pet owners and pets to gather and meet each other, as well as a chance for non-pet owners to meet the furry residents of a community. Not all people are in a position to own a pet, so this is an avenue for them to experience the joy that pets bring. These can be handled by onsite teams if staffing permits, or communities can turn to third-party services that will handle set-up and promotion.
- **Pet adoption:** There are millions of dogs and cats nationwide that are looking for good homes. Communities can do their part to reduce this problem by offering to connect residents with pet-adoption services.
- **A pet concierge:** Third-party services that manage pet events may also offer concierge services that can provide information on local veterinary services, pet services and pet policies in a community.

Prepare your residents for the upcoming changes

After completing the preparation work, current residents will need to be informed of any upcoming changes in breed and weight restrictions. To help this go more smoothly, it's important to point out to residents the positives to the community that will result. Highlight how the removal of restrictions will strengthen the community and share all the steps being taken to help this be a wonderful experience for all residents.

Notices should include office contact information for any residents to ask questions and express concerns. Community managers should educate their leasing teams on all preparations, as well as information that will help answer any questions and dispel misinformation surrounding pets and breeds. Recent studies, including a recent study appearing in Science.org, have shown that pet breed has very little influence on behavior, which is primarily guided by owners and training.

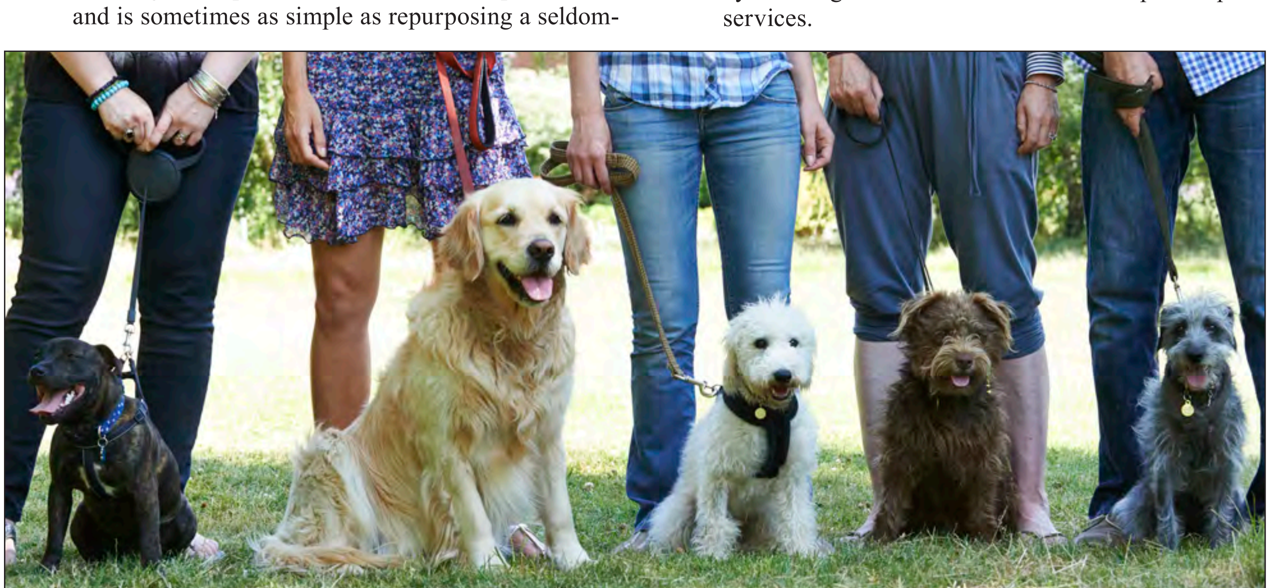
This information can alleviate fears or concerns that other residents may have. Plus, it's a chance to share with non-pet owners how to be courteous and safe around pets on the property, such as the best way to approach a dog.

Build resident and community connections

Having more pets in residential communities can be a great way to create ties between residents and onsite teams. Pet amenities provide the opportunity to interact and get better acquainted with staff. The opportunity to reward outstanding and responsible pet ownership is an excellent way to send a message of appreciation to residents, and also to set an example for all pet owners and foster retention. There are a variety of options for rental housing operators to reward responsible pet owners when renewing, including reduced pet rent, the forgiveness of two to three months of pet rent, discounts or gift cards to local pet businesses and pet-centric gift baskets.

As an added bonus, offering referrals and discounted pet services can build neighborhood connections that increase retention and build a strong sense of community. Local businesses are usually happy to offer discounts to residents in exchange for the exposure and potential future business.

In the end, an increased acceptance of pets can be a boon to net operating income, open a community to a wider pool of applicants and help increase the possibility that residents will stay. However, the path to success in this endeavor includes planning, preparing and executing in a way that maximizes the benefits and the investment.



Judy Bellack is the multifamily housing industry principal for Michelson Found Animals, a non-profit focused on improving the lives of pets and their owners. Judy is a 30-year veteran of multifamily, most recently as an advisor to many of the industry's foremost new tech companies. She spearheads Michelson's Pet-Inclusive Housing Initiative to provide data and resources to create more pet-inclusive communities in ways that make good business sense for owners and operators.

How Technology is Helping Solve Labor Shortage in Multifamily

By Morgan Dzak

The multifamily industry has been hesitant to discuss automation in previous years, fearing backlash from onsite teams. Automation was viewed as a replacement to human associates, and not necessarily as a supplement. But in the wake of the pandemic, the industry has become faced with new challenges – notably The Great Resignation.

The Great Resignation refers to the post-pandemic era in which millions of American workers either left their jobs or switched careers. According to data from the Society for Human Resource Management, 47.8 million workers quit their jobs last year – an average of nearly four million each month – for the highest average on record. It created a massive labor shortage for multifamily, as most of the workers who left jobs were in onsite roles.

“When the shutdown occurred in 2020, many individuals were forced into different careers, having to learn different trades and skill sets,” said Lindsay Duffy, director of marketing and training at Western Wealth Communities. “Many employees became conditioned to the flexibility of remote positions, making it harder to retain workers when businesses opened and needed them to come back to work. This gave job searchers a competitive advantage on salary and work-life balance negotiations when accepting an offer.”

As the labor shortage from The Great Resignation persists, the use of automation has become more prevalent and operators are not only implementing new technologies, but also centralizing functions that used to stay solely onsite. Automation and other technologies are reducing pain points for thinner onsite teams, increasing efficiencies and maximizing lease-conversion ratios, all while improving prospect, resident and associate experiences.

Here are some of the impacts of the labor shortage on multifamily and how automation technologies are alleviating the burden by creating a new caliber of modern apartment leasing and living:

Automation: Doing More with Less

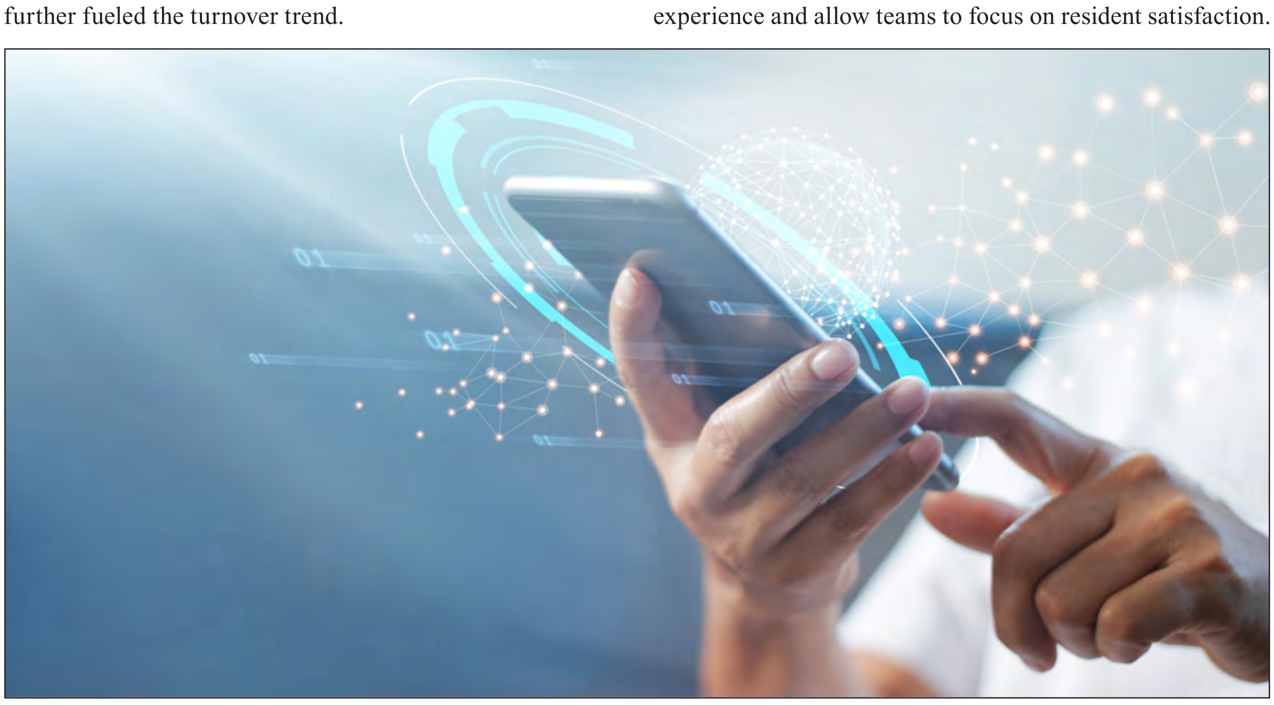
Multifamily is most feeling the effects of the labor shortage in maintenance and leasing roles. Both of these roles have historically high turnover, and the Great Resignation has further fueled the turnover trend.

One of the most helpful technologies during the labor shortage has been automation. Automating tasks like aggregating guest cards, following up with prospects and residents, and scheduling tours have had big impacts on onsite team workload. It has also created better customer experiences for both prospects and residents, and allows onsite teams to do more with less.

According to internal data from Nurture Boss, a lease- and renewal-conversion automation provider, 45 percent of prospects who reach out to a community say they never hear back. With a lease-conversion automation tool, it takes an hour on average to respond to all leads – which is particularly helpful considering that renters almost always sign a lease with the first community that gets back to them.

In a digital leasing environment, following up with prospects has become critical to community success and increasing lease conversions. Apartment operators are finding that consistent, timely and personalized follow-ups with prospects are not only increasing tour conversions and applications, but also boosting overall lead-to-lease conversions.

“When reviewing reports, we learned that many leads were not being followed up on and calls were being missed due to limited staff,” Duffy said. “Like most companies at this time, we run with lean teams where individuals wear multiple hats and need to multitask throughout the day. We saw a huge gap in customer satisfaction and poor communication, and knew we needed a partner that would provide a better prospect experience and allow teams to focus on resident satisfaction. In leveraging technology and partnerships with supplier partners, we have increased lead-to-lease conversion rates while improving overall prospect and resident satisfaction and increasing employee morale.”



Based on Nurture Boss’ clients’ CRMs, the overall lead-to-lease conversion rate without automation is 19 percent, but with it, the conversion rate is 30 percent.

“Prospective residents are all looking for something different, and some may need to move in 30 days while others are looking to move months down the road,” said Jacob Carter, CEO of Nurture Boss. “Nurturing all types of leads can be extremely taxing on onsite teams, especially when the onsite teams of today are working with more leads than ever before from multiple platforms, and there aren’t as many people onsite to handle that type of volume.”

Operators have started automating the entire resident lifecycle, from the initial apartment search all the way to becoming a resident, and even when it’s time for a renewal.

Aside from automation, some other technologies have proven to be invaluable for operators during the labor shortage. Ubiquitous WiFi, for example, has completely transformed modern maintenance workflows and paved the way for more streamlined self-guided tour methods.

“Community-wide Wi-Fi allows maintenance technicians to respond to and fulfill work orders faster,” said Shawn Mahoney, senior advisor at RET Ventures. “If the entire community is connected, it eliminates the onsite team from playing middleman when it comes to work orders. Maintenance technicians can directly receive the work order and have a credential dynamically assigned to them that allows access to the apartment for a certain period of time, and the resident can also be notified every step of the way.”

Connected communities also set the foundation for self-service options, which the industry unanimously agrees are here to stay. Prospective residents can enter and tour a community without a dropped connection, and they can also tour communities beyond standard office hours.

“This benefits apartment operators because the onsite teams can process more tours with less people while providing the self-service options that many modern residents want,” Mahoney said. “If you can lower costs with technology, it’s going to increase your NOI. Operators already have less staff because of the labor shortage, but existing teams are able to do more and they can also extend their hours of operation with self-guided touring.”

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