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11. Can You Ever Have Too Much Fair-Housing Training?

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www.uaahq.org/gmm

General Membership Meetings (Sandy) — 7 p.m. Aug. 25, 2022 — Topic: "Risk Protection & Insurance" with Brewster Insurance Group

More Event Listings on Page 5







www.rentalhousingjournal.com · Rental Housing Journal, LLC

Official Publication of The Utah Apartment Association – Utah's Leading Advocate for the Rental Housing Industry 801-487-5619 – www.UAAHQ.org



How to Start Making Money on Collections

Frequently, frustrated landlords will complain that "I'll never see that money, so why even bother trying to go after a tenant who owes me?" Sometimes that is true, but not always.

It is almost always worthwhile to make an attempt to collect what is owed to you. By following the simple steps and procedures outlined below you can begin to reduce the amount of money that tenants owe you and ensure that your business becomes even more profitable.

The only way to guarantee that you won't get anything is to do nothing. Far too many landlords throw up their hands and assume that nothing can be done. That is far from the truth. Here are some simple steps that you can use to start making money on collections.

USE A GOOD APPLICATION

One of the most common myths out there about collections is that all you need is a name and a Social Security number in order to do collections. While important,

See 'Make' on Page 10



ECRWSS POSTAL CUSTOMER



Join Us for '22 Economic Conference

Stellar Speaker Lineup Announced

"Is Utah nearing another recession?" This question is one of the most frequently asked questions of the Utah Apartment Association staff. Members continually ask about current market conditions, rent growth, average vacancy and how the new luxury buildings are affecting their rental potential.

Because these are such important — but difficult — questions to answer, the UAA hosts an extremely informative Economic Conference each year with the industry's top experts.

The 2022 panel has been confirmed for the Utah Apartment Association Economic Forecast September 23rd Conference.

MORE INFORMATION: Pages 6-7

Presenters include Lawrence Yun, Chief Economist for National Association of Realtors; David Todd, Economic Analyst with Zions Bank; Patrick Bodnar, Broker at CBRE in Salt Lake City; and James Wood, Ivory-Boyer Senior Fellow at the Gardner Policy Institute.

There are some strong economic indicators that signal changes are on the way, but interpreting the data is never easy. Learn where the market is heading, and how to best protect your assets as 2023 approaches. Maximize your business growth potential

and implement protections to safeguard against market changes.

If you've had the opportunity to attend the Economic Conference in the past, you know the kind of essential information and knowledge you will receive. If you have not been before, consider attending to understand why this is the can't-miss event of the year. Audiences are continually astounded at the insight and expertise presented.

Please join us on September 23, 2022 from 9:00 a.m. to 12:30 p.m. Tickets are \$75 for members and \$85 for non-members. Breakfast is included. Register at www. uaahq.org/economic-conference.

Association Welcoming a New Name



Dear Rental Housing Professionals:

Since 1934, Utah rental housing operators in Utah have had associations to advocate on their behalf and provide education and networking. These associations have had a variety of names.

In 2001, for the first time we created a statewide association, combining locals into one powerhouse association called the Utah

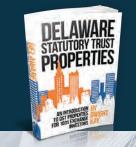
Apartment Association. UAA has grown to represent nearly 150,000 rental units throughout the state.

In 2022, we are excited to announce another step in the evolution of rental housing associations in Utah. Starting in September the Utah Apartment Association (UAA) will become the Rental Housing Association of

See 'New' on Page 8



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Sponsored Content

Seven DST 1031 Exchange Terms Every Real Estate Investor Should Know

By Betty Friant, Senior Vice President, Kay Properties & Investments

Becoming a serious 1031 Exchange real estate investor can involve a significant learning curve. For example, there are many investment terms that every investor should know and understand in order to better understand the nuances surrounding 1031 Exchange real estate investments and help find success as an investor.

Therefore, Kay Properties thought it would be a good idea to present some of the most important investment terms that all Delaware Statutory Trust 1031 Exchange investors should know.

1. DST

This term stands for "Delaware Statutory Trust" which is an entity that is used to hold title to investment real estate. A DST is also a powerful real estate planning tool because it allows "beneficial interest" ownership where multiple investors can share ownership of a single property or an entire portfolio of properties. A DST is often paired with the 1031 Exchange. Pairing these two entities together allows for individual investors to diversify* their investment dollars into multiple properties and potentially mitigate concentration risk of overconcentration in their investment properties. This can potentially be accomplished by investing in DSTs with properties in different geographies, in many of the asset classes, and with various property managers, asset managers, and sponsoring companies.

2. TIC

This term means "Tenancy in Common", and refers to an investment arrangement where two or more individuals share the ownership rights of a property that qualifies under the rules to be used as like-kind in a 1031 Exchange. TIC investments must comply with IRS Rev Proc 2002-22 which has a limit on the number of investors. This gives the TIC entity unique challenges where each investor is named on the mortgage and each investor has the right to vote on decisions concerning the property which can be cumbersome in a co-ownership arrangement. This property

KEY TAKEAWAYS:

- Knowing key terms for a 1031 Exchange is important for investors
- What is the definition of "beneficial interest" and how does it relate to DST's?
- What is a Tenant In Common Investment?
- Do you know what a Qualified Intermediary is?

can be commercial or residential. TIC allows investors to own different percentages of a property. Tenants in common can leave their share of the property to anyone of their choice upon their death.

3. NNN

Anytime you see three N's in a row when referring to real estate, it will invariably be referring to the concept of triple net lease investing. This is a lease agreement where the tenant promises to pay all expenses of the property. This includes real estate taxes, building insurance, and maintenance. Typically, these are expenses of the landlord. However, in a NNN lease agreement, the tenant pays these expenses along with rent and utility fees. Tenants generally pay a lower rent charge by taking on these additional expenses. Triple net leases have become popular as they have the potential to provide low-risk steady income to investors.

4. 1031s

Section 1031 is probably one of the most familiar passages in the Internal Revenue Code (IRC). These numbers refer to an IRS provision that allows individuals to defer tax on qualifying exchanges of like-kind real estate. To utilize this tax strategy investors must take certain steps when selling and buying real estate. The replacement real estate must be like-kind, tax must be paid on any boot in the year of the exchange, and replacement real estate must be identified within 45 days and acquired within 180 days to utilize the 1031 exchange.

5. QI

The letters "QI" typically refer to a Qualified

Intermediary. The Qualified Intermediary is an accommodator or facilitator that works as an entity that facilities 1031 tax-deferred exchanges. They act like the glue that puts the buyer and seller of property together into the form of a 1031 Exchange. A QI is an individual who enters into a written agreement with the taxpayer of a property. The QI acquires the relinquished property from the taxpayer, transfers the relinquished property to the buyer, acquires the replacement property from the seller, or transfers the replacement property to the taxpayer.

6. PPM

Anytime an investor is involved with a private or public investment vehicle, a Private Placement Memorandum (PPM) will be involved. A PPM is a document that divulges everything an investor needs to know before investing in a Regulation D Offering. The PPM is very beneficial to an investor as it details the investment opportunity, disclaims legal liabilities, and explains the risk of losses. All real estate investors are strongly advised to carefully read the PPM and consult their tax attorney or CPA prior to investing.

7. IOI

When real estate investors become interested in a particular real estate asset or portfolio, they will usually request more information on the property in question. In many cases, the seller will provide a document called an Indication of Interest (IOI). An IOI is an informal proposal that is non-binding and designed to provide the investor more information on the investment. For example, IOI's typically include property details like

leasing data, square footage, and market overview. An IOI might also include due diligence plans, aerial photos, and site maps. Finally, the IOI will typically include information about the sponsoring seller of the real estate asset.

Knowing and understanding these acronyms will help in placing you on a path of success in the investment world. You might want to keep this list of the alphabet soup of acronyms handy as you research the world of investment real estate.

ABOUT THE AUTHOR:

Betty Friant holds her FINRA Series 6, Series 22, and Series 63 licenses, in addition to the coveted CCIM designa-



expertise in commercial and investment real estate. She currently is

tion, that recognizes

She currently is Senior Vice President with Kay Properties & Investment's Washington D.C. office

where she serves as an expert Delaware Statutory Trust (DST) 1031 exchange advisor to high-net-worth investors and 1031 exchange clients. In her executive capacity with Kay Properties, Friant was instrumental in assisting the firm achieve a record \$408 million of equity placements for real estate investments in 2020 and is at the forefront of helping Kay break that record in 2021.

Prior to joining Kay Properties, Betty spent 35 years in the commercial real estate industry focused on the acquisition and disposition of single-tenant NNN properties, including acting as Senior Managing Director for the Calkain Companies and co-founder of a Sperry Van Ness office in Winchester, VA.

Betty has spent her career building a reputation for providing superior client service that emphasizes transparency, integrity, and attention to details. This lifelong effort was recently recognized by GlobeSt. as one of the "2021 Women of Influence" in the commercial real estate industry.

In addition to her focus on the commercial real estate industry, Betty is dedicated to her family and is involved in the volunteer efforts of several community and civic organizations.

About Kay Properties and www.kpi1031.com

Kay Properties is a national Delaware Statutory Trust (DST) investment firm. The www. kpi1031.com platform provides access to the marketplace of DSTs from over 25 different sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 150 years of real estate experience, are licensed in all 50 states, and have participated in over \$30 Billion of DST 1031 investments.

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

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

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

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Chair's Message

Let's Celebrate Some Milestones



BRAD RANDALL Chair, **Utah Apartment Association**

As we say farewell to summer and enter fall, I'd like to take a moment to celebrate a few milestones.

20 YEARS

First, as a Board of Directors we'd like to celebrate Paul Smith, Utah Apartment Association Executive Director. For 20 years he has helped guide the organization to become nationally recognized. He and his team are dedicated to the success of this industry and its partners.

The executive committee is currently finalizing a contract renewal with Paul that will help further our organization for the next five years. We are grateful to Paul and the UAA Staff and excited to continue to grow.

15 YEARS

For the 15th year in a row, Utah was named the state with the #1 Economic Outlook by ALEC-Laffer State Economic Index. A number of factors were viewed, including tax incentives, tax burdens upon citizens and other factors. Additionally, Utah was named by US News to have the #1 strongest economy in the United States and the overall #3 Best State in the USA for business and overall living conditions.

While recession is being floated around media outlets around the country, Utah remains a stable, strong and vibrant stronghold for real estate and property management.

Are we perfect? Of course, we are not.

Do we have plenty of room to improve? You bet.

But, there is a lot to be grateful for and celebrate in this great state. We believe small and large investors still have many reasons to pick Utah for their investment needs.

20+ YEARS

For over 20 years, the Utah Apartment Association has been building a network of professionals from a variety of trades to help owners manage properties effectively and residents be treated fairly. The association has blossomed into an organization representing nearly 150,000 units throughout the state.

Despite the growth we've experienced, there are a number of areas along the Wasatch Front and in other locations that remain relatively underserved. As a board, we are working to build stronger initiatives to grow our membership throughout the state and are excited to see what the future holds.

Thank you for growing with us!

Ask the Attorney

When Your Tenant is in Jail



JEREMY SHORTS, ESQ. **Utah Eviction Law**

Q: My tenant is in jail and his brother (who isn't on the lease) is requesting access to the property. Should I give him

A: This one is simple - NO! The only party you should provide access to is the tenant on the lease agreement. You should also always check your lease to see if it provides any guidance on how to handle this situation.

Perhaps the lease permits you to provide access to an emergency contact in the event of incarceration. As an alternative, you may work with the tenant to receive written consent to provide access to the brother, but you should be extremely cautious in this situation.

If you granted access to the brother and the brother removed or damaged the tenant's personal property, you could be liable for that damage.

It's best, if possible, to have the tenant work this out with friends or family members. In addition, incarceration usually is temporary and wouldn't terminate a lease or change the tenant's primary residence.

You should probably plan on proceeding with serving eviction notices followed by an eviction case with the court.

Jeremy Shorts, Esq. Utah Eviction Law Phone: 801-610-9879 Fax: 801-494-2058

Email: info@utahevictionlaw.com

Go Smoke-Free

How Thirdhand Smoke Affects Your Properties

DEPARTMENT OF HEALTH AND HUMAN SERVICES -TOBACCO PREVENTION AND CONTROL

The dangers of smoking and exposure to secondhand smoke are well-known. Inhaling nicotine and other toxic chemicals from cigarette smoke can cause illnesses like heart diseases, stroke and cancer.

What isn't as well-known are the effects of thirdhand smoke.

Thirdhand smoke (THS) is the chemical residue that lingers after secondhand smoke has disappeared from the air. While secondhand smoke is a combination of the smoke coming off a cigarette and the smoke exhaled by smokers, thirdhand smoke is the mixture of smoke and toxic chemicals that stick to surfaces and become embedded in household materials. These materials include carpets, walls, furniture, and all surface areas that make up your residents' homes.

Thirdhand smoke lowers the value of your properties by contaminating the carpet, furniture and walls. In fact, a news report from realtor.com revealed that smoking in reduce property value by 29%.

Creating a smoke-free policy protects your tenants, and your investments, from the costly effects of thirdhand smoke.

Does THS pose a danger to tenants once the home has been deep cleaned?

The short answer: Yes. Thirdhand smoke can linger indoors for years. Despite deep cleaning and renovating, thirdhand smoke can be reemitted through dust and becomes embedded in carpets, furniture, fabric and building materials. Residents, including pets and children, can be exposed to this toxicity by just breathing within the same apartment that a previous smoking tenant occupied and through touching surfaces in past smokers' homes.

New research shows that thirdhand smoke carries a unique chemical compound called 1-(N-methyl-N-nitrosamino)-1-(3-pyridinyl)-4-butanal (NNA). NNA is one of the many tobacco-specific nitrosamines - a group of cancer-causing compounds found in tobacco products. Tenants are exposed

a home and the resulting damage of thirdhand smoke can to NNA by touching surfaces polluted by thirdhand smoke or by inhaling dust contaminated with smoke residue.

> The U.S. Surgeon General has concluded that there is no safe level of exposure to tobacco smoke, including thirdhand smoke. The greatest line of defense to protect your residents and your properties is to enact a smoke-free policy.

> Comprehensive smoking bans are essential for protecting everyone.

> Thirdhand smoke is toxic to residents and other people entering your properties. It puts renters and their families at risk for a decision they did not choose to make. The benefits of going smoke-free not only support the health and wellbeing of your residents, but also support the longevity of your properties.

> Find out what steps to take to ensure you are creating a healthy place for all to live and work. For more information on smoke-free housing, visit tobaccofreeutah. org. For free resources to help you quit, visit waytoquit. org.



Director's Message

Avoid Self-Inflicted Damage



L. Paul Smith, CAE **Executive Director, Utah Apartment Association**

In my interactions with UAA members and landlords across Utah, most recognize what a wonderful state we live in when it comes to property rights and landlord/tenant law. They recognize that Utah is one of the best states in the country to be a landlord.

- We have a quick eviction process.
- We are a collection friendly state.
- The fees we pay for rental properties are relatively low and the regulation, in most cases, is fair and

And yet, we are a state where there are fair laws for renters

From time to time I take calls from landlords who are very frustrated. They rail on how terrible our laws are how tenant-friendly our laws are and how landlords have no rights. They say they have been landlords for years and the laws, judges, police, or (insert your preferred villain here) are all working against landlords.

In a recent class, a gentlemen kept reiterating how awful

our laws are and how tenants can get away with just about right. It is that easy. anything. As we discussed it, I expressed my opinion that if tenants are getting away with anything, it is probably because the landlord is letting them! The landlord either does not understand the law or, if they do, they hesitate to jump through the minimal hoops it takes to address issues. It became clear as we continued through the class that most problems landlords cause are "self-inflicted" and can be avoided. The problems we have are quickly dealt with if we know how to proceed.

I wanted this month to talk about five common "selfinflicted" damages and how we can avoid them.

PROBLEM 1: RENTING TO SOMEONE WE SHOULDN'T

There are several renters in Utah with more than seven evictions on their record, yet they have no problem finding landlords to rent to them that they then stiff and become a pain for. The solution is background checks and having professional rental criteria to limit risk.

PROBLEM 2: TENANTS CONTINUALLY PAYING LATE

The solution is to not let tenants pay late. Either we train our tenant or they train us. It is a self-inflicted wound to have a chronic late payer. They do this because you let them get away with it. STOP IT. Require on-time payment, late fees when they pay late, and evict immediately if they don't pay. Evictions take an average of 25 days and about \$500, if done

PROBLEM 3: TENANTS VIOLATING YOUR RULES

They move in extra people, unauthorized pets, they smoke where it's prohibited, etc. Solution: Get to know the "Three Day Comply or Vacate" notice and serve it the minute tenants violate the first rule. Either we train them or they train us.

PROBLEM 4: OUTRAGEOUS DAMAGES CAUSED BY

The solution is quarterly inspections. Look for damage. Fix it now and bill the tenant. If we make them fix the first damage they do, they are likely to be more careful later on. Either we train them or they train us.

PROBLEM 5: TENANTS LEAVE WHILE OWING LOTS OF MONEY

The solution is higher deposits, rule enforcement, making people pay rent as they go, regular inspections, etc. The things we all know we are supposed to do, but let slide all

Almost all of our problems as landlords are self-inflicted. Reduce them by applying basic principles of management such as good screening, enforce your rents and rules, deal quickly and professionally (by serving notices) with problems, and do regular inspections.



CAM/CAS Classes

Aug. 23, 2022 – 9 a.m. to 2 p.m. – Industry Essentials & The Resident Experience

www.uaahq.org/cam-certification www.uaahq.org/cas-certification

UPRO Certification Classes

Aug. 11, 2022, 2022 - 9 a.m. - Tenant Screening

Aug. 11, 2022 – 11 a.m. – Fair Housing and Other Laws Affecting Rentals

Aug. 25, 2022 - 9 a.m. - Evictions, Collections and Utah Landlord Tenant Law

Aug. 25, 2022 – 11 a.m. – Utah Fit Premises Act and Tenants' Rights www.uaahq.org/upro

REVERSE TRADE SHOW

Aug. 18, 2022 – 9 a.m. to Noon – Sport City Draper 757 W 11400 South, Draper, Utah

ECONOMIC CONFERENCE

Sept. 23, 2022 - 9 a.m. to 12:30 p.m. Realtor Auditorium

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- Monitoring property performance to achieve the owner's investment goals
- Accounting principles and practices
- Maximizing net operating income



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2022 Economic Forecasting Conference



9:00 AM - 12:30 PM

230 W. Towne Ridge Pkwy, Sandy, Utah

UAA Members: \$75

Non-Members: \$85

Register at:

www.uaahq.org/economic-conference

Come hear from the experts in the rental housing industry. Attendees will gain an understanding of the state of the rental market, and direction of where the rental industry is headed.

Schedule:

08:15 AM Registration, Continental

Breakfast, Exhibitors

09:00 AM Welcome & Opening

09:05 AM Lawrence Yun

09:50 AM David Todd

10:30 AM Break

10:45 AM Patrick Bodnar, CBRE

11:15 AM James Woods

12:00 PM Adjourn

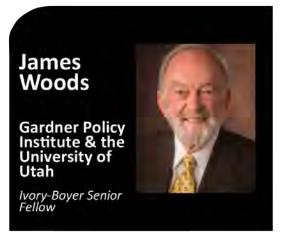
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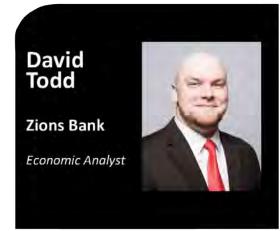












Lawrence Yun

Lawrence Yun is Chief Economist and oversees the Research group at the NATIONAL ASSOCIATION OF REALTORS®. He supervises and is responsible for a wide range of research activity for the association including NAR's Existing Home Sales statistics, Affordability Index, and Home Buyers and Sellers Profile Report. He regularly provides commentary on real estate market trends for its 1.4 million REALTORS®.



Incredible opportunity to hear from experts in the rental housing industry to learn about the state of the rental market and the direction of where the rental industry is headed. Economic data and forecasts on a national and local level will be presented.

Friday September 23, 2022

9:00 AM - 12:30 PM

230 W Towne Ridge Pkwy Sandy, UT

Register at:

www.uaahq.org/economic-conference

Sponsorships Available:

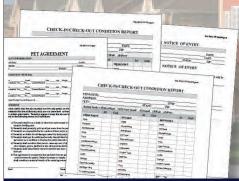
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New Name Reflects Association's Growth in Size and Mission

Continued from Page 1

Utah (RHA Utah)!

This name change/rebrand comes as the result of your board of directors and is unanimous

The board worked on this project for over six months, breaking down into committees on name, new logo, mission and vision of the association and member dues.

The work resulted in a unanimous recommendation at the July board meeting to move forward with a rebrand!

Rental housing operators and operations in Utah are diverse. While apartment communities are the leading component of Utah rentals, over one-third of Utah rental units are single-family homes. Tens of thousands of Utahans self-manage their single-family rentals, hundreds of management companies focus solely on single-family rentals, and large companies are developing "single-family for rent" communities.

The board believes switching to a more inclusive name will help us better describe the industry we represent and better communicate with all stakeholders. It will allow us to target and recruit rental operators who have never participated or shared in our benefits before.

That will make us stronger.

UAA has been a powerful advocate for rental operators. We believe rebranding will

move us to the next level.

Never have tenants' advocates and others worked so hard to take away property rights and swing our balanced landlord/tenant law

As part of this rebrand, dues will increase approximately 20 percent. This increase will fund government affairs enhancements necessary to protect all of our stakeholders. FYI, it has been 15 years since our last dues increase and, in that time, rents have increased 130 percent.

In September we will officially make these changes and rebrand. We have provided information to our members, and more will be coming over the rest of this year.

We are excited and wanted to share these changes with you as soon as we could. If you have any questions, please reach out to us.

We look forward to continuing to serve you as the Rental Housing Association of Utah!

> — Brad Randall 2022 Board Chair









Did Your Business Receive PPP? Either way, You Still Qualify for ERC! What is ERC?

Bottom Line Savings helps business owners receive money back from the Employee Retention Credit (ERC) federal grant. This ERC program differs greatly from the Paycheck Protection Program (PPP) and is much easier to apply for. Bottom Line will submit and collect a few important documents making this program turnkey for our owners.

You don't need a sales reduction to qualify for ERC. Operational impacts to your business will qualify you as well.

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• Identify how you qualify for the ERC Program • Outline your specific ERC calculations to maximize the credit • Help you claim the credit • Ensure proper payroll tracking and documention

Apply today and an ERC Specialist will contact you directly. Please visit www.tryerc.com





The Blame Game is a No-Win for Landlords

By Denny Dobbins

If you have spent more than 30 seconds in the last year watching cable news, you are more than familiar with something called "the blame game." Regardless of political party affiliation, age, race, gender, sexual orientation or any of a host of other categories, it appears that our society has become a place of great divide.

As a landlord you are not immune to this growing epidemic of blame and, in fact, you're likely to take more than your fair share of blame when it comes to tenants and their problems. After all, those same media outlets have spent years painting the picture of the big, bad landlord, creating an evil, moneyfocused image that even the happiest of tenants sometimes buy into believing.

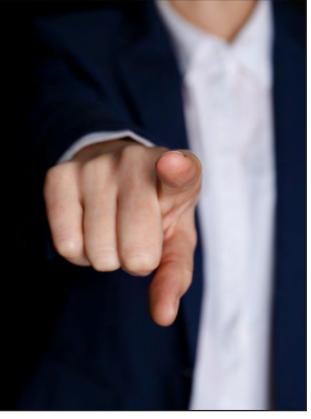
Let's create a blame framework for this by using a scenario where a tenant or guest of a tenant is injured by a weapon that the landlord allowed on the property. To create some protection for you as a landlord we must first turn to the general principle of negligence law and liability.

It is helpful to understand the basic law and how to apply it in a real landlord-tenant situation. Every landlord must have a handle on these basic principles, so we'll first discuss the law and then get back to the questions. Whatever the cause of the injury/damages to the tenant, occupant, guest, or invitee, the landlord does have some basic duties to the tenant in every residential lease, single-family or multi-family home of every kind and variety.

Here is the basic legal test for this scenario:

1. DUTY

Generally, the duty of the landlord is to provide a reasonably safe place to live for the tenant, occupants, guests, and invitees (and there may be more than just this duty, depending on the lease and the applicable laws). The basic legal theory about a landlord's duty from settled case law is, "if the landlord knew or should have known about a danger or peril in, or on, the property, the landlord must ensure reasonable and timely remedies to prevent damages (injuries) to whom the landlord owes the duty of reasonable safety."



Did the landlord have a duty to allow the tenant to have a weapon inside of the private, inside quarters of the home that the tenant controls in order to protect the tenant's family/household? That is a big question. Arguably, if the tenant had nothing in their background that would put a landlord on notice that the tenant had a propensity for violence, and the tenant is an ordinary, law-abiding citizen, why would anyone not allow that person to have adequate home protection? So, is there such a duty?

The question does not seem to be resolved by any court, although some states prohibit a landlord from such a prohibition. Do you want to fight this case in court?

Then:

2. CAUSATION

"But for" the landlord actions or inactions, would a particular event or damage have occurred? "But for" the landlord allowing the tenant to have a weapon for protection, would the injury/damage likely not have not occurred? Here the answer is, probably, yes.

Then:

3. Foreseeability

Even if there is a duty and there is causation, there is one more test to be applied before we can determine if the landlord actually has any liability for the damages/injuries. Was it foreseeable by a reasonable person that if the landlord allowed the tenant to have a weapon to protect his/her private home that this very injury/damage would take place? Here the answer is again, probably, yes.

I suggest running any scenario where you as a landlord feel you may be vulnerable through the three prongs of the legal test as described above. In fact, I invite you to do that right now with the above scenario, only reversed, where the landlord prohibited the tenant from having a weapon on the property and the tenant or their guest was injured because they did not have a weapon for self-defense. What is your duty, what could your actions cause, and is a specific outcome foreseeable?

What is the course for best practices to avoid blame and liability? Examine your property, your practices, and your policies through the lens of an attorney and make the proper adjustments to boost the protection of both your tenant and your property. After all, the best way to avoid any blame at all is to anticipate potential problems, remedy them, and document what you have done.

Denny Dobbins is vice president and legal counsel for Rent Perfect, the creator of the Crime Free Addendum, a private investigator, and fellow investor. 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.



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Make an Attempt to Collect What Tenants Owe You

Continued from Page 1

that is far from all of the information that you need

However, going to a tenant while you are in the middle of a dispute about money and asking them for their date of birth, email address, emergency contacts, employers name, driver's license number, or what bank they use isn't going to go over very well.

That is why you should ask for that information up-front. Most of the time you won't need this information at all as part of the initial screening, but it is important to have in case you need to take the tenant to collections later. It is critical to debt-collection efforts to have enough information about the tenant to find them and their assets, should they become delinquent. All applicants must be fully screened, including credit, criminal history, employment, previous landlord, and previous address history.

Moreover, it is essential that you keep that information up-to-date. That is why landlords increasingly require tenants to make "renewal applications" each time they sign a new lease with them (you can use the same application form). This allows you to update key information and also to verify that the tenant still qualifies for the property.

DO THROUGH TENANT SCREENING

Not only is tenant screening helpful and necessary as part of the qualification process for tenants applying to rent, it also gives you a wealth of information about the applicant, including their banking and credit card information, their previous addresses, and in some cases even their employment status

and history.

USE A GOOD LEASE

The Utah Apartment Association lease was specifically designed by attorneys who regularly (and successfully) collect from delinquent tenants. There are several provisions in the lease that can help protect you, including language that can make the tenants cover the cost of using a collection company and a clause that allows you to do background checks and searches on them at any time.

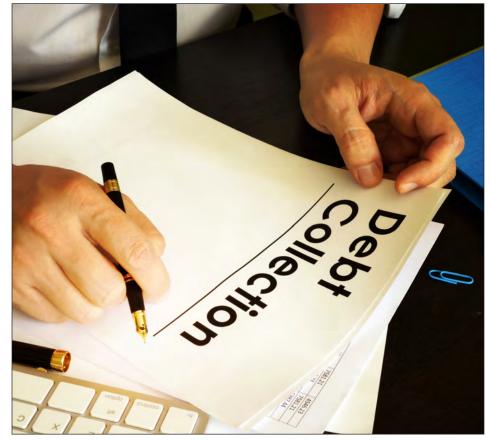
If you are not using the UAA lease, you should take a look at it. You'll be impressed with the protections that it offers you.

SELECT A COLLECTION COMPANY

You can save yourself lots of time and stress if you shop for a collection company before you need them. That way you can set up your account with them at your leisure and you fully understand their practices and policies in advance.

It also is important for you to decide if you will use a collections agency or a collections attorney (and in many cases it pays to have access to both choices for different circumstances).

Collections agencies generally operate through the credit reporting system and work on a "pay-when-you-get-paid" model, where they take on the account for little or no charge and then take out their hefty fee as the money is being collected. They usually only require that you submit to them a bill for the services rendered along with some documentation, and then they put that



information on the tenant's credit report. This is usually the easiest and best route to go if you worry that the tenant really doesn't have the money to pay you.

Collections attorneys operate through the legal system where they get a judgment against the tenant and then use that judgment to garnish wages or bank accounts. They are usually much more aggressive and effective — when there is actually money to get. Most of them operate on a model where you pay them in advance for their services, and then they also get a cut of whatever they collect.

SEND TENANT A BILL

Once you have a tenant who moves out and still owes you money, the first step to taking them to collections is to send them a bill. Generally this is done by sending them a letter that outlines the cost of the damages they did and the amount of unpaid rent and fees that they still owe you. You then would give them a credit for their deposit, a bottomline amount that they owe you, and an invitation to contact you to pay the amount due or work out a payment plan — or else.

This step is key because it sometimes is all you need to do. If the collections companies' first step is going to be sending a threatening letter; why not do that yourself and see if it works? Best-case scenario, you save yourself a fee; and worst-case scenario, you only wasted a stamp.

ESTABLISH A 'PIPELINE'

It takes a while to do collections. That is why the best practice is to establish a "pipeline" where you consistently get revenue from collections by putting cases into the pipe on one end and getting revenue out on the other. It will take a while to get this established as a source of regular income, but once it is up and going, you will regularly be getting money so long as you regularly submit cases for collection.

BE PATIENT

The average rental collection case takes three years. This is because a tenant who doesn't pay rent or their other bills is typically experiencing a financial crisis, like a medical injury or job loss. While there will always be those who don't recover, for many just a few months can make all of the difference in reestablishing their financial health.

Some collections agencies tell you they can't collect old debt or charge you more if the trail isn't fresh. This is because usually the lowest-hanging fruit is from debtors who get scared when they get the notice and pay immediately when approached by the collector. The company still gets its hefty fee even in these easy circumstances, for little very effort — typically just a letter or phone call — and that is their business model.

On the other hand, reputable collections agencies will continue to pursue your debt

indefinitely, or until the statute of limitations runs out, which can be many years after the default. Some of the better agencies are still collecting debt from the 1990s.

So, be patient and put tenants who owe you money into the "pipeline" mentioned above. You never know when that deadbeat tenant who stiffed you for a few hundred dollars in damage and rent will decide it's time to shape up in order to buy a house or get a job that requires they have a decent credit score, or maybe even are mature enough that their conscience starts to bother them. And when that happens, they will pay you what they owe you.

AVOIDING COLLECTIONS IS MUCH EASIER THAN DOING COLLECTIONS

You can't get blood from turnips, so don't rent to turnips! Don't rent to people who have extremely poor credit, or who have a history of using things without paying for them. Anybody who has been in this business long enough will begin to notice that there are usually clear and distinct signs up-front that a tenant is going to be one of "those tenants" who end up owing you a lot of money at the end. Pay attention and make sure that if you do take a risk, you are well aware of what you are doing.

Another important way to avoid going to collections is ensuring that you get a large enough security deposit. One shocking statistic is that almost half of landlords in the western United States don't even require a deposit large enough to cover one month's worth of rent. And one in 10 landlords have a deposit that is half what they charge for monthly rent.

Unfortunately, these landlords are the most likely to be burned by bad tenants. After all, if the tenant owes you \$900 in back rent and \$450 for damages they have done to the property and all you have is a \$500 deposit, you will have to go after them for to get that additional \$850. However, if you had a deposit of \$1200, then you would be looking at only \$150 for collections — which is much easier for them to pay and much easier for you to collect.

Remember, deposits are designed to cover as much as possible your worst-case scenario — not the average amount of damage that any given tenant might do.

Finally, one of the most important ways to avoid collections is to get the tenants to pay for damages while they are still living in your home.

The first part of that is to bill them. The UAA lease allows you to bill the tenants immediately for damage that they do to the property, and evict them if they refuse to pay.

The second part is to identify damages early by doing inspections. Almost always, the earlier you catch the problem, the easier and cheaper it is to fix.



Know Your Local Fair Housing Laws

By The Fair Housing Institute

Fair Housing is complicated and everchanging. Combined with state and municipal laws that can vary greatly, proper training becomes even more critical.

But what does that training look like?

Should it encompass more than federal laws,? And how often should training occur?

Know Your Local Laws

More is needed than a basic knowledge of the protected classes. This is because state and municipal laws can change how fair housing compliance is interpreted.

Not knowing the laws specific to your area can leave you open to a fair housing complaint.

For example, in Austin, Texas, students are considered a protected category. Meanwhile, in New York City, reasonable modifications are covered at the expense of the property regardless if they are private-market or not.

Another example would be when it comes to source of income. Some states view this as a protected category, while others do not.

As a result, fair housing training needs to include an understanding of all laws specific to where your property is located.

These are just a few examples. The list goes on.

How Often Should Fair Housing Training Happen?

As highlighted above, fair housing can be challenging and can cover a considerable range of topics and sub-topics. It stands to reason that a one-and-done approach to training will never be adequate.

In addition, laws are continually changing, as is their application.

Currently, the industry average for training is every two years. That being said, more and more companies are gravitating to annual training as better practice.

Annual training provides staff the opportunity to brush up on skills as well as become familiar with any changes that they need to be aware of.

By having access to regular training, companies are giving their staff the best possible chance to remain fair housing compliant and therefore reduce the risk of a complaint or violation.

CHOOSING THE RIGHT FAIR HOUSING TRAINING FOR YOUR COMPANY

Training can and should take many different shapes and sizes. People learn differently, so employing various learning methods will ensure that everyone has access to the information they need.

Thanks to COVID-19, we have seen an increase in online training offerings.

A few things to keep in mind if you choose the online route are: when the course was last updated, what it covers, and whether it provides a way to gauge how your staff is doing. Try to find industry-accredited training programs that include both tests and certifications. Online learning is an excellent way for staff to learn at their own pace and when it's convenient for them, and it can be



easily added to your training suite.

Another great way to help your staff is training via role play. Have you had a recent situation come up that staff was unsure of how to handle? Why not turn it into a teaching/learning experience? Recreate the problem with the team and discuss possible solutions and outcomes. This type of diverse training will reach every style of learner.

And happily, we can also now return to in-person training! Look again for industry-accredited instructors and enjoy the one-on-one training and the opportunity to network.

Fair housing training doesn't need to be complicated, but it does need to be thorough and regular. You can avoid time-consuming and costly mistakes and create a positive work environment by ensuring that all

your staff has access to up-to-date, reliable training in multiple formats.

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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