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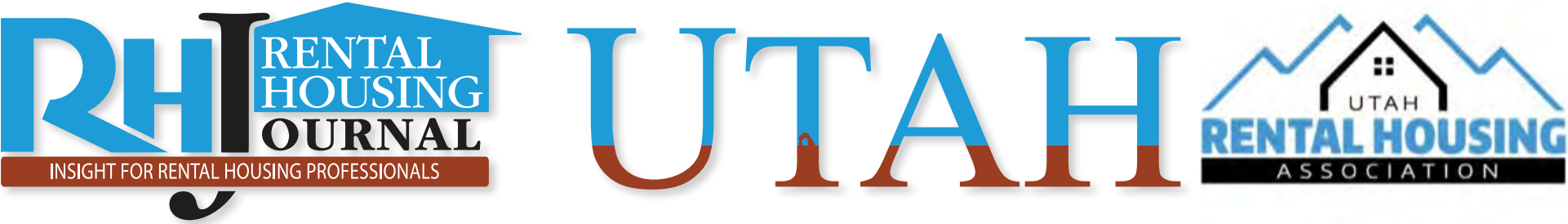
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UPCOMING EVENTS:

General Membership Meetings (Sandy) — 7 p.m.
Oct. 27, 2022 — Topic: Evictions, Collections & Property Abandonment
www.uaahq.org/gmm

More Event Listings on Page 4



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Should Landlord Have a Copy of Tenant's Renters' Insurance Policy?

By HANK ROSSI

Dear Landlord Hank: We require renters' insurance at our rental property.

In the past we have not asked for a copy of this. Do you think it is wise to attain a copy for our records to prove the tenant followed through on this? After researching online, it seems like a mixed bag of answers for or against. Thank you! – Megan

Hi, Landlady Megan: If you require renters' insurance at your property, I would definitely put in your lease that this is required to be purchased at the tenant's expense and required to be kept in force for the duration of the lease.

Then I would get a copy for yourself along with contact info for the agency selling the policy so you could contact them to make sure the policy is in place.

Each week Hank Rossi answers questions from landlords and property managers in the digital magazine Rental Housing Journal.

Follow These Fire-Prevention Tips to Keep Tenants, Properties Safe

By RENTAL HOUSING ASSOCIATION OF UTAH

As winter approaches, the outdoor fires that have ravaged the west are finally beginning to subside. However, we are about to enter the time of year when indoor fires sadly become more common.

The best way to protect the people and things that you care about from fire is to stop the fire in the first place. There are some simple ways your tenants can prevent a fire from starting.

Most fires occur while cooking, also causing the most fire-related injuries. Candles, heating, and children using matches and lighters are also common causes of fires, fire-related injuries and deaths. Here are some important tips to share with your tenants to help protect their lives and your property.

FIRE ALARMS

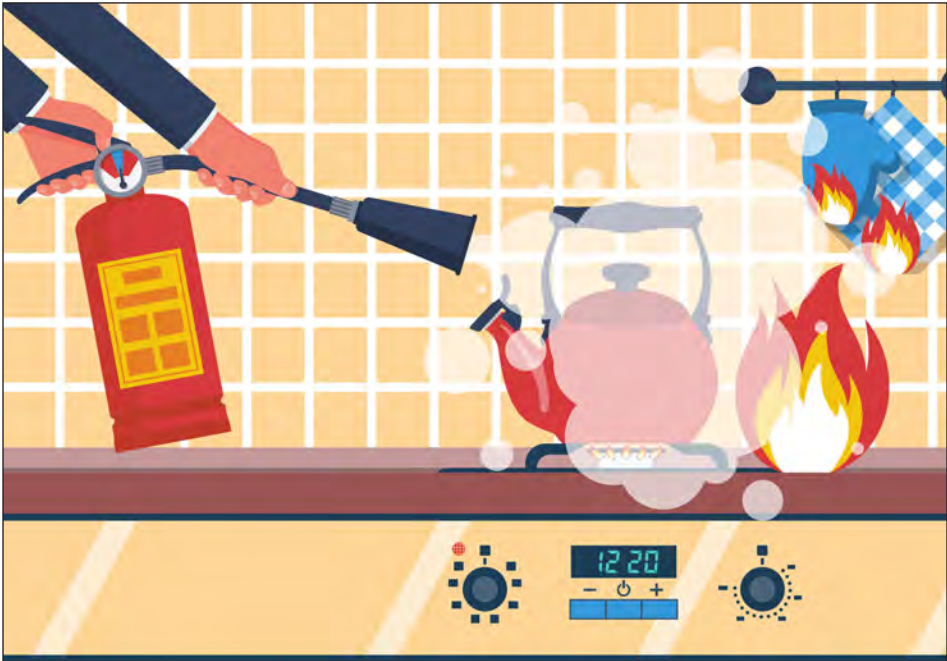
Some state laws require that landlords install and maintain fire alarms in their properties. However, even if it weren't required by law, landlords would be foolish to not make sure that the property has such alarms for the safety of the tenant and of the property. You should regularly inspect the apartment and ensure that the fire alarm is operating (and that the tenants haven't removed the batteries or disconnected it).

COOKING

Cooking fires are the number one source of fire damage to rental properties.

STAY ALERT

- To prevent cooking fires, you must



be alert. You won't be alert if you are sleepy, have taken medicine or drugs, or consumed alcohol that makes you drowsy.

- You should have access to a fire extinguisher in the kitchen and know where to find it and how to operate it before cooking.

WATCH WHAT YOU HEAT!

The leading cause of fires in the kitchen is unattended cooking.

- Stay in the kitchen when you are frying, grilling, or broiling food. If you leave the kitchen for even a short period of time, turn off the stove.
- If you are simmering, baking,

roasting, or boiling food, check it regularly, remain in the home while food is cooking, and use a timer to remind you that you're cooking.

- Keep things that can catch fire and heat sources apart.
- Keep anything that can catch fire – oven mitts, wooden utensils, food packaging, towels or curtains – away from your stovetop.
- Keep the stovetop, burners and oven clean.
- Wear short, close-fitting or tightly rolled sleeves when cooking. Loose clothing can dangle onto stove

See 'Fire-Prevention' on Page 5



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4500 S. Lakeshore Drive, Suite 300
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How to Plan Your Delaware Statutory Trust to Remove the Stress of a 1031 Exchange

By Matt McFarland, Senior Vice President, Kay Properties and Investments

Any investor who is considering selling a piece of investment real estate will undoubtedly consider a 1031 Exchange.

A 1031 Exchange refers to the IRS code that allows significant tax advantages for investors. How? When you sell an investment property and you have a profit, you normally are required to pay capital gains tax. A 1031 Exchange allows you to sell your investment real estate and reinvest the proceeds in a “like-kind” property, which defers any capital gains and other related taxes.

This doesn’t mean you are eliminating any of these taxes, rather you are able to defer them until a later date. However, any investor who has completed a 1031 exchange knows that one of the biggest hurdles to clear is the many time constraints and tight closing windows the IRS imposes when it comes to like-kind exchange investing.

The entire 1031 Exchange process must be completed within 180 days. The clock starts ticking day one after your relinquished property is sold and the funds are escrowed with Qualified Intermediary (QI).

On a side note, it is essential you never hold the proceeds from the sale outside of a QI. If you touch the funds at any time during the process, you eliminate your eligibility for a 1031 exchange and you have to pay all of the capital gains and other related taxes.

As an expert 1031 Exchange professional, I can tell you that it is the initial 45-day identification period that causes the most stress, as an investor is required to formally identify the property (or properties) they intend to purchase within a matter of about 6 weeks. More specifically, in order to avoid any tax liability, you must identify a property or properties that are of equal or greater value than the relinquished property. You can identify up to 3 separate properties with no regard to their value (3 property rule), or you can identify an unlimited number of properties that do not exceed more than 200% of the value of the relinquished property (200% rule).

Here’s a quick summary of the 1031 Exchange rules

investors should keep in mind when considering selling a piece of investment property:

- Entire 1031 Exchange process must be completed within 180 days
- Day 1 – Sell your property; proceeds are escrowed with a Qualified Intermediary (QI)
- Day 45 – Identify a property(s); you must notify your QI of the identified property(s)
- Day 180 – Close on new property; you must close within 180 days after the first sale
- Maintain equal or greater amount of equity
- Maintain equal or greater amount of debt

PLAN AHEAD TO REDUCE THE 45-DAY IDENTIFICATION STRESS

One of the best ways to mitigate the stress of this short time window is to begin searching and selecting potential like-kind properties before you officially close on your relinquished property and the 45-day time clock starts ticking.

When it comes to Delaware Statutory Trust properties, the underlying real estate that is a part of a particular offering is acquired and owned by the trust before it is ever accessible to 1031 exchange investors to consider as an option. This “pre-packaged” element of DSTs affords investors who are in the process of a 1031 Exchange the luxury of a quick and seamless close of their purchase of a DST property.

Another great benefit of DSTs for 1031 Exchange investors is that they can make a great backup or contingency plan. Real estate deals fall apart all the time, and if your replacement property in a 1031 Exchange falls apart for any number of reasons, you could be in a tight spot. Using a DST as an “identified” property makes a great contingency plan if your initial deal does fall through.

However, it is important to remember that even though the Real Estate Sponsor Company has completed their due diligence and acquired a particular property for one of their DSTs does not mitigate the need for an investor to conduct their own due diligence on the various DSTs.

Make sure to look at current DST properties offered on the

www.kpi1031.com marketplace.

All 1031 exchange investors, with the help of their Kay Properties’ Registered Representative, will assess the various opportunities to ascertain the best potential solution for their particular situation and/or circumstance.

WHEN IS THE BEST TIME TO START THE DST SELECTION PROCESS?

In most cases, the most opportune time to begin the screening process is about 30 days before you are scheduled to close on your relinquished or downleg property. The reason for this is simple – DST investments have a finite shelf life or a limited time in which they are ‘open’ for investment. DST offerings are capped at a specific value and as soon as the last dollar is invested, that particular DST offering is no longer available for further investment.

In my experience, DST offerings are typically available for purchase for about 1-3 months. In many cases, it would be an improper allocation of one’s time to begin the selection process 3-6 months out, as most of the opportunities considered will be sold out by the time they have the capital to invest as part of their 1031 exchange. Within 30 days, many of the opportunities will likely be viable options for one to consider as reservation can be made for one’s allocation.

In a perfect scenario, an investor has decided exactly which DSTs they are purchasing before they close on their relinquished property. This grants them the ability to quickly close on their DST investments as soon as the funds from the sale become available and successfully complete their 1031 exchange just a few days into their 45-day identification period.

Keeping these points in mind should not only greatly mitigate most of the stress associated with a 1031 exchange, they will also help you to potentially begin accruing cash flow immediately from their investments (a luxury afforded through the quick and seamless purchase of a DST relative to a traditional real estate transaction, which may stretch on for months).

For more information on the 1031 exchange and DST selection process, please reach out to your Kay Properties Registered Representative or visit www.kpi1031.com for more resources.

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.

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Chair’s Message

PAC Donation: An Important Investment



BRAD RANDALL
Chair,
Rental Housing Association of
Utah

It’s that time of year again when the RHA sends out our annual membership dues. You may notice on your 2023 dues bill an item listed as “Optional PAC Donation.” This is a recommended amount suggested to every member of the UAA based on their size and ability to pay.

Many of our members view the PAC donation as an important investment in their business. Contributing to the

PAC is so important because it enables the association to fulfill one of its main goals and functions of representing your interests and your rights to the state and local governments.

Every year things are proposed that can negatively affect landlords and your bottom line. Our neighboring states have been battling rent control, application fee bans and caps, late fee bans and caps, eviction time frame extensions and many more. Rental operators have never been so big a target as they are now. Never have tenants’ advocates and others worked so hard to take away property rights and swing Utah’s balanced landlord/tenant laws their way.

Through the PAC we are able to foster respectful working relationships and help educate others about the issues important to our industry and to our members. We work hard to find lasting solutions through common ground and compromise that will benefit our members both now and in the future, and which will have a positive impact on all

parties involved.

We can only accomplish these goals with donations from members like you. Your PAC contributions make a real and lasting impact. No matter what kind of rental homes you have, or how many you have, the RHA is here to help you succeed. Let’s all work together to make sure it stays that way.

If you are not able to donate to the RHA PAC when you send in your dues check, don’t worry! You can make a donation at any time by calling the RHA staff or by sending in a check by mail. If you do make a donation, thank you in advance for helping us work to preserve and improve the laws governing our industry.

Last year RHA’s PAC raised \$102,831 and with your help, we are on track to exceed that amount this year. Thanks for supporting the PAC!

Ask the Attorney

Handling a Domestic Violence Issue



JEREMY SHORTS, Esq.
Utah Eviction Law

DEAR ATTORNEY: One of my tenants is asking me to change the locks because they are a victim of domestic violence. What should I do?

ANSWER: First, you will always want to show compassion and make sure you are doing what you can to keep all of your tenants safe. If any tenant feels their safety is in jeopardy, they should call the police and seek help.

Second, under Utah law, victims of domestic violence have certain protections when dealing with leases. They can choose to either:

- 1. Have the landlord change the locks to exclude the perpetrator, or

- 2. Terminate the lease (only as to the victim) by paying 45 days of rent.

Either way, the victim tenant should :

- 1. Clearly tell the landlord what they are requesting,
- 2. Provide documentation (either a police report or protective order) showing they are a victim of domestic violence, and
- 3. Pay for the costs of what they have decided (either pay for the locks to be changed or pay 45 days of rent)

If the locks are changed, the perpetrator tenant cannot enter the property, but they remain liable for paying rent as it comes due. We recommend that you keep copies of everything to document your file.

Jeremy Shorts, Esq.
Utah Eviction Law
Phone: 801-610-9879
Fax: 801-494-2058
Email: info@utahevictionlaw.com





UPCOMING
EVENTS

CAM/CAS Classes

Oct. 18, 2022 – 9 a.m. to 2 p.m. – Human Resources
Oct. 25, 2022 – 9 a.m. to 2 p.m. – Marketing
www.uaahq.org/cam-certification
www.uaahq.org/cas-certification

UPRO Certification Classes

Oct. 13, 2022, 2022 – 9 a.m. – Low Income Housing and Working with Government Agencies

Oct. 13, 2022 – 11 a.m. – Property Management Regulations & Management Agreements
www.uaahq.org/upro

MAINTENANCE MANIA

Oct. 11, 2022 – 9 a.m. to 2 p.m. – Sport City Draper
757 W. 11400 South
Draper, Utah

SOUTHERN UTAH EDUCATION CONFERENCE

Nov. 30, 2022 – 8 a.m. to 5 p.m. – Dixie Convention Center
1895 S Convention Center Drive
St. George, Utah

Stay up-to-date at:
<https://www.rhautah.org/events/>



2022 Premier Sponsors



Director's Message

Thank You For Allowing Us to Help You



L. PAUL SMITH, CAE
Executive Director,
Rental Housing Association of
Utah

This time of year, as we send out renewal notices to members like you and plan our events, activities, classes and programs for the next year, we just wanted to pause and take a moment to let you know how grateful the RHA staff is to

work for members like you and for our industry as a whole. We are excited about 2023. We are already hard at work on our government affairs agenda and will be working throughout the legislative session to ensure that your interests and rights are protected and that your voice is heard. We have several new education options available for professional growth and to help your maintenance team members expand their horizons and get better at what they do best.

Our 2023 Fair Housing Education Conference & Trade Show in April is already slated to be bigger than last year with more supplier partners on hand to share their services and products with you. In 2022 we have enjoyed a full schedule of events that even grew in attendance and value

after being on pause during the pandemic, and you'll have to see what 2023 brings to believe it. Truly though, none of this would be possible without you. As a member of the association, you can be proud in the knowledge that your contribution – big or small – goes directly toward helping to ensure that the RHA will continue to be Utah's leading advocate and resource for the owners, real estate professionals, developers, management teams, suppliers and service providers dedicated to quality rental housing.

We encourage you to renew your membership and tell others you know who are not yet members about the benefits of membership!

Fire-Prevention
Tips to Follow

Continued from Page 1

burners and can catch fire if it comes in contact with a gas flame or electric burner.

TURKEY FRYERS

NFPA discourages the use of outdoor gas-fueled turkey fryers that immerse the turkey in hot oil. These turkey fryers use a substantial quantity of cooking oil at high temperatures, and units currently available for home use pose a significant danger that hot oil will be released at some point during the cooking process. The use of turkey fryers by consumers can lead to devastating burns, or other injuries and the destruction of property.

CANDLES

If you allow candles in your property at all, it is important that your tenants follow these guidelines:

- Consider using battery-operated flameless candles which can look, smell, and feel like real candles.
- Use sturdy, safe candleholders.
- Protect candle flames with glass chimneys or containers.
- Keep candles at least 12 inches from anything that can burn.
- Never leave a burning candle unattended. Avoid using candles in bedrooms and sleeping areas. Extinguish candles when you leave a room. Keep children and pets away from burning candles.
- Be careful not to splatter wax when extinguishing a candle.
- Never use a candle when medical oxygen is being used.
- Always use a flashlight – not a candle – for emergency lighting.

HEATING

- Have a three-foot “kid-free zone” around open fires and space heaters.
- Supervise children when a fireplace, fire pit, or other space heater is being used. Use a sturdy, metal screen to prevent contact burns, which are even more common than flame burns.
- All heaters need space. Keep things that can burn, such as paper, storage boxes, bedding or furniture, at least 3 feet away from heating equipment.
- Use heating equipment that has the label of a recognized testing laboratory.
- Never use your oven for heating.
- Install stationary space heating equipment, water heaters or central heating equipment, according to the local codes and manufacturer's instructions.
- Make sure all fuel-burning vented equipment is vented to the outside to avoid carbon monoxide poisoning. CO is created when fuels burn incompletely. CO poisoning can cause illness and even death. Make sure the venting for exhaust is kept clear and unobstructed. This includes removal of snow and ice around the outlet to the outside.
- Install and maintain carbon monoxide alarms to avoid risk of carbon monoxide poisoning.
- Maintain heating equipment and chimneys by having them cleaned and inspected annually by a qualified



professional.

PORTABLE ELECTRIC SPACE HEATERS

- Turn heaters off when you go to bed or leave the room.
- Use and purchase portable space heaters with an automatic shutoff so if they're tipped over they will shut off.
- Place space heaters on a solid, flat surface.
- Plug power cords directly into outlets and never into an extension cord.
- Inspect for cracked or damaged, broken plugs or loose connections. Replace before using.

WOOD-BURNING STOVES AND FIREPLACES

- Install the stove, chimney connectors and chimney following manufacturer's instructions or have a professional do the installation.
- Burn only dry, seasoned wood. In pellet stoves, burn only dry, seasoned wood pellets. If using artificial logs, follow the manufacturer's directions and never burn more than one log at a time.
- Start the fire with newspaper or kindling, never with a flammable liquid, such as lighter fluid, kerosene or gasoline.
- Have a sturdy screen on a fireplace. Keep the doors of your wood stove closed unless loading or stoking the live fire.
- Allow ashes to cool before disposing. Dispose of ashes in a tightly covered metal container and keep the ash container at least 10 feet away from the home and any other nearby buildings. Douse and saturate with water.
- Chimneys and vents need to be cleaned and inspected at least once a year.

CHILDREN AND FIRE TOOLS

- Keep matches and lighters up high, out of the reach of children, preferably in a locked cabinet. It is an adult's job to keep fire tools away from children.
- If you feel you must keep matches or lighters more convenient, have only one lighter or matchbook and keep it securely with you at all times.
- Teach young children to tell a grown-up if they find

matches or lighters.

- Lighters that look like toys can confuse children. Do not buy or use them.
- If you are concerned about a child's use of fire tools or interest in fire, please contact your local fire department to find a Juvenile Firesetter Program, a free and educational class.

SMOKING

If your residents are allowed to smoke in the property, they should follow these guidelines carefully to prevent further damage to the property:

- Choose fire-safe cigarettes if they are available in your area. They are less likely to cause fires.
- If you smoke, smoke outside.
- Wherever you smoke, use deep, sturdy ashtrays.
- Before you throw out butts and ashes, make sure that they are out, and dousing in water or sand is the best way to do it.
- Never smoke where oxygen is being used.
- Never smoke in bed.
- Before going to bed, check under furniture cushions and in other places that people smoke for cigarette butts that may have fallen out of sight.
- To prevent a deadly cigarette fire, you have to be alert. You won't be if you are sleepy, or have taken medicine or drugs that make you drowsy.

OPEN-AIR BURNING

- Open-air burning is restricted in many areas. Call the local fire department or municipality before outdoor or open-air burning, including brush fires, fire pits, and burn barrels.
- Closely attend all outdoor fires.
- Use chimneys, outdoor fireplaces, and fire pits outdoors only and at least 10 feet away from the home or anything that can burn and any other nearby buildings.
- Fireworks should only be used in approved areas and at approved times. You must follow the safety instructions on the packaging to prevent injury and property damage.



EVENT INFO

**WHERE:**
Dixie Convention Center
1895 S. Convention Center Drive

**WHEN:**
Wednesday, November 30th - 8:30 AM to 5:00 PM

SCAN TO REGISTER


Southern Utah

2022 Fair Housing Conference

ABOUT EVENT

Join us on Wednesday, November 30th, for the RHA Southern Utah Fair Housing Education Conference for all Rental Housing Owners and Operators..

SCHEDULE

8:30 AM Registration

9:00 AM Welcome and Opening Session

9:30 AM Legal Issues: Management & Operation, *Kirk Cullimore Jr.*

10:30 AM Break – Visit Exhibitors

10:45 AM **BREAK OUT SESSIONS**

- Apartment Communities “Building a Culture of Service and Gratitude”, *Bill Nye*
- Single Family PM Companies – 30 Ways PM Companies Make Money
- Independent Owners – Property Management 101 Part 1

12:00 PM Lunch Panel - 2023 Legislative Issues

1:00 PM **BREAK OUT SESSIONS**

- Apartment Communities – “Conflict Isn’t Crazy - Not Resolving It Is”, *Bill Nye*
- Single Family PM Companies - Panel of Top Tips in Running a Successful PM Company
- Independent Owners – Property Management 101 Part 2

2:15 PM Break – Visit Exhibitors

2:30 PM Legal Issues: Tenant Screening & Fair Housing, *Kirk Cullimore Jr.*

3:45 PM Break – Visit Exhibitors

4:00 PM Closing Ceremonies and Raffle Prizes

\$89

Early Bird Registration
Lunch Included Until 10/31

*\$99 after November 1st *



Bill Nye -
Rental Housing Expert



Kirk Cullimore Jr. -
Rental Housing Attorney

Register Today!

rhautah.org/events



Publisher/General Manager
John Triplett

Editor-in-Chief
Linda Wienandt

Associate Editor
Diane Porter



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Terry Hokenson

Accounting Manager
Patricia Schluter

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

Mailing Address
4500 S. Lakeshore Drive, Suite 300
Tempe, AZ 85282

Website
www.RentalHousingJournal.com

Email
info@rentalhousingjournal.com

Phone
(480) 454-2728 - main
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The Perks and Pitfalls of Prepaid Rent

By SCOT AUBREY

The Saturday mornings of my youth were spent eating pancakes and watching cartoons on TV. One in particular, Popeye, had a character named Wimpy who was a well-known cheapskate. The line that defined his character most was, “I’d gladly pay you Tuesday for a hamburger today.”

Of course, he rarely showed up on Tuesday to pay his debt; as a landlord, you may be all too familiar with this type of scenario. On the other side of this is something that we are seeing more and more of industrywide, and that is prepaid rent, where a prospective tenant might say, “I’ll gladly pay you today for a roof over my head for the next six months.” For applicants who do not qualify for your property in a traditional way due to financial or other issues, prepaid rent may be an option that helps fill a vacancy and assists someone with housing.

As with anything outside the normal transaction, there are some rules to be aware of that vary from state to state, so we always advise consulting your local landlord attorney on what works best for you. With evictions on the rise, please review the following guidelines of which to be aware if presented with this unique way of collecting rent.

WHAT PREPAID RENT IS NOT

Sometimes the best way to understand what something is, is to understand what it isn’t. In this case, prepaid rent is not:

- **A substitute for criminal and credit background screening checks:** Always adhere to your criteria in every situation and do not be tempted to change a “denied” applicant with disqualifying criminal or credit

- history into an “approved” as a response to their offer to prepay rent.
- **A security deposit:** Most states limit the security deposit to 1.5 times to 2 times the monthly rent. However, there is normally not a cap on prepaid rent amounts.
- **A holding account for your tenant to use when they need funds:** The tenant must understand that they forfeit rights to this money until it has all been used to cover the agreed-to payments for the agreed-to rental term.
- **A source of funds for tenant late fees, court fees, or attorney fees.**

As an example, if you collect \$6,000 in prepaid rent and the rent is \$1,000 per month, you have six months’ rent. Nothing more, nothing less.

LOOKING FOR VOLUNTEERS

Don’t go running out and start shouting from the rooftops that you are now accepting prepaid rent for your property. In every state this will immediately get you in trouble. The key word to understand when discussing prepaid rent is voluntary. I can’t stress this enough; the tenant must initiate any and all conversations regarding prepaid rent. Any mention of it by you as the landlord could be considered coercion, and that will get you an automatic loss in court.

GET IT IN WRITING

If your tenant initiates a conversation about prepaid rent, make sure before collecting any monies that you have the agreement in writing. Ideally you would have this included and agreed to in your lease. If that’s not possible, we recommend creating an addendum that should be signed



by both parties. You can receive a free copy of our recommended addendum language by requesting it from info@rentperfect.com.

MONEY MANAGEMENT

As recommended earlier, it is a best practice to create a separate account for each property where you can hold any prepaid rent. Two important things if you accept prepaid rent are:

1. If — and only if — a tenant is evicted from the property, you can use any remaining prepaid rent to pay for expenses related to the property that exceed the security deposit, and
2. No refunds of excess funds are considered returnable until the lease/contract has been completed and all accounting is completed.

Let me reemphasize that the security

deposit and any prepaid rent are completely separate and should be managed in a way that you can verify their independence.

Ideally, every one of your tenants would come to you financially qualified with a crime-free history and no record of evictions. In reality, we know that many of your applicants may present issues that disqualify them from being the ideal tenant. If they offer to prepay their rent, use this as a reference point and counsel with your landlord attorney to ensure you are following your local and state laws.

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





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Multifamily Rents ‘Hit Brakes’ in September

RENTAL HOUSING JOURNAL

The long run of multifamily rent growth “hit the brakes” in September as the economy continued to cool, Yardi Matrix says in its latest monthly report.

Yardi Matrix says multifamily rents remained unchanged in September, while Apartment List reported rent declines in a number of metro markets, indicating the accelerated rent growth fueled by the pandemic has officially ended.

“After a year-and-a-half of record-setting growth, multifamily rents have hit the brakes. Asking rents have flattened this summer at \$1,718 for three months in a row. That comes after rents rose more than 20 percent since January 2021,” Yardi Matrix says in the report.

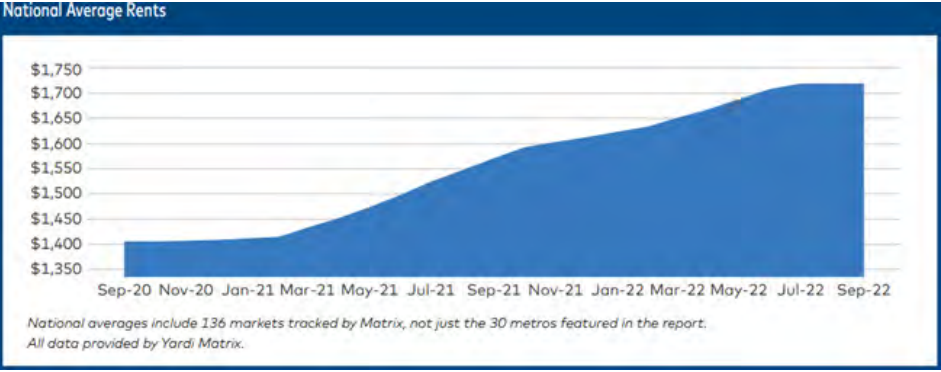
REPORT HIGHLIGHTS:

- Multifamily rents were flat in September, as the market continues to decelerate along with the rest of the economy. The average national

asking rent was \$1,718, the same rate as August. Year-over-year growth decelerated 150 basis points to 9.4 percent. National occupancy rates remained steady at 95.9 percent.

- After five months of declining lease renewals, the lease renewal rate increased 60 basis points in August to 59.1 percent. Year-over-year renewal rent growth also increased 50 basis points, to 10.8 percent. In addition, rent-to-income ratios rose nine basis points nationally for all units in August.
- Rents decreased in the single-family sector for the second month in a row in September. The average single-family asking rent decreased by \$7 to \$2,081, while year-over-year growth dropped by 170 basis points to 7.8 percent. Overall occupancy also decreased 10 basis points, to 1.1 percent.

“The cooling economy is beginning to show its effect on multifamily. However, key



National Rents Dip for a Second Month

Trend Seen as a ‘Notable Shift’

RENTAL HOUSING JOURNAL

National rents declined by 0.2 percent over the course of September, marking the first time this year that the national median rent has declined month-over-month, according to the September report from Apartment List. Rents fell in 69 of the 100 largest cities.

“The timing of this slight dip in rents is consistent with a seasonal trend that was typical in pre-pandemic years. Assuming that trend continues, it is likely that rents will continue falling in the coming months as we enter the winter slow season for the rental market,” the report says.

Apartment List points out that the recent rent declines are in line with the normal seasonal trends pre-pandemic.

“But given how atypical the market has been for the past two and a half years, this month’s return to pre-pandemic seasonality represents a notable shift,” according to

Apartment List’s report.

“Last September, rents spiked by 1.9 percent month-over-month, as the market continued on an unprecedented stretch of record-setting rent growth which disrupted seasonal trends. In contrast, from 2017 to 2019, rents fell by an average of 0.3 percent in September, right in line with this month’s decline. Assuming that this year’s trajectory continues to follow normal seasonal trends, we can expect to see additional modest declines in the months ahead, as rental market activity slows during the winter months.”

The slowing rent growth is being mirrored by continued easing on the supply side of the market, the report says.

“After bottoming out at 4.1 percent in October 2021, our national vacancy index has been on a trend of gradual easing. This month it rose to 5.3 percent and has shown nearly one full year of continued, albeit slow,

Market	All Units	Lifestyle Units	Renter-by-Necessity Units
New York	33.9%	31.2%	36.8%
Orange County	33.6%	29.7%	37.6%
Washington DC	33.0%	30.4%	34.8%
Sacramento	32.4%	28.8%	38.7%
Los Angeles	32.4%	28.1%	36.1%
San Francisco	32.1%	28.5%	36.2%
Inland Empire	31.9%	30.5%	33.1%
Baltimore	31.4%	28.8%	32.7%
Orlando	31.4%	30.5%	32.5%
Portland	31.1%	29.8%	33.2%
Tampa	31.1%	29.5%	32.8%
Seattle	30.4%	28.2%	34.0%
Nashville	30.3%	25.8%	35.1%
Las Vegas	29.3%	27.7%	32.9%
Philadelphia	29.3%	27.6%	30.4%
Denver	28.9%	27.3%	31.2%
Phoenix	28.8%	27.1%	30.8%
Atlanta	28.7%	28.3%	29.7%
San Jose	28.3%	26.9%	30.2%
Twin Cities	28.1%	26.1%	30.0%
Boston	28.0%	25.8%	32.9%
Charlotte	27.9%	26.4%	31.6%
Chicago	27.8%	25.0%	29.3%
Raleigh	27.6%	27.1%	29.0%
Dallas	27.5%	26.4%	29.2%
Miami	27.3%	26.5%	29.6%
Houston	27.0%	24.9%	30.1%
Austin	26.5%	25.6%	28.7%
Indianapolis	25.9%	23.3%	27.5%
Kansas City	24.2%	22.8%	25.2%

fundamentals remain strong,” Yardi Matrix says in the report.

“Rent decreases continue to be concentrated in high-end lifestyle units, which dropped 0.3 percent nationally in September. Rents increased 0.2 percent for renter-by-necessity units and stabilized nationally for all units.

“Despite the flattening rent growth, much about the market remains positive. National asking rents are still at record highs, and national occupancy rates have been hanging around 96 percent since June of 2021.”

Yardi Matrix has two new additions to its monthly report, lease-renewal percentages and rent-to-income ratios in top metros.

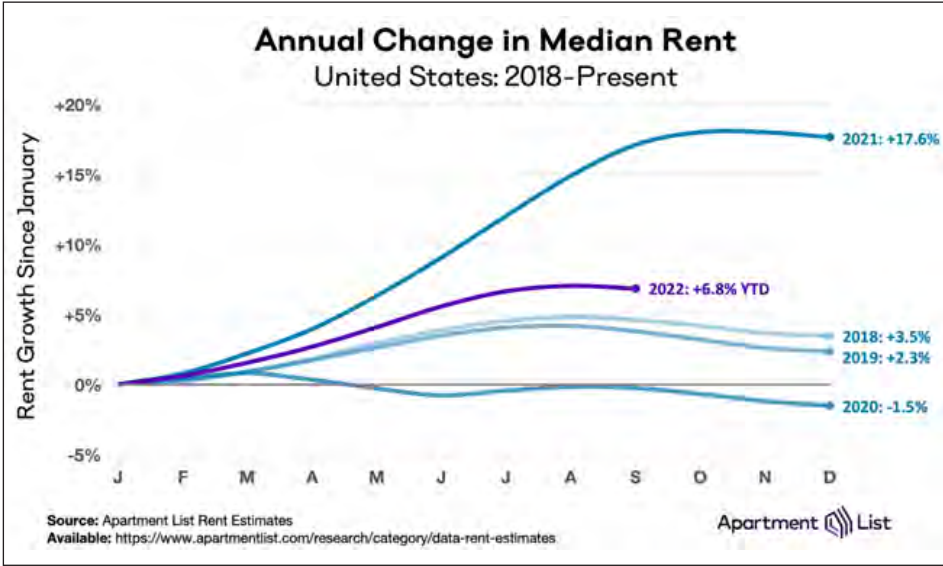
- Monthly lease renewals increased in August after falling each month since February of this year. With the Fed hiking up interest rates, buying a home has grown out of reach for

many, and renewal rent growth, while high, is typically lower than rent growth for a new lease.

- National rent-to-income ratios for all units were 29.0 percent in August, 9 basis points higher than July.

“The outlook for multifamily remains strong, although the market may be coming to an end of its extraordinary run of rent growth. Demand is slowing as migration and household formation drop to normal levels,” Yardi Matrix says.

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.



improvements,” the report says.

“It’s worth noting, though, that rental vacancies are intertwined with housing availability in the for-sale market, and it’s possible that spiking mortgage rates are dampening the rebound in the rental-vacancy rate. High interest rates can sideline potential

first-time homebuyers and keep them in the rental market longer. Two years of sustained rent inflation may also be incentivizing renters to stay put and renew existing leases rather than looking for new ones.”



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Pete Regules

Pete has held leadership positions with the Apartment Association of Greater Orlando, the Florida Apartment Association (FAA) and the National Apartment Association (NAA). He has earned the coveted Paragon Award from NAA.



Virginia Love

Virginia began her multifamily career over 25 years ago as a leasing consultant. Love has presented countless leasing, marketing and operational speaking engagements, training sessions, events and served on industry advisory boards.



The go-to periodical for property management professionals and multifamily investors doing business throughout Utah

Although not frequent, relay-operator calls do come into leasing offices from callers who have hearing issues. What are your policies and procedures when it comes to how to navigate these types of calls? Do they comply with fair housing laws? Does everyone on your staff have sufficient training to avoid a fair housing complaint?

While technology is evolving to help people with communication disabilities, the use of relay-operator calls still exists. Relay-operator calls are a service used by deaf or hard-of-hearing individuals. It employs a communication assistant, or relay operator, who relays the call between two parties by reading out what the hard-of-hearing or deaf individual types using a specific machine while typing back whatever the speaking individual says. While this form of communication can be helpful, it is also time-consuming, posing a problem for a very busy leasing office.

A recent testing campaign shared some pretty concerning results. Nearly half of the properties tested did not know how to correctly respond to or handle relay-operator calls. Even worse were some of the comments that were recorded, such as, “I don’t have time for this,” or “I don’t know what this is about,” followed by the leasing agent hanging up the phone.

As a result of this campaign, multiple lawsuits were filed, since refusing to talk to a relay operator and provide information is discriminatory and is considered denying access to housing because of a disability.

The relay-operator testing campaign clearly highlights the need for training. That training needs to target specific situations like this. Training should include practicing the many different situations that can arise when handling a relay-operator call.

For example, how would you or your staff handle being on a relay call and having another prospect walk into the leasing office looking for information? The easy thing may seem to



be to tell the relay operator that they will have to call back, but that could be perceived as discrimination, that the leasing agent would rather work with a person without disabilities. Best practices would be to quickly and respectfully tell the person who walked in that you are on a call that may take some time and that you will be with them as soon as possible.

Another pitfall that proper training can help you avoid is over-explaining or offering information without it being requested. For instance, just because you are talking to a hard-of-hearing or deaf person, you do not need to launch into describing your units that accommodate their disability. Go about your regular presentation and only offer this information if asked.

Work with your team to brainstorm other situations that might arise and work together to find fair housing-friendly solutions.

Remembering to treat every person that walks in, calls, or contacts your leasing office the same way will aid greatly in

Although relay-operator calls may take a considerable amount of time, and we may already be very busy, these calls need to be handled in a timely and respectful manner.

Be sure to give all the same information that you would for any other call, regardless of how long it might take, so as to avoid a possible fair housing complaint.

Even though the technology is changing and relay calls may be happening less frequently, proper protocols on how to handle them still need to be part of your fair housing training program.

*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. Learn more at the Fair Housing Institute's website:
www. <https://fairhousinginstitute.com/>*

A hand with a blue ring on the ring finger points towards the 'Asphalt' checkbox. The hand is positioned on the right side of the poster, with the index finger extended and pointing left. The person's arm and part of a grey shirt are visible.

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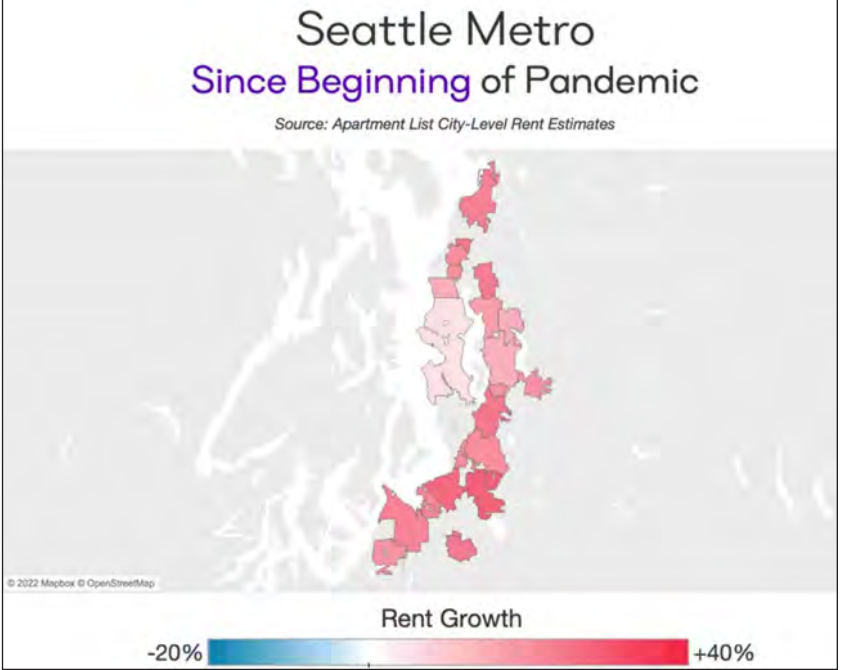
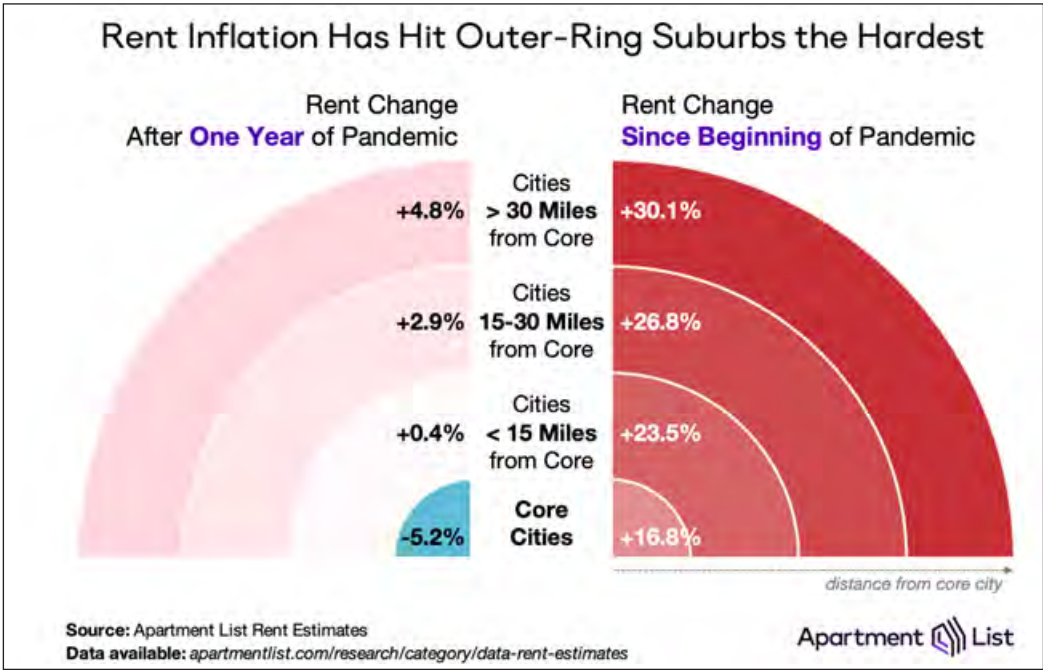
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Outer Suburbs Hit Hardest by Rent Inflation Since 2020

By Chris Salviati and Rob Warnock
Apartment List

Rent inflation has hit the outer-ring suburbs of major metros the hardest in the last two and a half years, according to new research from Apartment List.

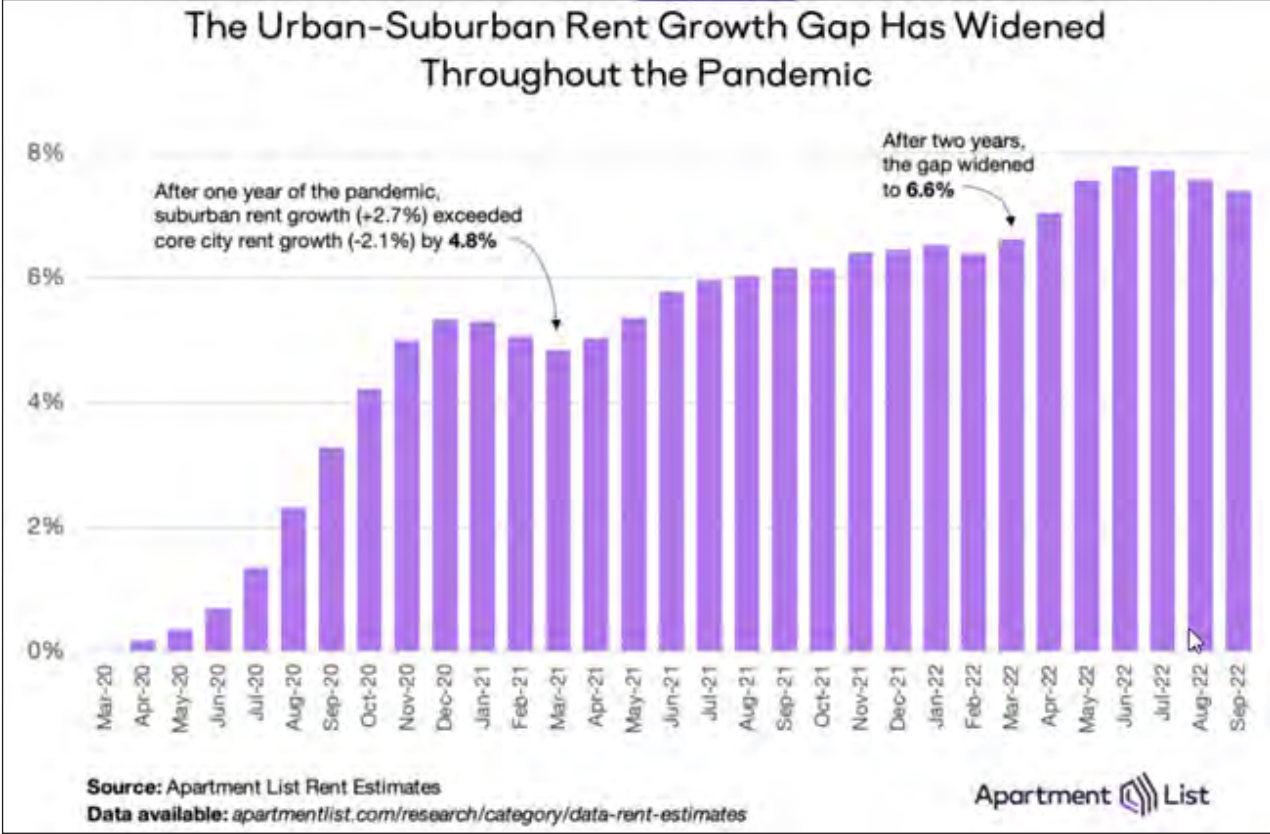
The report says, “Over the past two and a half years, the rental market has been on a rollercoaster ride, as the pandemic has shaken up the ways that we live and work. As remote (work) has made proximity to the office less of a concern for housing choice, one result has been that the suburbs of large metros have been experiencing notably faster rent growth than the core cities that they surround,” write Chris Salviati and Rob Warnock in the report.

“We estimate that since March 2020, rents have increased by an average 19.8 percent in the core cities of large metros, while the suburbs of these metros have seen rents spike by 27.2 percent,” Salviati and Warnock write.

The report says the impact of remote work on these changing preferences “would seem to be validated by an additional finding that emerges when we break down our suburban rent data into more granular categories.

“Namely, the fastest rent growth since March 2020 has been occurring in the suburbs that sit furthest from the urban core. For the purposes of this analysis, we have limited the data to 13 large metros where we have robust rent estimates for a wide swath of suburbs at varying distances from the core city.

“Among these 13 metros, the first year of the pandemic brought an average rent decline of 5.2 percent in the core cities. Over that same year, the outer-ring suburbs that sit more than 30 miles from the core city saw the fastest rent growth, with an average increase of 4.8 percent, roughly proportional to the decline in the core cities. Looking over the full pandemic period, rents in the core cities have risen by



an average of 16.8 percent since March 2020. Over the same period, the near suburbs that lie within 15 miles of the core cities saw rents increase by 23.5 percent,” the report says.

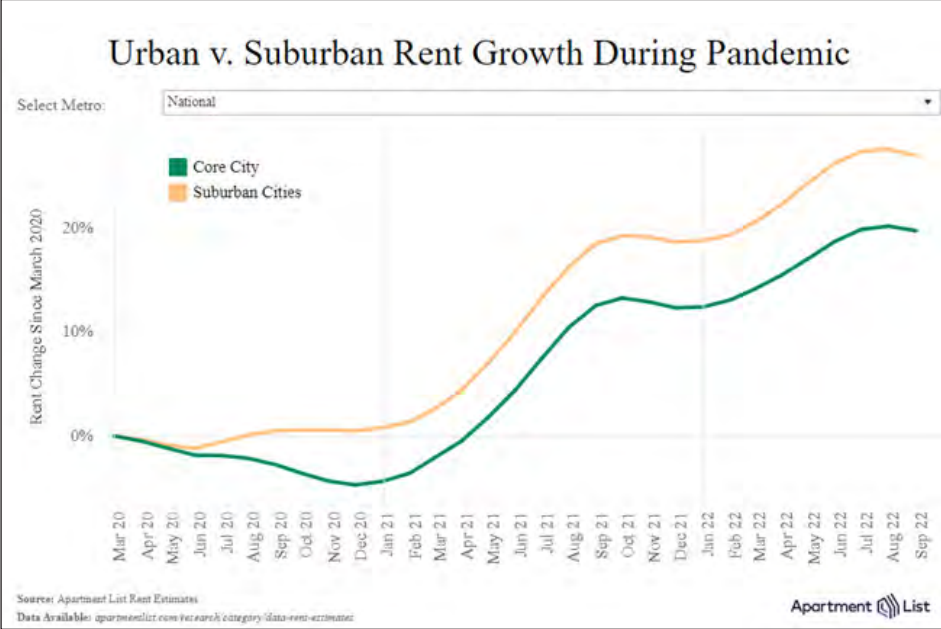
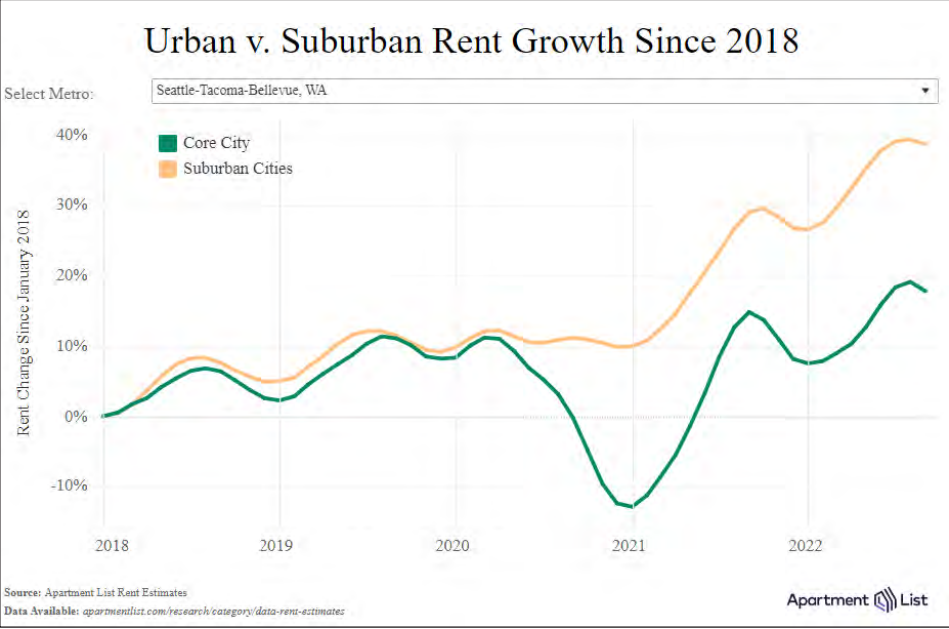
“Meanwhile, the mid-distance suburbs (15 to 30 miles from the core city) experienced rent growth of 26.8 percent, and the farthest flung suburbs that are more than 30 miles from the urban core have seen the fastest rent growth at 30.1 percent. In other words, rent growth has been progressively hotter moving outward in concentric rings from the urban core.”

SOME HIGHLIGHTS:

- In the first year of the pandemic, rents in the city of Phoenix rose by 5.8 percent, compared to an increase of 7.8 percent in the metro’s surrounding suburbs.
- From the start of the pandemic to present, Phoenix rents are up by 33.2 percent, while the metro’s suburbs have seen rents rise by 34.9 percent.
- Among the 39 metros that we analyzed, 33 have seen rent growth in the suburbs outpacing that of the core cities. On average, rent growth has been fastest in the suburbs that sit farthest from the urban core.

The past two and half years “have ushered in rapid changes to the ways that we live and work, driving significant shakeups to the housing market. One such disruption has been a spike in demand for suburban rentals. Even before the pandemic, increasingly unaffordable housing costs close to the urban core had been pushing more and more renters to the far peripheries of the nation’s large metro areas, resulting in a proliferation of “super commuters.” Spiking demand in the far suburbs appears to have more to do with affordability than with geographic preference – this trend should only emphasize the need for sustainable development with easy transit-oriented access to the urban core.”


Chris Salviati is a senior housing economist at Apartment List, where he conducts research on economic trends in the housing market. Chris previously worked as a research assistant at the Federal Reserve and an economic consultant, and he has BA and MA degrees in economics from Boston University. Rob Warnock is a senior research associate at Apartment List, where he examines trends in the housing and rental markets. Previously he worked in public health policy, and before that, graduated from UCLA with a degree in Globalization.





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