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Circulated Monthly To Thousands Of Apartment Owners, Property Managers, On-Site & Maintenance Personnel



Winter Maintenance Best Practices

By DEREK STUDEBAKER

Strategic planning makes all the difference when successfully managing a multifamily community throughout the seasons. Waiting until changes in weather hit could leave you in a bind. As winter approaches, implement a plan to help your team continue to provide an exceptional living experience.

Is your multifamily community ready for winter? Here are some best practices to better prepare for the change in seasons.

BE PROACTIVE AND PREPARED

Year after year, we know changes in seasons will present the same challenges at multifamily communities. Set your teams up for success by reviewing protocol and pre-ordering supplies you may need for anticipated maintenance requests, such as heating-system repairs. When in doubt this winter, be proactive and err on the side of caution. Prepare

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U.S. Rents Decline in November

RENTAL HOUSING JOURNAL

The national index fell by 1 percent over the course of November, marking the third straight month-over-month decline, and the largest single-month dip in the history of the Apartment List index, going back to 2017, according to the December report from Apartment List.

The report says rents are likely to continue to dip in the coming winter months as well.

“The timing of the recent cooldown in the rental market is consistent with the typical seasonal trend, but its magnitude has been notably sharper than what we’ve seen in the past, suggesting that the recent swing to falling rents is reflective of a broader shift in market conditions beyond seasonality alone,” the research team writes in the report.

Year-over-year rent growth has slowed considerably since the first of the year and is close to matching pre-pandemic levels.

Rents decreased in 93 of the nation’s 100 largest cities that Apartment List measured.

Among large metros nationwide, Seattle saw the sharpest decline in November, with prices down by 2.6 percent month-over-month.

“And over a longer horizon, we are



continuing to see an ongoing cooldown in many of the recently booming Sun Belt markets. Las Vegas, Phoenix, Jacksonville (Fla.), and Riverside (Calif.) have all seen rent growth of 30 percent or more since March 2020, but none of these metros has seen rents increase by more than 1 percent over the past twelve months,” the report says.

“This year’s dip has so far been sharper than what we typically see. Prices have now fallen by a total of 2.2 percent since August, which is the sharpest three-month decline in the history of our index.

“The recent dip suggests that we may be entering a new phase of the rental-market rollercoaster, with changing economic conditions now driving a cooldown rental demand just as supply constraints are easing. It’s likely that rents will decline further in the months ahead, as rental market activity continues to slow during the

winter months,” the research team writes.

VACANCY RATE CONTINUES TO CLIMB

The report says the pace at which the vacancy rate is easing has been picking up a bit of steam in recent months, as rent growth has turned negative.

From April through August, the vacancy index ticked up by a total of just 0.2 percentage points, from 5.1 percent to 5.3 percent. But from August through November, it has increased by 0.6 percentage points, reaching 5.7 percent this month.

The report summarizes that the recent rent declines are “still quite modest in comparison to the skyrocketing growth of last year, and the national median rent is still 23 percent higher than it was in January 2021.”

Suit Challenges Cap on Screening Fees



RENTAL HOUSING JOURNAL

Two property management groups have sued the city of Eugene, Oregon, over a city-imposed \$10 cap on rental-applicant screening fees.

Thorin Properties and Jennings Group, Inc. charge in the lawsuit that Oregon law grants landlords the right to collect applicant-screening charges sufficient “to cover the costs of obtaining information about an applicant.”

The property management groups say they told Eugene officials that application screening “typically costs four to five times more” than the \$10 cap, according to the *Eugene Register-Guard*.

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Sponsored Content

10 Reasons Investors Should Consider FedEx as a Tenant for DST 1031 Exchange Investment in 2023

By DWIGHT KAY, FOUNDER & CEO OF KAY PROPERTIES & INVESTMENTS

When investors evaluate potential opportunities for their 1031 Exchanges, they should not only consider Delaware Statutory Trust offerings, but also those DST offerings that feature one major distribution and logistics tenant: FedEx. While no one has a crystal ball and can predict the performance of any real estate asset, we are encouraged by one corporation that leases thousands of locations across the country: FedEx.

According to the American Association of Independent Investors (AII) FedEx Corporation (FedEx) provides a robust portfolio of transportation, e-commerce and business services and operational units under the FedEx brand umbrella, including:

- **FedEx EXPRESS** — The FedEx Express segment offers a range of United States domestic and international shipping services for delivery of packages and freight.
- **FedEx GROUND** — The FedEx Ground segment provides small-package ground delivery services, which includes day-certain service to any business address in the United States and Canada, as well as residential delivery services through its FedEx Home Delivery service.
- **FedEx FREIGHT** — The FedEx Freight segment offers less-than-truckload (LTL) freight services.
- **FedEx SERVICES** — The FedEx Services segment provides sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and certain back-office functions that support the Company's operating segments.



As a corporate backed-net lease tenant, Kay Properties likes FedEx for a number of fundamental reasons, including FedEx has a market capitalization of \$58.40 Billion making them a very well capitalized tenant to help investors sleep well at night that they have a tenant on a long-term lease that will likely be able to pay rent each month*. Again, while all real estate investments contain no guarantees of monthly distributions and investors should read each PPM paying special attention to the risk section prior to considering an investment, Kay Properties likes FedEx as a tenant for DST properties, especially during turbulent times that need an anchor tenant like FedEx.

Here are 10 reasons Key Properties likes FedEx for DST 1031 investments in 2023.

1. UP, UP AND UP

According to a recent article in MarketWatch, FedEx stock continues to soar, reaching its biggest one day gain in 29 years on June 14, 2022, resulting in a 14.4% increase in share price. This type of growth occurring during a bear market and at a time when many public companies' share prices are plummeting, is worth taking note.

2. SHAREHOLDER HEAVEN

FedEx also just raised its shareholder dividend by 53%.... Again, this occurred during a bear market when the broader stock market is taking a beating.

3. DST ESSENTIAL

Over the years, Kay Properties has provided several FedEx DST investments for our investors. While past performance does not guarantee or indicate the likelihood of future results, each FedEx DST investment provided regular monthly rental distributions for our client each and every month - even during COVID-19 pandemic. The essential nature of the FedEx business makes it a popular choice for DST investments.

4. JUST ORDER IT ONLINE

E-Commerce Logistics Market Is Booming Worldwide and FedEx is a recipient of this growth trajectory. An article in Digitaljournal reports that this hyper-growth is being fueled by the increased consumer adoption using e-commerce as a convenient and

viable purchasing practice. Additionally, the internet continues to penetrate pockets of consumers worldwide which allows cross-border e-commerce activities, and a growing number of e-commerce business models being developed worldwide. All of this feeds into the need for a reliable, logistics company as FedEx.

5. MORE TRUCKS, PLEASE!

Parcel volumes continue to grow. According to Pitney Bowes, a technology company that is known for its postage meters and other mailing equipment, FedEx saw its revenue swell to \$62 billion in 2021 while growing its market share. The Pitney Bowes survey also found that 23% of American shoppers are shopping more online than ever in their lives, and that nearly 40% of all purchases are now being conducted online.

6. EXPENSE INFLATION PROTECTION POTENTIAL

DST investments with long-term leases to tenants like FedEx are often Net Leased whereby the tenant and not the landlord is responsible for the majority, if not all of, the property level maintenance, taxes and insurance costs. This can be a very nice thing in an inflationary environment when your tenant is responsible for increased costs due to inflation and not you as the landlord. This is not the case with many DST investment asset classes such as multifamily, self storage and others whereby the landlord is responsible for all maintenance, taxes and insurance cost increases due to rising inflation.

7. A HIGH-MARGIN BUSINESS MODEL

FedEx has done a remarkable job leveraging its reliable and growing pick-up and delivery (P&D) routes, its linehaul run routes, and its efficient expense management practices. As a result, FedEx continues to deliver higher than average profit margins within the logistics and delivery industries, and presents a real challenge for any competitor to attempt to penetrate its business model.

8. ROOM TO GROW

FedEx has a "lucrative backdoor" that can grow into a larger role in e-commerce. According to a Citigroup analyst, FedEx can boost its profits by \$1 billion annually just by leveraging its recent takeover of ShopRunner and the technology prowess of Microsoft. By doing this, explained the Citigroup analyst, FedEx could become e-commerce's universal shipping cart that would attract a base of millions of subscribers that would receive free expedited shipping.

9. THE ANCHOR TO A DST 1031 INVESTORS PORTFOLIO

A DST with a long-term lease to a company like FedEx can be a potential anchor to an investors DST 1031 portfolio in turbulent times. With a pending recession and uncertainty throughout the world, having a long-term net lease with one of the world's largest companies can be an anchor for an investors DST 1031 portfolio. Although all investments have risks and investors should read each Private Placement Memorandum (PPM) carefully, investors are deciding that a piece of their DST 1031 investments in a debt-free FedEx DST property makes a lot of sense in today's uncertain economic climate.

10. DEMAND FOR INDUSTRIAL LAND SURGES

The exponential growth of e-commerce has created a huge need for warehouse and data center space. According to a recent Wall Street Journal article, the e-commerce boom has already turned warehouses and fulfillment centers into one of the hottest property types on the planet. This lack of available space suitable for logistics operations has also meant that rents are surging while vacancy rates are some of the lowest in history.

About Kay Properties and www.kpi1031.com

Kay Properties & Investments 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.

* Past performance does not guarantee or indicate the likelihood of future results.

* No representation is made that any DST investment will or is likely to achieve profits or losses similar to those achieved in the past or that losses will not be incurred on future offerings.

Diversification does not guarantee profits or protect against losses. All real estate investments provide no guarantees for cash flow, distributions or appreciation as well as could result in a full loss of invested principal. Please read the entire Private Placement Memorandum (PPM) prior to making

an investment. This case study may not be representative of the outcome of past or future offerings. Please speak with your attorney and CPA before considering an investment.

There are material risks associated with investing in real estate, Delaware Statutory Trust (DST) properties and real estate securities including illiquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. All offerings discussed are Regulation D, Rule 506c offerings. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential distributions, potential returns and potential appreciation are not guaranteed. For an investor to qualify for any type of investment, there are both financial requirements and suitability requirements that must match specific objectives, goals, and risk tolerances. Securities offered through FNEX Capital, member FINRA, SIPC.

Strive to Ensure Inclusivity and Diversity

By The Fair Housing Institute

The holiday season is upon us, and we should all be preparing to ensure an inclusive and diverse environment for our communities. This article will share some fantastic tips to help you and your community get ready and have a happy fair housing-friendly holiday season!

LEASING OFFICE DECORATIONS

Many of us have personal opinions about what is and is not acceptable concerning holiday decorations; it's best to take a step back and see what the law says and then consider some best practices based on that.

On January 9th, 1995, a memorandum was released by HUD (Housing and Urban Development) that in part addressed Fair Housing holiday decorations. The subject was "Guidance Regarding Advertisements Under 804(c) of the Fair Housing Act." Here is a direct quote from that document:

"The use of secularized terms or symbols relating to religious holidays such as Santa Claus, Easter Bunny, or St.Valentine's Day images, or phrases such as Merry Christmas, Happy Easter, or the like does not constitute a violation of the Act."

So does this mean we can throw caution to the wind? As a professional in the housing industry, you may be faced with holiday-related items that are simply viewed as potentially offensive or insensitive but that are not against Fair Housing laws.

While using these secular terms and items may not be a direct violation, they are related to the protected class of religion.

So discretion is needed to make certain that no one person feels discriminated against.

To help, ask yourself these questions if you are going to decorate your leasing office:

- Will everyone be comfortable in this space?
- Are the choice of decorations inclusive, or do they only represent certain religions?



- Do the decorations promote a sense of equality and community?

cover all decorations. This will keep it from being viewed as discrimination against religious or cultural decorations.

COMMUNITY-BASED HOLIDAY PARTIES

Having neutral policies and procedures in place regarding the use of community common areas ahead of time is a must. In other words, if your policies allow for religious activities, make sure your policy covers all religions. If someone wants to reserve the common area for an activity, it should not be limited because it is not appropriate for the rest of the residents. The limits should only be for disturbing activities, for example, being too loud. All the limits should be equal for every resident.

RESIDENT DECORATIONS

Here again, is where your community policies and procedures come into play. If you do allow residents to hang things on their doors or perhaps decorate the patios or balconies of their apartments, there should be house rules to

FINAL TAKE-AWAY

By focusing on building an environment focused on inclusivity and diversity, we can help everyone feel welcome and appreciated. However, sometimes despite our best efforts, someone may still complain. Do not dismiss this as holiday stress or burnout. Take every complaint seriously and document everything!

Now would be a great time to add some additional fair housing training for your staff that focuses on the holidays to help make sure everyone is on the same page and ready to spread some holiday cheer!

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.



Monthly Meeting Schedule for the Arizona Real Estate Investors Association

UPCOMING PHOENIX MEETING (HYBRID)

MONDAY, JAN. 9, 2023
5:45 P.M.

VENUE 8600
8600 E. ANDERSON DR.
SCOTTSDALE, AZ 85008
memberservices@azreia.org
480-990-7092

The Phoenix meeting is held on the second Monday of the month. These meetings are full of education, information, and networking.

Open Networking: The perfect time to get checked in to the event and chat with other local real estate investors in attendance.

Market Trends and Outlook: Your up-to-date analysis on the trends in national, regional, and local areas. Come find out where the market is heading – valuable information no real estate investor should do without.

Association Update: Find out about what's happening at

AZREIA, how to best leverage your membership benefits, and get the best prices on upcoming events!

Trade Show, Networking and Guest Orientation: Spend time meeting AZREIA business associates and other investors and build your team.

Market Update for Fix and Flip and Rentals: Full analysis of fix & flip and rental markets. Plus, the latest market news affecting your business.

Main Presentation: National or local expert speaker or an expert panel.

UPCOMING TUCSON MEETING

TUESDAY, JAN. 10, 2023
5:45 P.M.

TUCSON ASSOCIATION OF REALTORS®
2445 N. TUCSON BLVD,
TUCSON, AZ 85716

The Tucson meeting is held the Tuesday after the Phoenix monthly meeting each month. These meetings are full of education, information, and networking.

Investor-to-Investor Networking and dynamic Haves & Wants are an important part of the Tucson AZREIA meeting. This is your chance to meet local investors, ask for what you need, and share what you have.

Deal of the Month is your chance to find out what your local investors are doing and how they are doing it. Don't miss this opportunity!

Open Networking: The perfect time to get checked-in to the event and chat with other local real estate investors in attendance.

Local Market Update: the latest in trend analysis for the US, Arizona and Greater Tucson including existing homes, new homes, foreclosures, REO, short sales and traditional sales. What investment strategies are working and why. This is must know information for the serious real estate investor.

Main Presentation: National or local expert speaker or an expert panel.

The cost for meetings is \$10 for AZREIA Members and \$20 for guests. PLUS members can attend free of charge. Please refer to the website www.azreia.org closer to the meeting time for up-to-date information on meeting place/format and agenda.

REGISTER ONLINE AT: www.azreia.org

City of Eugene, OR Sued Over \$10 Screening-Fee Cap

Continued from Page 1

to charge less than the cost of screenings, said Gary Fisher, deputy executive director of Multifamily NW, the state's largest association of housing providers and a strong supporter of the lawsuit.

"These regulations are essentially a tax on housing providers and will only cause housing costs to rise throughout the city," Fisher said in a statement.

Fisher added that housing providers have felt left out

as the city considers renter protections, and saw the legal system as a "last resort" after putting out ideas and compromises and being ignored.

The city is unable to comment on the lawsuit, a spokesperson said.

Thorin Properties is an Oregon Limited Partnership. It owns 16 properties in Eugene, Oregon, consisting of 82 apartment units and six stand-alone rental homes.

Jennings Group, Inc., is an Oregon corporation licensed as a property management firm. It manages 1,595 residential

department units in the city of Eugene.

Eugene passed the rental-applicant screening fees ordinance in July.

"Plaintiffs are adversely affected by the enactment and enforcement of the amendments contained (in) the ordinance, which restricts the amount they are allowed to charge tenants in the screening process and prevents them from recovering their actual screening costs," the lawsuit says.

Giving Back: How to Engage Your Team and Get Involved in Your Community

By Kristina Rauscher
and Amy Campbell

Giving back and helping others makes us feel happy.

According to Jason March and Jill Suttie, “a 2006 study by Jorge Moll and colleagues at the National Institute of Health found that when people give to charities, it activates regions of the brain associated with pleasure, social connection, and trust, creating a ‘warm glow’ effect. Scientists also believe that altruistic behavior releases endorphins in the brain, producing the positive feeling known as the ‘helper’s high.’”

More and more, people want to support and work for organizations that have a culture of community involvement and support. The multifamily industry touches many lives and therefore, there are many opportunities to give back and get involved. Here are a few tips on how to accomplish good within your organization and at your multifamily communities:

Identify Ambassadors

A good first step to getting involved and organizing charitable efforts is to designate a community ambassador or a team of ambassadors. At P.B. Bell, we have a committee called the Culture Club. In addition to their core responsibilities of communicating our company values, these individuals come together on a biweekly basis to organize social and charitable company events as well as recognize employees who go above and beyond and exemplify company values, including “Show You Care.”

Get Involved With Your Local Multifamily Association

The Arizona Multihousing Charitable Foundation (AMCF) is the philanthropic arm of the Arizona Multihousing Association (AMA). The AMA believes in giving back to the community through charities that have an impact on their members and residents. We have an AMCF ambassador who communicates and organizes all AMCF efforts at our properties and at the corporate office.

Since 2005, the AMCF Big Hearts Committee and dedicated members of the AMA have raised over \$1.2 million to support local and statewide charities. Members of the AMCF Big Hearts Committee host annual fundraising events such as the Bowl-A-Thon, Car Raffle, Silent Auction, Dollar-A-Door campaign and more. They believe by working together as an industry, we can and will make a difference.

AMA also offers a 5-Star Program, designed to help reduce criminal activity and improve safety, as well as unite community organizations and individuals. Project S.A.F.E. (Safety Awareness Family Education) is an onsite event component that focuses on educating residents about important safety issues through community partnership.

Guest speakers and partners might include the local fire department, YMCA, police department, pest control companies, animal shelters, swim schools, and city parks and recreation.

Support Local Community Efforts and Current Events

Stay on top of current events and identify opportunities to support immediate and seasonal needs, such as disaster relief, pandemic relief, back-to-school drives, homeless aid, food and clothing drives and toy drives. Reach out and connect with nearby schools and non-profit organizations regarding needs and ask how you can get involved. Invite employees, residents, and vendors to participate and contribute to your cause. The opportunities to give back to the community are endless and can be catered to your company values.

Organize and Offer All Employees Volunteer Opportunities

From community manager and maintenance technician to corporate accountant and I.T. specialist, the various positions and numerous property locations within a multifamily organization can sometimes make it difficult to see or engage with fellow colleagues. At P.B. Bell, we’ve found organizing volunteer opportunities where all employees are invited to join during a workday have been very successful. These events not only bring people together for a good cause, but they also build team morale, familiarity, and connection.

While organizing and offering community, charity and volunteer events are major steps, be sure to request feedback

and evaluate participation and impact along the way. Stay involved or continue efforts with high impact and consider trying other efforts if participation is low. Try new things, but don’t be afraid to establish traditions too. Survey employees and ask what their favorite charities are. Encouraging participation throughout the process will further engage your team, build comradery, and yield greater success.



Kristina Rauscher is the marketing director responsible for overseeing corporate marketing initiatives and communications as well as strategic marketing planning for the P.B. Bell portfolio. Her skills and duties include branding, creative direction, digital marketing, advertising, public relations, outreach marketing and events, and she’s a member of the company’s Culture Club.



As director of learning and development, Amy Campbell is responsible for developing and managing P.B. Bell’s training and career development program, P.B. Bell University. This includes more than 800 courses offered online as well as in classroom and on-site training. She also is a member of the Culture Club.

Winter-Maintenance Best Practices to Benefit Residents

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your teams and help residents enjoy a warm and cozy winter in their homes.

Check Your Systems Year-Round

During the warmer months, all systems should not only be checked but turned on during routine inspections. If equipment is not in use during a specific time of year, it is still crucial to check that everything is properly functioning. For communities in climates with mild winters, this is even more important because heaters and fireplaces are not used frequently.

When you get comfortable and stop thoroughly performing routine maintenance checks, things can quickly turn into a maintenance emergency. Regular maintenance tune-ups help eliminate unexpected breakdowns and stop problems before they occur. Control the controllable to stay ahead of the game.

Keep Residents Informed

Encourage residents to test their HVAC prior to changing seasons, ensuring that it is functioning properly. For a seamless transition from season to season, transparent communication regarding winter preparation is imperative. Residents need to be informed of any actions they should take to keep themselves safe this winter and receive a list of proper contacts in case of emergency. Over-communicate with them and make sure none of their questions are left unanswered.

What Should You Do When A Winter-Maintenance Emergency Occurs?

Unfortunately, unforeseen issues may

arise despite a service team’s best efforts. In such instances, make sure the resident is comfortable and work with them to determine a desirable solution if an immediate one is not available.

Remain calm but confident – this creates trust and shows that you have the resident’s best interest in mind.

Build Relationships With Vendors

Develop relationships with reliable vendors who offer consistent quality and support.

The assistance of trusted vendors helps speed up repair processes and ensures issues are fixed the right way, the first time.

Work together to plan ahead with your vendors. Replacement parts are still quite difficult to obtain, especially when needed in a pinch. Stock up on inventory, and secure contracts before you need them.

The Importance of Trust

Encourage your residents to report any maintenance issues promptly. Reiterate to them the importance of bringing anything that is seen as being “off” to your team’s attention – the sooner, the better.

It may end up being nothing, but chances are, if a resident notices something of concern in their home, it is a problem and needs your attention.

Derek Studebaker is a manager of facilities and services at Mark-Taylor. With tenured experience and well-deserved recognition as MFS of the Year and AMA Team of the Year, Derek diligently heads a portfolio of Mark-Taylor communities’ service teams.



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Phoenix Rents Down Again for Third Month

RENTAL HOUSING JOURNAL

Phoenix rents declined 0.6 percent in November with the median rent in the city now at \$1,486 for a two-bedroom, and prices are now down 0.1 percent year-over-year, according to the December report from Apartment List.

Eleven months into the year, rents in Phoenix have fallen 0.3 percent. This is a slower rate of growth compared to what the city was experiencing at this point last year: from January to November 2021 rents had increased 27.4 percent.

RENTS ACROSS THE METRO ARE HIGHER THAN IN THE CITY OF PHOENIX

Across the Phoenix metro area, the median rent is \$1,603, meaning that the median price in Phoenix proper of \$1,486 is 7.3 percent lower than the price across the metro as a whole.

Metro-wide annual rent growth stands at -1.1 percent, below the rate of rent growth within only the city.

The table below shows the latest rent stats for 11 cities in the Phoenix metro area that are included in the Apartment List database.

Among them, Gilbert is currently the most expensive, with a median rent of

\$2,057.

Glendale is the metro’s most affordable city, with a median rent of \$1,462.

The metro’s fastest annual rent growth is occurring in Glendale at 0.4 percent, while the slowest is in Scottsdale at -5.5 percent.

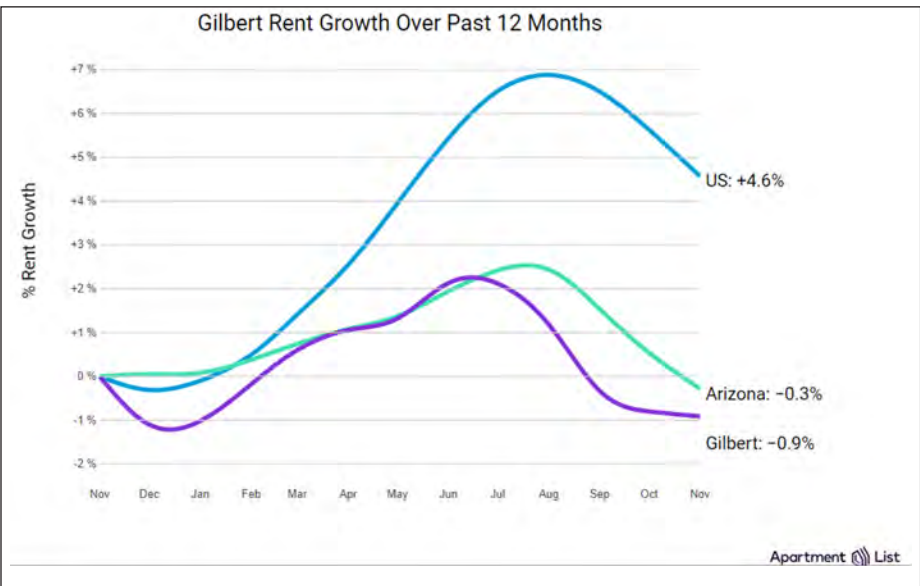
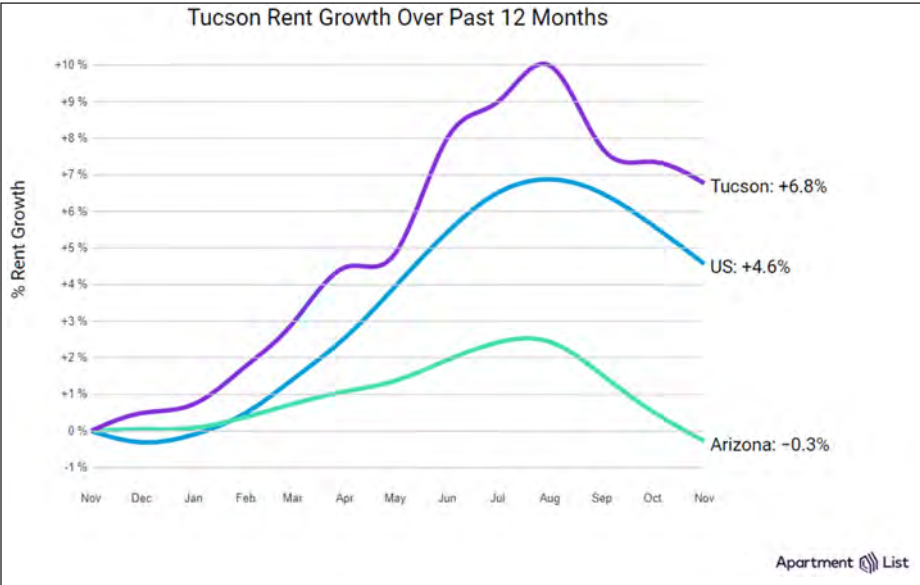
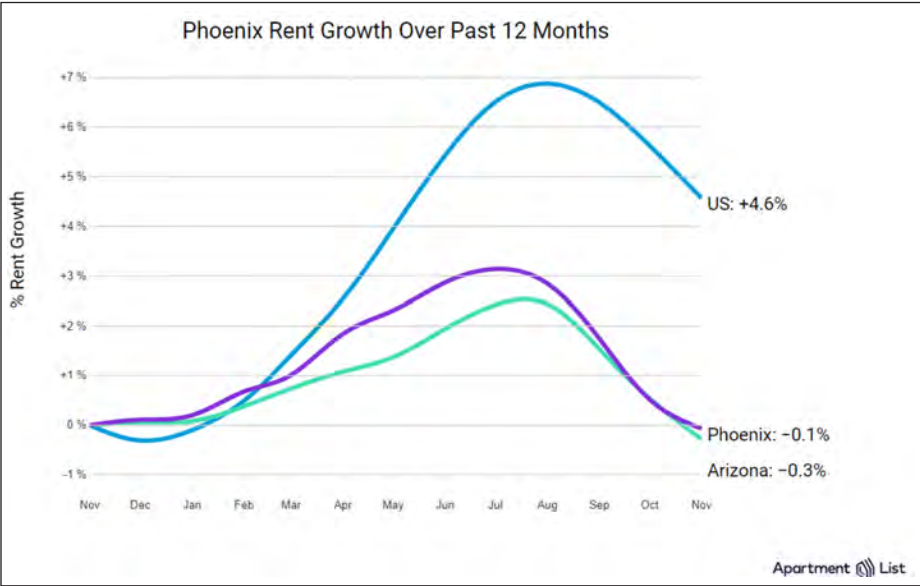
TUCSON RENTS UP STRONG YEAR-OVER-YEAR

While Tucson rents declined 0.6 percent in November, rental prices in Tucson are up 6.8 percent year over-year.

Median rent in the city stands at \$1,246 for a two-bedroom apartment.

Tucson’s rent growth over the past year has outpaced both the state at -0.3 percent and the nation at 4.6 percent averages.

Apartment List is a technology-driven rental marketplace with over 5.5 million units on the platform, reaching millions of renters on their path to find their next home each month. Apartment List was founded with the mission to deliver every renter a home they love and the value they deserve. Apartment List offers a unique success-based business model with aligned incentives - connecting renters who want a curated concierge experience with properties that want flexible marketing solutions.



City	Median 1BR Rent	Median 2BR Rent	M/M Rent Growth	Y/Y Rent Growth
Avondale	\$1,413	\$1,628	-1.7%	-1.9%
Chandler	\$1,501	\$1,726	-0.8%	-1.0%
Gilbert	\$1,437	\$1,713	-0.1%	-0.9%
Glendale	\$1,158	\$1,425	-0.6%	0.4%
Goodyear	\$1,473	\$1,830	-1.3%	-0.6%
Mesa	\$1,266	\$1,461	-0.8%	-1.0%
Peoria	\$1,477	\$1,550	-1.4%	-2.7%
Phoenix	\$1,206	\$1,459	-0.6%	-0.1%
Scottsdale	\$1,539	\$1,836	-0.5%	-5.5%
Surprise	\$1,419	\$1,774	-1.8%	-3.1%
Tempe	\$1,339	\$1,596	-2.6%	-2.1%

Publisher/General Manager
John Triplett

Editor-in-Chief
Linda Wienandt

Associate Editor
Diane Porter

Vice President/Sales
Terry Hokenson

Accounting Manager
Patricia Schluter

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

Website
www.RentalHousingJournal.com

Email
info@rentalhousingjournal.com

Phone
(480) 454-2728 - main
(480) 720-4385 - ad sales

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What Should You Ask a Prospective Tenant?

By HANK ROSSI

Dear Landlord Hank: You have received your first inquiry regarding your rental property, via phone or email. What do you ask someone inquiring for information about your property and why, when they first contact you? — New Landlord

Dear New Landlord: Even though you may have put an ad on the internet loaded with details and photos, someone may have seen a sign for your property or heard about the unit through a friend or current resident.



No. 1 – So MY FIRST QUESTION IS, “How DO YOU KNOW ABOUT OUR PROPERTY?”

If the prospective tenant says they saw an ad, then most of their questions will have been answered in the ad. If they haven’t seen an ad I do a brief description of the unit and development.

No. 2 – My SECOND QUESTION: “WHEN DO YOU NEED TO BEGIN A LEASE?”

If someone wants to rent a currently available unit NOW, then you may have a candidate. If the prospective tenant’s current lease isn’t up for six months, then your immediately available unit will be long gone. If you have multiple units, perhaps another down the road could work for this prospect.

No. 3 – My THIRD QUESTION IS, “Do YOU HAVE ANY OTHER QUESTIONS?”

Answer any specific questions related to the property so the prospective tenant can determine if they would like to move forward to a tour.

No. 4 – THIS IS REALLY A SERIES OF QUESTIONS

These relate to determining if you as a landlord could want

this prospect as a tenant. For instance, if your community doesn’t accept pets you could ask, “Do you have pets?” If you do accept pets, you’ll need that information as well, as prospective tenant could have an aggressive dog. Next I want to know how many individuals will be in the unit. We don’t want two families sharing a unit, etc.

By now, you will have built up some rapport with prospective tenant and you could ask, “Is there anything else you would like to tell me?”

Maybe you’ll find out that the prospective tenant had an unreasonable landlord. Or maybe they will say, “We just lost our house!” Or, maybe the prospective tenant has a legitimate complaint about their current property. There could be issues around poor maintenance history, poor management, unpleasant living conditions such as noisy neighbors, barking dogs, a messy complex, parking problems, etc.

No. 5 – If I CONSIDER THIS A POTENTIAL TENANT THEN I ASK, “WHEN WOULD YOU LIKE TO TOUR THE PROPERTY?”

The sooner the better, so you can begin the process of vetting the tenant and renew the income stream from this unit.

A FEW FINAL THOUGHTS:

You as a landlord spent time and money to develop this lead. So treat this prospective tenant with respect, kindness and honesty just like you’d want someone to treat you. This prospective tenant could spend much of their life in your rental as a great tenant, but you never know.

If you have a chance to see the tenant’s car, take a look. Often one’s car care will reflect the living situation. If they open the car door and trash falls out or the muffler is held up with a coat hanger, you’ll have a feeling about this prospective tenant. Hopefully they drive up in a well-kept auto. Also, notice and evaluate the prospects themselves. Do they reek of smoke and are seeking to rent a “no-smoking” unit, etc.?

Lastly, never take a tenant because either you or they are desperate. If a tenant doesn’t make the grade and have the required funds your guidelines require, then reject them, properly. Either take a good tenant or no tenant.

HOW TO HANDLE POTENTIAL TENANTS WHO ARE BAD NEWS

Dear Landlord Hank: I’m having a tremendous time getting qualified tenants at the moment. Many applications from people with bad criminal backgrounds. I have had multiple people lie about names/jobs/income. I recently called someone on the fact they had just been evicted, they had given me false information on last address and landlord. I found the truth and called them on it, they did admit that I was correct but the next day someone tagged the property with graffiti! I’m sure it was them. Should I not be honest with applicants? It’s a scary world. How do you handle people that are very bad news? Thanks. — Paul

Hi Landlord Paul: Sorry you are having such a hard time finding a qualified tenant for your place.

I’ve been where you are many times in the past, having to reject multiple candidates who know they wouldn’t pass normal rental screening. On properties like this I ask tenants up front the info I want to know.

You could say you are managing the property for the owner and that the owner requires a credit score of 650 or better, good rental history, clean background and must gross at least three times the rent, plus anything else that is important to you.


That way the candidates won’t waste an application fee only to be denied. I’d also consider putting up a temporary security camera at your place with video recording so you can protect your place. Good luck!

Each week Hank Rossi answers questions from landlords and property managers across the country in his “Dear Landlord Hank” blog in Rental Housing Journal. Go to <https://rentalhousingjournal.com/asklandlordhank/>.



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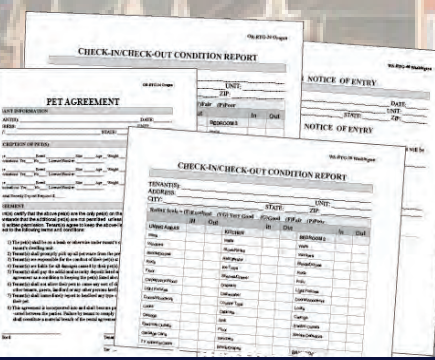
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