UPCOMING EVENTS:

General Membership Meetings — Virtual Meeting via Zoom — 7 p.m. April 22, 2021: Security Deposits—Calculating Final Charge or Refunds.

C.A.M. Certification Classes — Virtual — March 9: Legal Responsibilities. March 23: Human Resources. (www.uaahq.org/cam)

UPRO Certification Classes — Virtual — March 11: Leases and Addendums; How Owners Make Money. March 25: Marketing—Curb Appeal and Setting Rent; Marketing—Advertising and Leasing. (www.uaahq.org/upro)

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'21 Legislative Session Has Been Eventful for Property Managers

The 2021 Utah State Legislature was eventful for residential rental property owners. Many issues were considered and addressed that will have a lasting impact on management operations:

HB 68 Rental Expenses Disclosure Amendments – Marsha Judkins, (R) Provo

While this bill began as adversarial two years ago, the sponsor has since worked with the industry and the final product was a collaboration with instead of a mandate for rental operators. The bill requires owners to disclose, prior to taking applications for rent, the costs and expense obligations of renters. While most housing providers already do this, the rub was in legislating best practices and educating both sides without creating onerous requirements and penalties for pre-contractual disclosure of rental obligations. In Utah, the contract is the governing document. However, the sponsor wanted better up-front disclosure and we as an industry

See 'Session' on Page 4

Removing Tenants Who Damage Your Rentals

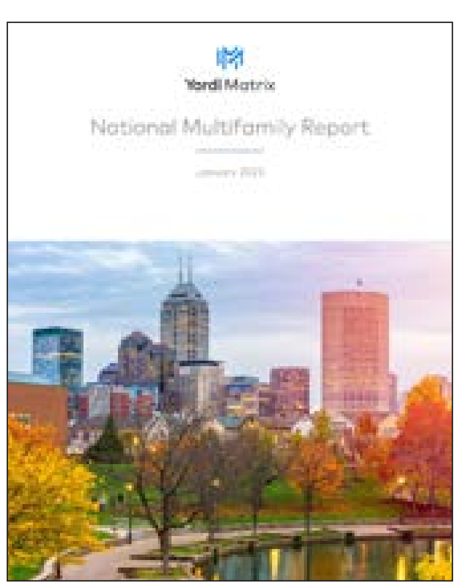
By Hank Rossi

Dear Landlord Hank: A rental home has been occupied by the same tenants on a month-to-month rental agreement for 13 years. The tenants do not keep the home clean or taken care of. As a result, it badly needs a renovation or demolition.

The home must be vacant to do this extent of work.

See 'How to' on Page 5

Some Bright Spots in Market Emerge



Rental Housing Journal

Some bright spots in the housing market and the economy are beginning to emerge, writes Yardi Matrix in its January multifamily report, but cautions there is a long road ahead.

"Nationally, rents remained relatively flat in January, declining by 0.2 percent on a year-over-year basis. On the market level, some gateway markets appear to have hit bottom, while low-cost tertiary and secondary markets continue to see strong rent growth," the report says.

- Overall rents increased by $3 to $1,392. In January, Yardi Matrix "expanded its methodology to include all 130 matrix markets in our national average calculation."
- "As our market penetration continues to grow and we collect more data, we feel it appropriate to add new markets to our national calculations," the report says.
- Some gateway markets that have struggled for months have begun to show signs of bottoming out. San Jose (-13.0 percent) and Washington, D.C. (-4.5 percent)

See 'Some' on Page 7

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Understanding Debt Structures Prior to Investing

By The Kay Properties Team

Individuals who are investing in real estate through a 1031 exchange – or investing after-tax dollars – will need to consider investing either in property that has a mortgage or property that has no long-term financing (debt-free).

For clients in a 1031 exchange (per the current IRS code), a property with debt may need to replace the debt obligation in order to fulfill the 1031 equal-or-greater-purchase-price requirement.

We have found through the years that investors may not actually understand the various debt structures that they are investing in and that each loan may have different terms and agreements. There are pros and cons of debt.

Cash Flow

Often times, cash flow can potentially be higher when you use a debt within your investment strategy. High cash flow can be very attractive to investors, but high cash flow is only attractive until it is not … and this is where investors need to understand how a higher cash flow is being achieved and the risks associated with it.

We typically have seen sponsors use interest-only financing in order to get a higher potential cash flow, risking the large balloon mortgage payment that will be due. There would be no principal paydown in the loan and investors could potentially be stuck with a large loan balance that they will need to replace in their future 1031 exchange.

Cross-Collateralized Loan Obligations

Within the DST marketplace you will find that there are DSTs that have a single asset and there are DSTs that can contain upward of 20+ properties.

It is important to understand the loan structure when considering investing in a DST with multiple properties that has a debt component. There are two types of debt structures that can be on a portfolio:

1. Each property within the portfolio has its own loan, or
2. All the properties are connected under one loan, otherwise known as a "cross-collateralized loan."

A cross-collateralized loan is considered more risky, as it can potentially put a lot of restrictions on cash flow for investors and substantially limit the sponsor's ability to sell the portfolio on behalf of investors. The DSTs might have multiple properties, providing diversification for investors, but if all the properties are under one loan this does not necessarily provide the diversification that most investors think they are getting.

For instance, there could be clauses within the loan that can significantly affect an investment, such as when a certain amount of properties stop paying rent or go bankrupt, the lender can call the loan or do a cash-flow sweep (meaning that because of one portion of the portfolio having problems, the entire investment is at risk).

Credit-rating clauses allow a lender to sweep cash flow for a period of time should a certain tenant or a percentage of tenants' credit ratings drop. For example, you could have a portfolio of net-lease corporate-backed properties that do not go out of business and do not stop paying rent, but maybe there is a recession or something else affecting the corporate level of your tenant that temporarily drops their credit rating. This gives the ability for the lender to lock all the current cash flow in the lender's lock box, taking away an investor's current cash flow.

We also have seen sponsors place a few properties within the portfolio that are not officially investment grade-tenants per Moody's Standards and Poor's ratings, and this is misleading to investors, as a non-investment-grade tenant can have a significant default risk.

Lastly, when you have a portfolio of properties under one loan it can potentially limit the ability to sell the portfolio, as in most cases you will need to sell all the properties at the same time. What if a buyer only wants to buy a portion of the properties because they do not like three of the 20 properties included? The sponsor may be forced to reduce the price to make it more attractive to that buyer.

Some sponsors have a strategy of a 721-exchange, which has its own sets of pros and cons. (Please request or refer our 721 Exchange Whitepaper for more information.)

If a portfolio is debt-free or not cross-collateralized, it can provide more potential exit strategies for the sponsor.

In short, investors that have the ability to stay debt-free can mitigate risks that a loan can bring on a property and its exit strategies. If investors need to take on debt or are comfortable with the risks of debt it is important to understand the pros and cons of the different debt structures available.

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 115 years of real estate experience, are licensed in all 50 states, and have participated in over 15 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. Securities offered through Growth Capital Services, member FINRA, SIPC, Office of Supervisory Jurisdiction located at 582 Market Street, Suite 300, San Francisco, CA 94104.

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Chair's Message

Rental Assistance Launching – Using Third Parties to Help You Process Applications

Holly Sanford
Chair, Utah Apartment Association

The State of Utah has $213 million in rental assistance and on March 15th launched its new unified rental assistance portal for housing providers. They have also agreed to pay a $150 administrative fee per application for the time and cost associated with gathering all the needed paperwork and filling out the applications. This money is intended to reimburse owners for their costs. Last year, landlord attorneys submitted over 4,000 client requests for rental assistance and are geared up to help you this year. Because the fee they charge is covered by the state, we recommend that you consider using them.

It says great things about adaptation and acting in good faith that our eviction offices who once focused on getting your property back and violating tenants out, have retooled to help you keep renters in housing and administer rental assistance applications.

Rental assistance pays:

- Back rent
- Up to three months future rent (at a time – up to 12 months total in a year)
- Utilities
- Expenses enumerated in the lease
- Late fees and other costs
- An administrative fee to cover the cost of the rental assistance application process

The rental assistance application process is complicated and time consuming and so we are grateful the State of Utah has accommodated housing providers by paying a fee to allow third parties to do the processing.

If you let a third-party process for you, you can spend the time saved focusing on:

1. Identifying renters who are eligible for money and helping them access it
2. Maintaining customer service relationship with your renters
3. Maintaining your assets

For more information about third party rental assistance support, contact the below:

Law Offices of Kirk A Cullimore
Utah Eviction Law

Over the past year, housing providers have bent over backwards to work with renters to keep them housed, with evictions down 40% and landlords currently being owed (based on estimates) as much as $70-$100 million in past due rent. Let's be proud of all we've done and continue to do.

Session Has Been Eventful for Property Managers

Continued from Page 1

worked to accommodate that. The only penalty operators will face is having to return deposits and fees charged (if an applicant requests return) within 5 days IF the pre-application disclosures were different than what the contract amounts require. We anticipate major training and education initiatives this year to help operators understand how to comply with this law and be clear in disclosures and transparency as an industry.

In addition to the disclosure requirements in the bill, the industry also added self-policing mechanisms and protections. For instance, the bill mandates that late fees in any month may not exceed 10% of rents, or $75 dollars (whichever is greater).

While most operators use late fees as intended, as a one-time incentive to pay rent on-time, this new law will address abuse of daily late fees or fees being used as a penalty instead of an incentive.

Additionally, there is language in the bill affirming that only fees that are articulated in the contract may be charged.

The hope is this bill creates even better industry communication and disclosure of fees, protects renters from abuse and affirms rights of operators.

HB 268 Utah Fit Premise Amendments – Bennion (D), Cottonwood Heights

The Utah House of Representatives overwhelming rejected, 50 against to 20 for, one sided efforts to reduce and eliminate the rights operators have to enter rental property they own and operate.

This was an example that adversarial and renter-only focused policies, instead of collaborative and balanced landlord tenant law that is fair for all. We hope in the future legislators and advocacy groups who want to advance renter issues will be more collaborative and balanced, and we offer to work with them when they are.

SB 164 Affordable Housing Amendments – Anderegg, (R), Lehi

Much has been made in the press of the historic investment by state leaders in affordable housing this year. The state appropriated over $50 million for affordable housing, strengthened municipal requirements for affordable housing allowances and funded 3 new eviction prevention mediators (note: last year evictions were down 40% in Utah).

HB 82 Accessory Dwelling Units – Ray Ward (R), Bountiful

This bill eliminates many of the barriers cities and municipalities place on renting out a portion of an owner-occupied dwelling. While cities may still charge fees (some cities charge $4,500 for legalization) of Accessory Dwelling Units, often called basement apartments, and enforce limited regulations, they may no longer completely ban ADUs. Proponents, including the sponsor, argued that this will create additional rental units, many for low-income renters. We currently have a shortage of nearly 50,000 housing units in Utah and this has driven prices and erected barriers for low-income households. The UAA was neutral on this bill.

Why the bad press on rental housing this last year?

This past year an organization called Utah Investigative Journalism received funding from liberal advocacy groups to advance renter advocacy by criticizing landlord tenant laws, operators and attorneys and the rental housing industry. While there are occasionally bad actors, our industry is filled with professionals who work hard to provide quality products and services to our customers.

The irony is, in a year when providers have bent over backwards to work with renters to keep them housed, with evictions down 40% and landlords currently being owed (based on estimates) as much as $70-$100 million in past due rent, the media has ignored the amazing work of the industry and attempted, with funding from interest groups, to malign the industry instead.

Utah Rental Operators know that our laws our balanced. Balance is not what is sought by groups behind the Utah Investigative Journalism project, and some Utah renter advocates. But it is what UAA focuses on and will continue to focus on in 2021. We anticipate a major undertaking to review landlord tenant law this year and to find ways to increase protections for both renters and operators.

We often say the UAA throws bad landlords under the bus all the time, while protecting good operators. We hope the renter advocacy community will employ the same principles this upcoming year as we work with them and will shift from being adversarial to collaborative.

Director's Messsage

Total Expense Disclosure Should Be a Principle of Your Rental Operations

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

Most landlords are transparent and fully disclose costs both up front and in the rental agreement. However, that doesn't mean the renters fully understood their expense obligations. Some renters, especially first-time renters, don't initially understand the expense commitment of renting.

Most housing operators have encountered cases where a renter did not fully understand which utilities they had to pay and other charges associated with renting. Traditionally, training the renter to understand these was done at the lease signing. But can it be done earlier? Yes! Can you require renters at several points to attest they understand total expenses so they can't claim ignorance later? Yes!

Best practice for rental expense disclosure:

You don't want to waste time screening renters who are really not qualified or interested, and that's why landlords provide rental criteria to applicants up front. Up front expense disclosure can be a part of that process. The top things to be sure and disclose are:

- Rent and other fees they agree to pay monthly
- Which utilities they are responsible for
- Costs of violations (service of notice fees, eviction turnover fees, etc.)

When you make a concerted effort not just to assume renters know the costs of renting, or that you can go over the details at lease signing and be ok, you will have happier tenants, less applicants dropping out of your process, and greater success. In upcoming months, we will be doing considerable training about expense disclosure and invite you to become an expert.

How to Get Rid of Tenants Who Damage Your Rentals

Continued from Page 1

I would not rent to these people again, as they are extremely destructive to the property. They are all living on disability, and they have a child who is handicapped (which may carry different laws of protection for them?)

Do I just allow them to keep living there in the filth, or can I even evict them to make the home either habitable or tear it down?

They are paying the rent on time. But I don't want to be found as the one at fault for the home being unsafe to inhabit.

We are currently replacing a stove and found several dead mice and unspeakable unthinkable filthy conditions under the stove and counters. We have to wear hazmat protection to work in the home.

What do I do? **- Yvonne**

Dear Landlord Yvonne: Sounds like you have a mess on your hands.

If the tenants are paying the rent as required, you may have difficulty with eviction during a pandemic. My advice is to wait until the pandemic and eviction moratorium is over and then tell the tenants you are going to renovate the property and they will need to move.

Since they have been there for many years, and have paid rent for many years, I would give them time to find a new place, but give them a definite time by which they must be out.

Also, let them know, at that time, legally with notice, that the month-to-month lease is terminating.

I understand your distress at finding the property in poor condition, but if they stay for a few more months, after having been there for 13 years, I can't see it getting much worse. If you can wait, your odds for an easy tenant removal go way up.

I know it may be very difficult for you to bide your time right now but if you push to remove these tenants now, during a pandemic – especially if there is a disability – you may not win in court.

Hank Rossi started in real estate as a child watching his father take care of the family rental maintenance business and now with his sister co- owns a real estate brokerage focusing on property management and leasing, and he also continues to manage his real estate portfolio in Florida and Atlanta. Visit Landlord Hank's website: https://rentsrq.com

3 Tips for Staying Out of Landlord Rehab

By David Pickron

I recently came home from work and saw my teary-eyed daughter sitting defeatedly on the couch. This was abnormal for her, and signaled something was wrong.

She is tough, handles stress well and has been an athlete playing high-level golf since age 14. If any game can break you, it's golf, and last night was her breaking point.

Trying to qualify for her first tournament as a college freshman, she started strong on the first three holes with a series of great shots. Things started to crumble on hole No. 4 with a shot into the lake. This rattled her so much that over the remaining holes she struggled and ended up scoring her highest round of golf since her freshman days in high school. As she sat there looking back at me, suspecting her score wouldn't help her qualify, she said, "it's just too hard, I want to quit."

If you've been a landlord for any amount of time, you may have felt like throwing in the towel at some point.

Last week, one of my tenants' children decided to get on the roof and pour gas down two stories to a mobile firepit. The neighbor was watching and filmed the entire incident. (I love having a relationship with the neighbors of my tenants). No adult supervision and balls of flames crawling up my walls: definitely grounds for an eviction.

I sent the video to my tenant and told them our relationship had come to an end and that they would be receiving notice to leave. Can you guess the answer? "I have COVID so you can't evict me." If there were ever a reason to give up on being a landlord, this might qualify.

As a private investigator and seasoned landlord, I ask myself, "How did I get here?" This same family has been a consistent tenant for more than 10 years, never missing a payment. I screened them well, followed best practices and even after all of that, I find myself in a situation where I have lost control of my own property because of a regulation passed by our local, state, and federal government.

Knowing what I know now, would I do it all over again? Absolutely! Even when we do everything right, sometimes things still go wrong. You have a right to be mad, stomp around, and even feel sorry for yourself; but then you've got to get over it.

If you are a struggling landlord right now, let me suggest three things you should think about if you are dealing with a tenant who is not paying you and feels entitled to be in your property.

1. Hire a Team of Professionals

a) Form a great relationship with a landlord/tenant attorney. Most of the good ones can be found through your local landlord associations. These professionals follow all federal and local laws and have the resources necessary to manage different requirements coming from different jurisdictions. Time and time again I have seen people panic over a new regulation, only to find out the regulation was already in force by a federal rule or really did not have any impact at all. For example, Louisville just came out with a city ordinance adding individuals with criminal histories as a protected class, only to take away any "teeth" from the ordinance by exempting any crime that would affect the health and safety of the landlords. I don't know a landlord who would penalize an applicant for underage drinking five years ago, but robbery or drugs is another story.

b) Get with a professional mortgage broker who understands your landlord strategy and can help maximize your returns with the right type of loan.

c) Align with a collection agency and create a program to send delinquent tenant accounts to collection and put it on their credit. There are no rules requiring a tenant to be out of the home in order to send a file to collections.

d) Establish a relationship with a professional realtor who can analyze whether selling your home would bring you a great sales price.

e) A professional accountant can let you know how refinancing or selling your property will affect your income, capital gains etc. Let the professionals do what they do best and guide you through this process.

2. Analyze Your Onboarding Practice

Do you have a specific criteria? If not, get one today. We have samples at Rent Perfect that will help you design an efficient onboarding process.

If you do not have a criteria, then everyone qualifies, and you know that just can't be true. The whole onboarding process starts with putting your criteria on paper.

More than ever, a call to a potential tenant's last two landlords is critical. Though painful and time-consuming, do not skip this step. How tenants left their prior homes is probably how they will leave your home.

If you can't reach a landlord and have doubts about what the prospective tenant is telling you, require canceled checks or bank statements that show they paid rent for the last 12 months. If they paid rent through this COVID-19 crisis, there is a good chance it will continue. We can't afford to make a mistake during onboarding.

3. Remember Why You Became a Landlord

No other business allows you to buy something, have someone else pay for it, and at the end you still own it (with maybe even a little cash flow on the side). A declining mortgage and appreciating asset are your ticket to long-term wealth.

A recent TV show called "Undercover Billionaire" dumps each contestant into a random city where they receive $100, a phone and a car, with the challenge to create a business worth a million dollars in less than 90 days. All three contestants chose real estate! That's why you became a landlord. Don't ever forget this!

Sitting on the couch sulking because the last year wasn't fair won't get you anywhere. So, get up, align yourself with professionals, review and modify your onboarding practices, and get in the game to grow your wealth. My daughter knew deep down that quitting was not an option. She was too invested to walk away (by the way, she shot one of her best rounds ever a few days later), and you will be, too.

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

Suburbs With the Most New Apartments in Last 5 Years

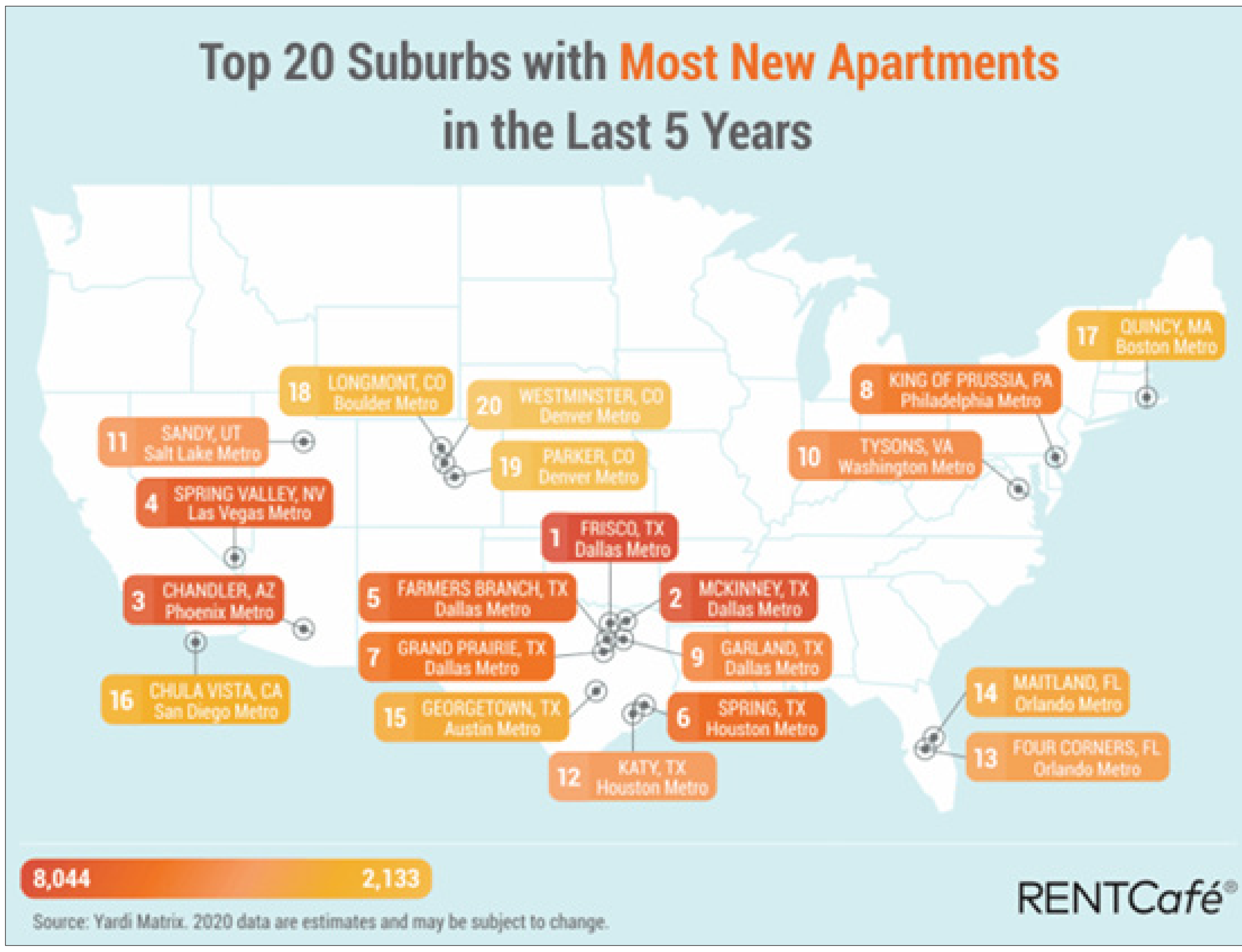
Rental Housing Journal

Some suburbs are better-equipped than others to meet the potential trend to suburban living that has been caused due to the pandemic shift toward work-from-home solutions, according to a study from Rent Café.

If work-from-home is going to become the new normal, we might expect to see a "significant reversal of recent homebuilding patterns," according to a housing study by Harvard University.

Regions that have grown significantly in population in recent years are seeing a boom in apartment development, and the southern states clearly dominate the map.

Suburban Texas is a great example, claiming more than a third of the national list. Out of the top 20 suburbs with the most new apartments delivered since 2016, eight are in the Lone Star state. Second is Colorado with three suburbs in the top for the highest number of newly-built apartments in the country. And Florida, Arizona, and Nevada suburbs are also among the national leaders, the Rent Café study says.



Some highlights:

- Nationwide, there were more than 501,600 apartments delivered in the suburbs in the last five years.
- Out of the top 20 suburbs with the most new apartments delivered, eight are in Texas, with the Dallas metro accounting for the majority of suburban deliveries here.
- With more than 8,000 new units, Frisco, Texas is the suburb with the highest number of apartments built in the last five years. McKinney, Texas came in second with 4,800 new apartments, followed closely by Chandler, Ariz., and Spring Valley, Nev.
- Looking at the 1,300 suburbs analyzed, new apartments account for a 30 percent average of the suburban rental stock. Garden apartments were the most popular type of development.

"To find the suburbs that offer the most options for renters, we analyzed Yardi Matrix data for large-scale apartment buildings of 50 units or more, in search of suburban areas that have developed the most," the report says.

"These locations are also great options for those considering a move to the suburbs because of their proximity to the core cities; 12 out of the 20 suburbs on our list are located no more than 20 miles away from an urban center."

The suburb with the highest number of apartments built in the last five years is Frisco, Texas.

With 8,044 new apartments spread across 25 apartment buildings, this fast-growing city in the Dallas metro area has recently built a significant share of new rentals, most of which are in garden-style apartment complexes. Frisco is located just 28 miles from Dallas.

With the suburbs now finding new appeal for renters, some are better-equipped than others to meet the potential change to suburban living.

Some Bright Spots Emerge, but Long Road Still Ahead

Continued from Page 1

both saw month-over-month gains.

"The U.S. is continuing the effort to roll out COVID-19 vaccinations nationwide, the number of workers that filed for unemployment declined for the week ending Jan. 23, and consumer spending held up well in December," the report says.

The report points out there may be more government stimulus on the way, though the size of the package is still to be determined.

However, "the big question for many gateway markets remains how permanent out-migration trends will be. Some industry sources are speculating that only about half of the moves out of the gateway markets that occurred during the pandemic are permanent," the report says. The smaller markets continue to provide lower cost rents compared to their denser nearby urban cities.

Of the top 30 markets, more than half (16 out of 30) "are still experiencing declines in year-over-year rents. While there are some promising signs in San Jose and Washington, D.C., among other markets, many metros still have a long road ahead."

Yardi Matrix is a business development and asset management tool for investment professionals, equity investors, lenders, and property managers who underwrite and manage investments in commercial real estate. Yardi Matrix covers multifamily, industrial, office and self storage property types. Email matrix@yardi.com, call 480-663-1149 or visit yardimatrix.com to learn more. Yardi develops and supports industry-leading investment and property management software for all types and sizes of real estate companies. Established in 1984, Yardi is based in Santa Barbara, Calif., and serves clients worldwide. For more information on how Yardi is Energized for Tomorrow, visit yardi.com.

Balancing the Needs of Pets With All Residents

By Kris Servidio and Jacie Good Mark-Taylor Properties

Pets have become more and more of a priority as so many people continue to spend significant time in their homes. Pets offer many wonderful benefits – companionship to residents who feel isolated, help in reducing stress during challenging times, and the enticement of physical activity through play and exercise.

A recent national study conducted by the American Apartment Owners Association revealed that nearly 90 percent of renters are pet owners and want pet-friendly apartments with access to pet amenities. These trends are important for multifamily leadership teams to understand as they seek to create communities that are welcoming to pet owners. Additionally, a percentage of their residents will likely be non-pet owners, with preferences that are also important.

Mark-Taylor currently has more than 4,000 pets living in our 60+ portfolio of communities. While sometimes challenging, the four approaches below have allowed us to provide the best customer service to all of our residents.

1. Communicate Pet Policies Clearly

In an Apartments.com article from 2018, 33 percent said they were influenced by pet policy when deciding whether or not to tour a community. Communities should clearly communicate pet polices through websites, social media, review responses and tours. Leasing teams should make sure pet policies, cleaning and deposit fees are thoroughly discussed prior to move-in, while limitations to the number of pets per unit and enforcing weight and breed restrictions gives non-pet owners peace of mind, knowing their living experience is valued. Communicating available onsite pet amenities and services also lets pet owners know how much you value their furry friends.

2. Create Pet-friendly Spaces

Pet amenities have moved from a perk to a necessity, as pet ownership has increased dramatically the past five years. To accommodate this increase, think about creating special spaces at each community geared exclusively towards pets. This helps to pamper pets while providing separation from non-pet owners who may want to distance themselves from high-traffic pet areas. Amenities, such as doggy doors and back yards in single-family home rentals, or onsite pet spas complete with dog-washing stations and spacious dog parks, have become nearly standard in our communities, keeping both groups happy.

3. Keep Your Community Clean and Quiet

Swift and safe pet-waste disposal is something community-management teams should prioritize. Sanctioned spaces for pets – such as dog parks – help keep waste confined, while resources such as pet waste stations help pet owners maintain responsibility. Maintenance and community-management teams should be encouraged to walk the properties daily to remove anything owners may have missed. Additionally, in order to keep all residents happy, management should work with pet owners if their dogs bark loudly or disturb others.

4. Remain Responsive to all Residents

Listening to the growing and changing needs of pet and non-pet owners must remain a priority if community-management teams want to thrive. Dogs barking during the day might not have been an issue in 2019, but as more people work from home, or participate in online school, this can be a challenge. Take time to create ongoing conversations with residents to understand their needs and how management can help. As situations evolve, management may help residents find solutions through add-on “concierge” services such as Valet Living’s pet-sitting and pet-walking services, Ally Waste’s dog-walking options and other pet care solutions.

Pets will continue to be an important part of many residents’ lives, and communities that cater to pets will be top of mind to meet this trend. Similarly, children and adults will still need their homes to be quiet places where they can work and participate in online school. Creating inviting spaces for pet-owners and non-pet residents to harmoniously coexist will require management teams to stay on top of industry trends and resident preferences as they thoughtfully balance all resident’s needs.

Jacie Good is the associate director of facilities and service and Kris Servidio is the associate director of facilities and support for Mark-Taylor Residential. Established in 1985, Mark-Taylor Companies is a privately held, Scottsdale, Ariz.-based developer, owner and investment manager of multifamily communities. The company ranks as the largest apartment developer in Arizona’s history and the second largest owner of rental communities in the state, and is the investment manager to more than $3 billion in multifamily real estate on behalf of numerous third-party owners. For more information, visit www.mark-taylor.com

Forecasts for 4 Categories of Apartment Rent

Report Offers Outlook for 127 Metro-Area Markets

Rental Housing Journal

Here are four categories of apartment rent forecasts for 2021 put together by John Burns Real Estate Consulting for 127 metro-area apartment markets in its latest newsletter.

"We maintain a bullish outlook for demand, with some key differences by market. With such a wide variation across the markets, good timing could lead to great opportunities," write Jeff Kottmeier, Lesley Deutch, and Ken Perlman, partially in a weather forecast-style presentation.

"To help you 'weather' (pun intended) market shifts and assess market 'forecasts,' we segmented the trends into four categories

"We see a positive long-term future for apartments, just on varying timelines depending on their unique locations and attributes. But in a year where the for-sale market dominated the headlines, let's not forget that one-third of the population resides in rental housing, and the long-term future for that is bright," they write.

Here are what they write about the four categories:

1. Boomburbs (Suburban Growth)

Suburban-growth markets benefited tremendously from migration out of the cities during the pandemic. Their low cost of living, good quality of life, and relative affordability drew residents from across the country seeking space.

We expect some (not all) of these renters to return to apartments closer to their jobs after a COVID-19 "all clear." We are forecasting a small decline in rents (in the one percent to two percent range) in 2021 for these markets due to some outmigration (assuming COVID-19 is all but over by the fall), but a return to rental growth in 2022.

Suburban markets have captured most of the positive headlines in 2020, attracting investment and development capital.

We are still very bullish on locations close to jobs, retail, and entertainment, and properties that provide an "affordable alternative" to urban apartments.

- 2021/2022 outlook: Mostly sunny in 2021
- 40 percent of markets fall into this category.
- Examples: Austin, Tampa, Charleston, Indianapolis, Myrtle Beach, Nashville, Phoenix

2. Braintowns (College Towns)

These markets depend on students and were heavily affected in 2020 (five percent to 10 percent rent declines).

We see demand and rents continuing to soften in the first half of 2021 with an improvement this fall, as more students return to campus.

Properties located close to campus will benefit. More students will likely desire to live off-campus, supporting demand for apartments.

- 2021/2022 outlook: Partly sunny in 2021
- Five percent of markets fall into this category.
- Examples: Ann Arbor, Boulder, Charlottesville, VA, Madison

3. Downtowns (Urban)

The pandemic and the resulting ability to work from home softened demand in the urban markets. Most markets have already experienced sizable rent declines (five percent to 15 percent) in 2020.

We expect more declines in 2021, but to a lesser degree, as tenants slowly move back to the cities and some people return to work in their offices.

Rent growth will be slower to recover in metros and submarkets that have elevated levels of new apartment construction and/or are under prolonged COVID-19 restrictions. Urban markets are not dead.

With investors and capital moving away from urban centers, some properties may be undervalued. This could be a great time to consider investing in properties and developing closer to the urban core.

- 2021/2022 outlook: Partly sunny by 2022
- Five percent of markets fall into this category.
- Examples: Boston, DC, NYC, Miami, San Francisco

4. Dependables (Sizeable Unemployment)

These are the markets to watch as eviction moratoriums expire. We expect declining rents in 2021 to early 2022 and potentially rising vacancy rates. Construction levels, however, are relatively low in many of these markets, mitigating some of our concerns.

These are markets to consider for longer-term investment or development.

- 2021/2022 outlook: Cloudy (with a chance of clearing)
- 50 percent of markets fall into this category.
- Examples: Minneapolis, Detroit, Kansas City, Philadelphia, Reno

John Burns Real Estate Consulting, LLC is an independent research and consulting services company founded by John Burns in 2001 because he saw a need for better analysis on the housing market. The company has grown to a highly passionate team of research analysts and consultants in offices across the country, who work together to provide the most trusted source of U.S. housing analysis. To learn more, visit www.realestateconsulting.com or call 949-870-1200.

HUD to Enforce Fair Housing Policy Banning Bias over Sexual Orientation, Gender Identity

Rental Housing Journal

The U.S. Department of Housing and Urban Development (HUD) has announced a new directive to begin implementation of the policy set forth in President Joe Biden's executive order to prevent and combat sexual orientation and gender identity-based discrimination under Fair Housing rules.

HUD's Office of Fair Housing and Equal Opportunity (FHEO) issued a memorandum stating that HUD interprets the Fair Housing Act to bar discrimination on the basis of sexual orientation and gender identity and directing HUD offices and recipients of HUD funds to enforce the act accordingly.

The memorandum begins implementation of the policy set forth in President Biden's Executive Order 13988 on Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation (Executive Order), which directed executive branch agencies to examine further steps that could be taken to combat such discrimination.

"Housing discrimination on the basis of sexual orientation and gender identity demands urgent enforcement action," said Assistant Secretary of FHEO Jeanine M. Worden in a release. "That is why HUD, under the Biden administration, will fully enforce the Fair Housing Act to prohibit discrimination on the basis of gender identity or sexual orientation. Every person should be able to secure a roof over their head free from discrimination, and the action we are taking today will move us closer to that goal."

Significance of the action

The HUD release said the significance of this action is underscored by a number of housing-discrimination studies which indicate that same-sex couples and transgender persons in communities across the country experience demonstrably less favorable treatment than their straight and cisgender counterparts when seeking rental housing.

Despite this reality, the HUD has been constrained in its efforts to address housing discrimination on the basis of sexual orientation and gender identity by legal uncertainty about whether most such discrimination was within HUD's reach.

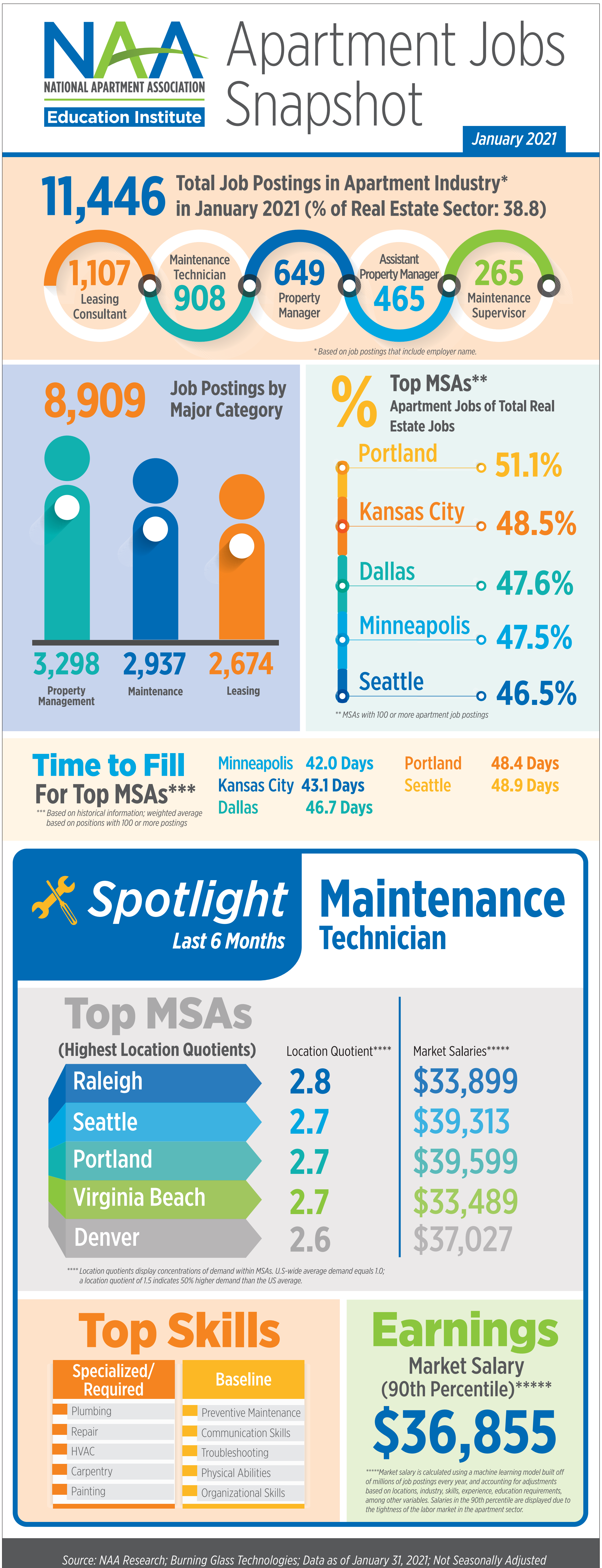
The memorandum relies on "HUD's legal conclusion that the Fair Housing Act's sex-discrimination provisions are comparable in text and purpose to those of Title VII of the Civil Rights Act, which bars sex discrimination in the workplace. In Bostock v Clayton County, the Supreme Court held that workplace prohibitions on sex discrimination include discrimination because of sexual orientation and gender identity. HUD has now determined that the Fair Housing Act's prohibition on sex discrimination in housing likewise includes discrimination on the basis of sexual orientation and gender identity. Accordingly, and consistent with President Biden's executive order, HUD will enforce the Fair Housing Act to prevent and combat such discrimination."

"Enforcing the Fair Housing Act to combat housing discrimination based on sexual orientation and gender identity isn't just the right thing to do—it's the correct reading of the law after Bostock," said Damon Y. Smith, principal deputy general counsel, in the release. "We are simply saying that the same discrimination that the Supreme Court has said is illegal in the workplace is also illegal in the housing market."

Specifics of the directive

The memorandum directs actions by HUD's Office of Fair Housing and Equal Opportunity and HUD-funded fair housing partners to enforce the Fair Housing Act to prohibit discrimination on the basis of gender identity or sexual orientation. Specifically, the memorandum directs the following:

- HUD will accept and investigate all jurisdictional complaints of sex discrimination, including discrimination because of gender identity or sexual orientation, and enforce the Fair Housing Act where it finds such discrimination occurred.
- HUD will conduct all activities involving the application, interpretation, and enforcement of the Fair Housing Act's prohibition on sex discrimination consistent with its conclusion that such discrimination includes discrimination because of sexual orientation and gender identity.
- State and local jurisdictions funded by HUD's Fair Housing Assistance Program (FHAP) that enforce the Fair Housing Act through their HUD-certified substantially equivalent laws will be required to administer those laws to prohibit discrimination because of gender identity and sexual orientation.
- Organizations and agencies that receive grants through the department's Fair Housing Initiative Program (FHIP) must carry out their funded activities to also prevent and combat discrimination because of sexual orientation and gender identity.
- FHEO Regional Offices, FHAP agencies, and FHIP grantees are instructed to review, within 30 days, all records of allegations (inquiries, complaints, phone logs, etc.) received since January 20, 2020, and notify persons who alleged discrimination because of gender identity or sexual orientation that their claims may be timely and jurisdictional for filing under this memorandum.



Portland, Seattle Lead Apartment Job Postings

National Apartment Association Education Institute

Portland and Seattle are in the top positions for apartment job postings, according to the latest report from the National Apartment Association.

In January's edition of the National Apartment Association's Education Institute Apartment Jobs Snapshot, available jobs in the rental-housing industry comprised nearly 39 percent of the real-estate sector.

Metros with the highest concentration of job postings included Portland, Kansas City, Dallas, Minneapolis and Seattle.

The most recent report spotlights the maintenance technician.

Demand for these positions was highest in Portland, Seattle and Denver, where market salaries also surpassed the national average.

The top specialized skills employers are seeking included plumbing, repair, HVAC, carpentry and painting.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