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

Denver Rents Have Declined Sharply Over the Past Month

RENTAL HOUSING JOURNAL

Denver rents have declined 1.1 percent over the past month, but have increased sharply by 16.8 percent in comparison to the same time last year, according to the latest report from Apartment List.

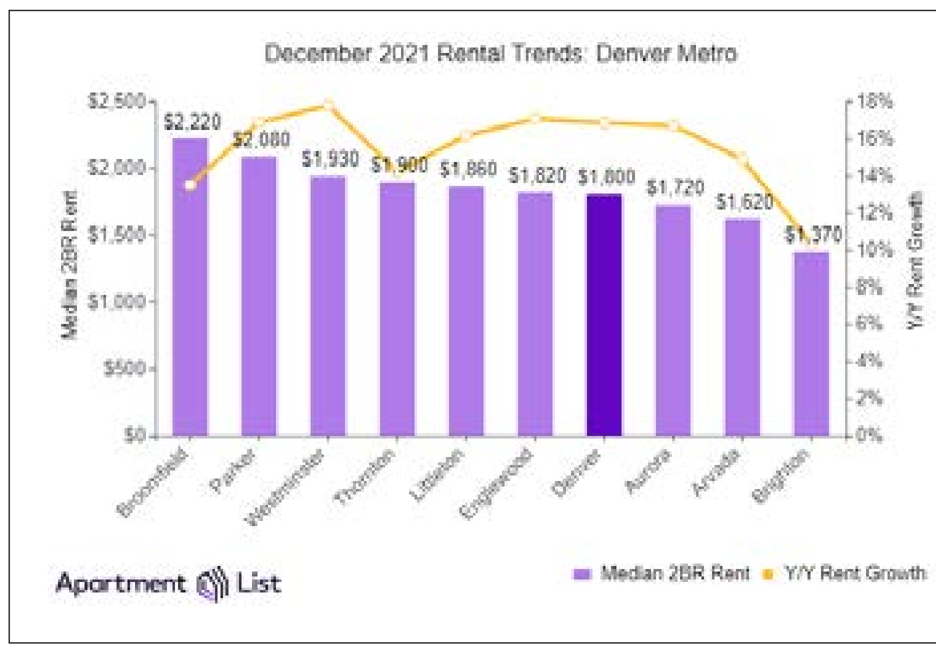
Median rents in Denver are $1,473 for a one-bedroom apartment and $1,805 for a two-bedroom.

This is the second straight month that the city has seen rent decreases after an increase in October. Denver's year-over-year rent growth leads the state average of 16.4 percent, but trails the national average of 17.8 percent.

Across the Denver metro

- Broomfield has seen rents fall by 2.0 percent over the past month, the

See 'Denver' on Page 7



5 Strategies to Enhance the Process of Leasing

BY CIERA MORAGA
MARK-TAYLOR RESIDENTIAL

Exceptional multifamily living always begins with the leasing process. Guests become pleased residents when 5-star service starts from the very first inquiry about your community.

Leasing teams have the unique opportunity to be the "face" of your community. When leasing-team members initially reflect company values and establish high standards of service, it sets the guest up to have an excellent residency.

Here are five best practices of our leasing teams:

1. Early bird gets the worm

Searching for a new home often requires time-consuming and stress-inducing work. That is why we strive to make the process as seamless as

See '5 Strategies' on Page 4

Short-Term Rentals Can Generate 6 Times the Gains

BY DAVID PICKRON

Rarely in life can the quick version of anything ever compete with the more time-intensive "real deal." Think of any instant food and you will quickly realize that I'm telling the truth.

The same had held true for real estate investments for at least the last century… but times, they are a changin'.

As you look at your portfolio it may be time to consider transitioning some of your long-term holdings into short-term rentals, and here is why: Short-term rentals can generate up to six times the amount of revenue as a long-term hold.

My average long-term hold properties cash flow at around $200 per month; my short-term rentals cash flow just over $1,200 per month. Does that get your attention?

As you consider transitioning from long-term to short-term rentals, you should examine the following factors to help ensure that the changeover is successful: location, needs, and saturation.

Location

The old mantra of "location, location, location" in relation to real estate has endured because it is true. For short-term rentals, it may

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Delaware Statutory Trusts & Investing Across Real Estate Market Cycles

By Jason Salmon | Senior Vice President, Kay Properties & Investments

Key Takeaways:

- What are the Four Stages of a Real Estate Cycle?
- What are some Current Macro Real Estate Trends Impacting Investment Real Estate?
- Why Should Delaware Statutory Trust Investors Be Aware of Current Real Estate Trends?

One of the common topics that frequently pops up in investment conversations these days involves questions about what stage of the "real estate cycle" is the market currently in, and how does the current real estate market cycle impact the world of Delaware Statutory Trust 1031 exchanges?

The first caveat that must be iterated here is that nobody can predict the future of any market, and there are always material risks associated with investing in real estate, which investors should carefully consider with their own tax and legal advisors. However, by taking a closer look at typical real estate cycles and why these cycles are important to understand, investors can be better prepared for the future, and maybe recognize why more and more real estate owners are selling their properties and moving into DST 1031 exchanges.

What is a Real Estate Cycle?

A market cycle basically refers to the periodic ebbs and flows that occur in the economy and across individual sectors, such as technology, stocks and bonds, and real estate. Real estate cycles typically include a wave pattern that moves across the four phases of trough, expansion, peak, and contraction. Understanding the real estate cycle can help people anticipate shifts in the market and make more informed decisions relating to their real estate asset, whether it's single-family home, multifamily building, commercial building, or net leased property.

Understanding the Four Real Estate Cycles:

- Trough/Recession: In the recession phase, supply has over-exceeded demand, and demand drops—causing downward pressure on values, high vacancy rates and negative rent growth. Anyone who owned real estate during the "Great Recession" faced dramatic events such as loan defaults, massive layoffs, and vacated homes that owners abandoned after property values plummeted. Still, some speculative investors look at this cycle phase as a good time to buy as property values will be at rock bottom. Some of the advantages of buying real estate during recessions include lower prices, less competition, and many sellers might be more willing to offer provisions as improvements and amenities. If successfully executed, a buyer who purchases during a trough or recession will wait and hold the investment property until the real estate cycle circles back, and the downturn is over—as the market begins to recover and eventually expand.
- Recovery/Expansion: English theologian and historian Thomas Fuller once famously said, "It's always darkest before the dawn", which many real estate investors apply to the earliest moments of a recovery. In the recovery phase, the real estate market begins at a low point from the recession and gradually rises in strength. Some people who invest in the recovery phase look at Core real estate assets that will generate stable income with very low risk. These assets include a NNN property with a long-term lease or a fully leased office building in a prime location. Other assets that savvy investors target during a recovery phase of real estate investment include value-add real estate, and opportunistic investments like distressed properties or even raw land. While many people have a hard time identifying when the trough stage segues into the recovery phase, experts look at trends like gradual occupancy increases or growing demand to identify when the recovery stage has begun. The recovery phase is a popular time for real estate investment and speculation since prices of properties are typically high, which helps the potential for a solid return upon the sale of the asset.
- Peak: The peak phase will be when supply catches up with and even exceeds demand pushing prices up. During this phase, assets are fully priced, and some real estate investors feel eager to sell at attractive prices and reap profits. However, the peak market can also be a good time for savvy investors to refinance any leverage while interest rates are low and fixed.
- Contraction: The contraction phase generally occurs after the business cycle peaks, but before it becomes a trough. If growth stalls or becomes negative, it can fall into a recession, which is usually defined as two consecutive quarters of negative growth. During this period, investors need to act very cautiously while simultaneously monitoring the market for opportunities - because while contraction cycles can be difficult, they can also coincide with some great opportunities. For example, in a recessionary environment, the worst-performing assets are those that are highly leveraged, very speculative, and fraught with risk. For many years, Kay Properties has avoided the sectors of hospitality, senior care, and oil & gas for this exact reason.

While this cycle pattern is widely accepted to view the real estate market over the long-term, there are many variables that come into play with real estate. For example, real estate is a highly localized industry with different conditions in every state, market, and sub-market making real estate a constantly moving target.

Record-breaking expansion cycle and DST Investment Opportunities

Timing investments correctly may potentially help to increase returns. Yet getting market timing exactly right is never easy unless you happen to be a fortune teller. Right now, the length of the current economic expansion has many people suspecting that we are close to a peak market cycle. However, others suggest current slow and steady growth may be sustainable, and there doesn't appear to be anything imminent that could derail that pattern. The peak could very well turn out to be more of a plateau than the beginning of the end. Even if there is a contraction or trough ahead, it could be a slight downturn rather than a sharp drop off a cliff. There are numerous variables that contribute to the shape of market cycles that range from Fed monetary policy to market bubbles that pop, such as the housing and Dot. com booms that caused the last two recessions.

But real estate experts point to several macro real estate trends that suggest it might be a good time for investment property owners to consider selling their buildings and consider DST 1031 investments. Even if we cannot know if we are currently experiencing a peak in the real estate market cycle, many real estate investors have seen their properties appreciate significantly and recognize an opportunity to sell and potentially unlock trapped equity.

Some Macro Real Estate Trends That Could Benefit DST Investors

Macro Real Estate Trend #1: Low Inventory

According to the National Association of Realtors, inventory of available homes was down nearly 30% in 2021 compared to a year ago, multifamily buildings are attracting institutional real estate investors, and according to real estate firm CBRE in is first quarter 2021 report on the industrial and logistics market, demand for this type of asset is through the roof, after nearly 100 million square feet was absorbed during the first quarter – the third highest absorption rate on record.

- How This Could Benefit DST Investors? Whether you are talking about a multifamily apartment building or a single-family home, low inventory means higher selling prices and shorter sales cycle – all good news for the seller's position. However, this low inventory could also cause trouble for a seller who will find it hard to purchase a replacement property to avoid a large capital gains tax bill at the end of their sale. The DST marketplace allows sellers to easily find a 1031 like-kind exchange for nearly every level of transaction, providing sellers a strategy to not only defer their capital gains taxes but also gain access to a much more diversified portfolio with monthly cash flow potential. DST 1031 specialty advisory firms like Kay Properties & Investments has access to the largest menu of DST 1031 exchange properties in the nation and works with more than 25 different sponsor companies.

Macro Real Estate Trend #2: Rising Real Estate Asset Prices

While real estate prices have slowed slightly in recent months, they have still grown by nearly 20% compared to last year, and according to a recent report on net leased real estate points out that net leased real estate is experiencing its highest level of demand in history, with billions of dollars flooding in from seemingly everywhere.

- How Could This Benefit DST Investors? Rising real estate prices might indicate the real estate cycle is nearing its peak, and so it could be a good opportunity for investors to sell their multifamily investment buildings. However, selling in an expansion market cycle could trigger a significant capital gains tax bill! DST 1031 exchange investments help sellers defer their capital gains taxes while gaining access to institutional quality real estate assets with the potential for monthly income. DST 1031 exchanges can be structured with leverage for replacing debt, or all-cash/debt-free eliminating the risk of lender foreclosure.

Macro Real Estate Trend #3: Low Interest Rates

With historically low interest rates in place, buyers are more motivated and capable of financing investment property more quickly.

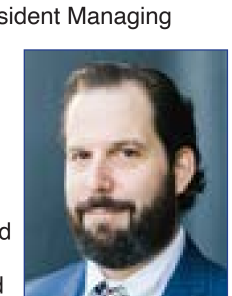
- How Could This Benefit DST Investors? According to the Quantity Theory of Money, any time the money circulation increases (either through government spending or lower interest rates) inflationary pressures tend to surface. DST 1031 properties may potentially help investors reduce the negative effects of inflation. For example, many DST investments have access to properties that have historically shorter lease terms that allow the investor to pass along any inflationary pressures to their tenants. On the other hand, most single-tenant net leased investment properties commonly have 20–25-year leases that generates flat to minuscule rental increases over the course of the lease term. Over time this flat rental structure could be devastated by inflationary pressures.

Today's Real Estate Cycle Could Be a Good Time to 1031 Exchange into DST Properties

There is no doubt that mature market cycles are fueling an increase in property sales and 1031 tax deferred exchanges. Property owners who believe values may be at or near peak see it as a good time to take chips off the table and sell real estate that has experienced good appreciation. DST Properties are blessed by the IRS for use in a 1031 tax-deferred exchange. Individuals also have an opportunity to reinvest proceeds into a variety of different property types and geographic markets. For example, Kay Properties has DST opportunities with a minimum investment amount of $100,000 for investors with offerings that span multifamily, self-storage, net lease (NNN), industrial and medical office properties.

The Delaware Statutory Trust 1031 exchange vehicle can be a potentially smart strategy for investors who want to take advantage of the current real estate trends and leverage the tax deferral aspects of the 1031 exchange process.

About the Author



Jason Salmon is Senior Vice President Managing Director of Real Estate Analytics for Kay Properties & Investments New York City office where he applies his more than 20 years of commercial real estate and financial advisory experience in assisting thousands of property owners as they navigate their 1031 exchange transactions and direct acquisitions of securitized real estate investments. He is considered one of commercial real estate industry's leading experts in providing high-net-worth clients DST 1031 exchange investment strategies, tax advantaged exit strategies and estate planning solutions.

Jason takes his deep and diverse expertise in identifying good real estate investment opportunities across multiple sectors including commercial, industrial, medical, and multifamily and combines it with Kay Properties & Investments' dynamic platform that includes a full menu of DST properties and a complete team of 1031 exchange experts to provide his clients the best advisory and execution practices in the industry.

Short-Term Rentals Can Generate 6x Gains

Continued from Page 1

even be more important. A friend of mine recently converted his 5,000-square-foot custom home in a regular residential neighborhood in Phoenix into a short-term rental. In his mind, he was already cashing the checks after he listed the home on the popular short-term rental sites. But there was a big problem: there was no draw for potential renters to come to the property, as it wasn't near any major attractions. That property quickly turned back into his full-time residence, having never once been used as a rental.

Having an attraction or destination near your property makes it ripe for transition to short-term. Whether it is near other resort properties, mountain towns, beachside escapes, or national parks, having a natural draw for people to come to the area instantly makes it an eligible property.

Obviously, warm places in the winter and cooler places in the summer create demand when people are looking for an escape. If you have an extensive portfolio or are just looking to purchase your first investment property, make location a key component of your research process.

Needs

Depending on the location of your property, the needs of your potential renters need to be paramount in your conversion decision. I have several properties that are located near a cancer-treatment center. When I originally purchased those properties, I did not know there would be a severe need for this type of property because the treatment center hadn't even been built.

My curiosity got the best of me when this facility was built, and I called to inquire if they ever had patients with short-term housing needs. It was after this conversation that I decided to convert these units into what they are today. Most of those renters in these properties are in town for several weeks or months at a time receiving treatment for life-threatening illnesses, and insurance companies are reimbursing their housing expenses. In this case, my short-term rentals cost thousands less than costly overnight hospital stays.

These tenants have very specific needs, whether it be accessible facilities or high cleanliness standards. I have prepared those properties with those specific needs in mind

and can market them as such.

In other areas, I have properties that are more vacation-oriented, with access to golf courses, hiking trails and other recreational opportunities. Those homes are equipped to help my renters have the best experience while on the property, with helpful hints on where to play, where to relax and where to eat.

There is an obvious expense to preparing properties to meet the needs of potential short-term renters, but those expenses are recouped quickly with satisfied renters who rebook and share their experiences with others.

Saturation

While it may seem too easy to look at a booming area where everyone is converting to short-term rentals and think it would be great to ride the same wave, you would be right. Markets with a lot of short-term rentals are strong for this very reason and should give you the confidence to at least try your hand.

Competition should ignite your creativity, so if you do decide to convert your property in a saturated area it is critical to find a way to make your property stand out. Maybe it's time to complete those upgrades you've been putting off. Or you may need to commit some extra marketing dollars to make sure your property has that "it" factor that makes it more desirable.

If being in a saturated market scares you, maybe you look to create a more rural opportunity experience. I have a friend that has taken a five-acre rural property and created an "Old West" type of experience for their guests, and there is a massive waiting list of people who want to spend their time and money there.

There is no perfect formula for determining how many is too many short-term rentals in an area, but with effort and your expert insight you can successfully make the jump.

A few other items to consider:

Always check with your homeowners association (HOA) before you even start down the road to see what the rules are in regard to short-term rentals. I've heard too many horror stories about owners spending time and money to prepare a property only to have it shut down by their HOA.

There is no reason to fear the managing/cleaning/scheduling of the property. This is the No. 1 thing I hear from investors, but it really is a non-factor.

In short-term, your renter pays the cleaning fee. You just need to find a cleaning crew you can depend on. Take their bid, add $50.00 to it to pay for toilet paper, paper towels, and other disposable goods.

A well-paid cleaner is more than happy to go the extra mile for you when needed.

While I am not advocating you run out and convert your entire portfolio today, I do recommend you run through your portfolio to determine which, if any, of your properties are ideal for creating a 6x return over what you are getting now.

It may take a little trial and error to get it right, but with considerable returns on the line, now may be your time to shine in the short-term rental market. If there were such a thing as "instant" housing, short-term rentals would likely fall into that category, and – unlike everything else – can turn out to be better than the original.

David Pickron is President of Rent Perfect, a private investigator, and 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.

5 Strategies to Enhance Your Leasing Process

Continued from Page 1

for prospective residents. When a prospective resident shows interest in a Mark-Taylor community digitally or over the phone, our leasing teams get back to them swiftly, prepared with detailed information about the community and neighborhood.

The significance of leasing teams' response time cannot be underestimated; at times, it can be the differentiating factor in a resident's living choice. We support the response process through innovative technology that captures, sorts, and pushes leads to our team members.

In addition, our training and development team coaches leasing-team members on best practices for efficiently responding to prospective residents.

2. A warm welcome sets the tone

Creating a place that truly feels like home starts the moment that a guest walks through the front door. Our leasing teams greet our residents and guests as if they have arrived at home, even before they choose to live at the community.

A warm smile and standing approach, combined with a welcoming statement such as, "Good morning and welcome to the community. How may I assist you today?" sets the tone for the community presentation and beyond.

3. Give your guest undivided attention

Providing guests with full, undivided attention is a simple yet profoundly important to-do for leasing teams. In order to feel welcomed into your community, guests must feel listened to and attended to during their visit.

Use attentive nonverbal behavior – make eye contact, remember names, and welcome questions, comments, and concerns.

4. Fit community to their needs

Leasing must focus on the guest, not just the community. It our goal to deliver what residents and prospective residents want and need in a home.

To help accomplish this goal, leasing-team members must ask the right questions to personalize their presentation toward the guest's personal preferences.

If a guest works remotely from home, we make sure to show them our common working spaces. If a guest enjoys exercise, we show them our fitness center and tell them about our on-site exercise classes. This customer-centric mindset is key.

5. Seal the deal with follow-up

Following up is another checkpoint in the leasing process that cannot be skipped. Guests return to their busy lives after they visit your community; a prompt and friendly follow-up message is convenient for the guest and keeps the community top-of-mind. If the guest chooses not to live at the community, it is an opportune time to ask for feedback that will make you better than yesterday.

Ciera Moraga is the associate managing director of multifamily investments at Mark-Taylor Residential. She provides strategic direction for a large portfolio of Mark-Taylor luxury communities across Arizona. She utilizes her expertise to lead her communities to achieve optimal operational success, while staying true to Mark-Taylor's exceptional standards of service.

Landlords Warned on Protections for Military Tenants

Rental Housing Journal

The U.S. Department of Justice and the Consumer Financial Protection Bureau (CFPB) are warning landlords and other housing providers about military tenant protections when they are providing rental housing for military families, according to a release.

The Justice Department and CFPB have sent a letter to landlords and housing providers reminding property owners of the important housing protections for military tenants, some of whom may have had to relocate or make other changes to their housing arrangements in response to the pandemic.

While military families enjoy the same legal protections and privileges afforded to all other homeowners and tenants, they also have additional housing protections under the Servicemembers Civil Relief Act (SCRA), which is enforceable by the DOJ and servicemembers themselves.

Military tenants have several legal protections under the SCRA that are designed to enable them to devote their entire energy to the national defense. These include, for example, a prohibition on foreclosing on certain servicemembers' mortgages without court orders, the ability for military families to terminate residential leases early, and without penalty, upon receipt of military orders, and a prohibition on evicting military families from their homes without court orders.

The Justice Department and CFPB also issued a letter to mortgage servicers regarding military borrowers who have already exited or will be exiting COVID-19 mortgage forbearance programs in the coming weeks and months.

"The Department of Justice takes seriously its responsibility to safeguard the rights of servicemembers and veterans," wrote Assistant Attorney General Kristen Clarke in a release. "While servicemembers carry the great burdens of this nation, they should not have to worry that their sacrifices will result in economic harm to their families. Mortgage servicers and landlords must ensure that they are in full compliance with federal laws intended to protect servicemembers and their families during military service."

The letter to mortgage servicers comes in response to complaints from military families and veterans on a range of potential mortgage-servicing violations, including inaccurate credit reporting, misleading communications to borrowers, and required lump-sum payments for reinstating their mortgage loans. These complaints are being reviewed for compliance by the CFPB with the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other applicable requirements.

"The illegal foreclosures of military families in the last crisis was one of the financial industry's worst failures," CFPB Director Rohit Chopra said in the release. "The CFPB will be closely watching mortgage servicers and will hold them accountable for illegal tactics perpetrated against military families."

During the COVID-19 pandemic, roughly 7.6 million homeowners entered forbearance. While the majority have resumed their regular mortgage payments, approximately 1.25 million borrowers – many of whom are military borrowers – were still in forbearance programs that expired at the end of 2021. Ensuring that mortgage servicers comply with their legal obligations is crucial, especially since a decade ago some large financial institutions illegally seized the homes of military families, sending their lives into tailspins. These violations were a result of breakdowns in the mortgage-servicing industry that were severe and widespread. The result was numerous settlements with regulators, including a $186 million settlement between DOJ and some of the country's largest mortgage servicers.

Under the CARES Act and Regulation X, servicemembers and veterans have the same protections available to all mortgage borrowers. These include, for example, streamlined COVID hardship forbearance options, requirements that mortgages receiving a COVID-19 hardship forbearance be reported as "current" to credit reporting agencies if the loan was current before entering forbearance under the CARES Act, and requirements in the Bureau's Regulations X and Z for treatment of delinquent borrowers and borrowers who have applied for loss mitigation.

"The CFPB and DOJ are calling on mortgage servicers and landlords to ensure that military homeowners and tenants are safeguarded during the pandemic and benefit equally from the nation's economic recovery," according to the release.

LA Freezes Rents for Occupied Apartments Until 2023

Rental Housing Journal

Landlords in Los Angeles cannot increase rent on the more than 650,000 occupied and rent-stabilized apartments in the city despite rising construction-repair costs and increasing city fees.

The *Los Angeles Times* reports that number is about three-fourths of all the apartments in the city.

Under the rules, landlords are not allowed to increase rents for an entire year after the expiration of the emergency order signed by Mayor Eric Garcetti in March 2020, when the policy went into effect.

As of now, no rent hikes will be allowed for most L.A. tenants until 2023. And possibly beyond, the *Los Angeles Times* reported.

Landlords in Los Angeles say costs have risen sharply due to inflation, for everything from labor and materials for building repairs to city fees for trash pickup.

"We have to pay a mortgage and pay utilities," said Ari Chazanas, president of Lotus West Properties, which manages about 1,000 apartments across the city, to the *Los Angeles Times*.

"I think there's a lot of fatigue from people like me because it's been going on for so long."

While Los Angeles rents declined substantially at the beginning of the pandemic, they are climbing steadily now.

Apartment List reports that L.A. median rent for recently leased apartments has rebounded to $1,947 a month in November, up nearly 15 percent from the low in January and eclipsing pre-pandemic levels.

The city's rent-stabilization rules generally apply only to apartments built before October 1978. Normally, landlords are allowed to raise rents on existing tenants by no more than 3 percent annually, depending on inflation.

But the mayor's emergency order changed that, marking the first time in more than four decades under the city's current rent-control laws that landlords have been blocked completely from increases.

Landlords remain able to charge whatever they want for apartments once a tenant vacates.

Sponsored Content

Must-Know Landlord-Tenant Laws

Provided By Colorado Realty And Property Management, Inc.

In the U.S., there are nearly 48.5 million rental units. A little over half of these rental units are owned by business entities, while the rest are owned by individual investors.

There are a lot of good reasons to own rental property, including providing a passive income source as well as the potential for property value appreciation. Many Americans have managed to make rental property ownership their full-time job, while others might keep a few rental properties as a way of making extra income.

If you are considering becoming a landlord, you likely have a lot of questions. What regulations do landlords need to know? What should I know as a landlord in general?

Understanding landlord-tenant laws is essential for protecting yourself legally and financially. Here's a brief guide for self-managing landlords regarding some of the most important federal and state laws.

The Fair Housing Act

The Fair Housing Act is one of the two major federal laws that impact all property managers and landlords across the country. This is a law that prohibits discrimination due to national origin, race, religion, color, disability, sex or familial status. This law applies to:

- Renting or buying a home
- Seeking housing assistance
- Getting a mortgage
- Engaging in other housing-related activities

This law extends beyond leasing where landlords are concerned. It also applies to advertising, meaning that it is illegal to market your properties to any specific group of people.

Fair Credit Reporting Act

The Fair Credit Reporting Act is a law that requires landlords to do a number of things when running a credit check. These include receiving permission from an applicant to run a credit report, informing the applicant if their credit report was the basis for adverse action or denial, and providing specific information regarding the credit reporting agency they used.

Lead Paint Law

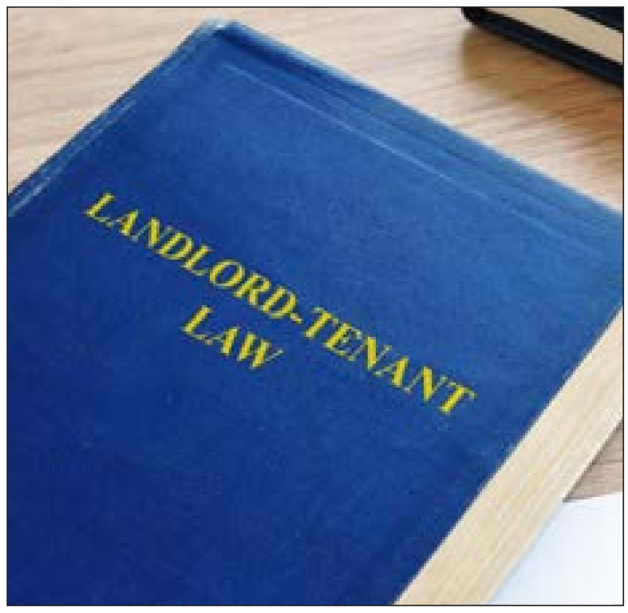
It is required by landlords under federal law to disclose the presence of lead paint. They are not required to remove lead paint under federal law, but state laws might dictate otherwise. It's important to learn about your state and municipality laws regarding lead paint in addition to the federal law.

Laws About Discrimination

Beyond the Federal Fair Housing Act, state and local laws might provide additional protection beyond the federal law. These might extend protections to people based on their sexual orientation, age, marital status, political association and even hairstyle.

A Legal Lease Document

Each state and some municipalities might have



laws regarding the lease contract. Rental contracts must abide by all laws and be legally written. It is necessary to indicate tenant names, monthly rental rates, and leasing periods clearly.

In some jurisdictions, it is required that certain legal disclosures be included in the lease document. Working with a lawyer to produce your rental contract can help ensure that the lease provides all of the required information and doesn't break any federal, state, or local laws.

Laws About Required Disclosures

It is common in many states to require landlords to inform tenants about individual landlord policies, certain state laws, or specific information about the rental. It might be required that this is disclosed within the lease itself or in additional documentation.

It's important to look into your state's requirements about disclosures. However, some commonly required disclosures include notice of recent deaths, mold, meth contamination, or other safety or health hazards.

Laws About Providing a Safe Environment

One important landlord-tenant law has to do with the habitability of the rental unit. The definition of "safe, habitable condition" might be different between states. For this reason, you must familiarize yourself with the laws for landlords in your location.

Typically, this means that the property cannot have serious deficiencies. It also means that fixtures, appliances, heating, and plumbing need to be in working order. You also cannot rent out a property that is infested with pests or insects.

Landlords are usually responsible for dealing with infestations even if the outbreak happens after the tenant moves in. However, in many states, this can be avoided by specifying that the renter is responsible for pest control.

Laws About Making Repairs

In the lease agreement, it will be outlined that the tenants are responsible for reporting necessary repairs. It then becomes the landlord's responsibility to complete the repairs within an appropriate amount of time.

If a landlord doesn't make a repair in a timely manner in a way that impacts the safety or health of a tenant, a tenant might have the right to withhold rent.

Laws About Security Deposits

It is common for landlords to require a security deposit from the tenant. This is in order to cover the costs of any damage the tenant causes or if they fail to pay rent. A landlord must refund the security deposit unless it is needed to cover the cost of fixing property damage or covering default rent payments.

In some states, how the security deposit is kept is dictated by the law. It is also typically required that an itemized list of deductions must be provided to the tenant if the landlord is using some of the deposit for these purposes.

The unused portion of the deposit must be returned and the itemized statement must be provided. If they aren't, the landlord can face financial and legal repercussions.

Laws About a Renters Right to Privacy

Most landlord-tenant rules and regulations cover the right to quiet enjoyment of a tenant. This means that it is their right to live on a property undisturbed. The landlord must give proper notice before entering the rental unit, which is usually 24 to 48 hours unless there is an emergency.

Landlords can only enter the rental property for valid reasons and at a reasonable time of day after giving notice.

Landlord-Tenant Laws: Essential For Protecting Yourself Legally and Financially

Without a good understanding of landlord-tenant laws, you can find yourself in a mess of legal and financial trouble. It's therefore very important to familiarize yourself with the federal, state, and local laws regarding the rights of tenants and the responsibilities of landlords.

Are you looking for more valuable resources to serve as a guide for self-managing landlords? You can find more resources specific to your state here.

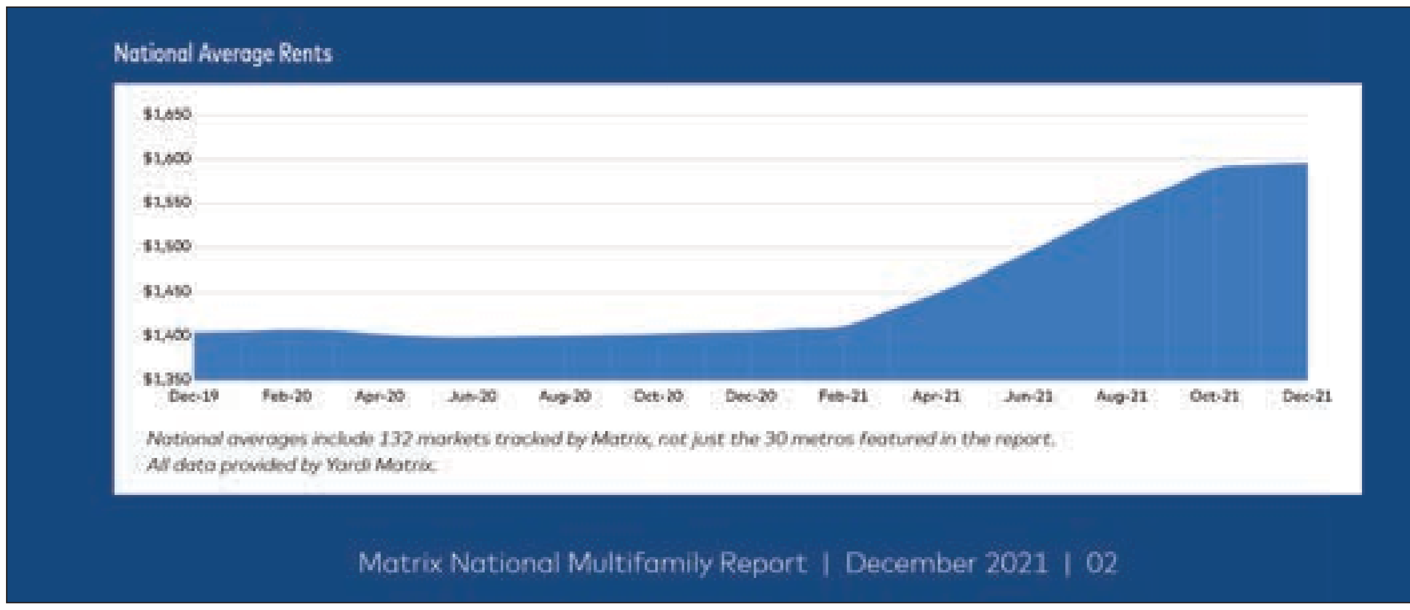
Please understand that because of the nature of the topic, this page has been written in a generalized form. Further guidance should be sought on the topic being searched by the landlord.

Colorado Realty & Property Management, Inc.

Colorado Realty and Property Management, Inc is an established property management firm that represents the Denver, Broomfield, Colorado Springs and Fort Collins region with reliability, professionalism, and knowledge. We specialize in single-family, residential homes, duplexes, condominiums, townhomes and student rental properties. We are a results-oriented company with the experience, efficient systems, cutting-edge technology, and an extensive network of staff and vendors that allows us to effectively manage properties in a large geographic area like this. Colorado Realty and Property Management, Inc. is one of the few property management companies in the Metro Denver, Broomfield, Colorado Springs and Fort Collins area where the company founder and Managing Broker holds the prestigious MPM® designation (Master Property Manager) awarded by the National Association of Residential Property Managers®.

What's Ahead for Multifamily After Record '21?

By John R. Triplett



Multifamily rent growth had a record year in 2021, with many factors contributing to the unprecedented growth that led to the average asking rent growing by $190 during the year, according to Yardi Matrix.

Expectations for 2022 continue strong for multifamily but not at the level of 2021, as rents cooled near the end of the year.

"The multifamily market closed the book on 2021 with strong performance, a good end to a year that featured robust demand and record annual rent growth. Although a repeat of 2021 is not likely, many of the trends that led to the stellar performance remain intact," Yardi Matrix writes in the report.

Highlights of the report:

- "U.S. multifamily rents rose modestly in December, increasing by $2 to a record $1,594, closing the book on an extraordinary year in which asking rents rose by 13.5 percent year-over-year. Rent growth in 2021 was more than double any previous year recorded by Matrix.
- "Although we expect rent growth to decelerate in 2022, it should be a strong year nonetheless by historical standards, closer to the 5 percent annual increases recorded in the middle of the past decade. Demand for apartments remains robust, and the national occupancy rate has been at or near record highs for the last six months.
- "Single-family rentals also remain in high demand, with the national occupancy rate up 0.4 percent year-over-year through December. Single-family rental asking rents rose 13.8 percent in 2021," the report says.

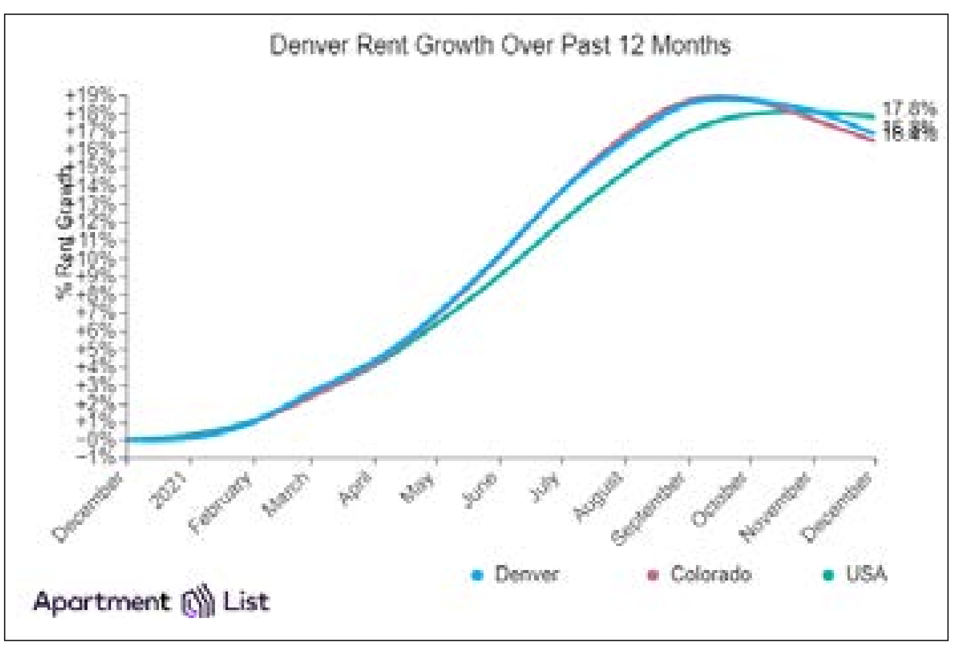
The report says the economy should remain strong based on higher wages, the continued opening up of the economy, easing of supply-chain issues and the wealth built up by some consumers during the pandemic.

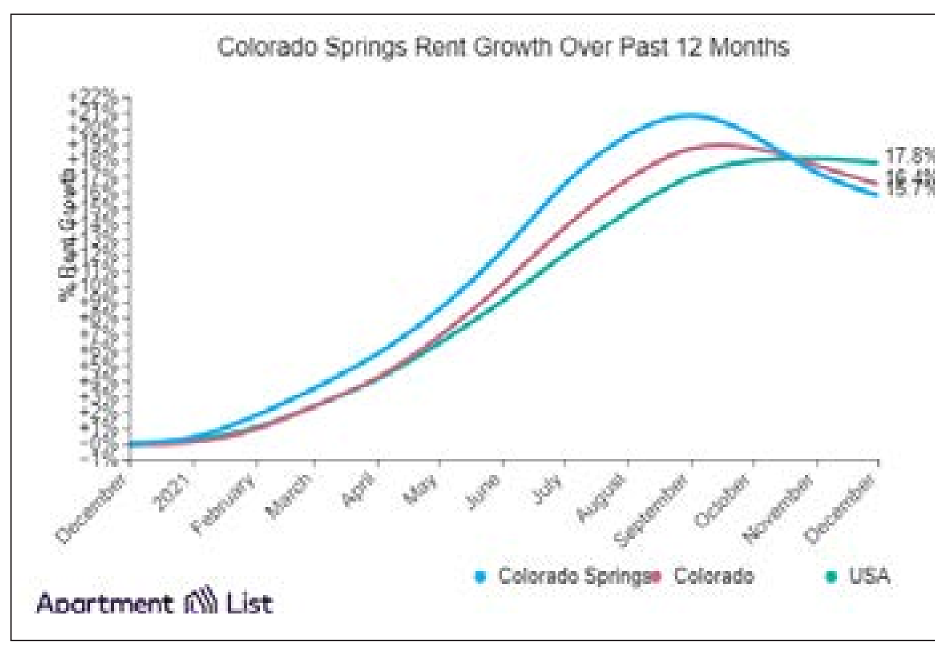
At the same time, inflation and a new wave of COVID-19 may keep the growth to a moderate level.

"Consumers' financial health should continue to feed growth of new households, while the rapid increase in home prices will funnel much of that demand to multifamily and single-family rentals," the report says.

"The pandemic continues to affect commerce and travel, and the future of migration remains unknown, but clearly the shift to the South and West will endure."

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.





Denver, Colorado Springs Rents Down Over Past Month

Continued from Page 1

- biggest drop in the metro. It's also the most expensive city in the Denver metro with a two-bedroom median of $2,223.
- Westminster has seen the fastest rent growth in the metro, with a year-over-year increase of 17.8 percent. The median two-bedroom costs $1,935, while one-bedrooms go for $1,577.
- Brighton has the least expensive rents in the Denver metro, with a two-bedroom median of $1,372; rents went down 1.3% over the past month but rose 10.3 percent over the past year.

Colorado Springs rents also decline

Colorado Springs rents have declined 1.3 percent over the past month, the third straight month the city has seen rent decreases.

Median rents in Colorado Springs are $1,134 for a one-bedroom apartment and $1,440 for a two-bedroom.

Across the state

- Boulder is the most expensive of all Colorado's major cities, with a median two-bedroom rent of $2,017.
- Of the 10 largest Colorado cities that Apartment List has data for, all have seen rents rise year-over-year, with Boulder experiencing the fastest growth (+19.6 percent).
- Fort Collins, Westminster, and Denver have all experienced year-over-year growth above the state average (18.1 percent, 17.8 percent, and 16.8 percent, respectively).

Apartment List estimates the median contract rent across new leases signed in a given market and month, using data from the Census Bureau's American Community Survey. Growth rates are calculated using a same-unit analysis similar to Case-Shiller's approach, comparing only units for which they observe transactions in multiple time periods to provide an accurate picture of rent growth that controls for compositional changes in the available inventory.

NATIONAL APARTMENT ASSOCIATION
Education Institute

Apartment Jobs Snapshot

Q4 2021

Total Q4 Job Postings in Apartment Industry (% of Real Estate Sector)

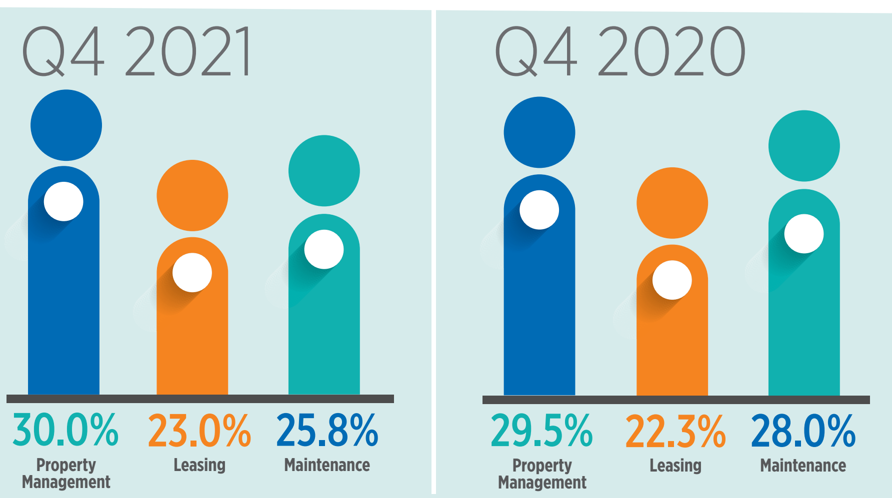
Q4 2021: **36.7%**

Q4 2020: **39.0%**

2015-2020 Average: **33.1%**

Summary:
During Q4 2021, 36.7% of available real estate jobs in the U.S. were in the apartment sector. Amid the Omicron variant surge apartment job postings declined compared to Q4 2020. The downward shift could represent the fact that companies are delaying the hiring process to reduce risk. Yet, healthy occupancy levels and rent growth during the quarter resulted in job postings exceeding the five-year average by 3.6 percentage points. According to RealPage, occupancy rates stood at 97.4% and average effective rent soared to $1,629.

Job Postings by Major Category (As a percent of all Apartment Jobs)



Summary:
Job postings for skilled property managers accounted for 30.0% of all apartment jobs. Robust apartment demand led to an 0.7 percentage points increase in leasing job postings. In contrast, hard-to-fill maintenance jobs significantly declined by 2.2 percentage points, signally that companies have decided to hire vendors due to maintenance talent shortages and high turnover rates.

Top MSAs* (As a percent of all U.S. Apartment Jobs)

Q4 2021		Q4 2020	
Dallas	5.1%	Dallas	5.4%
Los Angeles	4.6%	Los Angeles	4.5%
Seattle	3.8%	Washington, D.C.	3.3%
Washington, D.C.	3.5%	Seattle	3.3%
Denver	3.4%	Miami	3.1%

Summary:
Dallas, Los Angeles, Seattle, Washington, D.C and Denver ranked highest for markets with the greatest concentration of apartment job openings. RealPage reported that Dallas led the nation in apartment demand in 2021, accounting for 7.4% of total absorption in the U.S.

December 2021: % Apartment Jobs of Total Real Estate Jobs

Raleigh	54.6%
Denver	53.3%
Seattle	52.2%
Virginia Beach	51.9%
Houston	50.1%

Summary:
In the month of December, Raleigh, Denver, Seattle, Virginia Beach and Houston had the highest concentration of available apartment jobs as measured against the entire real estate sector. According to REIS, Raleigh ranked highest for year-over-year vacancy point change in Q4 2021, posting a 2.5% decline in vacancy. Denver apartments saw an impressive 15.5% increase in effective rent during November which in turn granted companies the resources to hire more staff.

Student Housing Job Postings** (% of all student job postings)

Top Cities**
(12 months ending December 31, 2021)

Austin, TX	3.6%
Columbus, OH	2.7%
Gainesville, FL	2.7%
College Station, TX	2.2%
Houston, TX	2.0%

Top Student Housing Job Titles

Leasing Consultant	6.5%
Property Manager	6.5%
Maintenance Technician	6.5%
Asst. Property Manager	5.4%
Maintenance Supervisor	4.8%

Summary:
During the 12 months ending December 31, 2021, demand for student housing personnel was highest in Austin, Columbus, Gainesville, College Station and Houston. Leasing consultants, property managers and maintenance technicians were all in highest demand during 2021, each making up 6.5% percent of all student housing job postings. Yardi Matrix reported that preleasing for fall 2021 outperformed 2019. Annual rent growth is also nearing pre-pandemic levels, at 2.2% as of December, just below 2019 levels of 2.4% rent growth.

Competing Sectors (Highest Location Quotients)***

Apartments		Retail Trade		Hospitality	
Seattle	2.4	Bremerton, WA	3.1	Napa, CA	2.9
Denver	2.3	Burlington, NC	2.3	Naples, FL	2.6
Miami	1.7	Fayetteville, AR	2.2	Las Vegas	2.2
Houston	1.5	Daphne, AL	2.2	New Orleans	2.1
Dallas	1.2	Waterbury, CT	2.0	Orlando	2.0

Common Skills (Percent of Jobs Requiring Skill)

	Apartments	Retail Trade	Hospitality
Specialized Skills			
Customer Service	27.3%	42.5%	24.9%
Sales	15.0%	37.7%	8.7%
Scheduling	19.7%	22.1%	19.5%
Baseline Skills			
Communication Skills	38.7%	40.3%	33.0%
Organizational Skills	27.5%	23.9%	20.6%
Detail-Oriented	17.9%	13.8%	13.2%
Teamwork/Collaboration	15.2%	18.4%	26.8%

Summary:
The apartment sector often competes with the hospitality and retail sectors for personnel with similar experience and skills. Customer service, communication, and organizational skills were among the most desired skills across all three sectors. Restaurants and hotels saw the largest number of jobs added in December. Leisure and hospitality added 53,000 jobs, food services and drinking places accounted for 43,000 of those job gains.

** MSAs with 100 or more apartment job postings.* *** Cities with 70 or more job postings* **** Location quotients show how concentrated demand is within a particular geography. US-wide average demand equals 1.0; an LQ of 1.2, for example, indicates 20% higher demand than the US average (or 1.2 times the US concentration)*

Sources: : NAA Research; RealPage, REIS, Yardi Matrix, Bureau of Labor Statistics, Burning Glass Technologies; Greystar student housing job postings as of January 13, 2022

Property Management Jobs in High Demand

National Apartment Association Education Institute

Job postings for skilled property managers accounted for 30 percent of all apartment jobs in the fourth quarter of 2021, according to the National Apartment Association.

Robust apartment demand led to only an 0.7 percentage points increase in leasing job postings. In contrast, hard-to-fill maintenance jobs significantly declined by 2.2 percentage points, signally that companies have decided to hire vendors due to maintenance talent shortages and high turnover rates.

In fourth quarter 2021 edition of NAAEI's Apartment Jobs Snapshot, apartment job listings comprised nearly 37.0 percent of available real estate positions during the fourth quarter of 2021, well above the five-year average of 33.1%.

"Amid the Omicron variant surge apartment job postings declined compared to the fourth quarter of 2020. The downward shift could represent the fact that companies are delaying the hiring process to reduce risk," the report said.

"Yet, healthy occupancy levels and rent growth during the quarter resulted in job postings exceeding the five-year average by 3.6 percentage points. According to RealPage, occupancy rates stood at 97.4 percent and average effective rent soared to $1,629.

Dallas; Los Angeles; Seattle; Washington, D.C.; and Denver ranked highest in concentration of apartment job availabilities.

Demand for student housing property management professionals was greatest in Austin, Columbus, Gainesville, College Station, and Houston.

NAAEI's mission is to provide broad-based education, training and recruitment programs that attract, nurture and retain high-quality professionals and develop tomorrow's apartment industry leaders.

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