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RHJ RENTAL HOUSING JOURNAL
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Mayor Vetoes Plan Requiring Landlords to Report Rent Amount

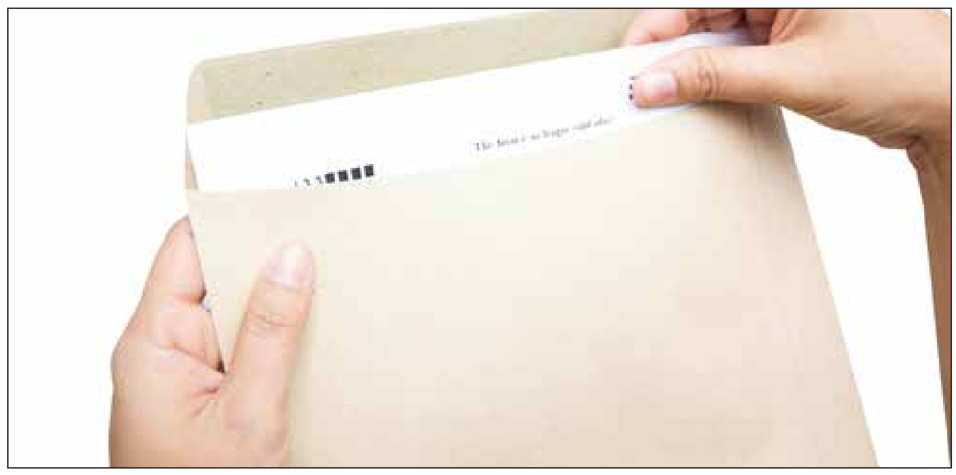
Rental Housing Journal

Seattle Mayor Bruce Harrell has vetoed a Seattle City Council ordinance that would have required landlords twice a year to report the rent and other fees they charge for each rental.

The council can override the veto but observers say that is unlikely because it would take six votes and the original proposal passed by a 5-4 vote.

Testifying before the council when the original ordinance passed, landlords said it would require them to reveal confidential business information and could contribute to property owners deciding to sell their rentals. It was also unclear has to how accurate the reporting would be.

In a letter to the Seattle City Clerk, Harrell said, "I have the utmost respect for the legislation's sponsors who seek quality data to make policy decisions. However, I do not believe CB 120325 will achieve its stated aims; the reliability of the data's accuracy will be questionable according to the University of Washington; it will be costly to create with no funding source identified; and it will be difficult to implement in enough time to inform the update to the City's Comprehensive Plan."



Harrell also wrote in the letter that James Young, Director of the Washington Center for Real Estate Research at the University of Washington, "makes a convincing case that a mandatory system compelling landlords to provide commercially sensitive business information about the size, characteristics, price, and occupancy status of rental units is unlikely to yield reliable data.

"Beyond problems with the approach, the likely financial costs associated with designing a mandatory reporting system are too high. City department staff provided estimates that the costs to stand up a new system and provide staffing support could be at least $2 million and as much as $5 million – money that could otherwise directly serve people suffering in the ongoing homelessness crisis."

Rent Growth Continues

Rental Housing Journal

Multifamily performance continued its strong run in May even as year-over-year rent growth decelerated slightly to 13.9 percent. However, demand remains robust and regionally broad-based, according to Yardi Matrix in its May multifamily report.

"Multifamily rents continue to defy gravity, increasing a robust $19 in May to a U.S. average of $1,680," the report said. "Decelerating economic growth and concerns about gas prices and inflation have not eroded multifamily demand much, nor slowed down the upward climb of rents."

Some highlights of the report:

- Multifamily performance continues to outpace every year other than 2021. The average U.S. asking rent rose $19 in May to an all-time high of $1,680.
- Year-over-year growth decelerated by 40 basis points to 13.9 percent. That's 130 basis points off the peak last summer, but still exceptional performance.
- Demand and rent growth continue to increase throughout the country. Rent growth rose at least 10 percent year-over-year in 26 of Yardi's top 30 metros.

The average single-family asking rent increased by $19 in May to $2,038, as year-over-year growth dropped by 70

See 'Multifamily' on Page 8

Ask an Attorney

How Can Landlord Prove Tenant Smoking Pot?

By Bradley S. Kraus

Dear Attorney Brad: I have a tenant who smokes marijuana, and the lease states no smoking at all. How can I prove that she is smoking to prove it to the judge in court? Thanks. -Romy

Dear Romy: Thank you for your email. Smoking issues can prove challenging when it comes to proof.

If no one sees the tenant smoking, how can you prove it's occurring?

Well, there's a couple different methods you may be able to employ.

First, the complaints of smoke smell likely came from neighbors. Try to "box" the smoke in, which will assist you with pointing the finger at this tenant. In essence, if the neighbor above, the

See 'How' on Page 14

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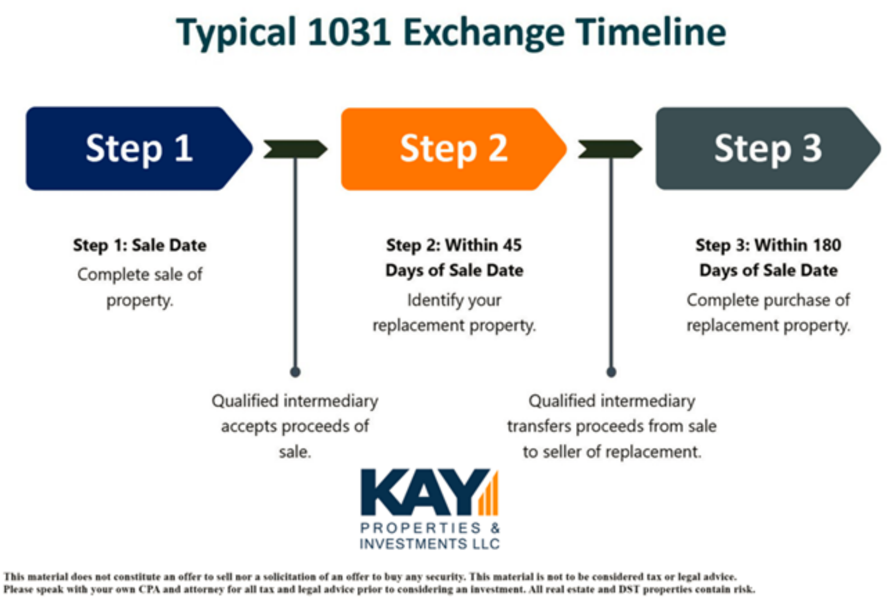
Picking the Right Delaware Statutory Trust Companies

Investors often must juggle multiple investment options, like where to invest and with whom. When it comes to evaluating a Delaware Statutory Trust or DST investment, real estate investors should look for a firm that specializes in DST investments to help ensure their 1031 Exchange is executed, with no detail being dropped.

One of the most important reasons investors need to carefully research any Delaware Statutory Trust company is because 1031 Exchange investment decisions need to be made within a tight timeframe, and within strict IRS requirements. These are not easy decisions to make within the timeframe, as they require careful assessment and specialized know-how of both the 1031 Exchange and DST industries.



1031 Exchange Timeline Considerations

The IRS timeline on a 1031 exchange can be extremely challenging, including completing the following steps within the specified timeframe as outlined under Section 1031 of the United States Internal Revenue Code:

1. Investors must purchase another "like-kind" investment property
2. The replacement property must be of equal or greater value
3. Investors must invest all the proceeds from the sale (i.e. the sale cannot receive any "boot".) NOTE: A boot is a portion of the sales proceeds you receive from a 1031 exchange that isn't re-invested in a replacement property. For example, if you sell a property for $200,000 but only re-invest $180,000, the $20K difference is known as boot.
4. The investor must be the same title holder and taxpayer
5. Investors must identify new property within 45 days
6. Investors must purchase new property within 180 days

How Knowledgeable is your Delaware Statutory Trust Company?

One of the greatest benefits of working with a specialized and skilled Delaware Statutory Trust company is that they can provide investors not only expert advice and insight into the various property options, but also provide advice on building a conservative, customized, and diversified portfolio for their investor's. Some firms advise investors to select risky businesses like hospitality, senior care, and oil & gas industries for 1031 exchange property options. Firms like Kay Properties & Investments is focused on building conservative, customized, diversified portfolios for their clients, doing everything possible to minimize risk.

Another important investment criterion investors should consider when a DST 1031 exchange, is does the firm provide 1031 Exchange investors a diversified menu of real estate assets from which they may choose, rather than forcing them to pick from limited options.

Kay Properties has access to the marketplace of DSTs from working closely with more than 25 DST sponsor companies. This allows investors to close their 1031 Exchange in little as 2-3 days, and invest in quality assets within the multifamily, net-lease, self-storage, industrial and manufactured housing sectors. In addition, Kay Properties offers the industry the largest inventory of custom debt-free DSTs while other firms only have 1 or 2 available. In addition, Kay Properties provides its clients a cash-out refinance option for those investors seeking potential liquidity.

Are They Offering a Breadth of Investment Options?

One of the concerns with having limited investment options is that investors may choose to invest their money in a particular investment not because it is necessarily the most suitable available in the market, but simply because it is the best option amongst those presented to them. For example, Apple and Microsoft are often considered by some to be well managed and profitable companies, but if those were the only options presented to a stock investor by their financial advisor, that investor would not necessarily know about other companies sometimes considered by others to also be well managed and profitable in which they could diversify their holdings, such as Amazon, Google, Netflix, etc… The same is true in the world of Delaware Statutory Trust brokers.

Many 1031-exchange investors are sometimes introduced to DST 1031-exchanges by someone that only has access to one or two DST properties and/or who has very little experience/knowledge in completing and evaluating 1031 DST exchanges.

What About the Education Process for DST 1031 Investors?

Because the Delaware Statutory Trust 1031 IRS laws can be confusing, the best Delaware Statutory Trust broker should offer investors educational tools to help them find the right DST investment vehicle. In addition, a good DST 1031 firm should also possess extensive knowledge about the different types of DST options, and be able to share this knowledge so that their client can pick the right property that meets their goals and objectives, be it in terms of tax deferrals or benefits and of course potential returns. And – depending on your unique goals and objectives – an excellent DST broker may help you select DST investments as you consider all three: potential income, potential capital preservation, and capital appreciation potential.

Kay Properties has one of the most (if not the most) robust 1031 Delaware Statutory Trust educational platforms in the nation. Some of these educational tools include:

- DST 1031 Conference Calls
- 1031 Exchange Delaware Statutory Trust Seminars and Workshops
- Vast Library of DST blog articles where investors can learn about DST trends, transactions, and insights
- A Regularly Updated Library of Podcast Episodes dedicated to DST 1031 exchanges

What Does their Track Record Say?

Another good idea for investors who are looking for the right Delaware Statutory Trust company should do is to examine the track record of any firm you are thinking of working with to determine whether they have extensive experience with DST 1031 investments. A long track record suggests they have acquired the necessary financial skill set and industry expertise which can help them evaluate several options to help you pick the right one. Plus, with years of experience in the DST sector, the best DST companies boast of a broad network of DST sponsors, offering you many options to choose from.

Kay Properties & Investments is considered one of the most experienced and knowledgeable investment firms in the country specializing in Delaware Statutory Trust (DST) and private equity real estate investments. The firm was established in 2010 with the emphasis on providing real estate investment options to high-net-worth clients looking for passive real estate ownership. In addition, Kay Properties believes it has created one of the largest 1031 exchange and real estate investment online marketplaces in the country that generates some of the largest DST 1031 investment volume in the United States. In 2021, for example, Kay Properties clients participated in thousands of transactions, and the $610 million of equity invested through the Kay Properties platform was invested in more than $8 billion of real estate offerings totaling approximately 50 million square feet of multifamily, manufactured housing, single tenant net lease, industrial, self-storage and medical properties nationwide.

Besides a deep network, what accredited investors deserve is an experienced and knowledgeable 1031 Delaware Statutory Trust broker that can provide them with valuable insight, guidance, and access to a large amount of diverse DST properties from many different DST sponsor companies. Kay Properties, a national Delaware Statutory Trust (DST) investment firm, is such a DST broker.

What Kay Properties Can Do for You?

One of the tremendous resources offered to investors by Kay Properties is the kpi1031.com online marketplace. The www.kpi1031.com platform provides access to the marketplace of DSTs from over 25 different DST sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 150 years of real estate experience, are licensed in all 50 states, and are 1031 exchange DST brokers who have participated in over $30 Billion of DST 1031 investments.

Sophisticated real estate investors know that choosing the right DST broker is critical when looking to place their 1031-exchange or cash-investment dollars into a DST.

What to Look for When Searching for a Delaware Statutory Trust Company

WHAT TO LOOK FOR	WHAT DOES IT MEAN?	WHAT QUESTIONS TO ASK
Make sure the firm is hyper-specialized in DST 1031 Investments.	A true DST specialist firm will have participated in billions of dollars of DST investments and be able to provide clients custom options to satisfy their specific, unique needs.	Key Takeaway: Ask how many DST 1031 deals the firm has successfully completed.
Make sure you use a firm that has an entire team of DST 1031 professionals.	It's important to understand how the concepts of debt replacement, lease structuring, diversifying real estate portfolios, etc. are relevant to any 1031 exchange. A true DST 1031 expert will be able to explain these and other terms in great detail.	Key Takeaway: Ask very specific questions and demand very specific answers.
Make sure you use a firm that is very particular with their DST properties.	Many firms that don't specialize in DST properties encourage investors to look at assets that have higher risk, overly priced, and little performance data.	Key Takeaways: Ask where the advisory firm sources their properties for 1031 exchanges, and what type of due diligence they have performed on the properties
Make sure to use a firm that has some of its own skin in the game.	Smart investors work with DST 1031 advisory firms who invest their own money in the investments they are selling.	Key Takeaways: Ask if your advisory firm personally invests in the specific properties they are advising other people to invest in.

About Kay Properties and www.kpi1031.com: Kay Properties is a national Delaware Statutory Trust (DST) investment firm. The www.kpi1031.com platform provides access to the marketplace of DSTs from over 25 different sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 150 years of real estate experience, are licensed in all 50 states, and have participated in over $30 Billion of DST 1031 investments. This material does not constitute an offer to sell nor a solicitation of an offer to buy any security. Such offers can be made only by the confidential Private Placement Memorandum (the "Memorandum"). Please read the entire Memorandum paying special attention to the risk section prior investing. IRC Section 1031, IRC Section 1033 and IRC Section 721 are complex tax codes therefore you should consult your tax or legal professional for details regarding your situation. There are material risks associated with investing in real estate securities including illiquidity, vacancies, general market conditions and competition, lack of operating history, interest rate risks, general risks of owning/operating commercial and multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, potential returns and potential appreciation are not guaranteed. Nothing contained herein constitutes tax, legal, insurance or investment advice, nor does it constitute a solicitation or an offer to buy or sell any security or other financial instrument. Securities offered through FNEX Capital, member FINRA, SIPC.

BEST CITIES FOR RENTERS RANKED — Rent Cafe

Overall Rank	City	Population	Cost of Living & Housing Rank (Weight: 50%)	Cost of Living	Avg Apt SqFt	Occupancy	Share of New Apt.	Share of High End Apt.	Share of Renters	Local Economy Rank (Weight: 30%)	Unemployment Rate	Share of High Educated	Renter Income	Job growth	No. of Business Applications	Quality of Life Rank (Weight: 20%)	Apt. in Top Locations	Avg. School Quality	Annual Delay per Car Commuter (h)	Share of Car Users	Natural Amenity Rank	Days with Good Air Quality
1	Round Rock, TX	128,812	13	94	912	95.8%	20.2%	75.6%	41.4%	10	4.9%	41.3%	$67,740	9.1%	0.023	12	46.4%	6.3	41	75.7%	3.24	146
2	Raleigh, NC	469,698	16	96	958	95.2%	14.4%	64.5%	48.5%	12	4.3%	51.4%	$52,871	5.4%	0.022	6	51.6%	4.8	17	75.9%	0.23	196
3	Conroe, TX	88,369	3	93	920	94.9%	26.7%	70.4%	45.5%	36	4.0%	27.9%	$48,871	6.5%	0.019	24	29.0%	5.7	21	82.0%	1.58	168
4	Greenville, SC	68,648	2	91	947	94.8%	19.6%	43.7%	56.9%	25	3.3%	50.8%	$46,138	2.1%	0.019	45	7.9%	5.9	16	78.4%	1.83	189
5	Orlando, FL	284,817	22	97	958	95.8%	14.7%	60.9%	62.7%	17	5.0%	39.9%	$50,679	9.2%	0.036	21	25.8%	4.9	22	77.0%	2.96	151
6	Jacksonville, FL	902,488	8	93	965	95.1%	13.9%	51.2%	43.6%	47	5.5%	29.3%	$45,677	5.4%	0.030	25	35.8%	4.6	21	78.7%	2.31	131
7	Charlotte, NC	873,570	24	97	943	94.9%	20.9%	68.4%	47.2%	19	4.9%	44.8%	$54,602	3.7%	0.031	30	24.2%	4.8	24	72.6%	0.82	187
8	Charleston, SC	137,041	32	100	967	94.4%	29.3%	52.6%	44.6%	8	3.4%	54.4%	$54,381	4.6%	0.024	38	13.8%	5.0	26	75.3%	1.45	226
9	Atlanta, GA	497,642	35	102	974	94.3%	17.0%	66.8%	55.2%	21	6.6%	53.4%	$47,180	6.2%	0.061	17	44.7%	4.7	37	63.0%	−0.24	182
10	Austin, TX	965,872	55	102	863	95.1%	17.6%	63.0%	54.5%	7	4.4%	53.4%	$61,972	9.1%	0.023	10	45.5%	5.6	41	70.1%	3.24	146
11	Sarasota, FL	57,787	44	101	952	97.4%	27.8%	67.4%	42.0%	25	3.7%	37.2%	$46,274	7.9%	0.019	13	24.7%	6.1	12	75.5%	4.78	153
12	Savannah, GA	145,492	1	88	968	96.5%	17.0%	33.1%	56.0%	73	8.4%	29.1%	$39,597	7.2%	0.030	58	0.0%	3.8	14	71.3%	1.76	223
13	Plano, TX	288,870	65	111	935	95.4%	12.2%	78.0%	41.1%	1	4.0%	57.6%	$78,706	7.4%	0.025	5	69.5%	6.8	40	76.9%	1.01	201
14	Knoxville, TN	187,487	4	84	974	97.7%	11.0%	28.8%	53.1%	82	5.5%	33.5%	$33,731	4.1%	0.011	39	17.5%	5.1	23	78.1%	0.62	201
15	Tampa, FL	395,912	40	96	929	95.8%	11.7%	48.1%	53.7%	35	5.8%	39.9%	$44,599	5.5%	0.029	23	25.1%	4.5	18	74.0%	4.82	126
16	Columbia, SC	134,057	10	93	1,006	93.0%	7.9%	35.1%	53.0%	78	6.8%	43.4%	$33,473	1.2%	0.025	35	15.0%	4.4	19	63.4%	0.56	191
17	Lincoln, NE	285,398	19	93	942	97.4%	11.4%	39.2%	43.8%	42	3.5%	39.9%	$42,920	2.2%	0.009	68	13.8%	5.1	7	79.7%	-2.55	199
18	San Antonio, TX	1,529,133	27	94	859	94.5%	14.1%	46.6%	46.7%	62	5.9%	26.4%	$42,941	6.8%	0.014	28	25.6%	4.8	32	76.3%	2.63	156
19	Houston, TX	2,313,238	33	95	882	93.0%	9.0%	42.4%	57.1%	41	6.2%	34.3%	$46,071	6.5%	0.023	47	31.3%	5.0	49	75.9%	−0.04	120
20	Fort Worth, TX	892,221	37	96	872	94.5%	19.5%	46.2%	43.0%	38	5.7%	30.1%	$49,272	7.4%	0.020	43	20.5%	4.6	40	79.1%	1.02	151
21	Lubbock, TX	257,013	13	93	920	93.3%	10.4%	40.1%	48.2%	65	4.2%	33.7%	$36,642	4.9%	0.012	72	2.8%	4.8	13	79.8%	1.14	187
22	Columbus, OH	889,079	17	92	884	94.2%	13.8%	23.3%	55.1%	43	5.4%	36.8%	$46,365	2.4%	0.021	96	4.4%	3.9	27	77.7%	-2.43	188
23	Amarillo, TX	199,225	29	81	824	92.7%	5.6%	18.2%	42.9%	68	3.8%	23.3%	$40,848	3.6%	0.010	28	17.8%	5.5	10	82.8%	2.86	189
24	Nashville, TN	667,070	41	97	885	94.8%	24.5%	49.6%	46.0%	20	4.7%	42.8%	$50,643	6.5%	0.023	74	9.0%	4.7	28	75.3%	0.33	123
25	Huntsville, AL	199,845	12	90	939	94.7%	5.2%	38.8%	43.3%	55	5.0%	44.0%	$37,193	2.7%	0.017	95	5.4%	5.6	14	84.1%	−1.25	139

The Best Cities for Renting Apartments in 2022

Rental Housing Journal

RentCafe has ranked the best U.S. cities for renting an apartment in 2022, using a unique combination of 17 metrics and proprietary data, according to a release.

"In addition to what it costs to live in America's cities, we also looked at the selection and quality of apartments, the quality of their neighborhoods, occupancy rates, local economy growth, air quality, job opportunities and much more," the company said in the release

The report ranks the suburb north of Austin, Round Rock, as the best city for renters in 2022, followed by North Carolina's fastest-growing city, Raleigh.

Here is the ranking across the three main categories of cost of living and housing, local economy and quality of life:

Round Rock, Texas

Round Rock leads other Southern cities, small and large, which confirms not only Texas' appeal for renters, but the South's as an entire region.

Round Rock stands out especially due to its highly rated schools, having one of the best job growths in the country: 9.1 percent, and a large stock of high-end apartments: 75 percent.

Raleigh, N.C.

Raleigh takes the second spot due to its great quality of life metrics, as well as its high-end apartments in quality neighborhoods, low unemployment rate – 4.3 percent, and access to high-quality education.

Conroe, Texas

Conroe ranks third, thanks to its great cost of living and housing, followed by Greenville, S.C., and Orlando, Fla., which rounds up the top 5.

Jacksonville, Florida

Jacksonville, Fla., takes the title of best large city for renters, at No. 6 overall. What made it stand out were its large apartments, high number of new business applications – one of the highest in the country, good job growth – 5.4 percent, and low unemployment rate– 5.5 percent.

Smaller Cities

Small cities dominate the cost of living & housing section, with Savannah, Ga., in the lead. Its large floorplans and lower overall cost of living helped the city rank high up in the general chart as well, at No. 12. Plano, Texas ranks best for local economy, with a low unemployment rate of 4 percent, one of the highest average incomes: $78,700, and a healthy job growth of 7.4 percent.

RentCafe analyzed data for hundreds of cities across the nation and narrowed them down to 115 candidates for the best cities to live as a renter in 2022, using a unique combination of 17 metrics based on proprietary data that covers not just affordability, but also the selection and quality of apartments available in each city, the quality of the neighborhoods where rentals are located, occupancy rates, opportunities for job growth, air quality; and much more.

No Wonder Small Landlords Want to Call It Quits

By Ron Garcia

June is here. The Rose Festival is happening at Waterfront Park. The NBA playoffs, Stanley Cup finals, and Indy Car races are all running at full speed. Golf courses and hiking trails are packed, and rush hour traffic is at a standstill, exaggerated by summer roadwork and detours. Google calendars are jammed with happy-hour events and networking groups and business coffees and lunch appointments. Zoom meetings are now arranged only for their convenience rather than their necessity. Everyone seems to be making vacation plans despite higher gas prices, while real estate values continue to rise.

It could easily lead us to forget that the COVID-19 pandemic ever happened. Except that it did, and it is still threatening, and there are reminders everywhere we turn. Its negative effects linger in cautious handshakes and arise every time someone sneezes in public or stands apart while cloaked in a mask.

As a landlord, you may still be feeling the throbbing headache of your tenants' unpaid rent as they continue to be protected under Oregon's Safe Harbor regulations. Today it's not uncommon for tenants who had been approved for Emergency Rental Assistance, and who were already paid thousands of dollars for back-owed rent by the state, to still be delinquent either for recent months or for some gap that occurred in 2020 or 2021 that remained uncovered and unpaid by any assistance dollars.

It is frustrating especially to smaller landlords who are straddled with mortgage payments and burdened by a lack of income from their investment properties. They are unable to terminate the tenancy to either sell or re-rent the unit and they can't do much about raising old, below-market rents beyond small percentages now prescribed by state law.

Many tenants are equally distressed because they have been incentivized by the state to not pay rent. They have fallen behind beyond any amount they might qualify for, even if their applications for assistance get approved. Those dollars are drying up and OHCS announced that the portal has closed. Meantime, the market has tightened up with very few vacancies and higher rents, so tenants are now left with limited alternatives for replacement housing when that day finally comes, and they are forced to pay up.

How did we get here? The more the market is regulated, the more "unintended consequences" arise, creating more problems. The pandemic was not the only catalyst creating bad regulations, but it sure piled a lot more of them on! Hello – is anybody home?

One example is an Oregon law passed last year called SB 291. It's a requirement to lower screening guidelines stating that criminal backgrounds should rarely be used as they do not indicate an applicant's ability to pay rent. Consider this: When an existing tenant feels threatened by a newer neighbor's behavior, they are also generally too intimidated to testify against it, thus providing the landlord with little or no ability to terminate the bad actor for cause. So, what happens? The existing neighbor moves out and is now forced to pay a much higher rent for a new unit. Then, what happens to that vacancy? The landlord renovates it and raises its rent, of course, to cover their losses. Is this any way to solve affordable housing issues? Are lawmakers so far removed that they don't see what is actually happening at home? And even though both the landlord and the existing tenant were each negatively affected by this forced arrangement brought on by a convoluted regulation, some advocates try to use these optics to "prove" that discrimination exists and the only thing that matters to landlords are higher returns.

Many affordable housing advocates are now using the homeless crisis to demand even more regulation. As they re-brand the problem as "houselessness," it's easy to see where they expect to find solutions. Wide-ranging all-encompassing statutes that claim to defend and protect classes of people who are disproportionality affected and who are rent-burdened due to long standing social injustices are having the exact opposite effect on the people they claim to be defending.

No wonder so many small landlords are compelled to call it quits and get out of town. We need a break!

Affordable and safe housing is paramount to a thriving community. We elect lawmakers to help create solutions to improve the well being of us all. As we collectively relax this summer in our re-opened social endeavors, let's all agree to write a postcard to our representatives at the state house and tell them our stories of frustration. Maybe let them know that "we wish they were here" to protect us too.

Ron Garcia is Executive Director of Public Policy at Rental Housing Alliance Oregon. He can be reached at ron@rhaoregon.org.

What to Do About Hoarder-Tenant Friend

By Hank Rossi

Dear Landlord Hank: We rent out a house next to us to a lifelong friend of my husband's. She used to babysit him when he was little. She is now in her 60s, with very poor physical and mental health. She is a hoarder and as her physical health has deteriorated, this problem has become out of control and unhealthy for her.

My husband has gone in with her permission several times and cleaned up the place. Within two weeks it is always a mess again. There is literally just a path through from the front door to a chair she lives and sleeps in. She can no longer reach a bedroom or the bathroom. She wears adult diapers and cleans herself up afterward, but is now getting too weak to even do that very well. It takes her an hour.

She also has a dog and a cat, which just use a back room of the house to go to the bathroom because she can no longer take care of their needs either. There is no family willing to help. We have repeatedly tried to talk her into assisted living, which she shoots down immediately.

At this point, she really needs nursing home care. She refuses to go to the hospital and insists she wants to stay here and that she is fine.

At what point do we override her free will and take legal action to get her help? We are concerned for her, of course, but are also worried we could be held responsible for her unsanitary living conditions. We have tried to help. She just won't let us.

But her health is so poor, we could be calling an ambulance for her someday soon. At that point, the state of her living conditions would no doubt be reported to somebody. Could that come back on us in the form of criminal charges or something similar? If we take action to get her out into assisted living or whatever she needs, she will see it as the ultimate betrayal. She thinks that families that allow a loved one to go into a nursing home are just terrible people.

Some thoughts or insight into our level of responsibility? We live in Ohio. Thanks so much for your time. – Crystal

Dear Crystal: This is a very tough situation to be in, as your tenant is far more than a tenant.

It seems like you consider her "family" and she has the same feelings. I'm not able to diagnose this person but from your description of the situation it appears that this tenant may be battling a hoarder disorder, which has been officially designated as a subtype of obsessive/compulsive disorder.

This disorder is also considered a disability by the American Psychiatric Association, meaning that she would also be protected by the Fair Housing Act. She would be protected on many levels, and I know eviction is not any part of the plan – nor should it be. Since she is failing both physically and mentally and has basically created a toxic environment, this is no longer a safe place for her to be.

You may have to be the mother figure here and tell her that since she can no longer take care of herself properly you are very concerned about her continued well-being and she is going to need more care than she is getting and a clean, safe environment in which to live. This is not up for discussion, and she can either be a part of the decision or she can fight you, in which case she'll have less say so in where she moves from your place.

I would talk to your local social services and health department and ask for help. You could also visit some assisted living communities for advice and availability. I would first contact a local Ohio attorney dealing in landlord-tenant law and ask for advice. This is not going to be an easy battle since she is in denial about her health and the need for more care. I know you care for her very much and hopefully she will come to see that you only have her best interests at heart.

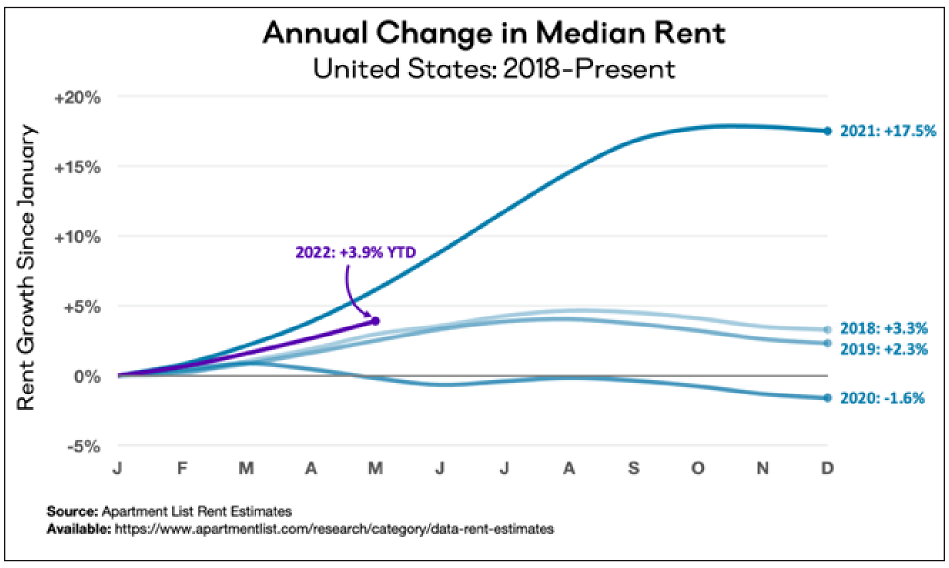
Each week Hank Rossi answers questions from landlords and property managers across the country in his "Dear Landlord Hank" blog in Rental Housing Journal. Visit https://rentalhousingjournal.com/asklandlordhank/

Rent Growth Posts 1.2 Percent Rise in May

Rental Housing Journal

National rent growth accelerated slightly again in May, with the national index up by 1.2 percent over the course of May, the largest monthly increase of the year so far, according to Apartment List.

"So far this year, rents are growing more slowly than they did in 2021, but faster than the growth we observed in the years immediately preceding the pandemic. Over the first five months of 2022, rents have increased by a total of 3.9 percent, compared to an increase of 6.1 percent over the same months of 2021," the Apartment List research team writes in the report.



Rent growth likely to exceed pre-pandemic trends

Year-over-year rent growth currently stands at a staggering 15.3 percent, but is down slightly from a peak of 17.8 percent at the start of the year, the report says.

"Based on what we've seen so far this year, rent growth in 2022 seems likely to continue exceeding the pre-pandemic trend, even as it moderates substantially from 2021 levels," the report says.

Rents increased in May in 96 of the nation's 100 largest cities, though 70 of these cities have seen slower rent growth so far in 2022 than they did last year, and some of the hottest Sun Belt markets are finally showing signs of plateauing growth.

Vacancy rate on upward trend

The national vacancy index ticked up slightly again in May, continuing a streak of gradual easing dating back to last fall.

"Our vacancy index now stands at 5 percent, up from a low of 4.1 percent, but remains well below the pre-pandemic norm," the report says.

Although this gradual easing in occupancy is a positive signal, the market remains historically tight.

"And although we're now at the start of the busy season for the rental market, when the bulk of moving activity normally takes place, rapidly rising rents may incentivize many renters to stay put and renew existing leases rather than looking for new ones. At the same time, the recent spike and mortgage rates has created yet another barrier to a historically difficult for-sale market, potentially sidelining would-be homebuyers and keeping them in the rental market.

"Given these factors, it's possible that the easing of our vacancy index could level off in the coming months," the report says.

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.

Multifamily Rent Growth Continues to Defy Gravity

Continued from Page 1

basis points to 12.7 percent. Although the national occupancy rate fell 0.2 percent, the sector will continue to ride strong demand, especially as home sales wane due to higher interest rates.

The report also points out the continued growth of metros in the Sun Belt – especially Florida, Texas, and Arizona – which are benefiting from migration due to the inflow of population and jobs. Gateway metros continue to rebound from the pandemic slump, backfilling the renters who moved to suburbs and/or more affordable places during the pandemic. Now there are a new set of households that want an urban experience.

Interest rates are affecting transactions

The increase in interest rates shows that transaction activity is slowing.

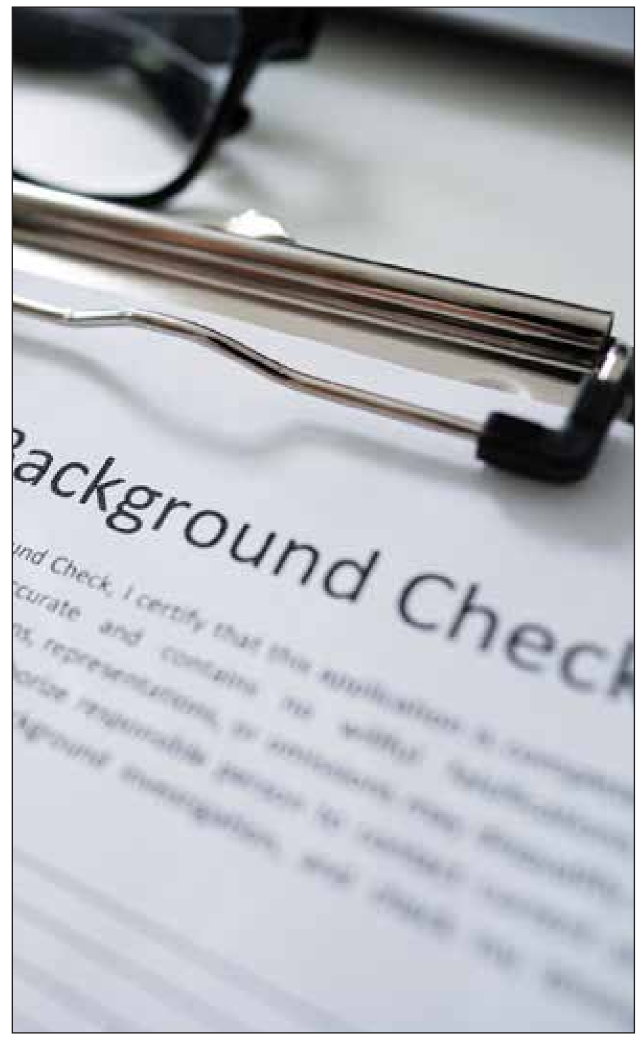
"Buyers using leverage of 70 percent or more are finding that financing is drying up, and deals with aggressive bids have fallen through. Property values—which rose around 20 percent in 2021—are down 10-15 percent, based on reports from investors and sellers.

"However, the change in pricing has been slow to be recorded because many sellers are holding out rather than accepting lower bids," the report says.

"The expectations for solid rent growth in coming years should prevent acquisition yields from ballooning, even if rates keep increasing.

"Even taking the bullish expectations into account, however, investors and lenders must heed the lesson of the Global Financial Crisis and maintain discipline, avoiding underwriting unrealistic assumptions into transactions," Yardi Matrix says.

Federal Appeals Court Appears Skeptical of Rules Regarding Use of Background Checks



Rental Housing Journal

A federal appeals court panel has appeared skeptical of a Seattle law preventing landlords from inquiring about the criminal background of prospective tenants, repeatedly wrestling with whether the law violates landlords' First Amendment rights, according to a report in Law360.

The United States Court of Appeals for the Ninth Circuit panel appeared skeptical of a district court's decision to uphold the Seattle ordinance.

A group of landlords is appealing the district court's ruling upholding the city of Seattle's Fair Chance Housing Ordinance, one of the first of its kind in the nation, which prevents landlords from seeking out otherwise publicly available criminal information on prospective tenants or denying tenancy based on criminal history.

"I think you are looking at judges who are wrestling with the free-speech claims," Circuit Judge Kim McLane Wardlaw told Roger D. Wynne of the Seattle City Attorney's Office when he tried to pivot away from his free-speech arguments, Law360 reported.

Wynne told the panel the law does not regulate speech, but that if it does, it is only commercial speech, which meets the court's intermediate-scrutiny standard.

Ethan Blevins of the Pacific Legal Foundation, who represents the landlords, told the panel the ordinance does not meet the intermediate-scrutiny standard because it is not narrowly tailored.

He said the city council relied on some studies that should have found the ordinance is unnecessary, including a survey in the 1990s that showed landlords are largely open to renting to tenants with criminal histories as long as it didn't threaten other tenants' safety.

Judge Wardlaw told Wynne the ordinance "seems overbroad" and may not meet the intermediate-scrutiny standard established in the U.S. Supreme Court's 1980 ruling in Central Hudson Gas & Electric Corp. v. Public Service Commission of N.Y.

Seattle passed its law in 2018, and it was challenged that same year in state court by the landlords and the Rental Housing Association of Washington, a membership organization that provides screening services. The lawsuit was removed to federal court, with a district judge eventually granting summary judgment in favor of the city.

The Opportunity to Increase Energy Efficiency in Rentals

By Greg Fasullo

Consumers are increasingly seeking ways to decrease their carbon footprint and use energy more efficiently. The best place to start? At home.

A considerable decarbonization opportunity exists in the energy consumed by homes. Residential energy consumption accounts for nearly 20 percent of U.S. energy-related greenhouse gas emissions. That's more emissions than Germany puts out, and approximately the same as Brazil.

Single-family rental homes (SFRs) have recently experienced substantial growth within the U.S. rental inventory. Their share of the market is currently valued at approximately $4.4 trillion. With the SFR market projected to further expand and become 12 percent of all new homes built over the next decade, there is a huge opportunity to increase sustainability efforts.

By following a process that involves pairing focused energy-efficiency upgrades and behavior changes with data driven by technology, major carbon reductions can be achieved. Rental operators and institutional landlords will see multi-faceted impacts — they'll maximize savings and cut extra costs while working towards a more sustainable future.

Implementing Sustainable Solutions

Inefficiencies across SFR homes are rampant, from improper insulation to outdated appliances. In fact, American renters use nearly one-third more energy per square foot than homeowners do, especially when utility costs are fixed and bundled with rent. To address these opportunities for energy and cost savings, SFR operators must begin by conducting energy audits across their rental portfolios. These audits can pinpoint a rental property's energy drainers and provide a tangible starting place for cutting energy usage at scale. An energy audit provides actionable data, and when weighed against the data from other rental portfolios it provides the necessary insight to define benchmarks and identify areas of improvement or success in energy efficiency.

Properly reducing emissions in SFRs comes largely through changing behavior, in the forms of both human and appliance behavior. Improving appliance behavior includes making informed maintenance decisions, taking advantage of appliance-technology capabilities, and weighing the benefits of replacing old appliances with newer, often more energy-efficient options. None of this is possible or effective without information from regular energy audits and ongoing energy monitoring benchmarked against large data sets in the SFR industry.

After all, you can't manage what you can't measure.

Changes in human behavior are also aided by the same process. Rental operators and institutional landlords can make informed decisions on energy-efficiency, from smaller items such as window and door insulation, to larger system upgrades such as solar panels and residential batteries. Renters and SFR occupants can also use their desire to reduce emissions and save money to shape behavior changes. This can take many forms, including understanding and implementing best practices around heating and cooling as well as taking advantage of natural light during the day.

Holistic Energy-Efficiency is an Investment for All

Ultimately, landlords and renters are in it together. As they work together towards energy-efficiency in rentals, they'll share the benefits that will follow. Air quality will improve. Money will be saved. Carbon footprints, both individual and institutional, will be reduced. They'll make their homes stand out through investing in energy-efficiency and renters will be proud to live there.

Greg Fasullo is CEO of Elevation, an energy solutions company targeting the single-family rental market with an energy-efficiency platform. Fasullo is an executive and entrepreneur with three decades of experience in technology, innovation and ethical capitalism.

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How to Implement a Smoke-Free Housing Policy

With more people working from home or spending more personal time at home during the past couple of years, it is important to ensure that residents of our apartment communities have a healthy living environment.

We know that one of most unhealthy conditions for renters can be the presence of second-hand smoke.

While many properties in Washington have already been converted to smoke-free, or have been built recently and adopted smoke-free policies from their inception, there are many other properties that have not yet adopted no-smoking policies.

It is clear that residents appreciate and, in many cases, expect a housing environment that is safe and free of hazards. The threat of second-hand smoke or fire risk are hazards for residents that can be mitigated simply by adopting policies that are becoming more and more common in multifamily housing.

Establishing a smoke-free policy in an apartment community has not only been a growing trend with rental housing providers in Washington and across the country, but is now commonplace in our industry.

A Win-Win Policy

Property owners find this kind of policy is good for business and a clear win-win, lowering costs and risks for an owner and providing a healthier, safer, greener environment leading to happier residents.

With Washington's adoption of legalized recreational marijuana use under certain conditions, residential property managers are receiving more and more complaints from residents about the intrusion of not just cigarette smoke into their dwelling units but also the presence of marijuana smoke smells. This is raising issues of habitability, health concerns and peaceful enjoyment of one's apartment home.

One of the best ways to counteract these complaints regarding smoke and odors of either kind is to implement a no-smoking policy at your community.

For residents of multi-unit housing like apartment buildings, secondhand smoke can be a major concern. It can migrate from other units and common areas and travel through doorways, cracks in walls, electrical lines, plumbing, and ventilation systems.

The benefits to owners include reduced cleaning and maintenance costs at move-out, fewer property fires caused by careless smoking, and reduced insurance costs as a result of reduced claims.

These policies can also lower the risk of resident warranty of habitability liability claims over adverse health effects caused by unwanted smoke or odor. They also increase the marketability of a property with a healthier, safer living environment for residents.

The financial benefits to owners are clear: Managers can realize up to $3,000 to $10,000 in cost savings from turning over one heavily smoked-in unit. Having a smoke-free building will preserve and enhance property value.

Demand for Smoke-Free Housing

Surveys have shown that the vast majority of renters favor policies eliminating smoking in apartment homes, and they would pay higher rent to live in a healthier, greener community.

As the public's awareness of the harmful effects of smoking has increased, more and more tenants have sought out apartment buildings where smoking is prohibited altogether. Surveys from across the country show a high demand for smoke-free apartment buildings.

Simply put, residents place a premium on smoke-free housing policies in rentals, and your employees have a healthier work environment. Providing a safer living and working environment is no small matter. Smoking-related fires are often caused by cigarettes. Careless smoking is the No. 1 cause of devastating apartment fires, from the standpoint of loss of life and property loss.

Second-hand smoke has been determined to be a Class A carcinogen. It contains more than 4,000 chemicals, of which 11 are known cancer-causing poisons and 250 are known toxins. Second-hand smoke has been linked to such diseases as cancer, asthma, heart disease, respiratory illness and low birth weight.

Elderly and disabled people are particularly vulnerable to second-hand smoke due to chronic health conditions. The health effects on someone recovering from COVID-19 are still unknown. Smoke-free policies help provide housing stability for residents who suffer from other health conditions such as asthma.

Smoke-free housing allows residents to enjoy their home without being exposed to the deadly chemicals found in second-hand smoke. Eliminating smoking in an apartment building is the only way to protect residents from unpleasant odors and the health risks of second-hand smoke.

One of the initial concerns regarding no-smoking policies was confusion about legality and fair housing laws. Smoking is not a protected class. It has been well-documented that creating a policy banning smoking inside apartments and in common areas of apartment communities is legal, non-discriminatory and does not violate any fair housing laws.

Bottom line: Property owners and managers have the right to set reasonable rules or policies that protect their investments as well as the health and welfare of their residents and staff.

How to Get Started

Establishing a no-smoking policy in a newly constructed apartment community is relatively easy, compared with converting an

See 'Smoke-Free' on Page 11

Smoke-Free Housing Policies Now Commonplace

Continued from Page 10

existing building to no-smoking. However, there is a market for healthy living homes created by no-smoking policies. If you don't have a no-smoking policy in your community, now is the time to make a change.

Landlords nationwide and locally have developed a reasonable step-by-step process for implementing a smoke-free policy in their communities:

Step 1 – Develop Your Policy

The most important part of Step 1 is making the decision to go smoke-free. Consulting with building owners, employees and residents will give you the initial buy-in needed to make the commitment. Then, develop a clear policy and understand and communicate the reasons for the decision.

A 100 percent smoke-free policy includes prohibiting smoking in the interiors of all units, in any common areas, on patios or balconies, and within 25 feet of any building. If possible, you may create designated smoking areas. For example, a nice outside gazebo on the property that may be far away from any buildings, play areas or other well-traveled public spaces is a good option.

Step 2 – Develop a Transition Plan

Determine when and how you want to implement your new policy. Establish a starting date for any new residents to be bound by the no-smoking policy. Then determine the starting date for existing residents to fall under the new policy.

Develop a No-Smoking Lease Addendum or new lease language. (A sample lease addendum language is available on the websites shown at the end of this article.) Initiate all new leases with the new no-smoking language included.

Step 3 – Notify Your Residents

Communicate the policy by notifying residents of the reasons for going smoke-free and the benefits to themselves and the community.

Give existing residents a time period in which the new policy will become effective and an opportunity to sign the new lease addendum. For existing residents who are on term leases that expire at a future date, it is advised to make the effective date for the new policy for those residents upon lease expiration and renewal.

Prepare your legal written notice to residents giving notification of the change in policy. It is best to give ample time, beyond the legal notice requirements, to give existing residents time to acclimate to the new policy and have time to meet with management if desired.

Step 4 – Market the Benefits of the Policy

Train staff to be spokespersons for the new policy and the reasons the property has chosen this new rule. Make sure in your leasing presentations that the benefits of the amenity of a no-smoking policy are promoted. Include "no-smoking" in your online marketing.

The property offers a cleaner, healthier environment for all residents, free from smoke drift that can cause health issues for infants, children, elderly and those with existing health conditions. Sell this benefit. It may set you apart from the competition.

Step 5 – Enforcement of the Policy

Education and communication about the new policy to residents, employees and other affected parties is crucial to successful implementation and enforcement of the policy.

Enforcement starts by setting clear expectations at the outset of the tenancy. Then, enforce your new policy just as your management would any other policy, such as loud music, parking infractions, clutter, etc.

No-smoking policies are largely self-enforcing. Once the rule is established, you are likely to attract tenants who want to live in a smoke-free environment.

Document any potential violations, meet with residents to discuss any policy violations and follow your standard progressive-discipline measures of resident notification. Simply working with residents in a customer-friendly manner typically achieves the best results.

Post signage alerting residents and guests that smoking is not allowed on the property.

Keep in mind, residents who smoke do not need to move out. Smokers simply cannot smoke inside their apartments, in common areas or in proximity to buildings where smoke can drift into other apartments and affect their neighbors' health and enjoyment.

Who Wants Happier Residents?

Resident and employee satisfaction will increase, and occupancy goes up in many cases due to the attractiveness of the amenity. You will have happier residents who will want to stay in your community.

Keep in mind that formal reasonable-accommodation requests can be made regarding medical marijuana. Note, however, that landlords are not necessarily required to make accommodations for a resident to smoke, especially when an alternate accommodation may be possible. Always check with your company fair housing officer or attorney on procedures for handling reasonable-accommodation requests.

Implementing a no-smoking policy may be in the best interest of a property owner and is not as challenging as one might suspect. There is clear precedence and many resources for making this happen, and now may be the perfect time to make this important change.

More Resources

For more information about how to go smoke-free, visit these sources below:

www.kingcounty.gov/depts/health/tobacco/smoke-free-environments.aspx

www.makesmokinghistory.org

www.lung.org/our-initiatives/tobacco/smokefree-environments/multi-unit-housing/

WMFHA supports the rental housing industry by providing quality educational opportunities to promote career development, coordinating networking events for connection and personal growth, and by advocating for balanced legislation that supports our industry and the community. To learn more about membership in this passionate organization, simply call us at 425-656-9077 or visit our website at www.wmfha.org. Follow us on Facebook and our other social channels for up-to-date information on association activities.

Sponsored Content

How a 'Property Specialist' Can Streamline Your Rental

By Phil Schaller

Being a landlord can be challenging. Finding the right tenants, navigating pandemics, ever-changing landlord/tenant laws, fixing the kitchen sink that's leaking, the list goes on. Luckily here at RentalRiff, we've come up with a cost-efficient solution to take a lot of the burden from landlords.

What exactly is a property specialist?

A property specialist is a licensed/insured general contractor or professional handyman who serves as the main point of contact for the tenants and can help out with any repairs or property-level support. Every RentalRiff property specialist goes through a lengthy interview, trial, and training process before starting to work with our customers.

We put a huge emphasis on customer service, punctuality, and communication skills as it is critical to providing a successful solution (we also leverage quite a bit of technology to assist with this). At the end of the day, property specialists are simply good people who communicate well and can fix just about anything.

What kind of work can a property specialist do?

Our property specialists are very well-rounded and can tackle just about anything themselves. The services a property specialist can provide fall into ad-hoc repairs/maintenance, preventative maintenance, turnovers, showings, improvement projects, and tenant support (if a tenant can't program the thermostat, for example). Here is a more detailed list of skills property specialists possess.

Of course, there will always be situations where outside help will be needed (replacing a sewer line, for example), but in 2021 our specialists were able to complete 91% of all tenant/owner requests themselves. We have a large team of specialists who can hop in and help, or we can tap into our network and bring in outside folks.

How exactly does it work?

It's a pretty straightforward process - when a new customer signs up, we assign a property specialist who is on-call for the property (or properties). Tenants can reach out directly to their property specialist with any questions or property needs, and the specialist will head over to the property and address the situation.

No more fielding tenant requests, finding a handyman or pro, and coordinating the whole process. Your property specialist will know the property, know what to do, and the tenants know who's coming over to help - the landlord can sit back and relax.

How much does it cost?

There are a few different plans landlords can choose from (based on the amount of included maintenance and based on property type), but overall our service is significantly less than hiring a property manager. Take our Standard Plan for a single-family home: the cost is $140/month and includes 1 visit to the property every month. If you were to hire a property manager they'd charge 10% of the monthly rent collected, and you'd pay for any handyman or maintenance visits on top of that.

If you take a property that charges $3,000/month in rent, you'd be looking at $3,600 for the year and zero maintenance included. With RentalRiff, you'd be looking at $1,680 for the year and ample maintenance included (and we believe a much better experience for your tenants).

What about tenant experience?

Tenant retention is a critical element of running a successful rental. Vacancy costs money via lost rent, turnover costs, time finding a new tenant, etc. The tenants we work with absolutely love our service. They feel supported, property needs are addressed quickly, and they know the person coming over to help (as opposed to a stranger from the internet).

There's a better way to be hands-off, make sure your property stays in great shape, and provide a fantastic support system for your tenants. Happy landlording!

Phil Schaller is an experienced landlord and the founder/CEO of RentalRiff, an alternative service to traditional property management that provides ongoing oversight and upkeep of rental properties, while serving as the main point of contact for tenants. Maintenance and repair costs are included and property specialists are licensed/insured. Phil is a Pacific Northwest native, father of two, and fly-fishing addict. If you are interested in learning more about RentalRiff's rental property maintenance service, give us a call at 541-600-3200.

Landlords: Don't Be an Easy Target for Fraud

By David Pickron

Just last week I received an email that promised me the easy life. King Jeremiah from Zimbabwe had $45 million that he needed my help with to get out of his country. Imagine that… little ole me being contacted to help royalty in another country. And for my troubles, I'd get half of the money. I was blown away, even overwhelmed, by this amazing turn of fate that had come my way.

Most of us can clearly see through offers like this a mile away, but they keep coming. Someone must be falling for these types of scams, or they would not continue month after month, year after year. Though fraud schemes like these are easy to see, scammers are getting better and better at using your information against you. One slip and you could lose your identity or thousands of dollars.

Recent statistics provided by a Federal Trade Commission (FTC) report that there are more than 6,000 reports of fraud on average every single day. And that's just those that are reported. I would guess that the actual number of acts of fraud committed daily are three or four times as many, but they go unreported. These acts include check, credit card, bank account, email, and/or mail fraud; they are all around us. As an investor/landlord you have to ask yourself are you at risk, and if so, how?

Investors have their information literally everywhere online as it is stored in several databases. The simple act of buying a home opens you up to people seeing and eventually stealing your data. Think of the places you provide personal information during this process: application forms, down payments for escrow, public websites like the county recorder and assessor, landlord registration, corporation commission, Zillow, and other data harvesters. In fact you've probably experienced our very own investing industry grabbing this data and soliciting you directly to buy, sell or manage your properties. How many unsolicited texts, phone calls or emails have you received from people who want to buy your home? Ever wonder how they are getting your number? Your personal information is more accessible than ever.

As a private investigator with the click of just a few buttons, I could tell you everywhere you lived, what you owned, who your neighbors were, names of your family members, cell phones, Social Security number, date of birth, extended relatives, cars, employment, etc. When you set up your last online profile, wherever it may be, did you answer a new security question? Boom, that is one more piece of data collected on you. It used to be as simple as asking for your mother's maiden name, but that has now extended to things like your high school best friend, sister's date of birth, name of first pet or any other crazy question. Unknowingly we are all sharing information that may be used against us.

We rely on great relationships with our bankers, who have seen a large increase in bank fraud over the last several months. While they may seem safe, wire and money transfers have become targets for fraudsters, and they do not have the protection credit cards have. Wire transfers are immediate and clear banks quickly and before you know it, your money is gone.

Our personal and business accounts are at risk, too. It is crazy to me that we will diligently protect our Social Security number but then give anyone a check with our routing number and bank account number printed right on it, leaving us massively exposed to online check fraud. It's time to protect our bank account numbers like just like we do our Social Security number.

I suggest that you do these three things immediately:

1. **Put a freeze on your credit.** Experian has made it easy to freeze and unfreeze. Freezing your data stops anyone other than you from accessing your information and receiving new credit. If you are at a car dealership and looking to finance, you simply go to the Experian portal and remove the freeze for the day. It automatically freezes again the next day. Create your freeze today at: https://www.experian.com/freeze/center.html
2. **Use an online rent payment system to manage your rental payments.** This system allows rent to be paid from bank account to bank account, without giving out your personal bank account numbers to your tenants. This will protect you from one more person having your personal information.
3. **Watch what you post online.** When you search your name, what do you see? I personally write many articles, do podcasts, record videos, and have my information everywhere…I am toast! In helping others, I expose myself and, in an attempt, to be personal, tell many stories that give data about my family, properties, hobbies etc. Social media is also the perfect medium for people to grab pictures or personal information. If you find yourself in a similar situation with a growing online presence or increased exposure, go back to number 1 above and make sure you freeze your credit. You don't want to be one of those 6,000 reports a day going to the FTC.

In reality, we aren't ever going to be able to entirely get away from those who want to use our good information for bad purposes. But we can take steps to protect ourselves that will at least limit the damages. The good news for me is that King Jeremiah is going to make me mega rich, so I'll just find a quiet home in a sleepy town, own a Dairy Queen, and be set for life.

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.

Attempting to Influence Where a Prospective Tenant Lives is Against Fair Housing Laws

By The Fair Housing Institute

The Fair Housing Act makes it illegal for a housing provider to attempt to influence or steer where a prospect lives due to the prospect's race, color, religion, national origin, sex, familial status, or disabilities—otherwise known as protected categories.

An important point to remember is while the Fair Housing Act is applicable in all states, some states have additional protected categories. For example, in addition to the seven categories listed above, California's fair housing law also protects prospects on the basis of their citizenship, immigration status, primary language, age, sexual orientation, gender identity and expression, genetic information, marital status, source of income, and military or veteran status.

Not being knowledgeable of your state's particular laws or additional protected categories can leave you open to complaints and violations.

What is Steering?

The two elements of a steering violation are:

1. An effort to influence a prospect's choice of a house or apartment
2. The housing provider's effort is related to the prospect's protected category.

Notably, this "effort to influence" does not have to be malicious or result in injury to the prospect in order to establish illegal steering. In other words, all steering is illegal even when it is well-intentioned.

There are many fair housing cases involving a housing provider who had the best of intentions and was just "looking out," so to speak, for the prospect's best interests. The general rule is that it is up to the applicants to determine where they want to live. Any efforts by a housing provider to encourage, discourage, or redirect a prospect based on any of the protected categories will be viewed as illegal acts of steering and are prohibited by the Fair Housing Act.

Examples of steering:

- "Since you have several children, our experience has shown that we will have fewer complaints from neighbors if you live on the first floor."
- "That area of the property is viewed as our 'quiet' area, so you should choose an apartment in a different area closer to other young families."
- "This property has a lot of Latino residents, so you should fit right in."
- "I assume from the last name you are Jewish, like me. I have a vacant apartment that is next door to another Jewish family. Would you like to see it?"
- "The only available unit we have is on the second floor, so since I see you use a wheelchair, I can put you on a waitlist for a first-floor unit."

How To Handle Questions That Could Lead To Steering

It is common and helpful when a prospect shares what they are looking for in a home and their specific preferences with the leasing agent. However, if a prospect starts asking questions regarding the property, such as "What kind of people live here?" (looking for a breakdown of race), or "My church is close by, are there many of my denomination living here?" these types of questions should not be answered!

Regardless of the prospect's motivation, answering questions like these could have either an encouraging or discouraging effect and are based on protected categories, making it illegal steering. Another point to keep in mind is that it is also considered steering if a housing provider attempts to protect the prospect from one or more of the neighbors who are known to be prejudiced against people in the prospect's protected category. Housing should be determined based only upon availability and any preferences provided by the applicant, unless those preferences are based on protected categories.

Another more subtle pitfall can be in discussing local schools. For families with school-age children, the local schools are often a topic of discussion. The National Association of Realtors recommends that agents use caution when answering questions about the local schools, as this can be a method for describing the surrounding community's racial and national origin characteristics. To avoid inadvertently steering prospects, housing providers should only discuss the schools' known facts, not include their personal opinions. It may be helpful to maintain a list of resources containing factual information about the local schools. When the topic of local schools is raised, you can refer the prospect to your list of websites instead of offering your personal opinions.

Policies and Best Practices When Showing Vacancies

Having a clear policy as to the way vacancies are shown can help avoid any appearance of steering. One best practice is to show the units that have been vacant the longest.

If your policy is to show units based on the prospect's answers to interview questions, it is a good idea to keep notes or guest cards describing the areas of the community the prospect requested and the reasons for their preferences. This way, if a claim of steering is ever made, you have documentation to prove exactly what happened.

Steering - The Final Takeaway

It is part of every property's job to lease vacant units. Using sales techniques like showcasing amenities or brand-new appliances is the right way to encourage a prospect to lease an apartment or house. The efforts to influence a prospect's choice of a home should never include consideration of either the prospects' or the existing residents' protected categories. Proper training is essential for every employee to understand what steering is and how to avoid it.

In 2005, The Fair Housing Institute was founded as a company with one goal: to provide educational and entertaining fair-housing compliance training at an affordable price at the click of a button.

How to Prove Tenant is Smoking Pot, in Violation of Lease

Continued from Page 1

neighbor below, and the neighbors on both the left and right sides of the tenant smells smoke, and that smell is strongest towards the alleged smoker, then there's certainly favorable circumstantial evidence to suggest that particular tenant is smoking.

Second, marijuana smoke can leave a particular odor in an enclosed area. If you inspect the property, and the place stinks of marijuana (but none of the surrounding neighbors' premises smell like marijuana), again, there's a favorable inference to be had there.

Finally, if you have an onsite manager, it may be appropriate to have that individual walk through the hallway (assuming it's a multifamily building) when there's a smoking complaint. If the manager walks by the tenant's door, and can smell marijuana from the outside, that's solid proof.

Ultimately, the best proof is what you can see, and have someone testify to. If you don't have that type of proof, there's always risk . . . but that risk must be weighed against the headaches your other tenants are experiencing.

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Workplace Culture No Longer Enough to Attract, Retain Organization's Associates

By Maritza Riquelmy-Romero

Culture is incredibly important to an organization. But as the multifamily industry is rapidly discovering as it emerges from the pandemic, culture can no longer compensate for foundational needs when it comes to hiring and associate retention in the workplace.

While a relaxed dress code and a ping-pong table in the break room may have once indicated a fun and edgy corporate culture worth signing up for despite a slightly lower salary and lesser benefits, prospective employees now want it all. And they're getting it.

With the hiring and retention challenges currently faced by nearly all industries, apartment companies included, job seekers are firmly in the driver's seat. They don't have to settle or sacrifice their work/life balance. They want an enjoyable workplace culture, as well as all the tangibles that serve as the cornerstones of a positive and fruitful employment situation. Now, it's up to multifamily owner/operators to deliver.

As multifamily companies compete for a limited pool of candidates, here are seven best practices to create a competitive advantage:

1. Competitive Compensation

As competitive as multifamily has become in terms of recruitment, operators can't afford to offer anything less than top of market wages and compensation. Whether hourly or salaried, associates know their value and have a baseline expectation for pay. While job seekers still seek out top companies and fun workplace environments, they aren't willing to join an organization that doesn't also meet their income requirements.

2. Bolstered Benefits

When pay is equal across the industry, operators can create a competitive advantage through their benefits packages. Especially for entry-level associates, comprehensive health benefits can be a huge enticement. Scaled company contributions, where associates earning less also pay less for health benefits, can help to recruit new associates because less of their earnings will go toward insurance coverage.

Increased vacation time, an extensive list of paid holidays and creatively structured time-off opportunities can also tilt the scales when a prospective hire is weighing job offers. Organizations are also going a step further, offering education reimbursement, rent discounts, pet insurance and sabbatical leave for tenured associates.

3. Comprehensive Training

New hires who enter their roles prepared to hit the ground running typically express increased job satisfaction in the early stages of their employment. Training programs that position new associates to contribute immediately and feel competent in their work can prove invaluable, both in terms of associate satisfaction and property performance.

But training shouldn't cease after the onboarding process. Ongoing training platforms that keep associates up-to-speed with new technology implementations, renter preferences and company objectives also serve to increase associate retention. Employees who feel like they are evolving in their roles and provided with career development opportunities are more engaged with their work. And engaged employees are loyal employees.

4. Emphasize Retention

Recruitment and hiring often receive an inordinate amount of attention when it comes to maintaining a multifamily workforce. The real challenge in maintaining teams is not attracting new associates but keeping current employees in place.

Operators need to be cognizant of rising starting salaries compared to current employee compensation. By taking care of existing team members first, and not offering new hire benefits that aren't first extended to active associates, companies can demonstrate a commitment to employee retention.

People don't leave companies. People leave people. When operators can curb associate turnover, they create more cohesive and productive teams and forge deeper interpersonal connections. Associates working in an environment of continuous turnover don't form the same connections with their coworkers, making it easier to leave. In contrast, when coworkers have been side-by-side for years, the workplace develops more of a family feel.

5. Solicit Associate Feedback

Culture and interpersonal connections are significant factors in associate retention. Operators can take employee engagement a step further by regularly soliciting associate feedback. When employees have a valued and respected voice in the company, it builds loyalty and grows associate tenure. Companies that poll associate sentiment and satisfaction through periodic surveys or other platforms for direct feedback develop more involved and invested teams.

It is equally important for associates to know that their feedback is received and incorporated into company decision-making processes. Two-way communication between associates and upper tiers of the company is vital to establishing an environment of trust and respect.

6. Maintain Flexibility

Associates at all levels of multifamily operations have grown accustomed to remote work environments in recent years and maintaining a flexible business model will go a long way toward attracting and retaining associates in the current job market. Operators who view the fading pandemic as a chance to revert to traditional methods of property management will only encourage employee turnover and hamper hiring efforts.

Operators who embrace opportunities for remote work or even introduce options for increased flexibility will find themselves in the favor of both current and prospective associates. Some companies have started rolling out hybrid staffing models and four-day work weeks to boost employee satisfaction.

7. Celebrate Associates

Company successes are built on the backs of associates. Taking the time to recognize the people who helped the organization reach a milestone or surpass previous performance levels validates their hard work.

Tangible rewards – bonuses, gift cards, an extra day of PTO – for significant achievements demonstrate appreciation and incentivize continued productivity. Direct recognition from the executive team confirms the visibility of individual or team efforts and promotes unity across the company. The gesture doesn't need to be extravagant, but opportunities to recognize associates and celebrate their achievements must be seized.

While corporate culture remains a differentiator for multifamily organizations, it's not the panacea it once was for hiring and retention. People seeking employment in the multifamily sector now demand a complete workplace package that includes peak compensation and benefits, as well as career development and engagement opportunities. Without that foundation to attract and retain associates, corporate culture begins to crumble.

Maritza Riquelmy-Romero is a Senior level Human Resources professional with over 20 years' experience. Maritza is focused on operational success through strong partnerships, leadership assessment and strategic vision development. Maritza holds a MBA from University of Phoenix, a Bachelor's in International Human Resources Management from Eckerd College and is a certificated PHR from the Society for Human Resource Management.