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Denver Rental Market Flying High

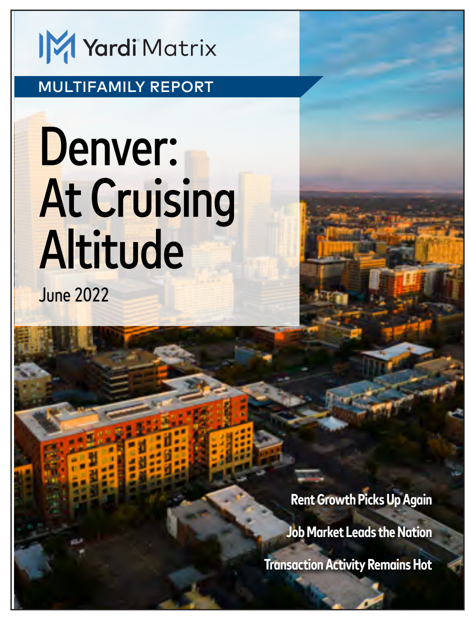
RENTAL HOUSING JOURNAL

The Denver rental market shows rent growth picking up again, a job market that leads the nation and transaction activity that remains hot, according to a Yardi Matrix report.

"One of the strongest metros for tech development over the past decade, Denver has benefited from a strong multifamily market that improved in leaps and bounds, even weathering the pandemic better than larger markets," Yardi Matrix says in the June Denver Multifamily Report.

"Coming on the heels of 2021—when average asking rates increased by 1.2 percent on a monthly basis—rent expansion softened in the winter. However, through spring, rates rose again to 0.7 percent on a trailing three-month basis as of April, to an overall average of $1,847. Occupancy rose 50 basis points in the 12 months ending in March, to 95.4 percent."

"Since January, the unemployment rate in Denver has improved by 40 basis points, to 3.6 percent as of March, on par with the national rate and leading the state by 10 basis points. The job market expanded 5.1 percent in the 12 months ending in February, topping the 4.7 percent U.S. rate," the report says.



The report says Denver is getting a boost from some company expansions: Amazon, which recently announced plans to hire another 2,700 employees for its delivery and processing stations in Denver, and United Airlines, which plans to add 3,000 jobs by 2026.

However, Yardi Matrix cautions in the report that Denver "faces many of the same headwinds" affecting other markets such as supply chain issues, rising inflation, workforce shortages, insufficient affordable housing and the virus.

"These challenges maintain a high level of uncertainty that is dragging the recovery," the report says.

Yardi Matrix is a business development and asset management tool for investment professionals, equity investors, lenders, and property managers who underwrite and manage investments in commercial real estate. Yardi Matrix covers multifamily, industrial, office and self storage property types. To learn more, email matrix@yardi.com, call 480-663-1149 or visit yardimatrix.com.

Analyze More Than Simply the Income of Applicant

BY SCOT AUBREY

Everyone loves a good survivor story. Whether it is a group of 12 boys rescued from a cave in Thailand or the indomitable spirit of a soldier who endured more than two and a half years as a prisoner of war during World War II, these stories strike a chord with all of us. Naturally we put ourselves into the shoes of the survivors and wonder if we would have what it takes to make it through such an ordeal.

For the vast majority of us, we will never experience anything even close to the life-or-death battles that these people have undergone, but we do face challenges in an industry that is ever-changing and bringing new challenges on what feels like a monthly basis.

If I were to build a survivor's guidebook for investors in today's challenging market, near the top of the list would be

See 'Analyze' on Page 7

Build Stronger Multifamily Communities by Thoughtfully Welcoming Tenants' Pets

BY JUDY BELLACK

Lifting breed and weight restrictions for our four-legged friends and generally becoming more pet-inclusive can create significant financial gain for multifamily communities, such as increased NOI and higher resident-retention rates.

However, opening your doors to more pets requires planning in order to manage a larger pet population, and rental-housing operators may need to make an investment in pet-focused amenities, services and events to best accommodate their pet residents.

But don't fret – even with these steps, the financial benefits of happier, longer-tenured residents have been shown to far outweigh the costs, since pet-friendliness not only means an increase in pet-related revenue but also helps mitigate the costs associated with bringing in new residents.

Following are a few steps apartment communities should consider in conjunction with lifting or easing breed and weight restrictions.

ESTABLISH CLEAR PET POLICIES AND COMMUNICATE TO OWNERS

While most communities already have

See 'Opening' on Page 6

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How This Investor Closed 15 DST 1031 Exchanges in 30 Days — Without a Hitch!

High net-worth investor decides to relinquish a portion of his rental property portfolio in a succession of sales before entering into multiple DST 1031 exchanges to help achieve diversification, non-active management, and potential monthly income

KEY TAKEAWAYS:

- Kay Properties registered representatives spent more than one year educating the client on DST investments.
- Kay Properties worked closely with client's CPA and real estate attorneys to create a custom investment strategy that fit perfectly with the client's specific goals.
- Kay Properties created a workflow plan that achieved the closing of 15 DST investments in 30 days without a hitch.

BACKGROUND:

A high-net worth accredited investor spent more than 40 years building a substantial rental property portfolio of nearly 20 different multifamily buildings. In addition, he managed all the property management challenges himself.

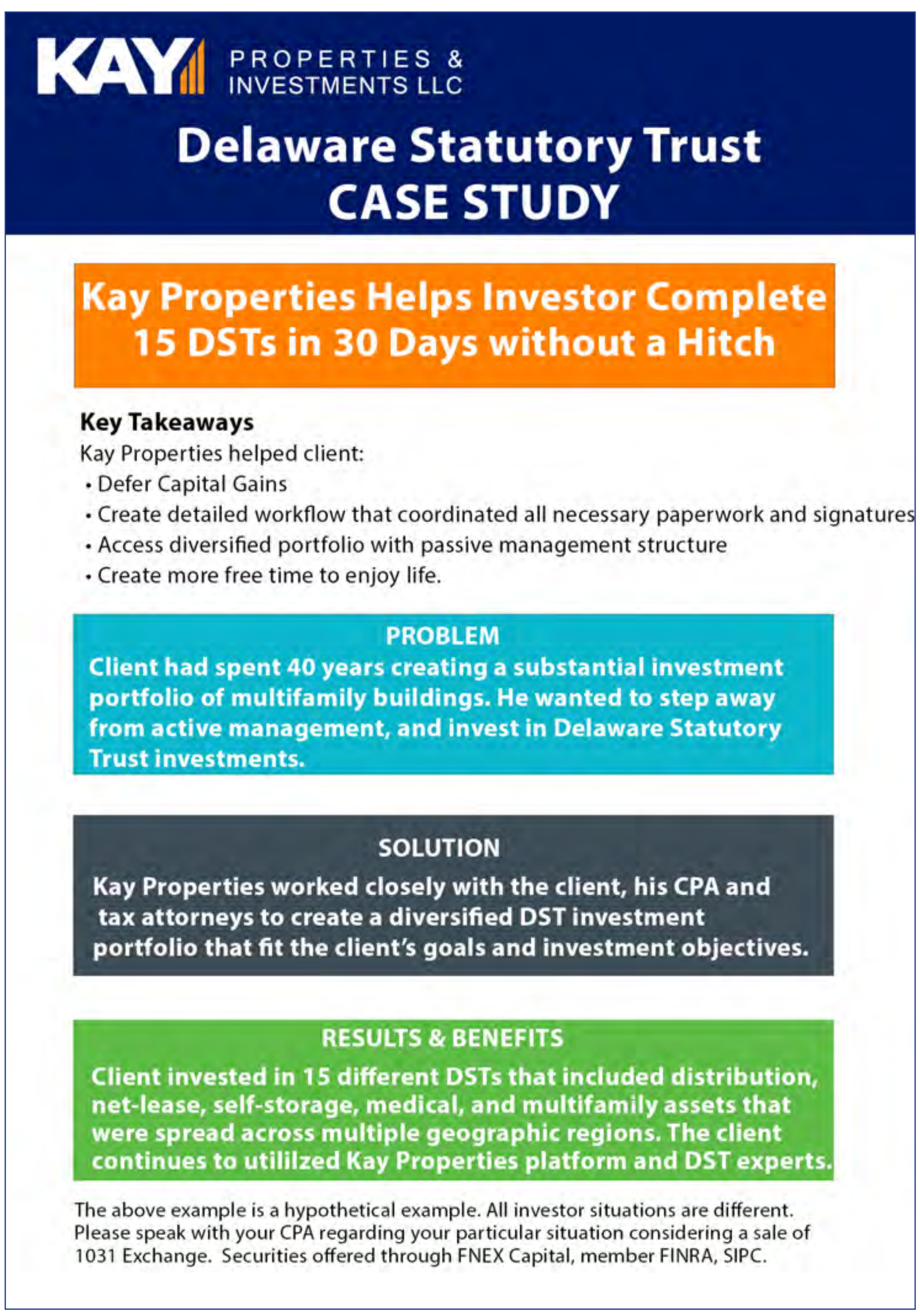
When he decided it was time to start selling some of his real estate holdings, he approached Kay Properties because he wanted to learn more about how he could deploy the Delaware Statutory Trusts for future 1031 Exchanges. For more than a year, Kay Properties worked closely with the investor, utilized the firm's robust educational platform to help the client fully understand the potential benefits and risks of DSTs. He eventually sold one of his properties and reinvested the proceeds into a DST.

Because he was so pleased with the results of the initial DST investment, he decided to liquidate multiple assets within his portfolio in successive sales and reinvest in multiple DSTs.He once again came to Kay Properties to help coordinate the 1031 exchanges and DST investment strategies.

To learn more about the Kay Properties DST offering, please visit kayrhj.com or call 855-875-2781.

CHALLENGE:

The initial challenge was creating an extensive, multi-year, customized educational program that included lots of reading material, one-on-one consultations, and a custom menu of diversified DST investment options that fit his goals and investment objectives. However, the next challenge was how to coordinate 15 different sales and DST investments within a short period of time.



SOLUTION:

Together with his CPA and real estate attorneys, Kay Properties representatives to create a very detailed plan that included anticipated closing times on the relinquished properties, timelines for finding and vetting replacement properties that fit within the investors very specific parameters and creating a custom workflow that coordinated all the necessary paperwork and signatures so that everything was organized, and every closing went smoothly.

RESULTS:

The client ultimately invested in 15 different DST investments that included distribution facilities, net-lease properties, self-storage, medical, and multi-family assets that were spread across multiple geographic regions. The client continues to utilize Kay Properties best-in-class kayrhj.com and customized advice by DST experts with more than 150 years of combined experience.

ABOUT KAY PROPERTIES

Kay Properties is a national Delaware Statutory Trust (DST) investment firm. The Kay Properties platform provides access to the marketplace of DSTs from over 25 different sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 150 years of real estate experience, are licensed in all 50 states, and have participated in over $30 Billion of DST 1031 investments.

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Why Customer Service is an Important Part of Fair Housing

By The Fair Housing Institute

It's easy to get hyper-focused on fair housing rules and regulations when it comes to property management. But we need to remember that an integral part of what we do is steeped in customer service. Our residents and prospects are customers and need to be treated accordingly. In addition, it stands to reason that when our customers or residents feel well-cared-for, they are less likely to file a complaint. Let's discuss three aspects that can lead to an exceptional customer or resident experience.

1. Effective Communication

Your resident is speaking, but are you truly listening? An effective communicator will listen intently. Listening intently requires that you are focused on what's being said, not how you are going to reply. By doing this, not only do you get a better understanding of what's needed, the resident will feel valued and understood.

Follow-up is another part of effective communication. Many issues raised by residents are seldom resolved in one visit or phone call. Make sure that you continue communicating with your residents until the situation is resolved.

Effective communication can come easily when everyone involved is in a good place or state of mind, but it may be particularly challenging when emotions are running high. What can you do? The next aspect we will consider is imperative to handling these types of situations.

2. Respect While Being Disrespected

There is a saying that respect is a two-way street. We naturally want to be treated with the same dignity and respect we show our residents. Unfortunately, this may not always be the case.

A common situation we see is when a maintenance request has not been handled in a timely manner, at least as far as the resident is concerned. Remember that it is imperative that you always stay calm. Reassure your resident that they have been heard, and you will take appropriate action to try and find a resolution. Hopefully, by showing them respect and maintaining your patience, you can defuse the situation and create an environment that encourages the resident to do the same.

Part of effective communication and being respectful is having a thorough knowledge and training of your company's policies and procedures. It stands to reason that in order to help your resident, you need to know how to answer their questions. The final part of this article will detail why this is important.

3. Know Your Policies and Procedures, so You Know How to Answer

Imagine you are the resident, and you need information. Would you be happy if the person behind the desk or on the grounds gave you a vague or confusing response? Probably not. Being well-versed in your company's policies and procedures allows you to answer quickly and efficiently, which can go a long way if the person is already agitated. It can also help us avoid giving out misinformation.

To that point, every person who has contact with your residents should be trained in your policies and procedures so that the information disbursed is the same and will help you avoid a potential fair housing complaint or accusation of discrimination.

Property management companies face many different and challenging situations every day. Training and role-playing can help you develop the skills of effective communication, respect, and a thorough knowledge of policies and procedures, which in turn will help you deliver the exceptional customer experience you want to give.

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 Tech is Helping Solve Labor Shortage

By Morgan Dzak

The multifamily industry has been hesitant to discuss automation in previous years, fearing backlash from onsite teams. Automation was viewed as a replacement to human associates, and not necessarily as a supplement. But in the wake of the pandemic, the industry has become faced with new challenges – notably The Great Resignation.

The Great Resignation refers to the post-pandemic era in which millions of American workers either left their jobs or switched careers. According to data from the Society for Human Resource Management, 47.8 million workers quit their jobs last year – an average of nearly four million each month – for the highest average on record. It created a massive labor shortage for multifamily, as most of the workers who left jobs were in onsite roles.

"When the shutdown occurred in 2020, many individuals were forced into different careers, having to learn different trades and skill sets," said Lindsay Duffy, director of marketing and training at Western Wealth Communities. "Many employees became conditioned to the flexibility of remote positions, making it harder to retain workers when businesses opened and needed them to come back to work. This gave job searchers a competitive advantage on salary and work-life balance negotiations when accepting an offer."

As the labor shortage from The Great Resignation persists, the use of automation has become more prevalent and operators are not only implementing new technologies, but also centralizing functions that used to stay solely onsite. Automation and other technologies are reducing pain points for thinner onsite teams, increasing efficiencies and maximizing lease-conversion ratios, all while improving prospect, resident and associate experiences.

Here are some of the impacts of the labor shortage on multifamily and how automation technologies are alleviating the burden by creating a new caliber of modern apartment leasing and living:

Automation: Doing More with Less

Multifamily is most feeling the effects of the labor shortage in maintenance and leasing roles. Both of these roles have historically high turnover, and the Great Resignation has further fueled the turnover trend.

One of the most helpful technologies during the labor shortage has been automation. Automating tasks like aggregating guest cards, following up with prospects and residents, and scheduling tours have had big impacts on onsite team workload. It has also created better customer experiences for both prospects and residents, and allows onsite teams to do more with less.

According to internal data from Nurture Boss, a lease- and renewal-conversion automation provider, 45 percent of prospects who reach out to a community say they never hear back. With a lease-conversion automation tool, it takes an hour on average to respond to all leads – which is particularly helpful considering that renters almost always sign a lease with the first community that gets back to them.

In a digital leasing environment, following up with prospects has become critical to community success and increasing lease conversions. Apartment operators are finding that consistent, timely and personalized follow-ups with prospects are not only increasing tour conversions and applications, but also boosting overall lead-to-lease conversions.

"When reviewing reports, we learned that many leads were not being followed up on and calls were being missed due to limited staff," Duffy said. "Like most companies at this time, we run with lean teams where individuals wear multiple hats and need to multitask throughout the day. We saw a huge gap in customer satisfaction and poor communication, and knew we needed a partner that would provide a better prospect experience and allow teams to focus on resident satisfaction. In leveraging technology and partnerships with supplier partners, we have increased lead-to-lease conversion rates while improving overall prospect and resident satisfaction and increasing employee morale."

Based on Nurture Boss' clients' CRMs, the overall lead-to-lease conversion rate without automation is 19 percent, but with it, the conversion rate is 30 percent.

"Prospective residents are all looking for something different, and some may need to move in 30 days while others are looking to move months down the road," said Jacob Carter, CEO of Nurture Boss. "Nurturing all types of leads can be extremely taxing on onsite teams, especially when the onsite teams of today are working with more leads than ever before from multiple platforms, and there aren't as many people onsite to handle that type of volume."

Operators have started automating the entire resident lifecycle, from the initial apartment search all the way to becoming a resident, and even when it's time for a renewal.

Aside from automation, some other technologies have proven to be invaluable for operators during the labor shortage. Ubiquitous WiFi, for example, has completely transformed modern maintenance workflows and paved the way for more streamlined self-guided tour methods.

"Community-wide Wi-Fi allows maintenance technicians to respond to and fulfill work orders faster," said Shawn Mahoney, senior advisor at RET Ventures. "If the entire community is connected, it eliminates the onsite team from playing middleman when it comes to work orders. Maintenance technicians can directly receive the work order and have a credential dynamically assigned to them that allows access to the apartment for a certain period of time, and the resident can also be notified every step of the way."

Connected communities also set the foundation for self-service options, which the industry unanimously agrees are here to stay. Prospective residents can enter and tour a community without a dropped connection, and they can also tour communities beyond standard office hours.

"This benefits apartment operators because the onsite teams can process more tours with less people while providing the self-service options that many modern residents want," Mahoney said. "If you can lower costs with technology, it's going to increase your NOI. Operators already have less staff because of the labor shortage, but existing teams are able to do more and they can also extend their hours of operation with self-guided touring."

Morgan Dzak is an account manager for LinnellTaylor Marketing, which focuses exclusively on the multifamily industry and its technology space. She previously spent time as a digital content and marketing specialist for Cornerstone Apartment Services in Denver.

Opening Doors to Pets Requires Smart Planning

Continued from Page 1

some form of pet policies in place, broadening your pet community may necessitate adjustments. Establishing comprehensive guidelines as well as onboarding third-party resources to manage more pets responsibly are a few things to consider.

All of a community's policies, along with any rent or fees associated with pets, should be clearly spelled out in the resident's lease. Even better is a separate pet lease or contract that provides all the pertinent information and is easy for the resident to understand and access. Documentation, guidelines, rules and expectations should be easy to locate electronically and posted throughout the community.

Provide tools and amenities for responsible pet ownership

Some pet tools and amenities – such as pet-waste stations – may be deployed immediately when additional pets are on site, while others can be rolled out over time depending on resident preferences. While it's not required to provide all of the items below, implementing as many as possible will increase the chances of success by mitigating a community's risk and increasing resident responsibility. Certain amenities, such as dog parks, also give residents and their pets the chance to meet and bond, boosting the connection residents feel with their property and increasing the chances they will renew their leases.

Here are some amenities and services that result in well-managed pet populations and responsible pet owners:

- **Pet-waste stations:** This is a feature that would be considered a must-have for any community with pets. Not only does it encourage responsible behavior, but it also helps to reduce risk. Pet waste is detrimental to the health of your community, and its presence can have consequences on resident retention and curb appeal.
- **Dog parks or runs:** According to a 2021 study from Michelson Found Animals Foundation and the Human Animal Bond Research Institute (HABRI), fewer than 10 percent of animals cause any damage to units, but a bored pet is more likely to exhibit destructive behavior. Dogs need to be active, so providing them with a convenient place for exercise can further reduce the risk of property damage. Parks are one of the primary areas where the pet community will bond. Creating this space should not be cost-prohibitive, and is sometimes as simple as repurposing a seldom-used area.
- **Dog-washing stations or services:** Washing a pet in a home can be a hassle, especially for medium- to large-size dogs, and not everyone can afford or wants to use a grooming service. This amenity can be a factor for anyone considering a renewal. If an installation is not an option, consider partnering with a mobile service that provides self-washing or grooming for your residents' pets.
- **Dog-training services:** During the pandemic, many residents became first-time pet owners. Pet parents don't become experts overnight, and improperly trained pets can increase risk. Providing dog-training resources and services gives an opportunity to pet owners to become the best stewards they can be.
- **Pet background checks:** Third-party services are available to screen prospective pets, making sure that no incidents have occurred that might indicate potential future risk to residents or other pets. These services allow for onsite teams to feel confident that the pets in their community will be assets and not liabilities.
- **DNA analysis of pet waste:** Even in a community with ample waste stations, there's a chance that some pet owners won't pick up after their dogs. Communities can request residents submit a sample of their pet's DNA, which can be submitted to a service that uses the sample to identify any culprits of unattended waste. Communities can implement penalties to discourage future incidents and help offset costs.
- **Pet events:** This is another opportunity for pet owners and pets to gather and meet each other, as well as a chance for non-pet owners to meet the furry residents of a community. Not all people are in a position to own a pet, so this is an avenue for them to experience the joy that pets bring. These can be handled by onsite teams if staffing permits, or communities can turn to third-party services that will handle set-up and promotion.
- **Pet adoption:** There are millions of dogs and cats nationwide that are looking for good homes. Communities can do their part to reduce this problem by offering to connect residents with pet-adoption services.
- **A pet concierge:** Third-party services that manage pet events may also offer concierge services that can provide information on local veterinary services, pet services and pet policies in a community.

Prepare your residents for the upcoming changes

After completing the preparation work, current residents will need to be informed of any upcoming changes in breed and weight restrictions. To help this go more smoothly, it's important to point out to residents the positives to the community that will result. Highlight how the removal of restrictions will strengthen the community and share all the steps being taken to help this be a wonderful experience for all residents.

Notices should include office contact information for any residents to ask questions and express concerns. Community managers should educate their leasing teams on all preparations, as well as information that will help answer any questions and dispel misinformation surrounding pets and breeds. Recent studies, including a recent study appearing in Science.org, have shown that pet breed has very little influence on behavior, which is primarily guided by owners and training.

This information can alleviate fears or concerns that other residents may have. Plus, it's a chance to share with non-pet owners how to be courteous and safe around pets on the property, such as the best way to approach a dog.

Build resident and community connections

Having more pets in residential communities can be a great way to create ties between residents and onsite teams. Pet amenities provide the opportunity to interact and get better acquainted with staff. The opportunity to reward outstanding and responsible pet ownership is an excellent way to send a message of appreciation to residents, and also to set an example for all pet owners and foster retention. There are a variety of options for rental housing operators to reward responsible pet owners when renewing, including reduced pet rent, the forgiveness of two to three months of pet rent, discounts or gift cards to local pet businesses and pet-centric gift baskets.

As an added bonus, offering referrals and discounted pet services can build neighborhood connections that increase retention and build a strong sense of community. Local businesses are usually happy to offer discounts to residents in exchange for the exposure and potential future business.

In the end, an increased acceptance of pets can be a boon to net operating income, open a community to a wider pool of applicants and help increase the possibility that residents will stay. However, the path to success in this endeavor includes planning, preparing and executing in a way that maximizes the benefits and the investment.

Judy Bellack is the multifamily housing industry principal for Michelson Found Animals, a non-profit focused on improving the lives of pets and their owners. Judy is a 30-year veteran of multifamily, most recently as an advisor to many of the industry's foremost new tech companies. She spearheads Michelson's Pet-Inclusive Housing Initiative to provide data and resources to create more pet-inclusive communities in ways that make good business sense for owners and operators.

Analyze More Than Income of Applicants

Continued from Page 1

these three questions about employment:

1. What type of employment does my applicant have?

For most of your applicants, no job means that within a few months no rent will be paid. So while it is critical that they are employed, it is also important to look at what type of employment they have.

I was reading recently about the types of employment that are most recession-resistant. As expected, at the top of the list were medical professionals and those who have specialized skills in care, therapy and counseling. No real surprise there, as the economy doesn't care about our health, but it definitely can affect it both physically and mentally.

Next would be individuals employed in law enforcement and public utilities, both essential in our communities. The top six were rounded out by those in financial services and education. The bottom of the list is pretty diverse, with jobs in the construction industry, vehicle sales, and vacation travel.

When reviewing applicants for your property it is vital to analyze not only income, but also the likelihood that their income will survive and economic downturn.

2. How long have they been with their current employer?

Employee turnover is at an all-time high and this can directly affect your tenant's ability to pay rent. Job statistics state that 31 percent of employees quit their jobs within the first six months of starting. And even for the employees that make it past those first six months, employee-loyalty statistics show the average tenure of an employee is only 4.2 years. Gone are the days of the past where someone worked for the same company their entire life.

When reviewing a tenant application, make sure to verify how long they have been with their current employer. A conversation with the prospective tenant may shed even more light on this important area, where you can get a feel for how much they enjoy their current employment and if there are any plans to change while they are in your property.

3. How does the rest of their employment history stack up?

Let's say an applicant would like to rent your property but they just started a new job or are waiting to start in the next few days. What are your options?

You can ask for a more extensive employment history covering the last 12-24 months. Is their new job in the same industry? Were they with their former employer for a long period? Are there any major gaps in their employment history, and if so, can they be explained?

If they don't want to share this information or if they were employed in a less consistent paying job (sales, commission-based, piecemeal work, self-employed service provider), you can always ask for the last 12 months' worth of bank statements that show money coming into their account. Seeing the past 12 months' statements lets you average their monthly income and is valuable in determining if they might qualify for your property.

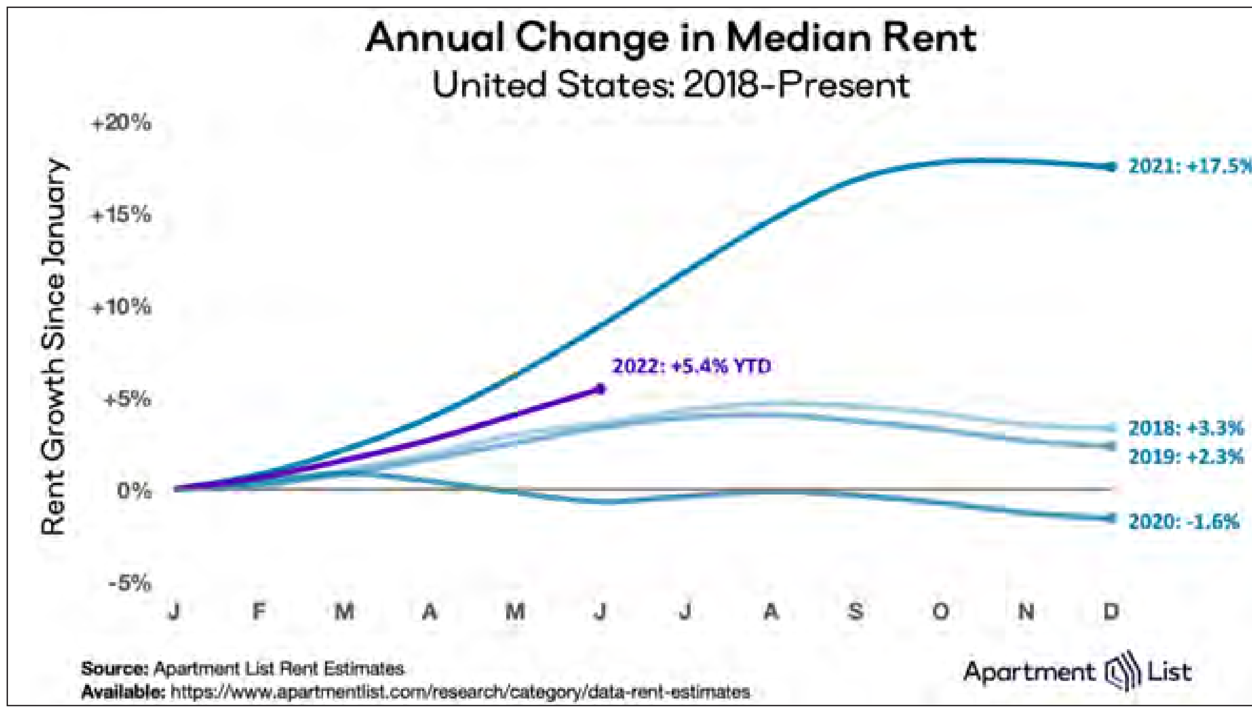
Tough times may lie ahead, and having the right tools and asking the right questions are just as important as food and shelter are for the triumphant survivor. While most of us won't qualify for the "Hollywood treatment" of our life stories, it doesn't mean our survival story is less important. After all, to those who depend on your success as a landlord and investor, the results will directly affect their lives.

Knowing that your tenant will be able to pay you every month is the key to you being the hero and survivor that you deserve to be.

Scot Aubrey is vice-president of Rent Perfect, a private investigator, and fellow landlord who manages short-term rentals. Subscribe to the 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.

Rents Climbing Faster Than in Years Before the Pandemic

Rental Housing Journal



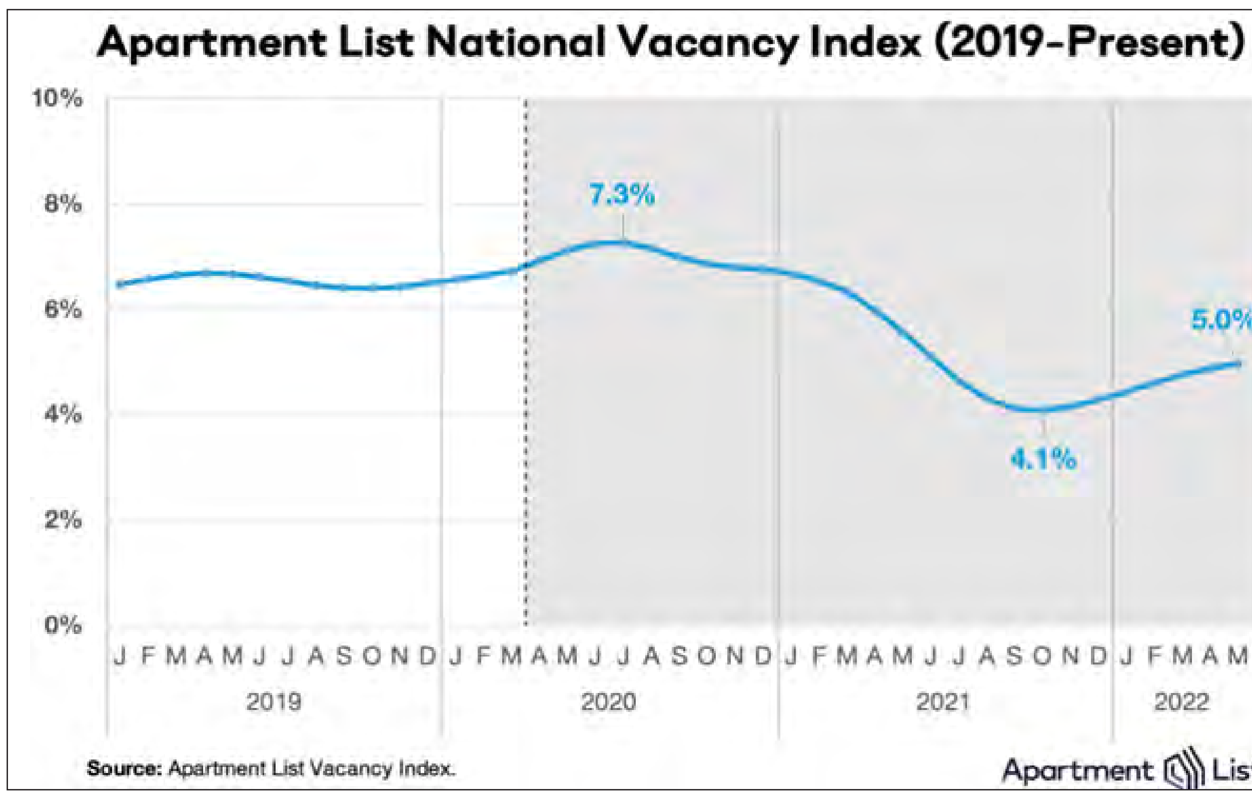
Apartment List says its national index rose by 1.3 percent over the course of June, "consistent with last month's increase" but so far in 2022 "rents are growing more slowly than they did in 2021, but faster than they did in the years immediately preceding the pandemic."

In the June report, Apartment List says over the course of 2021 the median rent increase of 17.5 percent "is a key contributor to overall inflation, which is currently rising at its fastest pace in 40 years.

"With inflation top-of-mind for policymakers and everyday Americans alike, our rent index is particularly relevant, since movements in market rents lead movements in average rents paid. As a result, these rent dynamics signal what is likely ahead for the housing component of the official inflation estimates produced by the Bureau of Labor Statistics. Thankfully for the country's renters, our index shows that rent growth in 2022 has cooled from last summer's peaks. At the same time, however, rents are continuing to rise faster than they did in pre-pandemic years."

Apartment List reports in the first six months of 2022, their national rent index has increased by 5.4 percent, well below last year's 8.8 percent increase over the same months.

"However, this year's pace is also still notably faster than that of the years prior to 2021. For comparison, rent growth from January to June totaled 3.1 percent in 2017, 3.6 percent in 2018, 3.4 percent in 2019, and -0.7 percent in 2020. The trend of rent growth is pacing well behind last summer's scorching pace, but ahead of the pre-pandemic norm."



Vacancy rate index flattening after post-pandemic declines

The vacancy index spiked above 7 percent in the early months of the pandemic in 2020, as many Americans moved in with family or friends amid the uncertainty and economic disruption of the pandemic's onset. After that, however, vacancies began a steady decline, eventually falling to a low of 4.1 percent.

Since October of last year, however, "our vacancy index has been on a trend of gradual easing. This month however, our index remained flat at 5 percent, after seven consecutive months of increases.

"It's likely that spiking mortgage rates are beginning to sideline potential first-time homebuyers from the for-sale market, keeping these households in rental units for longer. And although we're now in the midst of the busy season for the rental market, when the bulk of moving activity normally takes place, rapidly rising rents may be incentivizing many renters to stay put and renew existing leases rather than looking for new ones.

"These factors could be contributing to the flattening of our vacancy index at a level that is still far below the pre-pandemic norm," the report says.

Conclusion

With a 1.3 percent increase in May, rent growth is continuing to pace ahead of pre-pandemic trends, even as it cools substantially from last summer's peak. While the apartment market has shown some signs of easing, our 5 percent vacancy index remains well below the pre-pandemic norm, and increased pressure in the for-sale market could translate to the rental market as well. The summer months are likely to bring continued rent growth through the rental market's busy season. Despite a recent cool-down, many American renters are likely to remain burdened throughout 2022 by historically high housing costs.

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

Court Upholds California Law Requiring Landlords to Pay One Month's Rent to Evicted Tenants

A federal appeals court in California has upheld a law requiring landlords to pay one month of rent to evicted tenants, according to reports. The *San Francisco Chronicle* reported that the court has upheld a California law requiring a property owner who legally evicts a tenant to pay one month of the tenant's rent in order to reduce the costs of relocation.

The law, sponsored by then-Assembly Member David Chiu, D-San Francisco, took effect in 2020. In addition to limiting rent increases to 10 percent a year in areas without local rent control, the law provided some financial assistance to renters who were evicted because the owner was moving into the property, converting it to a condominium or demolishing it. The owner must either repay a month's rent to the tenant or cancel the final month's payment, the newspaper reported.

A lawsuit by the owners' group Better Housing for Long Beach accused the state of unconstitutionally confiscating their property by requiring the payments. But while the suit was pending, the Ninth U.S. Circuit Court of Appeals upheld an Oakland ordinance, similar to laws in San Francisco, San Jose and Los Angeles, requiring property owners to pay all of a legally evicted tenant's relocation expenses.

Better Housing for Long Beach, a grassroots group that has consistently opposed efforts to enact rent control or measures similar to it in Long Beach, filed the federal court lawsuit challenging the Long Beach City Council majority-enacted Tenant Relocation Assistance Ordinance and California's rent cap and just-cause eviction law (AB 1482) signed into law by Gov. Gavin Newsom.

Rental Housing Journal Colorado

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