Is 'Landlord Exodus' Reshaping the Rental-Housing Market? *Page 3*

25 Things to Check Before Tenant Moves Out *Page 4*

Landlords Hope to Recoup $1.5 Billion *Page 7*

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Rents Rise in April for 3rd Month, YOY Down

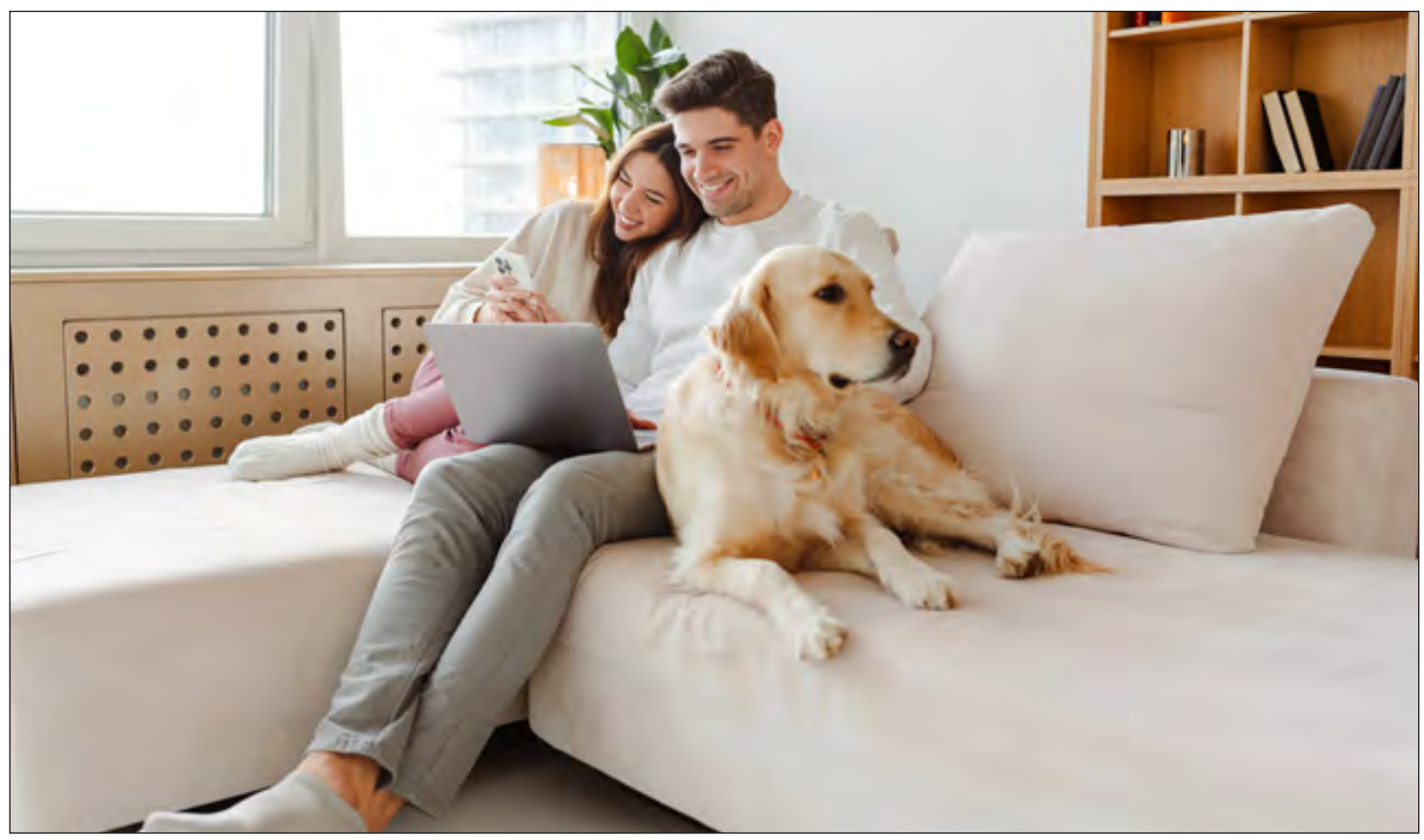
RENTAL HOUSING JOURNAL

The national median rent ticked up by 0.5 percent in April, increasing for the third consecutive month following six straight monthly rent declines, Apartment List writes in the May report.

"We are now entering the time of year when the bulk of moves take place, and as such, we'll likely see continued price increases through the summer, in line with typical seasonal patterns. Prices generally soften as fewer renters move during the fall and winter, and then gradually begin to increase as we get closer to the peak moving summer season," the research team writes.

- After the increase of 0.5% in April, the national median rent is $1,370.
- Rent prices nationally are down 1.7% compared to a year ago. Year-over-year rent growth is "now at the lowest level that we've seen in our estimates going back to 2017, surpassing a record set in the early months of the pandemic. The national median rent has now fallen from its 2022 peak by a total of 5%," the report says.
- The national multifamily vacancy rate ticked down to 7.2% this month. After hitting a new record in Q1, the vacancy rate may have now hit its peak and turned the corner. "This marks the first time that we've seen the vacancy rate decrease in over four years," the researchers say.
- Units are taking an average of 35 days to get leased after being listed, which is five days longer than a year ago, and nearly twice as long as it took units to turn over when the market was at its hottest in mid-2021.
- The Austin, Texas, metro

See RENT REPORT on Page 2



How Smarter Pet Management Wins Renters, Protects Income

BY KEVIN JACOBSON

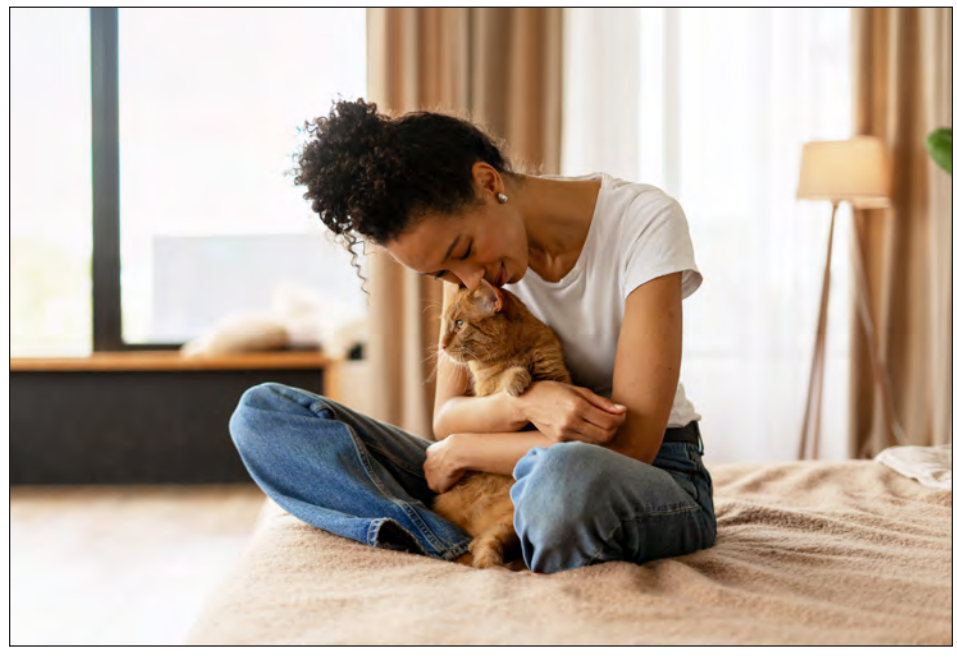
Among today's renter households, pets aren't optional. According to Zillow's recent Consumer Housing Trends Report, renters are now more likely to have at least one pet (59%) than a child (37%). This shift is reshaping leasing decisions, with as many as 60% of renters renewing their leases because their property allows pets.

Yet, despite high demand for pet-friendly homes, most renters still can't find them. Research from the Pet & Housing Initiative at Michelson Found Animals reveals that 72% of renters struggle to find homes that accommodate pets, and 59% say it's unaffordable, even as 76% of providers identify their properties as pet-friendly.

In reality, pet-friendly policies are easier to advertise than to implement. Pets introduce real complexity for multifamily operators, requiring discipline to avoid liability or property damage and to maintain policy enforcement and fee management across a portfolio.

At the same time, this complexity presents an opportunity.

Operators who treat pet management as an operational strategy and build technology-enabled systems for pet screening, documentation, compliance and revenue capture will be well-positioned to improve retention, protect net operating income (NOI) and outperform in a challenging market.



The Business Case for Strategic Pet Management

Last year, rental vacancies rose to 7.6% nationwide, up from 7.2% the prior year. As major cities build more apartments and supply grows, operators face mounting pressure to attract new residents and retain existing ones.

If, as Zillow found, nearly 60% of renters have pets, restrictive policies or pet-free communities significantly narrow the prospect pool to less than half of available demand. To put it plainly, in a high-vacancy market, shutting out the pet-owning renter population is a losing strategy.

Most operators already recognize the value of pet-friendly policies in strengthening occupancy and retention. As reported in Foxen's Multifamily Pet Management Trends Report, 82% of property management professionals say allowing pets helps fill vacancies faster, and 93% permit pets in at least some of their units. For the nearly 90% of operators who charge monthly pet rent, the revenue foundation is already in place.

The opportunity now is to move beyond simply allowing pets to managing them strategically. Yet in many portfolios, the systems behind the policies remain fragmented or informal, and those gaps limit revenue, increase risk and undermine the intended benefits.

3 Problems Undermining Pet-Friendly Policies

Across large, multi-property portfolios,

See PETS on Page 7

FROM PAGE 1

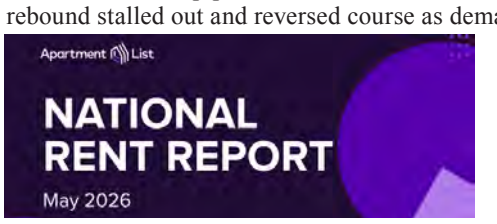
RENT REPORT

- continues to have the softest conditions among the nation's large rental markets, with the median rent there down by 5.7% over the past year. At the other end of the spectrum, the Virginia Beach, Va., metro now sits atop the rankings of fastest year-over-year rent growth at +5.2%.

National median rent drop

Compared to a year ago, the national median rent is down by 1.7 percent.

At this time in 2025, it had appeared that year-over-year rent growth was on track to flip positive for the first time since mid-2023; however, that rebound stalled out and reversed course as demand has slowed amid a more uncertain labor market. Year-over-year rent growth has been gradually dipping further negative for a full year now, and the current reading of -1.7 percent is the lowest year-over-year rent growth recorded in the history of our estimates going back to 2017.



The most important driver behind the soft market conditions that have persisted for three years is a historic surge of multifamily construction, which has gradually been absorbed. The vacancy rate has consistently loosened, gradually moving from record lows to record highs.

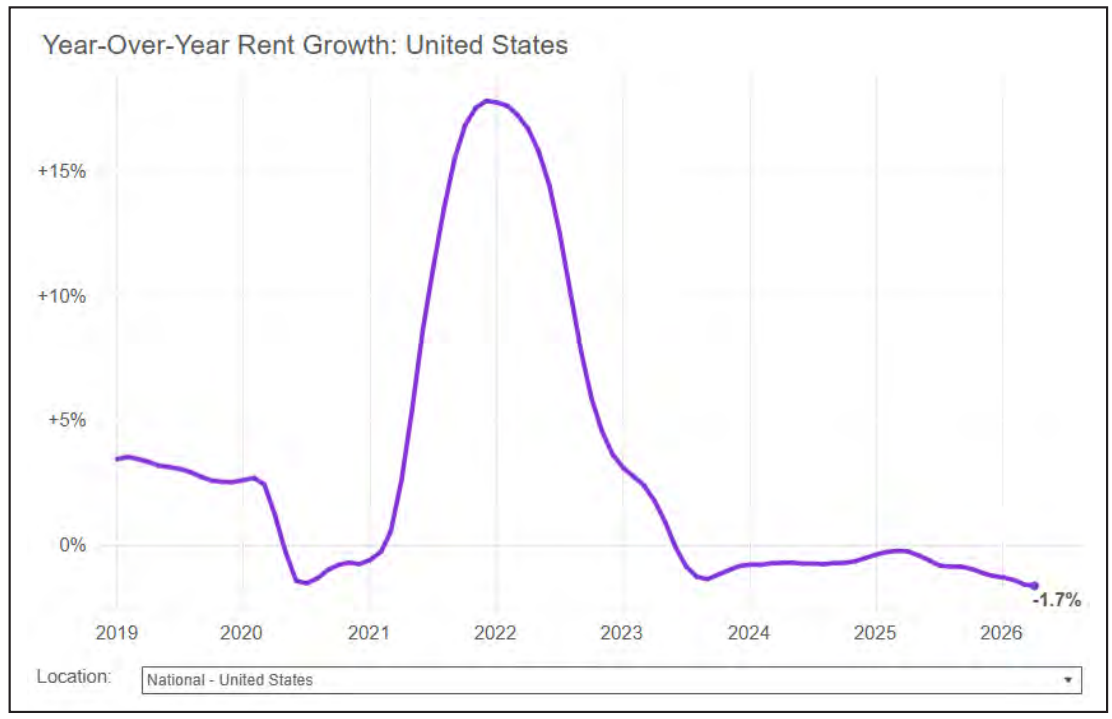
"We may now finally be reaching the point where the market begins to stabilize. However, it's possible that the vacancy rate will simply plateau at this elevated rate, rather than continuing to decline in a meaningful way," the research team says.

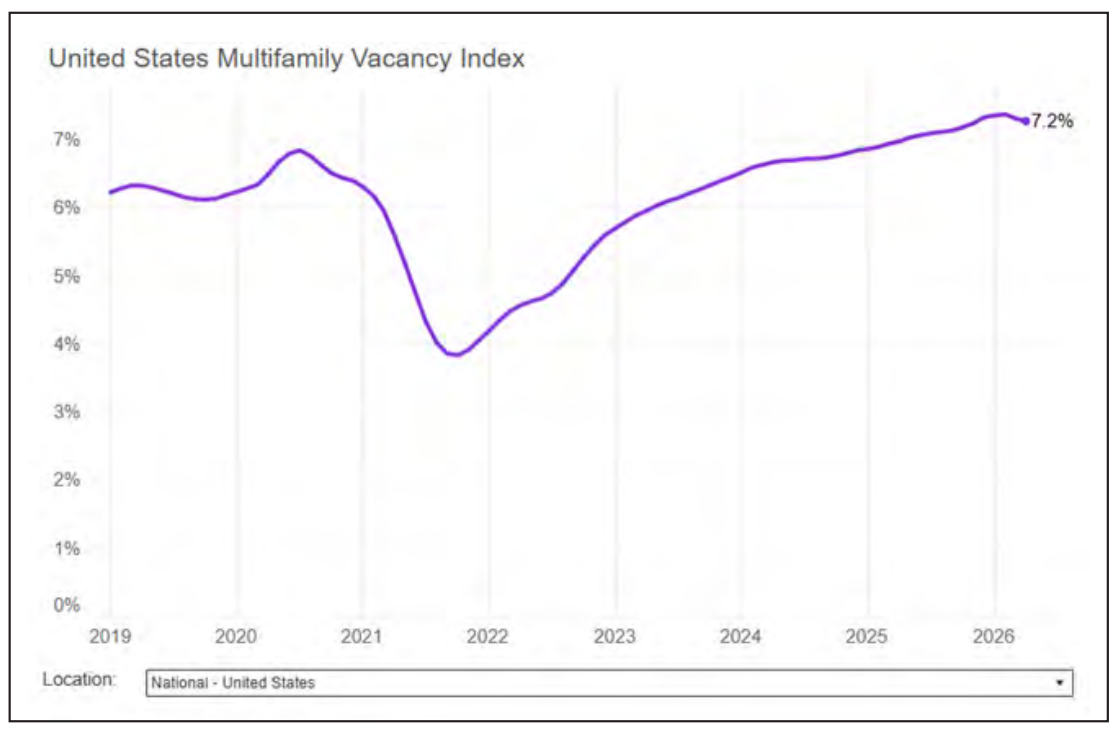
The list-to-lease time is a highly-seasonal measure, and ticked down slightly this month, in line with the same seasonal pattern observed in our rent index. Units leased in April had been sitting on the market for an average of 35 days, down from 38 days in March.

Conclusion

"The rental market is beginning to enter its busy season, but multifamily conditions remain soft. Month-over-month rent growth stalled out in April, and year-over-year growth is at a new low. But even as the construction wave recedes, an uncertain macroeconomic outlook presents risks to rental demand," the Apartment List research team says.

Read the full May report at:
www.apartmentlist.com/research/national-rent-data





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Maintenance Tips and Management Guidance from Down in the Trenches





'Landlord Hank' Rossi offers helpful, useful information for fellow rental property owners and managers

Read his column and ask him your own questions in Rental Housing Journal — in print or online

Is a 'Landlord Exodus' Reshaping Market?

By Scot Aubrey



For almost all of human history, the word "exodus" has represented a mass departure or emigration of a large group of people from a specific location at the same time, often used to describe a group of people fleeing a situation. Across the United States, a growing number of small landlords are choosing to sell their rental properties, a trend many are calling the "landlord exodus." While large institutional investors have continued expanding in some markets, independent landlords—those who own one to 10 rental units—are increasingly stepping away from the business. This shift is beginning to reshape the rental-housing landscape, affecting tenants, local communities, and the future of affordable housing.

In most markets, small landlords have played a critical role in providing rental housing for decades. Like you, the many own and rent out a single-family home, duplex, or a small apartment building as a source of retirement income or long-term wealth-building. Unlike corporate property owners, you often manage your own property, maintain direct relationships with your tenants, and operate on relatively thin profit margins that you hope to maintain for years to come. However, in recent years, rental ownership has become significantly more challenging due to unforeseen changes in the market.

One of the primary drivers behind the landlord exodus is something we are all experiencing, regardless of the market we are in, and that is rising operating costs. Property taxes have increased in many cities and counties, placing additional financial pressure on owners. Insurance premiums have also skyrocketed, particularly in areas affected by severe weather events, natural disasters, or increased liability claims. At the same time, maintenance and repair costs have surged due to inflation, labor shortages, and higher prices for building materials. For landlords managing older properties, unexpected repairs such as HVAC replacement, plumbing failures, or roof repairs can quickly erase months or even years of rental income.

Interest rates have added another layer of difficulty. For landlords who purchased or refinanced properties during the "glory days" of low interest rates, you are generally in a stronger position to weather market changes. Unfortunately, if you find yourself among those seeking to expand, refinance adjustable-rate loans, or purchase replacement properties, you face much higher borrowing costs. Higher-priced financing and shrinking cash flow combine to make rental ownership less attractive, especially to landlords who are new to the industry.

If the previously listed challenges were not enough, regulatory changes are also influencing decisions. Changes like new tenant protections, extended eviction timelines, rent-increase restrictions, and additional compliance requirements have changed the risk profile of rental ownership. It's true that while many of these policies were designed to protect tenants, they are not exactly landlord-friendly. With the added legal complexity and delayed ability to address nonpayment or lease violations, sustaining a profitable business is challenging - especially for owners without professional management teams or legal resources.

The long-term effects of the pandemic also continue to affect the market. Many of you and your fellow landlords experienced delayed rent payments, eviction moratoriums, and rising vacancy concerns during and after COVID-era protections. The financial strain left lasting effects on many small property owners, even years after the pandemic's end.

These varied challenges have taken a toll on some and as a result, some landlords are choosing to sell while property values remain relatively strong. Buyers include owner-occupants, local investors, or large real estate firms, which has resulted in a reduction in the number of independently owned rental units in a community, leading to a consolidation within the housing market.

The long-term impact of the landlord exodus remains uncertain. For tenants, the change could mean fewer housing options in certain neighborhoods, less flexibility in lease negotiations, or a shift toward professionally managed properties. For communities, it holds important implications about who will own and manage local housing in the years ahead.

For investors like us, being a small landlord has long been an essential part of the housing ecosystem, providing valuable housing where needed. As more of us exit the market, policymakers, investors, and renters alike will need to adapt to a changing rental landscape. The same can be said for those who decide to stay in the landlord game and find new ways to thrive.

Scot Aubrey is vice president of Rent Perfect, a private investigator, fellow landlord and cohost of the Rent Perfect Podcast. Subscribe wherever you find your podcasts to stay up to date on the latest industry news and for expert tips on how to manage your properties.

New Transportation Utility Fee for Portland Landlords OK'd

Rental Housing Journal

The Portland City Council has approved a new transportation utility fee, which will appear as a $12 monthly charge on utility bills for typical single-family homes, and $8.40 per unit for most multifamily households, starting in January 2027.

This will put upward pressure on rents, but landlords cannot automatically pass the charge through to renters.

Cost pressures continue to mount for Portland's landlords with its soft rental market, increasing maintenance expenses, rising insurance costs and an Oregon rent-control law in place.

The new utility fee is meant to prop up the city's ailing transportation agency and bankroll basic road maintenance. Having previously discussed the ordinance at length in committee meetings involving the full council, the ordinance was voted through without debate on a 9-3 vote.



Residents enrolled in the city's existing low-income discount program for water and sewer will automatically pay a discounted fee, but a previously adopted amendment ensures that the option is extended to residents in multi-family housing who do not currently receive their own bills.

No less than 75% of net revenue from the fee must go toward maintaining or preserving the city's existing transportation infrastructure.

Under the final version of the ordinance, the remaining 25% of funds are split equally between projects forwarding the Vision Zero initiative to halt traffic deaths, and toward sidewalk improvement projects.

Council members almost universally expressed their reservations about passing further expenses onto Portland residents, while also acknowledging the dire state of the city's streets and the insufficient funding for maintenance.

"It's tough because affordability is tricky for everyone right now," Portlander Tom McGuire told KTVU. "Obviously roads and transportation are really important, but we definitely want to make sure that for families here in the city, that we keep it affordable and keep it reasonable."

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25 Things for a Landlord to Check Before a Tenant Moves Out

By Olukayode Awosika

The move-out inspection is one of the highest-leverage moments in the rental cycle. In a single walkthrough, a landlord may need to evaluate the condition of the property, identify repairs, document damage, plan for turnover, and determine whether any security deposit deductions are appropriate. Done well, it creates a clear, fair record of the unit's condition. Done poorly — or skipped — it leaves the landlord guessing about what changed during the tenancy, what qualifies as ordinary wear and tear, and what documentation supports any claim.

Independent landlords operating without a full property management team are especially exposed to this risk. Without a consistent checklist, it is easy to miss items during the walkthrough, forget to photograph key evidence, or discover an expensive issue after the tenant has already moved out. A structured process also creates the contemporaneous documentation that matters most if a dispute ends up in small claims court.

The 25-point checklist below is organized by area of the unit to make inspections more consistent and repeatable. As you walk through, take clear photos, write down specific findings, and compare the current condition against your move-in records. The aim is not to hunt for problems. It is to produce an accurate, well-documented record of what you actually see.

Exterior and Entry

1. Front door and locks. Test the deadbolt, door handle, and any keypad or smart lock. Confirm all keys, fobs, garage remotes, and access devices have been returned. Note damage to the door frame, weatherstripping, or hardware — missing keys often require a full rekey.

2. Exterior, mailbox, and address numbers. Check siding, gutters, fencing, gates, walkways, and the driveway for tenant-caused damage. Confirm the mailbox is intact and address numbers are legible; missing numbers can create delivery, emergency access, and code-compliance problems.

3. Garage, shed, or outbuildings. Inspect each structure separately. Look for oil stains, wall damage, broken shelving, missing remotes, garage door damage, and items left behind. These spaces are routinely skipped and can generate real turnover costs.

Kitchen and Laundry

4. Appliance interiors. Open the oven, refrigerator, freezer, microwave, and dishwasher. Look for food residue, broken racks, missing shelves, damaged trays, and excessive buildup.

5. Appliance exteriors. Check for dents, scratches, cracked handles, loose knobs, damaged control panels, and torn refrigerator door seals. Replacement parts are often surprisingly expensive.

6. Cabinets and drawers. Open every cabinet and drawer. Inspect hinges, handles, tracks, and interior surfaces for water damage, grease buildup, and broken hardware.

7. Countertops and backsplash. Inspect for burns, cuts, chips, stains, cracked tiles, and separation from the wall. Laminate in particular is vulnerable to hot pans and standing water.

8. Kitchen sink, faucet, and garbage disposal. Run water, check pressure, and look under the sink for leaks. Note chips in the basin, loose faucet handles, and damaged supply lines. If the unit has a disposal, test it briefly and listen for unusual noise.

9. Washer, dryer, and laundry connections. If laundry appliances are included, run a short cycle, check hose connections for leaks, clean the lint trap, and confirm the dryer vent is not clogged. A blocked vent is both a performance issue and a documented fire risk.

Bathrooms

10. Toilet. Flush and watch for running water, loose bolts, a loose seat, cracks, or chips. Some staining may be normal; physical damage should be documented specifically.

11. Tub, shower, and tile. Check tile, grout, caulking, and fixtures. Mold or heavy residue may require cleaning; cracked tile or damaged fixtures usually require repair.

12. Vanity, sink, and mirror. Inspect the vanity cabinet for water damage, swelling, or missing hardware. Check the sink for chips and confirm the mirror is intact.

13. Exhaust fan. Confirm the fan works. A non-functioning bathroom fan contributes to moisture problems, odors, and mildew.

Living Areas and Bedrooms

14. Walls. Walls drive a disproportionate share of security deposit disputes. Small nail holes and minor scuffs may qualify as ordinary wear and tear, depending on the property and lease terms. Large holes, excessive nail holes, unauthorized paint, crayon or marker, and damaged drywall may support a repair charge when properly documented. Photograph every affected area clearly, with reference points that help a third party understand the location.

15. Ceilings. Check for stains, cracks, holes, and signs of water damage. A stain that was not present at move-in should be documented and investigated at the source.

16. Flooring. Walk every room. Look for stains, burns, scratches, broken tiles, pet damage, and water damage across carpet, hardwood, tile, vinyl, or luxury vinyl plank.

17. Windows and blinds. Open and close each window. Check locks, screens, glass, and tracks. Note broken blinds, damaged screens, cracked glass, and non-working locks.

18. Closets. Inspect rods, shelving, doors, and tracks. Missing brackets, broken rods, and doors off their tracks are common but easy to miss.

19. Interior doors and hardware. Test every door. Check hinges, handles, locks, door stops, and frames for holes, cracks, missing hardware, and doors that no longer close properly.

Mechanical and Utilities

20. HVAC filter and system. Pull the filter and photograph its condition. Confirm the system cycles on and off normally at both heating and cooling settings.

21. Water heater. Look for visible leaks, rust at the base, or scorching near the burner on gas units. Confirm it is producing hot water at reasonable temperature and pressure.

22. Smoke and carbon monoxide detectors. Test each device and confirm every unit is present, properly located, and functioning before the property is re-rented. Replace batteries as needed and record the date of testing. Detector compliance is often specifically required by state or local law and carries real liability exposure if ignored; it should never be treated as an optional step during turnover.

23. Electrical outlets and switches. Test a representative sample. Note cracked cover plates, loose outlets, and non-working switches. Address electrical concerns through a qualified professional.

24. Plumbing fixtures throughout the unit. Run water at every sink, tub, and shower. Look around fixtures for leaks, staining, soft flooring, and cabinet damage.

25. Overall cleanliness. Step back and make a final, whole-unit judgment. Floors, appliances, bathrooms, windowsills, cabinets, baseboards, and any remaining trash factor in. Cleaning drives a large share of post-move-out disputes.

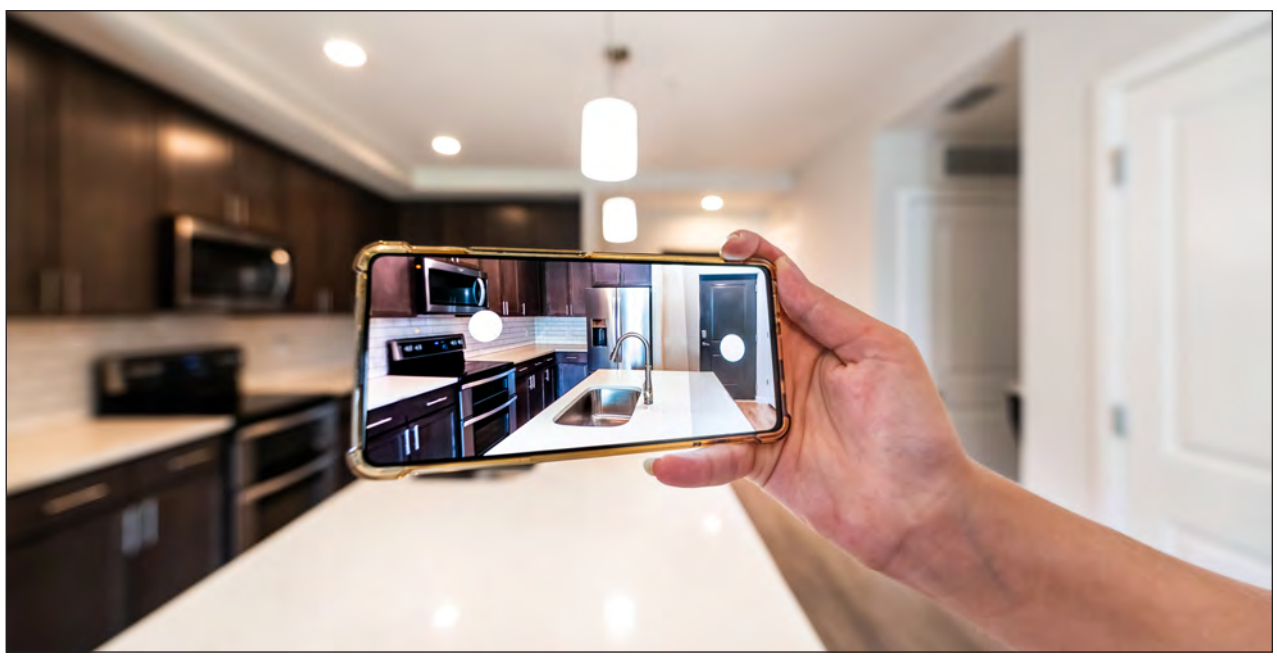
After the Walkthrough

Organize your notes, photos, videos, and repair estimates. Compare move-out condition against the move-in inspection report and any prior maintenance records. If you plan to deduct from the security deposit, itemize the deductions in writing and send the required notice within the timeframe set by your state or local law.

Security deposit rules vary significantly from one jurisdiction to another. Confirming your local requirements before the inspection — not after — helps prevent costly mistakes.

Landlords who want a more structured process can use a free browser-based tool such as the RentReady Tracker at SoloLandlordTools.com to turn this kind of 25-item checklist into a printable summary with cost estimates for turnover work.

A thorough move-out inspection is not about finding reasons to keep a tenant's deposit. It is about creating a clear, fair, and well-supported record of the property's condition. When possible, share the completed inspection report and supporting photos with the departing tenant. Transparency reduces confusion, signals good faith, and often resolves questions before they grow into disputes.



Olukayode Awosika is the founder of SoloLandlordTools.com, a free suite of calculators and checklists built for solo contractors, independent landlords, and self-employed cleaning professionals.

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Report: Resident Experience Key for Growth

Rental Housing Journal

Property management software company AppFolio has released its annual Renter Preferences Report, which surveyed more than 3,000 renters across the United States.

The report shows the top trends defining today's rental landscape and the services property managers must prioritize to stay competitive, including:

- **Online reputations:** In the digital age, online presence and reputation are more important than ever, with the majority of renters stating that a property manager's online reputation is a vital factor in their decision-making process.
- **Improving quality of life:** Modern property management now directly influences a renter's quality of life. Residents using integrated financial services and move-in tools score 14% higher for life satisfaction than non-users.
- **The move-in moment matters most:** Most renters consider bundled services a vital factor when evaluating a new home, but only one-third currently have access to them, representing a massive advantage for operators who can close this gap.

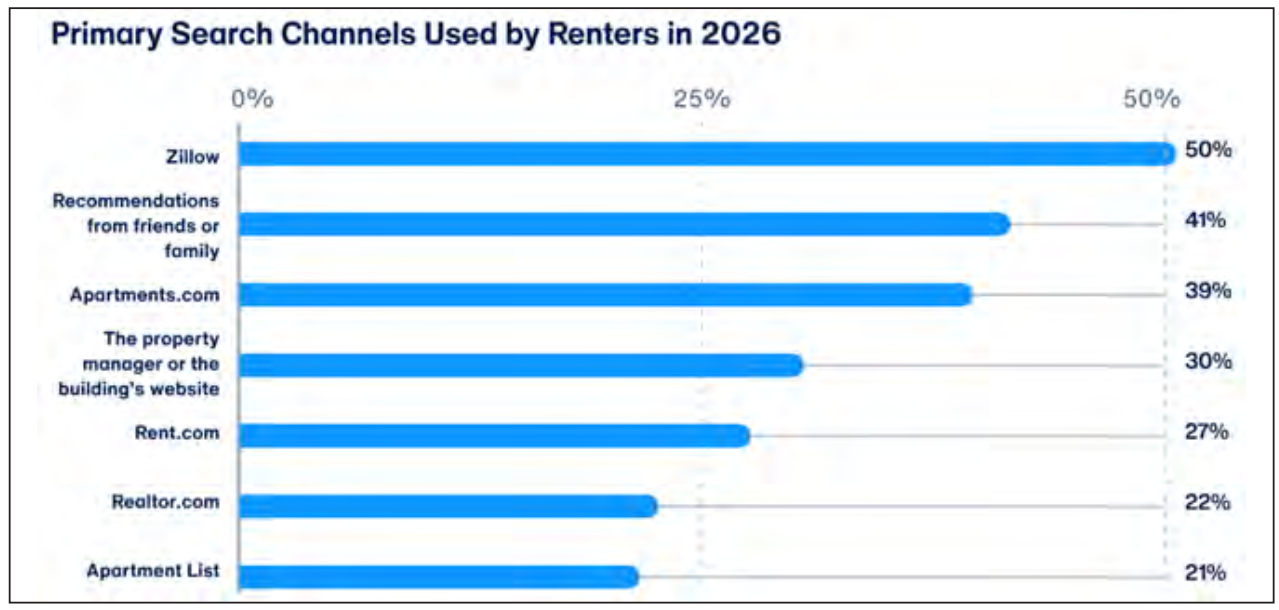
To remain competitive and profitable, property management companies must evolve their strategies to prioritize the resident experience as the primary engine for growth. By delivering standout service and high-value resident services throughout the rental journey, operators can drive long-term satisfaction that leads to high occupancy, retention, and diversified revenue streams beyond traditional rent collection.

The landscape of early 2026 presents a tug-of-war for many operators. Although financing pressure has eased, sticky operational costs — from insurance to maintenance — continue to compress margins. At the same time, a surge in new supply has handed the leverage back to the resident. National vacancy rates have hit a modern peak of 7.3%, driven largely by high-density construction in regions like the Sunbelt.

In this environment, property managers need to go beyond simply managing assets; they must optimize them by focusing on "resident impact." This report explores how to master the "move-in moment," close the gap between resident demand and service availability, and create a virtuous cycle where resident well-being and business success fuel one another.

Key Takeaways:

- Resident services as a competitive differentiator and additional value driver: There is a significant first-mover advantage for operators that offer services including Resident Benefits Packages (RBPs), a customizable suite of paid services offered by the property management company to the resident, usually at lease signing.
- While 78% of renters consider these services a vital factor when evaluating a new home, only one-third of residents currently have access to them. This 45-point gap represents a massive opportunity to stand out and deliver on the needs of renters.
- Furthermore, nearly 80% of residents are willing to pay for these services, likely due to the immediate cost savings and convenience they provide, compared to sourcing them independently. By offering these services through a transparent, digital move-in process, operators transform a traditional lease into a value-driven relationship that benefits both the resident's well-being and the property's performance.
- The criticality of retention in a competitive market: In 2026, resident satisfaction has evolved from a soft metric into a primary strategy. With a higher rate of renters planning to move (39% this year compared to 35% in 2025), national vacancy rates hitting modern peaks, and rent growth remaining subdued, property managers must prioritize retention to protect NOI.
- The rise of resident impact: Beyond simply providing a roof, modern property management now influences resident impact — the intersection of a renter's financial health and quality of life. Data shows that users of resident services report higher overall life satisfaction and financial well-being than nonusers. By providing convenient home services and financial empowerment tools — from credit-building resources to bundled utilities — property managers offer the support residents need to simplify their daily lives and build a stronger financial future, naturally resulting in a more stable, satisfied community that chooses to stay longer.
- Capitalizing on the move-in moment: As a high-engagement period, the move-in window is the most effective time to provide residents with the essential services, support, and convenience they need to settle in. What's more, a transparent, digital onboarding process replaces the friction of traditional phone tag with a clear, stress-free path to their new home — creating a foundation of trust that delivers immediate convenience for the resident and drives long-term portfolio stability for your business.



To maximize retention in 2026, property managers must combine the high touch of personalized maintenance and communication with the high tech of portals, AI, and integrated resident services. These aren't just amenities; they are the foundation of a stable, high-performing business.

Read the full report at:
www.appfolio.com/blog/renter-preferences

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Landlords Hope to Recoup $1.5 Billion Over Losses Suffered During Pandemic

Settlement Discussions Taking Place with U.S. Department of Justice

Rental Housing Journal

After initially losing in the Court of Federal Claims in 2022, a group of landlords won on appeal and are now hoping to recoup as much as $1.5 billion from the Justice Department over losses they suffered as a result of the federal eviction moratorium during the COVID-19 pandemic. They say the amount would be just a fraction of what the industry lost.

The federal eviction moratorium lasted from September 2020 through July 2021, and was among the pandemic's most divisive policies. It ended after the Supreme Court ruled the Centers for Disease Control and Prevention (CDC) lacked authority to impose the ban without congressional authorization.

A survey by the National Rental Home Council, a trade association, published weeks after the federal moratorium ended, found that half of small landlords had tenants who missed rent and a third sold or planned to sell properties.

The moratorium and backlog of eviction cases cost owners $57 billion, according to the lawsuit, with more than 10 million delinquent renters in the ban's first four months alone.

"Public health measures like this, they may be well-intentioned," said Creighton Magid, a lawyer for the plaintiffs. "But when the government imposes this type of moratorium, the financial burden should be borne by the government, not individual property owners."

While there was some rental assistance received by landlords, they say rental assistance never fully compensated them for their losses, contending programs were often mired in red tape and poorly run. States were slow to spend the money, struggled to set up programs and, in the case of Arkansas and Nebraska, didn't accept all the federal funding.

Matthew Haines told the Associated Press that he, like landlords across the country, learned he was barred from evicting tenants who didn't pay their rent under a federal eviction moratorium that lasted almost a year — costing him and his investors over $1 million.

Haines is among more than 1,500 property owners who filed a federal lawsuit arguing the moratorium enacted by the CDC violated the Fifth Amendment by unlawfully denying them compensation. Plaintiffs range from those who lost thousands of dollars to one who lost over $14.5 million.

After initially losing in the Court of Federal Claims in 2022, the plaintiffs won on appeal and are now in settlement discussions with the Justice Department. Landlords are hoping to recoup as much as $1.5 billion — a fraction of what the industry lost.

"It's important for us to stand up when a group like the CDC unilaterally, functionally, decides that they have a right to oversee our business," said Haines, who owns three rental communities with 240 units in Arlington and Irving, Texas, in an interview with the AP.

Landlords say the bans devastated their businesses. Unable to collect rent, many were forced to take on debt, lay off staff, delay repairs and, in some cases, sell their property. They say the impact lingers, with longer delays for evictions, tighter screening for riskier tenants and growing numbers of owners getting out of the rental business altogether.

FROM PAGE 1

PETS

three recurring issues prevent pet-friendly policies from delivering their full value.

1. **Emotional-support-animal fraud and misrepresentation.** A majority of operators worry that residents misrepresent pets as emotional support animals (ESAs) to avoid fees or restrictions — and the concern is well-founded. Foxen's data notes that over half (53%) say ESA misrepresentation and fraud have grown more common in their communities. A different study found that 14% of surveyed dog owners admitted they registered their dog as an ESA to avoid paying pet fees entirely. When ESA accommodations are handled inconsistently across properties, operators face legal exposure that can turn accommodations into operational vulnerabilities.
2. **Liability and unreported pets.** Pets often go unreported or aren't properly documented, opening the door to potential liability and safety risks. Nearly half of property professionals say renters hiding pets has become more common over the past five years. In response, some communities restrict too much, while others remain too lax. But both approaches create exposure — and without a consistent, documented process applied portfolio-wide, operators lack protection in either direction.
3. **Inconsistent breed and size restrictions.** Many communities rely on inherited pet policies with unclear origins. Instead of tying restrictions to specific documented instances, operators broadly apply caps on the number of animals per unit, breed exclusions and weight limits. Operators believe these restrictions to be protective, but only a quarter of these communities collect bite history, and just one in three ask about behavioral concerns. Without behavior-based data, blanket restrictions become blunt instruments and limit residents without accurately defining or managing actual risk.

Disciplined Pet Management Improves Revenue, Retention

With a more disciplined pet-management approach, operators can address these problems and shift toward a system that both generates revenue and improves resident retention.

Here's how:

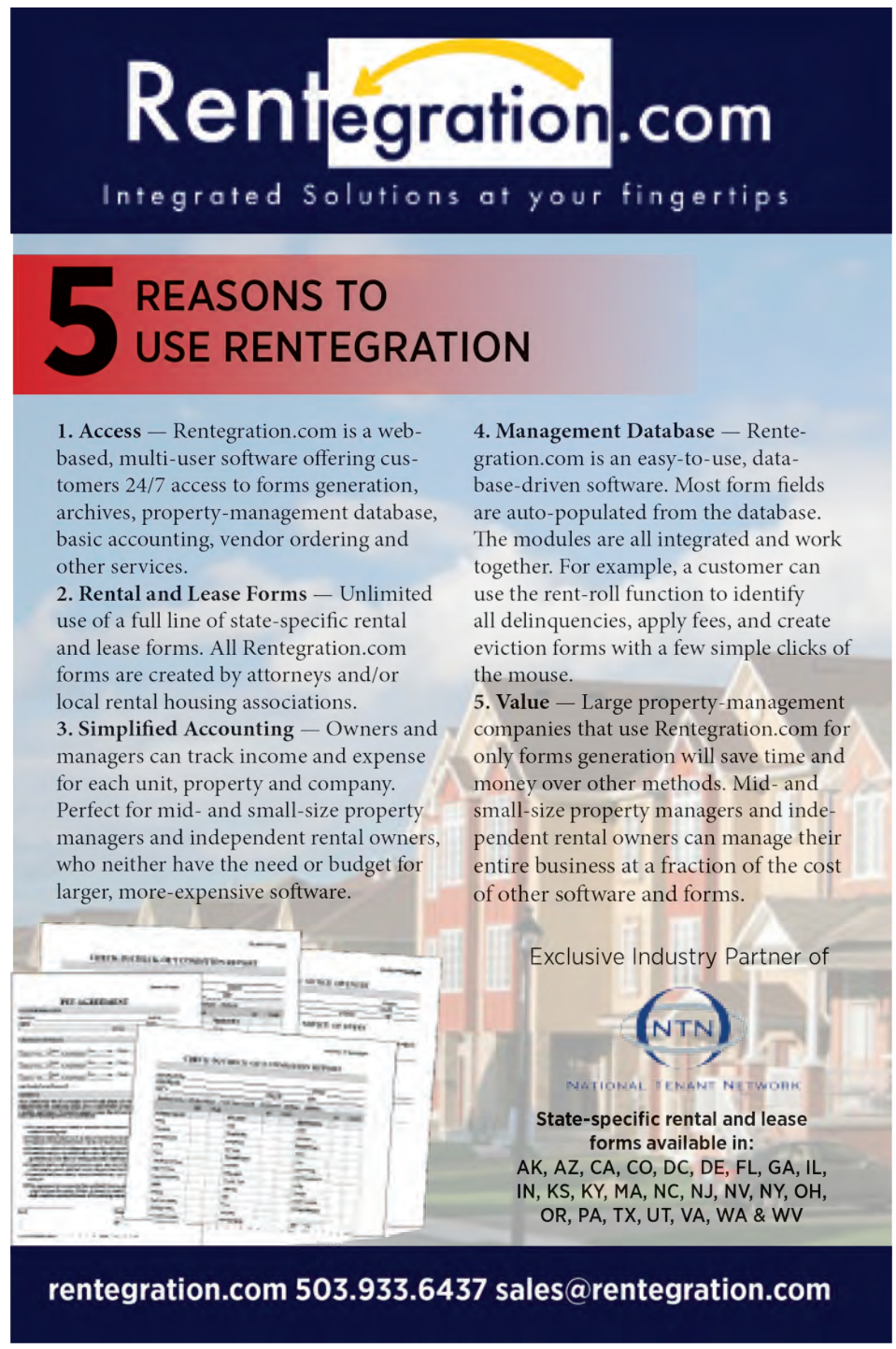
- **Communicate early.** When evaluating which lease to sign, renters with pets want clarity: What's required? What will it cost? And what choices do they have to make before they commit? Operators can avoid potential friction or complaints in their pet-management processes by communicating requirements and fees as early in the leasing process as possible, in plain language. Residents who understand what they've agreed to rarely push back. Those who feel surprised by fees or restrictions often do.
- **Treat pet management as a revenue-and-risk line.** Pet revenue and pet risk belong on the same ledger. Operators should approach pet management with the same financial discipline applied to other NOI drivers: tracking what's been collected against what should be collected, identifying where fees are slipping through and understanding liability exposure created by unreported animals. An uninsured incident involving an unreported animal can put an operator on the hook for a loss with no policy to absorb it, so the documentation trail required to defend against it has to be built before the loss occurs, not after.
- **Standardize the process across the entire portfolio.** Inconsistency is where pet management breaks down. One site granting exceptions that others don't, leasing staff applying documentation requirements differently across a portfolio, ESA requests handled on instinct rather than process — each of these creates legal exposure and harms the integrity of the entire system. Across a multi-state portfolio with hundreds of units, technology makes good policy scalable. Pet-management technology creates a centralized, consistent process that doesn't depend on individual judgment calls, helping operators collect and manage individual pet data to make defensible decisions, broadening the pool of qualified residents and reducing the number of blanket restrictions.

It's Time to Deliver a Truly Pet-Friendly Solution

Marketing properties as pet-friendly is no longer enough to compete. With fee regulations tightening, ESA litigation evolving and resident expectations for transparency rising, the margin for loose, informal pet management will only narrow.

As more renters prioritize their pets when evaluating leasing commitments, the operators who outperform in the next few years won't just allow pets on their properties; they will have built systems to deliver a truly pet-friendly solution.

Kevin Jacobson is CEO of Foxen, a financial technology company that provides AI-managed renters insurance compliance and other services to increase revenue and reduce risk. He previously held leadership roles at high-growth software-delivery businesses, including as COO of LogicGate and as CFO at Kapow. Kevin earned his BS in Finance from Miami University.





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