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UPCOMING EVENTS:

General Membership Meeting, Salt Lake

• Thursday, May 23, 2019, 7:00 PM

General Membership Meeting, Ogden

• Tuesday, May 21, 2019, 7:00 PM

PAC FUNDRAISER, Luncheon & Top Golf Event

• Wednesday, May 22, 11:00AM-3:30 PM

920 Jordan River Blvd, Midvale, Utah

UAA Annual GOLF TOURNAMENT

• Wednesday, July 17, 7 AM-3:30PM

Stonebridge Golf Course

4415 Links Dr., West Valley City, Utah

No UPRO Classes – May 24, 2019

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Protecting Pet-Friendly Properties

By HOLLY WELLES

Before you included a pet policy in your lease, you weighed the pros and cons. On the one hand, you would increase interest in your rental properties and improve their profitability. A pet policy would have clear benefits for your bottom line. On the other hand, you would have to spend a significant sum of money on maintenance. Cats and dogs aren't exactly kind to hardwood flooring, and the condition of your rentals could suffer. The repair costs would add up quickly over time. Regardless, you moved forward with a pet policy. Your tenants are now living with their furry friends, and you've had to address a diverse variety of new challenges. If the rental's interior wasn't enough, you also have to worry about the lawn.

So how do you begin to address these issues? How do you manage your new commitment? Though
See "Tips" on Page 6

State Sen. Cullimore Named to Tax Reform Task Force

RENTAL HOUSING JOURNAL

State Senator Kirk Cullimore (R-Sandy), a landlord attorney, has been appointed as one of 10 members of the Utah state Tax Reform Task force, which was established by the legislature to come up with a tax reform plan to be voted on in special session this fall.

Senator Cullimore is the only freshman named to the task force. "I think that shows how much Kirk has impressed Senate leadership. He has established himself as a calm and reasoned thinker who is open to ideas and looks for win/win outcomes," said Paul Smith, UAA Executive Director. "It will be tremendous for the rental housing industry to have Kirk on the task force."

The task force will be chaired by Senator Lyle Hilyard, (R), Logan, and Representative Francis Gibson, (R), Mapleton. The other members of the task force are: Senate: Curt Bramble (R), Provo, Lincoln Fillmore, (R),



State Senator Kirk Cullimore (R-Sandy)

South Jordan, Karen Mayne (D), West Valley City, House: Tim Quinn, (R), Heber, Robert Spendlove, (R), Sandy, Mike Shultz, (R), Hooper, Joel Briscoe, (D), Salt Lake City. There will also be 4 non-voting tax experts; Keith Prescott, who headed the Utah Tax Commission,

Gary Cornia, former Dean at the Marriott School of Management at BYU, Kristin Cox, Executive Director of the Governor's Office of Budget and Management, and Steve Young, a tax attorney.

The tax force was created as an alternative to a tax reform bill sponsored by Quinn that would have shifted taxes in a revenue neutral way, onto professional services, such as attorneys, accountants, landscapers and property managers. Quinn said his goal was to address the structural problems in Utah caused by our constitutional mandate that all income taxes must be spent on education. While income taxes are rising, other tax revenues are not, making it hard to fund roads, health and human services and other state programs.

The task force will begin meeting soon and the goal is to have a proposal done for the legislature to consider in a fall special session.

Utah-Based RPM Has Grown to Largest Prop. Mgmt. Company in North America

During his college years, Kirk McGary had a choice of a part-time job working with some friends involved with property management or working in fast food; he chose property management. A few years later, after starting a successful career in accounting and software development, Kirk started a property management business, which over the next 15 years grew and became increasingly successful.

Kirk then partnered with another entrepreneur, Doug Oler, who had extensive business experience running multi-unit companies. Together, they decided to share Kirk's property management success with others and, in 2005, launched their first Real Property Management franchised office.

Today, the Real Property Management franchise organization is the largest property management organization in North America, with over 300 locations throughout the United States and Canada managing almost 60,000 rental homes.

Yet, despite being a large national company, RPM has



remained committed to Utah and is also the largest single-family focused property management company in the state, with 9 locations managing almost 4,000 units. They are focused on giving back to the industry by providing and sponsoring training for real estate investors and owners.

In 2019, RPM is a Premier Sponsor of the UAA and the main sponsor for all IRO events and trainings. Come join them at our monthly general membership meetings and learn how when you are ready to turn management over to a professional company, that RPM may be the best option for you.

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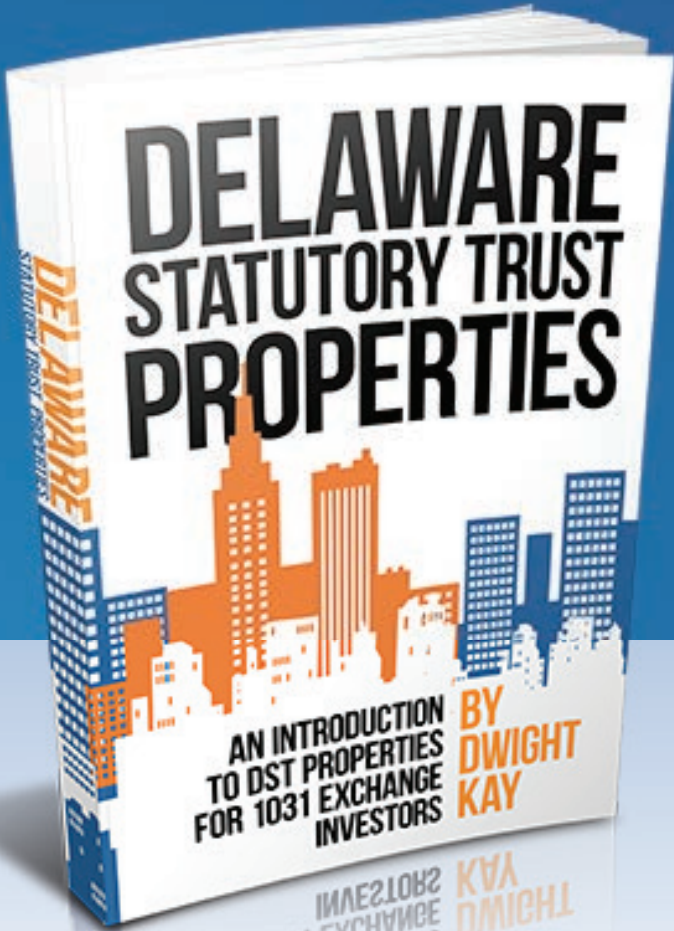
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Kay Properties and Investments, LLC is a national Delaware Statutory Trust (DST) investment firm with offices in Los Angeles, San Diego, San Francisco, Seattle, New York City and Washington DC. Kay Properties team members collectively have over 114 years of real estate experience, are licensed in all 50 states, and have participated in over \$9 Billion of DST real estate. Our clients have the ability to participate in private, exclusively available, DST properties as well as those presented to the wider DST marketplace; with the exception of those that fail our due-diligence process. To learn more about Kay Properties please visit: <http://www.kpi1031.com>

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Is Net Lease Property the Way to go for Your 1031 Exchange?

By CHAY LAPIN
SENIOR VICE PRESIDENT,
KAY PROPERTIES AND INVESTMENTS

Are you considering whether to purchase and manage a (NNN) Net Lease Property on your own? Here is a case study to help as you consider purchasing NNN properties versus alternative options such as DSTs.*

1. Are you prepared for the potential active management? NNN properties are only passive if everything goes well. What happens if they do not?

If an NNN Property goes dark (tenant moves out) or bankrupt, are you ready to search for a new tenant, negotiate a new lease, negotiate with tenants and lenders, pay lawyers, manage leasing agents, higher contractors to renovate, etc. We have had clients 1031 exchanging out of their NNN properties because their NNN broker communicated half truths about NNN being a turnkey option. NNN's are great — until they're not. Investors are exchanging out of NNN nightmare situations that an NNN broker didn't walk them through the potential downfalls of NNN properties all too often...

2. Are you willing to take a multimillion-dollar company to court?

We have seen large companies bully their way out of a lease agreement because the landlords/building owners are too small to afford a costly litigation. Therefore, the owner has been left with tens of thousands of dollars in maintenance costs or unpaid/reduced rent. Not only does this negatively impact your potential cash flow, it also impacts the overall value of the building and your family's financial security. Many NNN investor clients that we worked with that were told by their NNN broker they were buying a “safe” property have found themselves with properties valued at significantly lower values and lesser returns. Although corporate tenants can do this to anyone. This is more difficult for these companies to do when the landlord is represented by a real estate equity firm with hundreds of millions or billions of dollars of real estate under management which is why the DST may be a fit for investors afraid of these scenarios.

3. Are you prepared to do your own comprehensive due diligence required to purchase an NNN property that is such a large component of your wealth?

On all our DST properties, we conduct/review lease audits, environmental reports, insurance audits, building inspections, economic/demographic surveys, and we send someone to conduct onsite inspections. This can be a very costly and a time-consuming process that many NNN buyers don't have the time or experience to do themselves. Has your broker done that for you or are you prepared to do this on your own?

4. Do you feel comfortable with all your eggs in a single NNN basket?

Putting a large component of one's wealth into a single NNN asset is simply not wise. Why would one invest in a single NNN property, when you can get access to the similar type of NNN properties but in a diversified strategy whereby you don't have all of your eggs in one basket? **

5. One of the greatest questions 1031 clients ask themselves is, "What kind of legacy will I leave my family when I am gone?"

Are your spouse or heirs able to take on any of the above situations if you are not around to manage these issues? Selling a property years into the lease can result in pennies on the dollar, especially if there are issues and they will be left to negotiate lease terms with a large fortune 500 company. Many NNN investor clients that we worked with choose DST investments since the sponsor company will be handling these items and not their wife/heirs who may not

have the real estate experience to properly asset manage a NNN property.

**These examples are the experiences of a few of our clients and may not represent the experiences of others. Past performance does not guarantee or indicate the likelihood of future results.*

***Diversification does not guarantee profits or protect against losses.*

USING (DST) PROPERTIES AS OPPOSED TO NNN PROPERTIES FOR YOUR EXCHANGE:

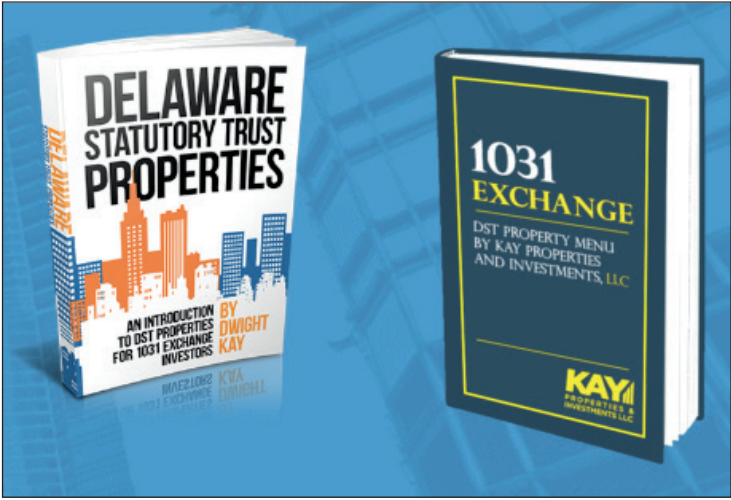
- Diversification – Don't put all your eggs into one basket!
- You can often close on a DST in 2-3 days – helps to potentially reduce 1031 exchange closing risk.
- Non-recourse financing with DSTs as opposed to partial and full recourse with NNN properties.
- Back up – Use a DST as a backup ID in case your NNN deal falls apart.
- DST as a home for leftover funds to cover your exchange and avoid boot.
- Professional asset and property management in place.

ACCESS TO QUALITY REAL ESTATE

Often times, 1031 investors are selling a property that comprises a substantial amount of their net worth. DST 1031 properties provide access to real estate that is often otherwise outside of an individual investor's price point. With the typical minimum investment of \$100,000, investors are still able to purchase an ownership interest in large \$20 million-plus apartment communities, \$5 million-plus pharmacies or \$15 million grocery stores, for example. This allows investors access to a level of real estate that they just would not have been able to exchange into before.

That being said, we also have had many clients with very large 1031 exchanges opt to invest in multiple DST 1031 properties/offerings because they did not want to place “all their eggs into one basket” by purchasing one single, large NNN investment property.

For a list of current DST offerings available at Kay Properties please visit www.kpi1031.com or call 1.855.466.5927.



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What are six ways to upgrade the look and feel of apartment common spaces you can take to keep tenants happy? Here are some tips in this monthly maintenance feature.

Community living has become a growing trend in multifamily housing, especially among younger people, including millennials and Generation Z renters.

Co-living spaces allow residents to have room to spend time, meet with others and work professionally outside of their units. Dedicated shared spaces are easy to incorporate into existing properties.

If you currently have a common space or have room in your building to dedicate to a community space, you may want to consider the following:

Lighting can be very inviting: Add indoor lighting throughout your property to brighten up the rooms. If you have outdoor spaces, light fixtures can elevate the space of a walkway, or a larger communal area such as a shared outdoor patio.

Add new furniture: Installing new pieces of furniture in an existing communal space in your building can attract new groups of people. Be aware of how you arrange your furniture. Don't space the pieces too far apart, since you want to make the space intimate and approachable for groups of people.

Bring in some plants: Greenery can add a lot to a shared space. Add artificial or real plants and flowers in traditional areas, such as on a coffee table, in the kitchen or on the sides of a hallway.

Use textiles with some color: Layer accessories like pillows, cushions, and rugs to add extra warmth to a space. Use spots of color to pull more eyes into a specific space.

Add wall decoration: Shelves, paintings, and mirrors are great additions that can bring your empty



walls to life. Keep it personal, not commercial-looking. Think about how you would decorate your own home or apartment.

Accessories rule: Think about adding kitchenware in shared kitchens, books in a shared library or workroom, and similar small details and accessories to make communal spaces more resourceful and more like home. Residents will appreciate these little details and potentially spend more time due to these small amenities.

These quick fixes are easy to incorporate into any size space.

When brainstorming what features to include in your property, ask yourself what sorts of finishing touches would make you feel welcome. And whenever you add new features to your property, be sure to communicate these features to your tenants so that they are aware and more likely to explore the living spaces.

The small investments you make in your property can go a long way toward tenant morale and can become

incentives to renew their leases.

Keepe is an on-demand maintenance solution for property managers and independent landlords. The company makes a network of hundreds of independent contractors and handymen available for maintenance projects at rental properties. Keepe is available in the Greater Seattle area, Greater Phoenix area, San Francisco Bay area, Portland, San Diego and soon to an area near you. Learn more about Keepe at <https://www.keepe.com>.

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Ask the Attorney

Lawful Evictions Without a Lease



JEREMY SHORTS
Attorney

Question: I am the owner of a property and I let someone live in my house without a lease. How do I get them out?

Answer: Unfortunately, this is not an uncommon situation. Many times, friends or family members allow someone to live in a home temporarily, without a lease, but it turns into something more long term. Under Utah law, the person living there without a lease probably becomes a month to month tenant under an implied lease. Under Utah law, the owner would then become a landlord. What that means is that even though you don't have a written lease agreement in place, once the owner allows someone to reside in the property for a period of time, they

become a landlord and must use Utah's eviction statutes in order to have the friend/ family member removed from the property. Typically, you can provide the tenant with a No Cause Notice to Vacate and terminate their tenancy. You can provide that to them 15 days prior to the end of the month. If they fail to vacate at the end of the month, you can move forward with seeking a court order to have them evicted and removed from the property.

To prevent tricky situations like this, it is always recommended to have a lease in place for any occupancy situation short term or long term.

— Jeremy Shorts, Esq., of Utah Eviction Law

Dear Landlord Hank: ‘I’m Trapped In My Unit!’

By HANK ROSSI

When the tenant called she said, “I’m trapped inside my condo and can’t get out.”

I didn’t understand this.

As I think back to her fourth-floor unit, it is a front door luxury mid-rise building with a metal door that opens outward, with a dead bolt and lever handle passage.

Apparently the deadbolt worked fine but the lever handle, when you either raise or lower the handle, was not engaging the latch assembly and moving it back into the door.

It was stuck in the strike plate.

No second door out of the unit



This would not have been too big a deal if there was another way to get in or out of this unit.

There is another exit, a sliding glass door to her fourth-floor balcony, but that doesn’t lead anywhere, and all the windows in the unit open to the outside of the building. And, there is no walkway or anything beneath the windows except the pavement four

floors below.

This is a single woman who lives alone.

When I arrive at the property, a man’s voice comes through the space where the dead bolt had been. He took that apart for some reason.

Come to find out, the Comcast tech was trapped inside too.

Should we kick down the door?

There are hinges on the outside of the door but they are heavy duty and secure so there was no way to remove them.

I called my locksmith.

He said for the Comcast guy to kick down the door.

Or, call the Fire Department.

Either way, we’re going to sustain heavy damage to the door or frame from either of those options.

My last thought was to try the old credit card trick.

By sliding the credit card to the latch assembly, and pushing, the latch retracted into the door and we were able to open it.

A new door handle will take care of this so drama now over.

Door locks and handles are so reliable we don’t think of them often. Florida is a tough environment for metal. So, it helps to lubricate locks, on occasion.

You can use WD-40, or other lubricants but stay away from powdered graphite. That will make things worse.



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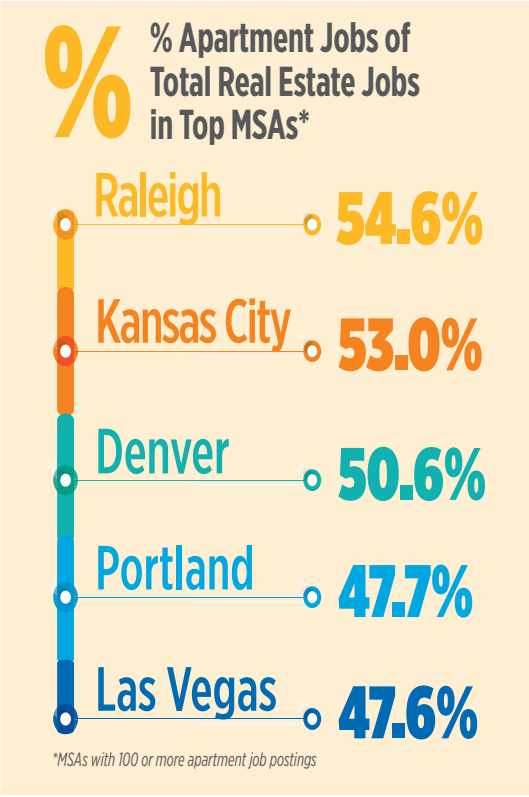
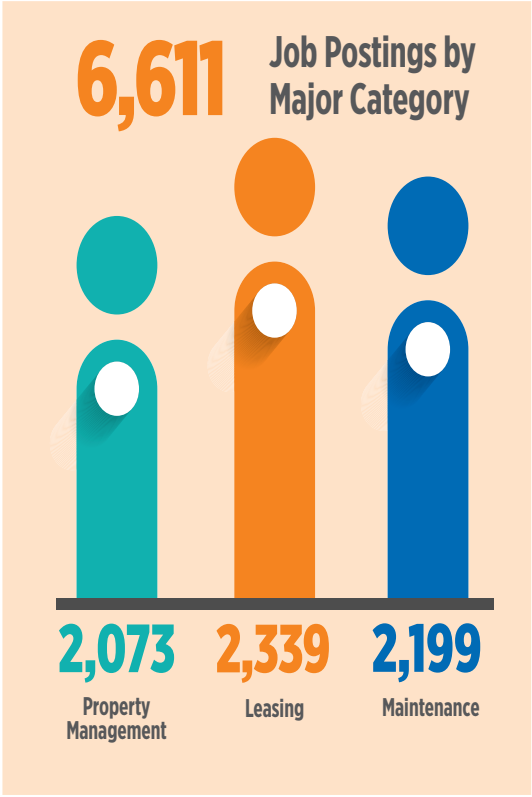
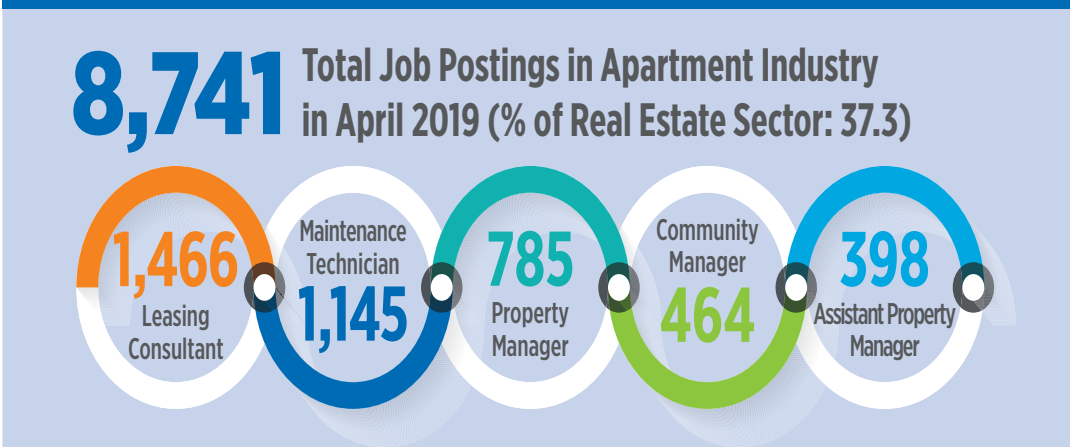
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Real Estate Jobs Focused Mostly in Apartments, Latest Report Says



NATIONAL APARTMENT ASSOCIATION

In the latest jobs report from the National Apartment Association, Denver is near the top in the country with more than 50 percent of real estate jobs driven by openings in the apartment industry.

Nation-wide, in preparation for the impending leasing season, over 8,000 apartment jobs were available during April, accounting for 37 percent of the broader real estate sector.

Open positions were driven primarily by Denver, Raleigh, Kansas City, Portland and Las Vegas.

April’s edition highlights Property Manager/Community Manager positions, with a median salary of \$42,059.

In addition to property management experience, employers are seeking candidates with strong budgeting skills, staff management skills, and experience with property management software. The recent influx of new supply in the

Raleigh MSA has contributed to the high concentration of demand for property managers.

The jobs report focuses on jobs that are being advertised in the apartment industry as being available, according to Paula Munger, Director, Industry Research and Analysis, for the National Apartment Association’s Education Institute.

“Our education institute is a credentialing body for the apartment industry. They hear often that one of the biggest problems keeping our industry leaders up at night is the difficulty in finding talent, attracting talent and retaining talent,” Munger said. “Labor-market issues are happening in a lot of industries, certainly with the tight labor market we have.”

NAA partnered with Burning Glass Technologies. “They have a labor-job posting database that is proprietary,” she said, and they can “layer on data from the Bureau of Labor Statistics (BLS). We looked at that and thought we could do something that is really going to help the industry and help benchmark job titles and trends as we go forward,” Munger said.



Sources: NAA Research; Burning Glass Technologies; Data as of April 30, 2019; Not Seasonally Adjusted

Spotlight

Last 6 Months

Property Manager/Community Manager

Top MSAs

(Highest Location Quotients)

City	Location Quotient***	Median Market Salaries****
Raleigh	3.5	\$41,674
Portland	3.3	\$38,366
Austin	2.8	\$42,356
Seattle	2.7	\$43,158
Charlotte	2.5	\$42,626

***Location quotients display concentrations of demand within MSAs. U.S.-wide average demand equals 1.0; a location quotient of 1.5 indicates 50% higher demand than the US average.

Experience Level Required

Experience Level	Percentage
0 to 2 Years	44.9%
3 to 5 Years	51.4%
6 or More Years	3.7%

Earnings

Median Market Salary of Postings****

\$42,059

****Market salary is calculated using a machine learning model built off of millions of job postings every year, and accounting for adjustments based on locations, industry, skills, experience, education requirements, among other variables



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tenants and
a better
bottom line,
go smoke-free.



[way to quit.org](http://waytoquit.org)

