RHJ RENTAL HOUSING JOURNAL
INSIGHT FOR RENTAL HOUSING PROFESSIONALS

METRO

rentalhousingjournal.com • Rental Housing Journal, LLC

PORTLAND • VANCOUVER

Published in association with Multifamily NW, Rental Housing Alliance Oregon, IREM & Clark County Association

Portland City Council To Delay on Tenant Screening Ordinance

Rental Housing Journal

Further action on a controversial Portland tenant screening ordinance has been delayed until at least May, according to several reports.

Landlords told the Portland City Council (at right) in early April that the new proposed tenant screening ordinance was unnecessary.Most landlords testifying before the Portland City Council on the proposed new city regulations on tenant screening and deposits were opposed to the new rules for various reasons.

Now the ordinance's main backer, Commissioner Chloe Eudaly, has delayed the vote on the new renter protections she is proposing, according to the Portland Tribune.

Eudaly's policy director, Jamey Duhamel, told Willamette Week the possible changes contemplated at City Hall are focused on whether there's a way to make the requirements less onerous for the real estate industry while still requiring accountability and enforcement. "I feel really confident we're working well with our colleagues and that what we bring back on May 23 is going to be a really solid policy in mitigating discrimination in rental housing."

The ordinance, supported by tenants' rights groups, would restrict the way landlords screen tenants before they sign a lease, with the aim of addressing discrimination and requiring more consideration for people who have criminal records.

However, landlords are opposed for several reasons.

"Our members are grateful that city council is delaying the vote to consider ways to make the ordinance meet everyone's needs," said Deborah Imse, executive director of Multifamily NW, the largest rental housing provider group in Oregon, in an interview with the Portland Tribune. "Multifamily NW has made a number of suggestions to city commissioners about the rental housing ordinance.

"We share the goal of reducing barriers to housing, but Portland needs to ensure the rules are not so onerous that rental housing providers decide to give up and get out. That will ultimately reduce housing supply in Portland, which will decrease affordability. New rules passed last year in Portland have already decreased supply. There has to be balance," she said.

Portland Mayor Tom Wheeler also said he thinks the plan needs to be revised and that significant changes are needed.

"As the policy stands in its current form, I believe there are significant changes necessary," Wheeler said in a statement according to Willamette Week. He praises Eudaly's efforts to tackle housing discrimination but adds a note of caution: "As a city, we should be seeking policies that address those issues, but right now the question is whether this proposal is the right way to go about it."

How to Pick the Perfect Paint Color

Keepe

As the weather improves this spring, it is time to consider changing or improving the exterior paint color for your rental property so here is a quick guide in this week's maintenance checkup from Keepe. Choosing exterior paint colors can be tricky, especially for a multifamily property where you have to keep in mind the variety of styles your tenants favor.

A paint job is a quick way to upgrade your property's value and curb appeal. Tenants will be pleased with the upgrade and that boost in morale will often result in happier tenants.In this guide, you will find what color of paint to use, how to pick a complementary color, and why you should be painting your property.

How To Pick the Perfect Exterior Paint Color

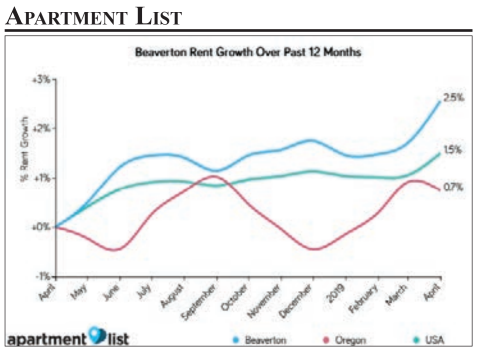
When you update your exterior with a fresh paint job, be sure to think

See 'How' on Page 16

PRSRT STD
US Postage
P A I D
ALBANY, OR
PERMIT NO. 188

Portland Rents Fall Slightly in April

Apartment List



Portland rents declined 0.3% in April, but have been relatively flat in comparison to the same time last year, according to the latest report from Apartment List.

Currently, median rents in Portland stand at $1,130 for a one-bedroom apartment and $1,330 for a two-bedroom. Portland's year-over-year rent growth lags the state average of 0.7%, as well as the national average of 1.5%.

Beaverton Rents Increase Sharply in April

Beaverton rents have increased 0.8% over the past month, and are up moderately by 2.5% in comparison to the same time last year (see graphic at left).

Currently, median rents in Beaverton stand at $1,510 for a one-bedroom apartment and $1,780 for a two-bedroom. This is the third straight month that the city has seen rent increases after a decline in January.

Beaverton's year-over-year rent growth leads the state average of 0.7%, as well as the national average of 1.5%.

Rents Rising Across Cities in the Portland Metro

Throughout the past year, rents have remained steady in the city of Portland,

See 'Rents' on Page 10

Published In Conjunction With: RHJ ON-SITE RHJ VALLEY RHJ ARIZONA RHJ COLORADO RHJ UTAH

Rental Housing Journal, LLC
4500 S. Lakeshore Drive, Suite 300
Tempe, Arizona 85282

Sponsored Content

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

By Chay Lapin
Senior Vice President,
Kay Properties and Investments

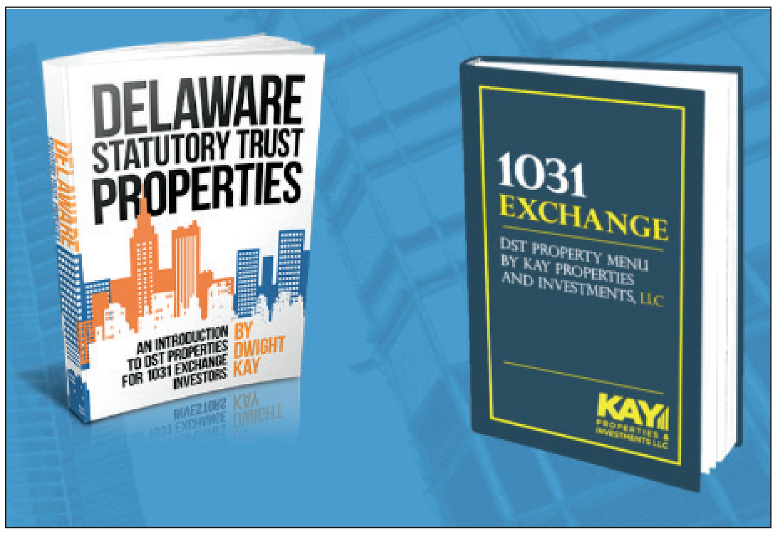
Are you considering whether to purchase and manage a (NNN) Net Lease Property on your own? Here is a case study to help as you consider purchasing NNN properties versus alternative options such as DSTs.*

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.

About Kay Properties and Investments, LLC:

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: www.kpi1031.com

This material does not constitute an offer to sell nor a solicitation of an offer to buy any security. Such offers can be made only by the confidential Private Placement Memorandum (the "Memorandum"). Please read the entire Memorandum paying special attention to the risk section prior investing. This email contains information that has been obtained from sources believed to be reliable. However, Kay Properties and Investments, LLC, WealthForge Securities, LLC and their representatives do not guarantee the accuracy and validity of the information herein. Investors should perform their own investigations before considering any investment. IRC Section 1031, IRC Section 1033 and IRC Section 721 are complex tax codes therefore you should consult your tax or legal professional for details regarding your situation. This material is not intended as tax or legal advice.

There are material risks associated with investing in real estate, Delaware Statutory Trust (DST) properties and real estate securities including illiquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multi-family properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, potential returns and potential appreciation are not guaranteed. For an investor to qualify for any type of investment, there are both financial requirements and suitability requirements that must match specific objectives, goals and risk tolerances.

Securities offered through WealthForge Securities, LLC. Member FINRA/SIPC. Kay Properties and Investments, LLC and WealthForge Securities, LLC are separate entities. This email, including attachments, may include non-public, proprietary, confidential or legally privileged information. If you are not an intended recipient or an authorized agent of an intended recipient, you are hereby notified that any dissemination, distribution or copying of the information contained in or transmitted with this e-mail is unauthorized and strictly prohibited. If you have received this email in error, please notify the sender by replying to this message and permanently delete this e-mail, its attachments, and any copies of it immediately. You should not retain, copy or use this e-mail or any attachment for any purpose, nor disclose all or any part of the contents to any other person. For your protection, please do not transmit orders or instructions by email or include account numbers, social security numbers, credit card numbers, passwords, or other personal information.

Landlords Say Tenant-Screening Ordinance Unnecessary

Rental Housing Journal

Most landlords testifying before the Portland City Council on the proposed new city regulations on tenant screening and deposits were opposed to the new rules for various reasons.

Several landlords said the city would be taking away landlords' ability to protect their investments when they cannot properly screen tenants, with one landlord saying, "It is too risky to put them in my $100,000 unit. I am not going to risk renting to someone without a government-issued ID."

Landlords also said existing laws already cover the issues and the ordinance is not needed.

The strongest business case was stated by Clyde Holland, CEO and chairman of the Holland Partner Group which manages 56 apartment communities and more than 17,000 units in Oregon, Washington, California, Arizona and Colorado, who said he has "grave concerns" about the ordinance.

He said the U.S. Department of Housing and Urban Development (HUD), Fannie Mae and Freddie Mac, all of which are involved in the underwriting of loans for apartment construction, have requirements for tenant screening that borrowers such as apartment developers must follow, and the proposed Portland ordinance would be in conflict with those federal screening requirements.

He said those agencies "require we screen" for certain levels of tenant income in order to "be in compliance with financing" or a developer "could be held in default on their mortgages."

"We are required to screen three-times income in order to attract institutional equity" to develop apartment projects, Holland said.

Proposed tenant-screening ordinance will increase rental rates

The cost of landlords' compliance with the proposed regulations is something the city must consider, Holland said.

"In order to look at the compliance aspects of the very confusing pages here, our estimate is it will take one person per hundred units to be able to deal with the challenges," Holland said. He estimated it will cost $65 per unit per month to comply with all the requirements of the proposed ordinance, or about $125 million a year in Portland.

He said the proposed ordinance, if enacted, will end up raising rental rates for renters in Portland. He said the city is not considering the cost to landlords of having to comply with the requirements of the ordinance, and that these costs will be passed along to tenants.

All the rules in Portland, including inclusionary zoning, tenant relocation requirements, registration and the proposed tenant screening have substantially "lowered the ability for us to access debt and equity. It has cost the city of Portland about $5 billion of investment in housing."

He said 20 percent of his company's units are set aside for affordable housing.

Holland closed his testimony by suggesting the city submit the ordinance for economic analysis before continuing to press for its passage.

Proponents of the ordinance say it is designed to fight discrimination

Proponents for the ordinance say the lack of standardized tenant screening creates discrimination.

"Discrimination in housing is alive and well in our state and in our city," said City Commissioner Chloe Eudaly, who proposed the ordinance. "This package, if passed, will significantly decrease incidents of housing discrimination, whether by default or design."

Coya Crespin, Portland Metro Regional Organizer for the Community Alliance of Tenants, told the council the "wild-West style" of tenant screening is used by landlords to discriminate. "Landlords are using scare tactics to get tenants to testify against this ordinance." She said the screening system is shutting out low-income tenants and tenants of color.

Ordinance introduces too much complexity in the process

Dan Hayes, who told the council he has 26 rental properties in Portland, said "All landlords want our units filled. We screen to give tenants the best chance of success."

He said Portland used to provide a one-day landlord-training class. But not this year. He suggested the council take more time and simplify the proposal and "listen to more solutions from people in the industry," then implement policy.

"If you continue to introduce complexity without providing policy, Portland will become the most expensive city to live in," Hayes said.

Sue Scott, a landlord, said 60 percent of landlords are small investors and that big companies have caused some of the problems.

"Rental providers have not been listened to by the city. The city has chosen to railroad this through their own agendas," she said.

Small landlords depend on good relations with their tenants, know their tenants and work with their tenants on issues.

"If you want more big rental companies in Portland who never bend a rule for a tenant – carry on," Scott told the council hearing.

Another landlord, Kathy Rogers, echoed that sentiment, saying she has a regular full-time job and manages her rentals as well.

"When a tenant cannot pay rent, we rarely evict them. We allow them to move out and break the lease and we take the hit and help them find affordable housing.

"We lose rent for a month or more," she said, noting that many owner-managers like herself do the same.

"I provide affordable housing for $850

See 'Landlords' on Page 6

Eviction Bill Passes in Washington Legislature

Rental Housing Journal

A sweeping new eviction bill has passed the Washington legislature and now heads to the governor for signature, according to reports.

The eviction bill, a sweeping change to the current Washington landlord-tenant law, gives tenants 14 days to respond to an eviction notice. Under the current law, tenants who miss rent payments must pay the amount due or vacate the property within three days of being served a notice.

SB 5600 requires uniform eviction notices written in plain language available to landlords for use that includes information on civil legal aid resources available to tenants and where to find translated copies of the notices.

"We have heard definitively from experts, and from those directly impacted, that evictions are the leading cause of homelessness in Washington State," said Sen. Patty Kuderer (D-Bellevue), the bill's sponsor, in a release.

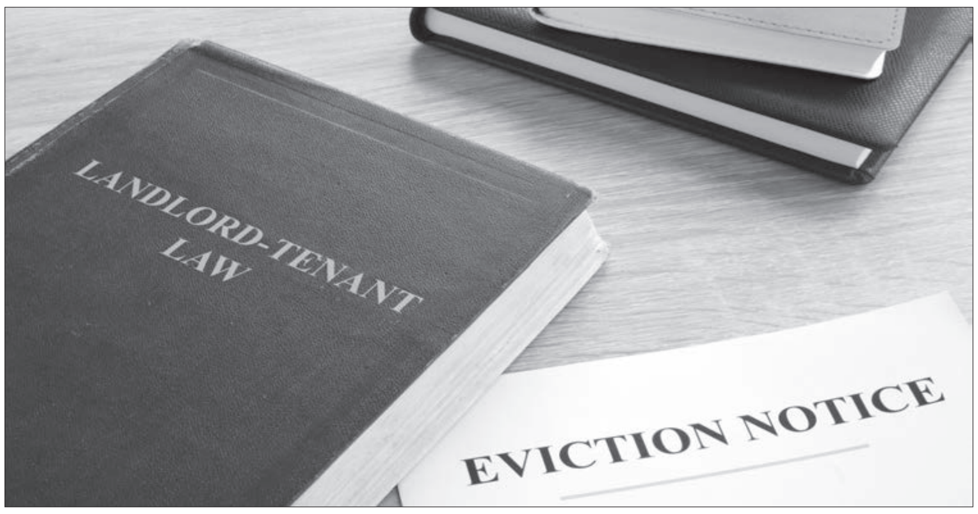
"When the Senate formed the new Housing Stability & Affordability Committee, we redirected our statewide approach on homelessness to include prevention. This legislation is a significant step in that direction," Kuderer said.

"The eviction process can be complicated and overwhelming for anyone facing the possibility of homelessness. Simplifying language is about more than conveying information to tenants, it is about increasing accessibility to a legal system in which they have every right to participate."

Opponents of the bill say it will drive small landlords out of the business and make the housing crisis worse.

"Not all landlords are just rolling in cash," said Puyallup Republican Rep. Chris Gildon in an interview with the Seattle Times. "It will result in the exact opposite of what we're trying to do."

Landlords' associations objected to the bill in the weeks leading up to the vote on similar grounds, saying that adding more than a week to eviction periods would cause property owners to risk missing their own mortgage and utility payments.



Along with extended wait times, the bill also proposes giving new power to judges, who would be allowed to temporarily block evictions based on factors including the tenant's payment history and whether they had made a good-faith effort to pay.

A summary of the bill:

• Extends the 3-day notice for default in rent payment to 14 days' notice for tenancies under the Residential Landlord-Tenant Act.

• Requires the 14-day notice to be written in plain language and include information on civil legal aid resources available, if any, to the tenant.

• Extends the mandatory notice period from 30 to 60 days when landlords propose a rent change amount. Requires a landlord to first apply any tenant payment to rent before applying the payment toward other charges.

• Prohibits continued tenancy and relief from forfeiture to be conditioned upon tenant payment or satisfaction of any monetary amount other than rent.

• Provides the court with discretion to provide relief from forfeiture or to stay a writ of restitution.

• Requires a landlord to provide a tenant with documentation regarding any damages for which the landlord intends to retain any of the deposit amount.

Staff summary of public testimony in favor of the bill

There is a need to overhaul our statewide approach to housing and homelessness by focusing on prevention as opposed to being primarily reactive. Inflexible eviction policies are a major source of housing instability around our state.

If we are serious about long-term prevention, we must address this primary driver of homelessness. Currently, 26 states and the District of Columbia have pay-or-vacate notice periods longer than three days, including some with a 14-day notice. Washington State is outside the norm and for individuals living paycheck to paycheck, which is now nearly half of all Americans, these extensions of notice matter. We should also offer resources, flexibility, and compassion to help, since one unexpected medical bill or car accident or government shutdown can lead to an eviction.

The bill gives tenants more time to pay rent, although 21 days would probably be best to deal with most medical emergencies since it can take several weeks or even months to heal and be able to deal with outside responsibilities. Housing stability is crucial for healing. Emergencies happen to everyone at all income levels and we all need flexibility to deal with them. Over three-quarters of tenants in the city of Seattle who received notices to pay and vacate for failure to pay rent ended up vacating their apartments.

The leading cause for eviction in a recent survey revealed tenants were behind a month or less or rent and most of those tenants were either in western Washington (but not Seattle), or in eastern Washington. The reforms in the bill are not going to increase housing costs. Some landlords will apply rent payments to overdue utilities instead of rent. The rental system is literally designed to kick people when they are down; in contrast, when a homeowner becomes delinquent on their mortgage payment, they have at least 90 days before issuance of a notice of default.

Our eviction system is a complete mismatch with homelessness interventions. There is not nearly enough time for a tenant to get rental assistance to their landlord before the costs and the risks escalate. Attempting to get legal aid might eat up two days, so the current time period is not long enough. Once the paperwork is filed, the tenant is almost always forced to pay extremely expensive attorneys' fees in court costs as well as late fees. Some tenants might be lucky enough to get homelessness assistance to help pay off these costs.

Ohio and New York City allow judges to consider circumstances as to why a tenant fell behind on rent. Seventy-one percent of the lowest-income households in Washington state are paying over 50 percent of their income towards rent, which means that one small household crisis can lead to the inability to pay rent on the first of the month. Judges have little discretion over the process and tenants often leave court owing much more in court costs and attorneys' fees than they ever owed. The Legislature must seriously consider the significant race and gender issues at stake – female-headed households and people of color are much more likely to face eviction in Washington state. Black women are four to five times more likely to face eviction.

If we are going to get Washington state ahead of its homelessness crisis, we must keep people in their homes and protect tenants. Over the past five years, 132,000 adults have been formally evicted in Washington, which is 1.8 percent of the state's population. Informal evictions are even higher. Nine percent of the black adult population in King County has an eviction; in Pierce County, 17 percent of the black adult population has had an eviction. Across the state, women are evicted 50 percent more than men. Forty-six percent of renters are rent-burdened. The number of individuals becoming homeless continues to outpace our efforts.

See 'Sweeping' on Page 6

RHJ Rental Housing Journal
Insight for Rental Housing Professionals
METRO

Rental Housing Journal is a monthly publication of Rental Housing Journal, LLC

Publisher/General Manager
John Triplett

Editor-in-Chief
Linda Wienandt

Associate Editor
Diane Porter

Sales Manager
Terry Hokenson

Website
www.RentalHousingJournal.com

Mailing Address
4500 S. Lakeshore Drive, Suite 300
Tempe, AZ 85282

info@rentalhousingjournal.com

(480) 454-2728 - main
(480) 720-4386 - ad sales

Sweeping Eviction Bill Passes in Washington Legislature

Continued from Pagw 5

Extending the current three-day notice to allow up to 14 days for rent to be paid would make a significant difference in preventing homelessness for these households. It is going to be adequate for the tenant to go to a program, do the intake, verify the debt, contact the landlord, and make the payment. We also need to ensure all eviction notices have information about legal resources, and we need to allow courts to come up with alternatives.

Staff summary of public testimony against the bill

The attrition rate of landlords shows that they are getting out of the business because they can no longer afford it or handle the risk. Landlords are selling by the thousands in a market that is fairly high right now. This is going to devastate the amount of rental housing inventory. Just like tenants, landlords also are one medical trip to the hospital or one crisis away from having the same sort of issues. Many are struggling day to day as well. Many landlords' profit-loss statements for one year do not show that they are making money.

With property taxes and operating costs, landlords are just one late mortgage payment away from losing their buildings. By the time a tenant replies to a three-day notice, there is an additional 10 days for them to come up with funds or work with the landlord, of which many do work with their tenants. Communication between the tenant and the landlord is critical.

Many landlords do not want the vacant unit or to have turnover costs, so landlords want to keep tenants in the units and keep them maintained in a good working order. Some landlords offer payment plans or provide education information about the consequences of not paying rent.

There is concern that the remedies proposed in the bill may reduce a landlord's flexibility to work with tenants. Many of the remedies proposed may not actually address the true causes of homelessness or housing availability and affordability, which is more of a supply-and-demand issue.

Landlords are not interested in arbitrarily terminating a tenancy since it costs money to do so. The Legislature should work with both landlords and tenants to create a regulatory environment that is fair and protective. The Legislature needs to put together a work group to look at all of the landlord-tenant bills and solve the issues before the end of this session. The plain language requirement for the 14-day notice should be written into statute.

Lawyers should not have to argue in court as to whether or not a particular notice is in plain language. Both the landlord and tenant lose if eviction notices have to be issued.

Many landlords try to work with the tenant in multiple ways over an extended period of time and use eviction as a last-case scenario. If the bill passes as is, all tenants will eventually absorb the resulting costs and unintended consequences. The bill would force landlords to stop working with tenants and immediately start the eviction process as a result of the increase in timeframes and costs.

The three-day notice is only a nuclear option for some landlords. Most tenants respond when they get a three-day notice on their doors. Extending the notice to 14 days is going to cause landlords to be more aggressive with tenants. One alternative is to only allow a longer notice period for first-time late rent or fees. Language regarding a term lease not coming to an end is concerning. A lot of landlords own a single rental property, but because of a work reassignment they have to rent out their home for a period of time. Also, having a month-to-month renewal on fixed-term leases is difficult for landlords of student housing since the transition of students year after year without automatic renewal allows students to know that housing will always be available. Language regarding the provision of written estimates for move-out costs is also concerning. Some repairs are custom jobs and not done through a vendor. There needs to be a distinction made between single family homes versus a one thousand unit apartment community. It is problematic to have the same rules apply to very different types of rental housing.

Landlords: Screening Ordinance Unnecessary

Continued from Page 4

a month. If a tenant has income twice the rent but has good credit I would rent to them," she said.

"We are not evil landlords," Rogers said. Some landlords think the city's efforts are actually taking steps in the wrong direction, and say the new rules may force some smaller landlords out of business.

"There are a lot of property owners and landlords who are choosing to sell their properties in Portland, and move their investments to other states where there is no rent control and aren't as many limitations on what landlords can do," Ilyse Ball, a Portland Realtor and landlord, told katu.com.

"It's the mom-and-pop landlords, who are usually more lenient to these types of tenants, the ones the commission is trying to protect, that can't take the financial hit," Ball said.

Ball said she's rented to people with questionable backgrounds before.

"But after meeting them, and talking to them, and deciding myself they would be good renters, I have taken a chance, but that has been my choice to take that chance. And I think it's unfair to take that choice away from landlords," Ball told katu.com.

When the council will consider the proposed ordinance next or vote on it is not clear.

Lake Oswego Mercantile Village Construction Under Way

High Street Residential

Construction has started on the Lake Oswego project called Mercantile Village, a mixed-use project of 206 apartments, parking for more than 550 cars, and 50,000 square feet of destination retail, according to a release from High Street Residential.

The project sits on more than six acres at the primary intersection of Kruse Way and Boones Ferry Road in Lake Oswego and is expected to be completed in the summer of 2021 with leasing already under way, according to High Street Residential, the residential subsidiary of Trammell Crow Company (TCC), CenterCal Properties, and its investment partner CBRE Global Investors.

The community will feature studio, one-, two- and three-bedroom apartment options, as well as a diverse amenity package embracing such interests as fitness, aquatics, crafting, gardening, domestic pets, resident business and collaboration space, and family-friendly environments.

The units include gas appliances and sophisticated finishes and fixtures. The retail is organized around a festival street atmosphere and includes an organic mix of experiential retailers congregated around the ample internal parking and attractive outdoor gathering areas available to the public.

"Our goal is to establish an authentic place that blends a residential and retail experience unlike anything available outside the urban core," Damin Tarlow, said Senior Vice President with High Street Residential's Portland office, in the release.

"Our focus is on weaving together a mix of uses that will offer the vibrancy of urban amenities within the charm and character of the existing community. We look forward to continuing to work with the City of Lake Oswego and the surrounding neighborhoods and will provide regular updates on construction milestones and impacts," Tarlow said.

Located one mile east of Interstate 5 and Highway 217, and three miles west of downtown Lake Oswego, the Willamette River and Highway 43, the property offers convenient access to downtown Portland, nearby employment and the best schools in the state.

The natural setting of the area includes parks within walking distance and commutes under 30 minutes to the myriad of activities that have made the greater Portland area internationally renowned for its quality of life.

The project will be part of a mini-renaissance of the Lake Grove neighborhood that includes pedestrian enhancements to Boones Ferry Road, and permanent protection of adjacent wetlands, building upon several other recent nearby developments.

High Street Residential will develop the project in conjunction with CenterCal Properties. High Street and CenterCal preciously partnered on Cascade Station, a project that included a mix of retailers, office and hospitality offerings near the Portland International Airport. CenterCal will oversee the retail leasing with brokerage partner HSM Pacific. Greystar will lead the leasing and management of the residential units. The project team also includes local firms SERA Architects and Deacon Construction.The first phases of construction are under way. While certain infrastructure upgrades are in progress, the development team will lend the buildings to first responders for training purposes in our ongoing effort to engage with the community, according to the release. High Street Residential, a wholly-owned operating subsidiary of Trammell Crow Company, specializes in the development of multifamily housing. They have a deep background in urban, infill mixed-use residential development, as well as the redevelopment or repurposing of existing facilities. In the last 15 years, the firm has completed 5,100 units totaling $1.2 billion

FORM OF THE MONTH

Oregon Mold & Mildew Addendum

MULTIFAMILY NW
The Association Promoting Quality Rental Housing

OREGON
MOLD & MILDEW ADDENDUM

DATE ______ PROPERTY NAME / NUMBER ______
RESIDENT NAME(S) ______ ______ ______
______ ______ ______
UNIT NUMBER ______ STREET ADDRESS ______
CITY ______ STATE ______ ZIP ______

Mold growth indoors is an issue common in the Pacific Northwest. Mold spores naturally exist indoors and cannot be eliminated. Normally, they do not grow or reproduce on indoor surfaces and become visible and pose a problem unless a condition of excess moisture exists at surfaces. The main causes of mold growth are too much moisture generation, too little moisture removal, or cold surfaces. For example, mold often grows around windows because blinds or shades are always kept closed, thus cooling the window area and causing mold growth. Those causes of mold growth can be reduced or eliminated by simple procedures under your control. To reduce mold and mildew, Resident agrees to the following:

Keep the indoor humidity low:
- Use bathroom fans during and for at least 30 minutes (preferably 1 hour) after showering and bathing. If no fan is available, open windows slightly for ventilation for the same amount of time.
- Use the exhaust fan above the stove whenever cooking or boiling liquids, of if no fan (or if a recirculating fan exists that does not exhaust to the outdoors), open a window slightly for ventilation during cooking or boiling.
- Use the fan in the laundry area during and for 20 minutes after using the washer (not the dryer if it exhausts outdoors), or if no fan, open a window slightly for ventilation.
- Cover fish tanks.
- Do not use unvented space heaters, such as kerosene heaters, indoors.
- Do not use your oven for space heating.
- Do not keep excess number of house plants.

Prevent cold surfaces that promote mold growth:
- Raise blinds or shades as often as possible each day (extremely important)!
- Allow at least one inch between furniture and walls to warm wall surfaces.
- Do not put mattresses directly on the floor.

Keep the indoor temperature at least moderately warm during non-summer months:
- Keep heat above 60 degrees Fahrenheit at all times, as low temperatures cause mold growth.
- Do not turn off the heat in any rooms (especially bedrooms).
- Open closet doors.

Attend to spills or flooding:
- Immediately dry any water that spills or overflows from showers, tubs, toilets, sinks, etc.
- Immediately clean up and thoroughly dry any spills onto carpets, rugs or floors.

Immediately notify Owner/Agent of any excess moisture problems:
- Immediately notify Owner/Agent of any water leakage such as leaking plumbing, tubs, showers, toilets or windows.
- Immediately notify Owner/Agent of any running water—plumbing, tubs, showers or toilets.

Clean regularly and thoroughly:
- If mold appears on any indoor surfaces, immediately scrub it off with soap and water (bleach is not necessary), and then rinse and dry the surface.
- Check, clean and dry window tracks and keep free from condensation buildup.
- Once you have attempted to clean mold, if it reappears or you are not able to remove it, immediately report the mold to Owner/Agent.

Read the EPA pamphlet: "A Brief Guide to Moisture, Mold and Your Home" available at *http://www.epa.gov/mold/moldresources.html*

Resident understands and agrees that failure to do any of the actions in this Mold & Mildew Addendum shall constitute a material non-compliance with the Rental Agreement. Resident will be financially responsible for all damage resulting from his/her failure to comply with this Mold & Mildew Addendum.

X ______ RESIDENT ______ DATE | X ______ RESIDENT ______ DATE
X ______ RESIDENT ______ DATE | X ______ RESIDENT ______ DATE
X ______ RESIDENT ______ DATE | X ______ RESIDENT ______ DATE
X ______ OWNER/AGENT ______ DATE

☐ ON SITE ☐ RESIDENT ☐ MAIN OFFICE (IF REQUIRED)

Form M038 OR Copyright © 2019 Multifamily NW®. NOT TO BE REPRODUCED WITHOUT WRITTEN PERMISSION. Revised 2/21/2019.

This trusted form is utilized during the move-in process to communicate to the new resident the common ways elevated levels of moisture can occur and simple ways to clean any surface mold or mildew that may accumulate. It advises to keep indoor humidity low, prevent cold surfaces that promote mold growth and keep the indoor temperature at least moderately warm during non-summer months. By signing, the resident agrees that failure to follow the Mold & Mildew Addendum shall constitute a material non-compliance with the Rental Agreement.

The Multifamily NW Forms Collection is available immediately and electronically at www.RentalFormsCenter.com, via electronic subscription software through www.tenanttech.com & by mail or pick-up of printed triplicate forms at www.multifamilynw.org.

Multifamily NW Schedule

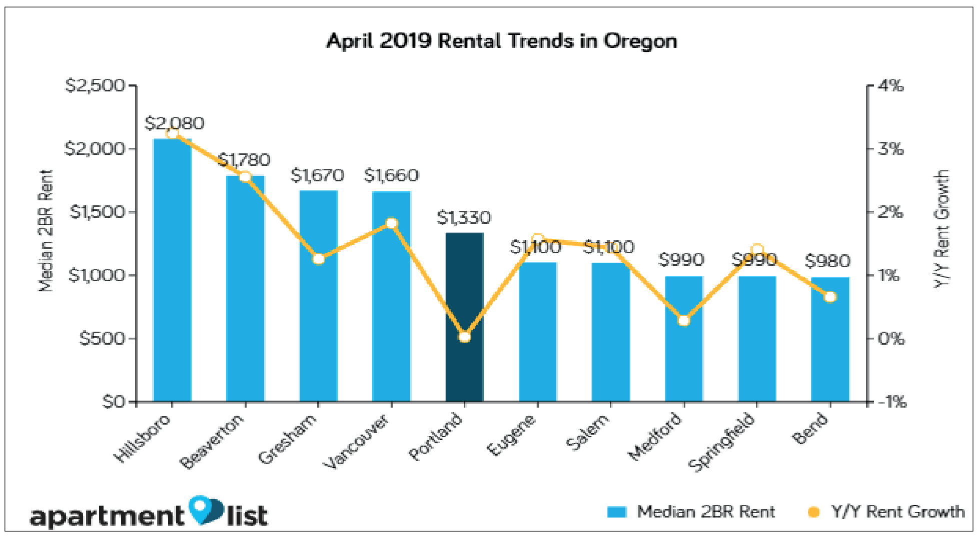
Date	Course	Time
MAY 7	CAM: RESIDENT EXPERIENCE	10:00 AM - 12:30 PM
MAY 8	HR ISSUES: BUILDING TRUST IN YOUR WORKPLACE	12:00 PM - 1:00 PM
MAY 10	IT'S THE LAW: FAIR HOUSING TRENDS	12:00 PM - 1:00 PM
MAY 13	LANDLORD/TENANT PART 1	1:00 PM - 5:00 PM
MAY 14	FAIR HOUSING FOR MAINTENANCE	1:00 PM - 4:00 PM
MAY 15 – 16	NSPF CPO 2 DAY CERTIFICATION CLASS	8:00 AM – 5:00PM
MAY 22	VENDOR CONTRACTS	10:00 AM - 11:00 AM
MAY 23	ADVANCED LANDLORD TENANT LAW	1:00 PM - 4:00 PM
MAY 30	ACE AWARDS CEREMONY	6:00 PM - 10:00 PM
JUN 4	MAINTENANCE TIPS, TRICKS & PITFALLS	9:00 AM - 12:00 PM
JUN 5	LANDLORD STUDY HALL: ADVERTISING STRATEGIES	6:30 PM - 8:00 PM
JUN 6	HOW TO GET THE MOST OUT OF TENANTTECH	1:00 PM - 3:00 PM
JUN 11	LANDLORD/TENANT PART II	1:00 PM - 5:00 PM

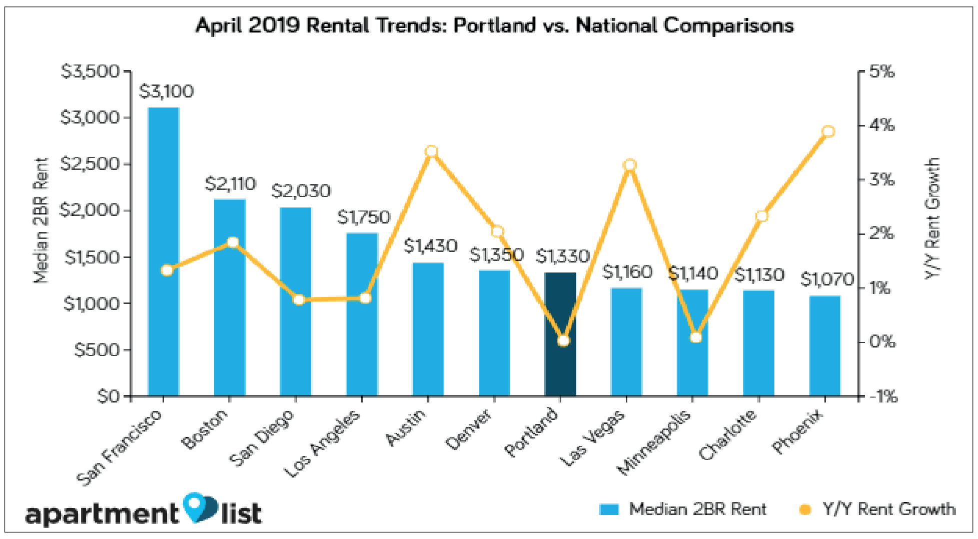
Rents Decline Slightly

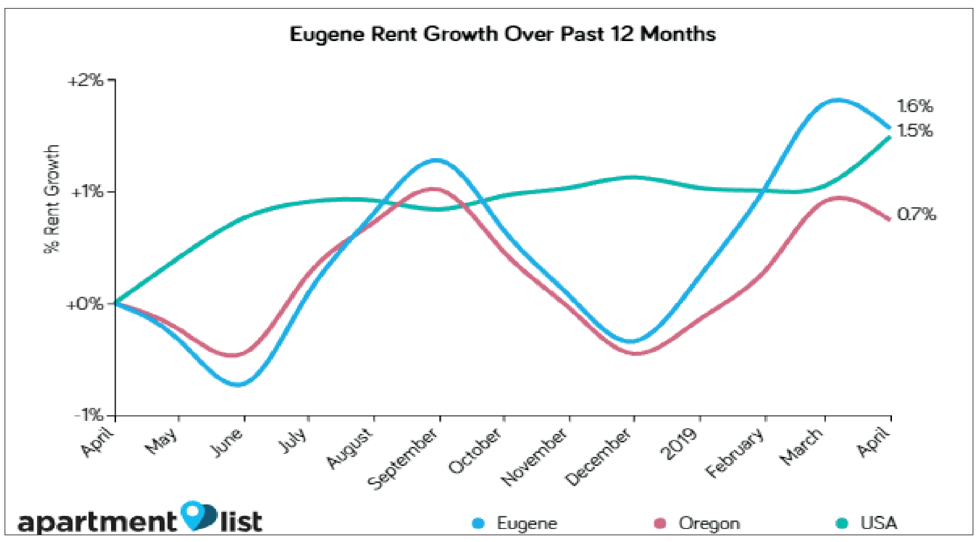
Continued from Page 1

but other cities across the metro have seen rents increase.

Of the largest 10 cities that Apartment List has data for in the Portland metro, all of them have seen prices rise. Oregon as a whole logged rent growth of 0.7% over the past year.







Portland rents more affordable than comparable cities nationwide

Rent growth in Portland has been relatively stable over the past year – some other large cities have seen more substantial increases. Portland is still more affordable than some other large cities across the country. Portland's median two-bedroom rent of $1,330 is above the national average of $1,180. Nationwide, rents have grown by 1.5% over the past year compared to the stagnant growth in Portland.

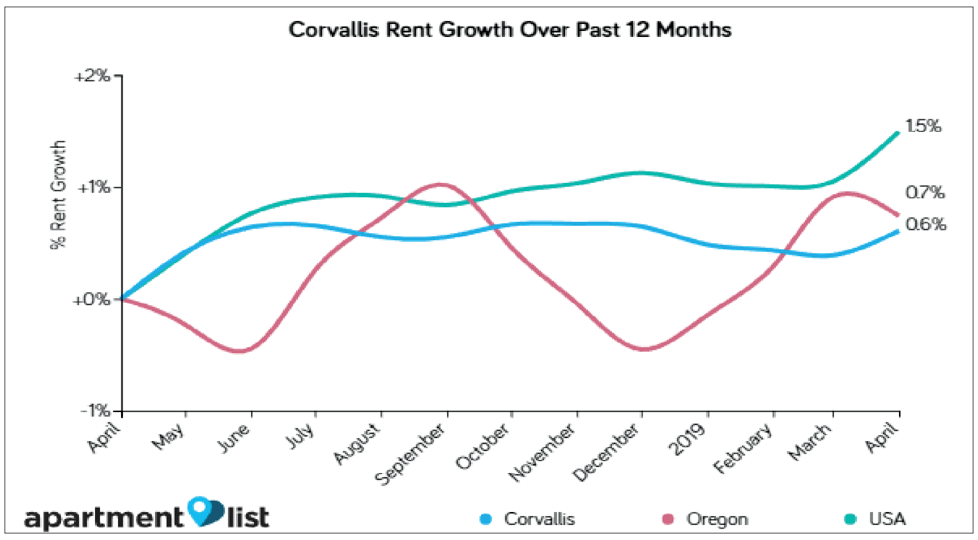
While rents in Portland remained moderately stable this year, similar cities saw increases, including Phoenix (+3.9%), Austin (+3.5%), and Las Vegas (+3.3%); note that median 2BR rents in these cities go for $1,070, $1,430, and $1,160 respectively. Renters will find more reasonable prices in Portland than some similar cities. For example, San Francisco has a median 2BR rent of $3,100, which is more than twice the price in Portland.

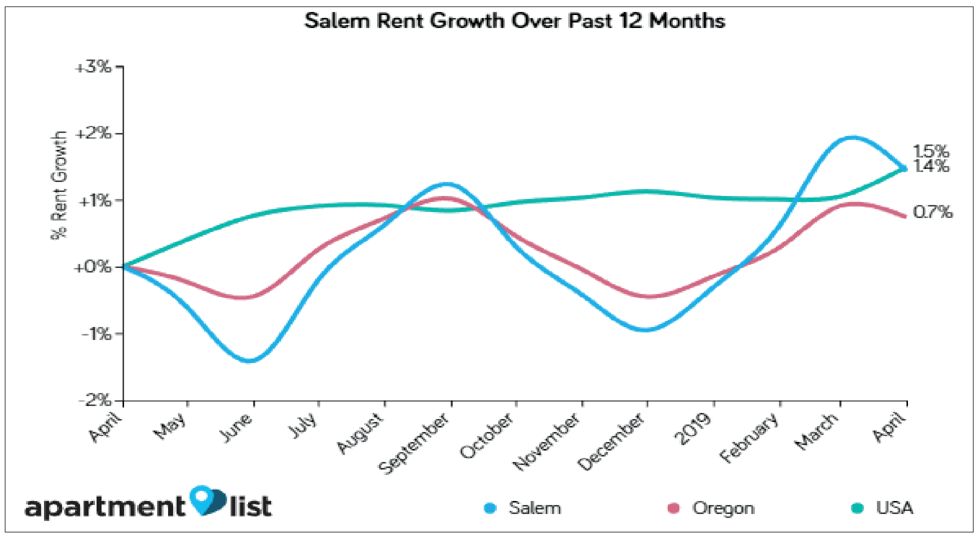
April Rents Up in Corvallis, Down in Eugene and Salem

Eugene rents declined 0.2% over the past month, but increased slightly by 1.6% in comparison to the same time last year, according to the latest report from Apartment List. Currently, median rents in Eugene stand at $830 for a one-bedroom apartment and $1,100 for a two-bedroom. Eugene's year-over-year rent growth leads the state average of 0.7%, as well as the national average of 1.5%.

Corvallis rents increased slightly over the past month

Corvallis rents increased 0.2% in April, and increased marginally by 0.6% in comparison to the same time last year. Currently, median rents in Corvallis stand at $820 for a one-bedroom apartment and $1,030 for a two-bedroom. Corvallis' year-over-year rent growth lags the state average of 0.7%, as well as the national average of 1.5% (see graphic upper right).





Salem rents declined significantly over the past month

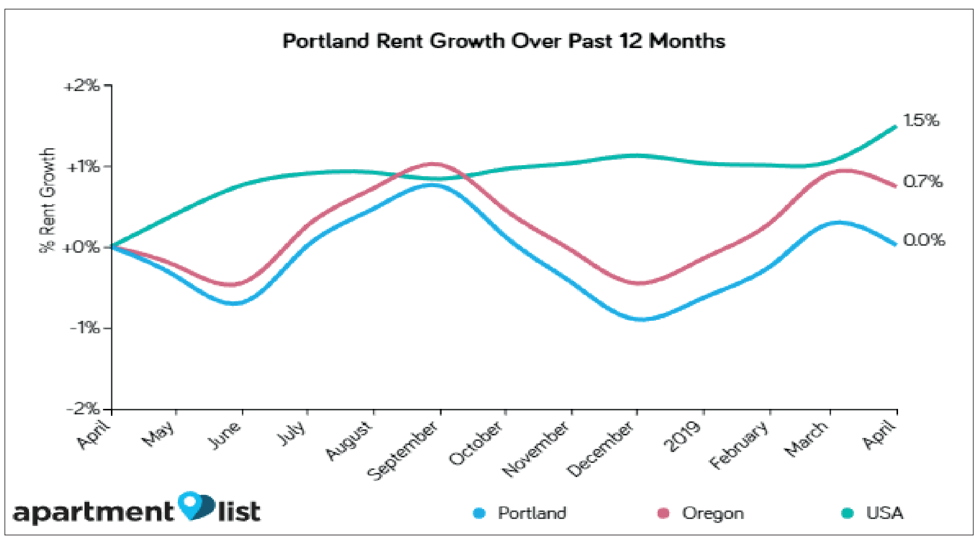
Salem rents declined 0.4% in April, but have increased slightly by 1.4% in comparison to the same time last year. Currently, median rents in Salem stand at $830 for a one-bedroom apartment and $1,100 for a two-bedroom. Salem's year-over-year rent growth leads the state average of 0.7%, but trails the national average of 1.5%.

Rents rising across cities in Oregon

Throughout the past year, rent increases have been occurring not just in the city of Eugene, but across the entire state. Of the largest 10 cities that we have data for in Oregon, all of them have seen prices rise. The state as a whole logged rent growth of 0.7% over the past year. Here's a look at how rents compare across some of the largest cities in the state.

• Hillsboro is the most expensive of all Oregon's major cities, with a median two-bedroom rent of $2,080; of the 10 largest Oregon cities that we have data for, all have seen rents rise year-over-year, with Hillsboro experiencing the fastest growth (+3.2%).

• Beaverton, Eugene, and Salem have all experienced year-over-year growth above the state average (2.5%, 1.6%, and 1.4%, respectively).



City	Median 1BR price	Median 2BR price	M/M price change	Y/Y price change
Portland	$1,130	$1,330	-0.3%	0
Vancouver	$1,410	$1,660	0.6%	1.8%
Gresham	$1,410	$1,670	-0.9%	1.2%
Hillsboro	$1,760	$2,080	0.8%	3.2%
Beaverton	$1,510	$1,780	0.8%	2.5%
Lake Oswego	$1,490	$1,760	1.2%	0.6%
Tualatin	$1,670	$1,980	-0.5%	4.1%
Forest Grove	$1,210	$1,420	-0.2%	0.4%
Wilsonville	$1,450	$1,710	1.3%	4%


Planning to Renovate Your Properties in 2019?
NPi is the premier supplier of replacement cabinets and cabinet fronts for the multifamily renovation industry.
Contact us today to request a FREE measure and estimate:
www.npi-seattle.com
www.npi-portland.com
NPi
North Pacific Industries, Inc.
WA Contractor No. NORTHPI918C4
OR Contractor No. 205769
Inc. 5000
100
FASTEST-GROWING PRIVATE COMPANIES

The Return of Rent Control: New Research Shows Benefit of a Decades-Old Affordable Housing Approach

Rental Housing Journal

A new Columbia Business School study shows that expansion of rent control and traditional housing policies leads to greater access to affordable housing and increases well-being, according to a release.

According to a new study by Columbia Business School Professor Stijn Van Nieuwerburgh, the expansion of rent control can be a valuable policy tool and increase the welfare of a city. It also reduces housing inequality, benefitting low-income households especially. The study also finds that there are large welfare benefits from relaxing zoning restrictions in city centers.

As both the cost of living and the wealth gap continues to rise in cities, traditional affordable housing policies are receiving renewed attention across the country as an option for policymakers to help residents cope with the high cost of housing, according to the release. The findings come as policymakers in urban centers are under increased pressure to find affordable housing solutions as the rise in average rents continues to outpace inflation and incomes.

While Oregon was the first to pass a state-wide rent control bill, California residents voted down a 2018 state ballot initiative that would have opened up cities and towns to institute new rent guidelines by repealing a statewide ban on rent-control policies. However another rent-control vote in California may be coming as the members of the AIDS Healthcare Foundation (AHF) and their affiliated PAC, Housing is a Human Right, announced that they had filed to place a new rent control measure the 2020 November California state ballot

"In a world with rising urbanization, the high cost of housing in cities has surfaced as a daunting policy challenge in cities around the country and the world," said Professor Van Nieuwerburgh, the Earle W. Kazis and Benjamin Schore Professor of Real Estate, in the release.

"Households of different ages, incomes, and wealth are affected differently by changes in policy, but our study finds that as policymakers continue to try to expand affordable housing, rent-control policies can be a useful tool and a bulwark for residents struggling with the cost of living in the face of rising income risk."

Study says rent control does not lead to decline in quantity of housing

The new research debunks conventional economic wisdom, finding evidence that rent control does not lead to an overall decline in the quantity of housing, according to the release. The research also finds that the overall positive impact of rent control – reducing inequality and providing a source of stability for households who face a decline in income – more than compensates for any loss in market efficiency due to higher housing and labor market distortions.

Van Nieuwerburgh and his co-authors University of British Columbia Assistant Professor Jack Favilukis, and New York University doctoral candidate Pierre Mabille, define rent control as any government-provided or regulated housing. Rent stabilization and rent control apply to a small number of states around the country, and although it is permitted in 37 states, it has an outsized impact in Los Angeles, New York City, San Francisco, and Washington, D.C.

The study focused on New York City and looked at rent-controlled housing units, public housing, Mitchell Lama housing, and all other government-assisted or regulated housing.

"Economists typically have taken a narrow view towards rent control, preferring other options like vouchers for low-income and rent-burdened residents because they cause less distortion to the housing market. But we've found that expansion of rent control in major cities provides real benefits," said Van Nieuwerburgh. "Better targeting of rent-controlled housing units towards the lowest-income households can amplify these benefits."

NATIONAL APARTMENT ASSOCIATION
Education Institute

Apartment Jobs Snapshot

Q1 2019

Total Q1 Job Postings in Apartment Industry (% of Real Estate Sector)

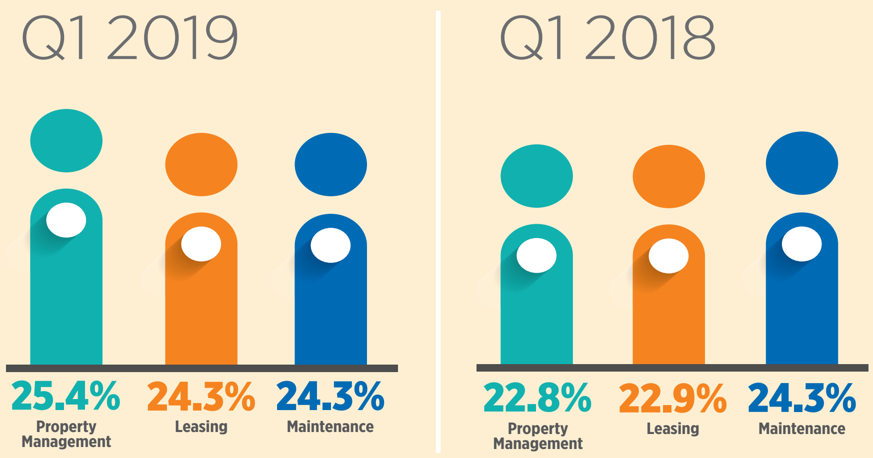
Q1 2019: **35.9%**

Q1 2018: **30.3%**

2013-2018 Average: **30.2%**

Summary:
Job listings for the apartment industry comprised nearly 36 percent of available real estate positions, well above the average for the past six years, and a significant increase from 2018. Although new deliveries are slowing somewhat from peak in 2017, according to CoStar, only 5.9 percent of units were vacant at the end of the first quarter, indicating an uninterrupted need for apartment personnel.

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



Summary:
Positions in property management were in greatest demand during the first quarter with 3 of the top 5 job titles involving property management functions. There were 5,600 job postings for property managers, community managers and assistant property managers combined.

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

Q1 2019		Q1 2018	
Los Angeles	5.9%	Los Angeles	5.4%
Dallas	5.3%	Washington, D.C.	4.9%
Washington, D.C.	4.2%	Dallas	4.2%
Seattle	3.6%	New York	3.7%
Denver	3.3%	Phoenix	3.6%

Summary:
Los Angeles, Dallas and Washington, D.C. were the top 3 cities for available apartment jobs, unchanged from last year. Seattle and Denver were also principal locations for those seeking opportunities within the industry.

March 2019: % Apartment Jobs of Total Real Estate Jobs

Denver	49.6%
San Antonio	49.2%
Austin	48.4%
Kansas City	47.1%
Virginia Beach	45.8%

Summary:
The NAAEI monthly metro ranking also showed Denver on top in terms of the concentration of jobs in the apartment sector versus other property sectors. Denver is the only market to place in the top 5 in each of the first 3 months of 2019. CoStar reported absorption outpacing new deliveries over the past year and after rising to 8.0 percent in Q1 2018, the vacancy rate dipped to 6.9 percent.

The Evolution of Titles & Skills 2019 vs. 2014

Top Increases in Job Titles in 2019
(percentage point change in postings)

Maintenance Technician	+3.1
Maintenance Supervisor	+1.3
Assistant Property Manager	+1.2

Top Increases to Skills Desired in 2019
(percentage point change in postings requiring skill)

Yardi Software	+7.4
Communication Skills	+6.1
Teamwork/Collaboration	+5.5

Summary:
Maintenance jobs are often cited by industry professionals as some of the most difficult to attract and retain. According to CEL & Associates, on-site maintenance jobs had the highest turnover rates, 37.3 percent, in 2017. Over the past five years, the two job titles most in demand, maintenance technician and maintenance supervisor increased their share of apartment jobs by 3.1 and 1.3 percentage points, respectively. With the exception of the specialized skill of Yardi software (up 7.4 percentage points), changes in skills sets were typically more common among baseline, or soft skills. Positions requiring strong communication skills and the ability to collaborate increased significantly since 2014.

Competing Sectors (Highest Location Quotients)**

Apartments		Retail Trade		Hospitality	
Austin	3.6	Seattle	2.0	Las Vegas	3.4
Denver	3.3	Denver	1.6	Reno	2.7
Seattle	2.7	Charlotte	1.6	Nashville	2.5
Jacksonville	2.6	Colorado Springs	1.6	New Orleans	2.5
Raleigh	2.6	Reno	1.6	Denver	2.3

Common Skills (Percent of Jobs Requiring Skill)

	Apartments	Retail Trade	Hospitality
Specialized Skills			
Customer Service	31.4%	45.3%	23.4%
Sales	20.3%	45.4%	9.9%
Scheduling	15.5%	15.3%	18.5%
Soft Skills			
Communication Skills	41.0%	40.5%	33.1%
Organizational Skills	29.3%	21.5%	19.2%
Detail-Oriented	21.7%	11.8%	12.8%
Teamwork/Collaboration	15.9%	18.3%	21.3%

Summary:
The apartment industry often competes with the hospitality and retail sectors, all of which require strong customer service, communication, and organizational skills. Competition for talent in Denver and Seattle was likely more fierce than other cities given the location quotients for all three sectors are rated very high. That means demand for all of these jobs is well above the U.S. average.

Sources: NAA Research; Burning Glass Technologies; CoStar, CEL & Associates

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

Seattle, Denver Lead Apartment Job Growth

Rental Housing Journal

Job listings for the apartment industry comprised nearly 36 percent of available real estate positions during the first quarter, well above the average for the past six years and a significant increase from 2018, according to the National Apartment Association Education Institute (NAAEI).

The NAAEI monthly jobs report ranking showed metro Denver on top in terms of the concentration of jobs in apartments versus other property sectors.

Competition for talent in both Denver and Seattle was particularly fierce, given the high demand for jobs in the industry as well as in hospitality and retail.

Positions in property management were in greatest demand during the first quarter with three of the top five job titles involving property management functions. There were 5,600 job postings for property managers, community managers and assistant property managers combined. Maintenance jobs are often cited by industry professionals as some of the most difficult to attract and retain.

According to CEL & Associates, on-site maintenance jobs had the highest turnover rates, 37.3 percent, in 2017. Over the past five years, the two job titles most in demand, maintenance technician and maintenance supervisor, increased their share of apartment jobs by 3.1 and 1.3 percentage points, respectively.

With the exception of the specialized skill of Yardi software (up 7.4 percentage points), changes in skills sets were typically more common among baseline, or soft skills.

Positions requiring strong communication skills and the ability to collaborate increased significantly since 2014. The apartment industry often competes with the hospitality and retail sectors, all of which require strong customer service, communication, and organizational skills. Competition for talent in Denver and Seattle was likely fiercer than other cities given the location quotients for all three sectors are rated very high. That means demand for all of these jobs is well above the U.S. average.

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 NAAEI.

"Our education institute ... (hears) 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.

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.

What Workforce Trends Tell Us About Apartment Amenities

By Holley Welles

The personal and professional lives of the average person are now often intertwined in today's busy world. So how does this trend affect apartment amenities?

With the rising popularity of telecommuting, the living space and the workspace are beginning to blend, phasing out the familiar nine-to-five. Needless to say, it's crucial to keep current with these trends.

Naturally, potential tenants are searching for properties that support all aspects of their lifestyle. This includes their work.

Since that definition is evolving, apartment amenities have to change as well. Adaptation is one of the key factors behind continued success.

With that in mind, how should property managers approach the subject of their amenities? Which workforce trends should they consider when planning improvements for their multifamily properties?

It isn't always such a simple subject, especially with the limitations of a strict budget. Regardless, it's possible to attract a greater number of tenants and increase occupancy rates with only a few adjustments. Many of them are comparatively inexpensive when compared to other renovations. What are the best modifications, and how can a property manager make room for them?

High-Speed Internet Connection

More people are remaining at home over the course of their workday, sending emails, completing projects and fulfilling their responsibilities from the comfort of their home. Internet connectivity has made this possible.

Property managers can enhance that connectivity with an investment in high-speed internet. While their existing infrastructure no doubt supports an internet connection already, they can take additional measures to ensure it's strong and reliable. That said, an upgrade may prove expensive.

Given the cost of a multiunit wi-fi network, property managers with the means might decide to offer it for free as an attractive competitive advantage. As they enjoy the benefits of this change, they can research the potential of 5G networks, which are likely to lead to new developments in wireless infrastructure.

Flexible Community Spaces

Telecommuters will want a work-friendly area outside their apartments where they can congregate with other residents. Though they can manage their responsibilities without leaving their apartments, a little variation is appealing. Sitting at the same workstation day after day can start to feel stale.

Taking this into account, potential tenants will prioritize a multifamily property with a flexible community space. The fact that 43 percent of Americans spent time working remotely last year only reinforces the value of this amenity. It'll continue to increase in relevance, moving through 2019 into the next decade.

Of course, creating a new community space can cost a substantial amount of money — but property managers don't have to invest in large-scale renovations. They should evaluate their properties and see how they might adjust or rearrange an existing room to make it more accommodating for remote workers.

Package Delivery Service

In the past, property managers handled packages for their tenants, an obligation that is unsustainable as the number of home deliveries increases.

Fortunately, the installation of package lockers has alleviated much of the burden. They differ in their capabilities, depending on the quality of the technology, from a basic setup to a more complex smart locker. These storage alternatives send a text message and email with a code when a tenant receives a package.

While these smart lockers aren't a mandatory addition, they're an attractive amenity for tech-savvy tenants and an incredible convenience for property managers. The latter should assess their budgets and research their available options, setting aside time to review other trends relevant to their bottom line.

Apartment Amenities of the Future

Property managers should acknowledge the changing integration of life and work with the amenities above, investing in the features that attract and retain today's telecommuting tenants. They'll likely represent a large majority of tomorrow's workforce.

It's critical to keep current with the latest technologies and modifications. Whether a property manager decides to invest in an update to their internet connectivity, flexible community spaces or a smart locker, they can feel confident knowing they've made a change with widespread appeal.

How to Pick the Perfect Color

Continued from Page 1

carefully about what colors you will be using.In general you should stick to timeless finishes, in other words neutral paint colors.To appeal to the masses, stick to colors such as beige, grey, cream and tan. Also, make sure your exterior paint varies from the inside of your building. At the least, be sure to vary the hues outdoors by a couple of shades to ensure your property is offering your tenants an enticing greeting.

Pay attention to how the colors in your building influence the mood of your space to ensure you are providing a welcoming presence.

Warmer tones tend to offer people a feeling of security and warmth whereas cooler tones offer calming and inspiring response to people. When choosing multiple colors for your exterior, consider adopting a complementary color scheme. First, assess what tone you want, warmer or cooler, and stick within your tone when you look for a perfect complimentary finish.

Deciding When to Paint

As a landlord, deciding when to paint your property can be a big decision. On one hand, it's important to limit unnecessary expenses, while on the other hand, maintaining a fresh and clean living space is crucial to your business. Evaluating your property's current condition should be the first step before deciding to take on paint makeover. Painting your property should be a priority for the following reasons:

1. To aid wear and tear: Painting your property should be a part of your regular maintenance. Owners should expect to upgrade their exteriors every few years to protect the health of your exterior building and maintain a fresh feel for you and your tenants. A little paint can go a long way in your investment property. Re-paint your property every 5-7 years to please your tenants and maintain optimal property maintenance.

2. Competitive edge: If your rental property is facing significant competition, a fresh paint job can boost the aesthetic and feel of your property and attract new tenants and keep your investment thriving. Modern accent color to special features of your building such as windows or entry ways can add a special touch to your property.

Alternatives to Painting

If you find that your property doesn't need a fresh coat of paint, consider these easy alternatives to maintain your curb appeal:

1. A power wash: Review the state of your current exterior paint job. Are there any scuffs or dirt marks building up on

the walls? Sometimes a simple power wash can take care of the buildup and leave your exterior refreshed and looking like new. If it's been less than five years since your last exterior paint job, try this alternative before committing to a new coat of paint.

2. A partial paint job: If your current paint job is in shape or you don't want to invest in upgrading your entire exterior at one time, try a partial paint job. Paint the high traffic areas such as the main office, walkway areas, and other spaces outdoors between buildings where tenants reside. You can also stick to freshening up your property by adding a contrasting color to the trims of your building. Remember, new paint doesn't have to be an all or nothing project.Take these tips into consideration to help you make the decision on whether or not a paint job is right for you and your property.

Ensure your property stays up to date by regularly scheduling property maintenance practices into your routine.

Keepe is an on-demand maintenance solution for property managers and independent landlords. The company makes a network of hundreds of in-dependent 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 is coming soon to an area near you. Learn more about Keepe at https://www.keepe.com.

Sponsored Content

Quality Counts — and So Does Certification

Portland Chimney and Masonry Inc.

Chimney Sweep Certification:

What is a certified chimney sweep?

What are the criteria for a chimney sweep?

Thanks to a yearly program held by the Oregon Chimney Sweep's Association, the technology and equipment used in chimney- or dryer-vent cleaning has come a long way since the first brush was developed in England in the 17th century.

At this yearly meeting and training session, the local sweeps are taught all the technology they need to know to deliver high-quality service to their customers.

They are taught how to use the newest state-of-the-art equipment, newest safety issues and any code changes, all of which allow them to do the job right the first time, cleaning chimneys and dryer vents to the standards they are supposed to be cleaned. Included in this is the continuing education that brings them up-to-date on any changes in technology, equipment, safety issues or codes that may have taken place. Doing this program, attending the annual meetings to update their skills and passing the exam produces what is called a "Certified Chimney Sweep." Many insurance companies actually require that Certified Sweeps are hired, as they are trained on what to look for in the inspection and cleaning of the chimney.

But let's look at this on a more practical level as it applies to property owners and managers.

Why should you hire a Certified Chimney Sweep?

A fully trained and certified sweep can spot things an untrained sweep could miss. For example, there could be a crack or break in the brick masonry that an untrained sweep might miss.

Or with a manufactured fireplace there could be damage to the firebox sidewalls, back or floor panels that could also be overlooked by an untrained sweep who does not know what to look for.

A quality chimney company can provide fire-resistant manufactured fireplace panels that are rated for the unit. This is a much less costly repair than having to replace the whole manufactured fireplace, which costs much more.

The Certified Sweep can more effectively inspect and clean your chimneys and dryer vents.

There is merit to the old saying "Quality Counts." It can very often turn out that you save money in the long run if you pay a bit extra to have a job done right the first time. Plus preserve the integrity of the property for yourself and your tenants.

Quality does count and so does certification.

How to Avoid Discriminating Against Families with Children

By Ellen Clark

You must train employees to avoid making comments that express a preference against residents with children.

The property manager allegedly made statements that the unit might be overcrowded, that neighbors might not be happy with the noise, and that the building was for "business people."

DFEH found cause to believe a violation of the Fair Employment and Housing Act had occurred and, after an unsuccessful mediation, filed suit in Alameda County Superior Court. The case settled before trial, with the defendant agreeing to pay $12,500 to the family and $3,500 to the DFEH for fees and costs incurred in litigating the case.

4 Things to Consider to Ensure That You Don't Find Yourself in Violation of the Fair Housing Act

Here are some tips.

1. Think carefully about the questions you ask prospective residents. It is ok to ask about the number of people who will live in the apartment home, but avoid questions specifically relating to children. For example, don't say, "How many adults and children will be residing in your apartment home?" Instead say, "How many people will be residing in your apartment home?"

Every interaction is an opportunity to follow fair housing laws by providing and obtaining only the necessary information.

2. Be careful when talking about facilities or services. Don't post a sign that says, "Children may not skateboard on community property." Instead say, "Skateboarding is prohibited on community property." It is appropriate, however, to require direct adult supervision when children use community services and facilities.

However, the rules must not unreasonably restrict a child from using the amenities. So, don't say, "Children under the age of 14 are prohibited." Instead say, "Persons under the age of 14 must be accompanied by an adult."

3. Consider your advertising language carefully. It is illegal to create, publish or distribute housing ads that discriminate, limit, or deny equal access to housing because of membership in any of the federally protected classes. When describing housing in an advertisement, do not include any limitations based on familial status, such as "no children allowed," "couples preferred," or "singles-friendly."

4. Don't make assumptions. Do not make assumptions about what an individual may or may not be interested in viewing on your property. Offer options and solutions, but let the prospect make the final decision.

Letting prospects make the decisions avoids the illegal practice of "steering."

If you're touring a mother of young children and only tell her about first-floor apartments because you assume she wants to avoid the stairs, this could be construed as steering.

Ensure that your company's policies and training emphasize the importance of equal treatment for families with children.

grace hill

TRAINING TIP OF THE MONTH

And, again train your employees to avoid making comments that express a preference against residents with children, including. comments expressing preference for residents without children, like the stated preference for "business people" in the case above.

Ellen Clark is the Director of Assessment at Grace Hill. Her work has spanned the entire learner lifecycle, from elementary school through professional education. She spent more than 10 years working with K12 Inc.'s network of online charter schools – measuring learning, developing learning improvement plans using evidence-based strategies, and conducting learning studies. Later, at Kaplan Inc., she worked in the vocational education and job-training divisions, improving online, blended and face-to-face training programs, and working directly with business leadership and trainers to improve learner outcomes and job performance. Ellen lives and works in Maryland, where she was born and raised. For nearly two decades, Grace Hill has been developing best-in-class online training courseware and administration solely for the Property Management Industry, designed to help people, teams and companies improve performance and reduce risk. Contact Grace Hill at 866.472.2344 to hear more.

Secondary Markets Drive Multifamily Rent Growth

Yardi Matrix

Rent increases are dominated more and more by secondary and tertiary markets that are producing a disproportionate share of economic and population growth, and where rents are low enough that they can be raised without overly burdening tenants, according to the latest report by Yardi Matrix.

Overall U.S. multifamily rents jumped $4 in March 2019 as market dynamics "continue to be healthy almost everywhere," said the report.

It was a steady first quarter for multifamily

- While U.S. multifamily rents increased by $4 in March to $1,430, year-over-year growth dropped by 20 basis points to 3.2%, as rent growth was slightly less than the same period in 2018.
- Nationally, rents were up 0.4% in the first quarter. The numbers demonstrate consistent growth, although not as strong as other first quarters in recent years. For example, rents grew by at least 0.8% in the first quarter between 2014 and 2016. Still, the market's consistency remains a point in its favor.
- Las Vegas (7.5%) and Phoenix (7.2%) continued to top the nation's growth in March on a year-over-year basis. Rent growth remains strong across the board, with Kansas City and Houston the only metros in our ranking that saw gains below 2.0% in March, according to the report.

Las Vegas was among the top growth markets.

Bigger markets still performing well

"To be sure, bigger markets are not performing poorly—not even close. San Francisco (3.9% year-over-year) and Los Angeles (3.4%) are seeing rent growth above the 3.2% national average, and primary metros Boston (3.1%), Chicago (2.7%), and Washington, D.C. (2.5%), are not far below it.

"The dynamics continue to be healthy almost everywhere. That gives investors a choice between potentially higher growth and higher yields in faster-growing, less-liquid markets, or slower, steadier growth in larger, more liquid markets," Yardi Matrix said in the report.

Rent growth strong at the start of spring

As rental season comes into full swing, all but one market, Portland, had positive trailing three-month (T-3) rent growth.

Oregon recently passed rent control through the state legislature. While the initial bill allows for rent growth well above the national average, many in the industry are concerned it will lead to more stringent regulation.

Highlights of employment, supply and occupancy trends

- February's weak job growth number and decelerating GDP growth are signs that the expansion is slowing.
- In response to those and other developments, the Federal Reserve said it would only hike policy rates once in 2019 and not at all in 2020. Treasury rates dropped sharply as investors worry about weaker growth.
- While slower growth is not good for the multifamily market, tenant demand is likely to remain robust and investor demand shows no signs of weakening.

"The Federal Reserve's decision to put rate increases on hold, coming on the heels of February's weak job growth and decelerating fourth-quarter GDP, has created concerns about the economy's health."

Should the multifamily industry be worried? "The short answer is no, not yet.

"But at the same time, as growth decelerates, the economy loses some of its ability to absorb negative pressures," the report said.

Yardi® develops and supports industry-leading investment and property management software for all types and sizes of real estate companies. Established in 1984, Yardi is based in Santa Barbara, Calif., and serves clients worldwide. Yardi Matrix is the industry's most comprehensive business development and asset management tool for investment professionals, equity investors, lenders and property managers who underwrite and manage real estate investments in multifamily, industrial, office and self-storage. Email matrix@yardi.com, call 480-663-1149 or visit yardimatrix.com to learn more.