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OCTOBER 2019

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RENTAL HOUSING JOURNAL
INSIGHT FOR RENTAL HOUSING PROFESSIONALS

COLORADO

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DENVER · COLORADO SPRINGS · BOULDER

Circulated Monthly To Thousands Of Local Apartment Owners, Property Managers, On-Site & Maintenance Personnel

Rent Rates Down in Many Markets for the First Time Since 2017

Colorado Generally Bucks National Trend

RENTCAFE

Apartment rental rates in a majority of small and large cities registered either minor decreases or stagnated during September, according to the latest report from RentCafe.

"As part of a seasonal respite, the national average rent decreased for the first time since February 2017, dipping by –0.1% ($1) from last month to $1,471. The decrease might seem insignificant, but coupled with the slowest year-over-year hike in the past 13 months, 3.2% ($45), it points to a slight wind-down in rent prices in the context of a more volatile financial climate," the report says, according to Yardi Matrix.

Since last month, apartment rents saw minor declines in more than half of the cities we analyzed. Small and large cities lead the trend, with prices dropping in 59% of small cities and 56% of large cities, while 42% of mid-sized cities saw their rates dwindle in September.

The average rent in Colorado cities is generally higher than the national average rent. The fastest

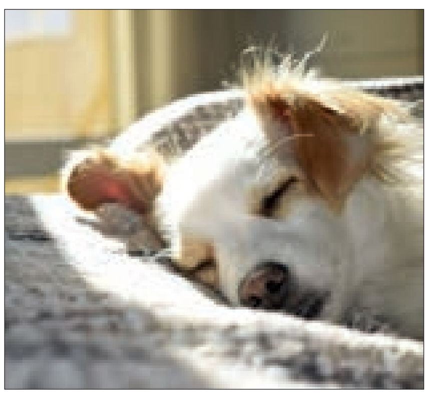
See 'Colorado' on Page 10

Colorado Average Rent - September 2019

City	Average Rent September	M-o-M % Change
Arvada, CO	$1,409	0.2%
Aurora, CO	$1,359	0.1%
Boulder, CO	$1,974	0.2%
Brighton, CO	$1,484	0.2%
Broomfield, CO	$1,603	0.2%
Castle Rock, CO	$1,556	0.3%
Centennial, CO	$1,657	0.1%
Colorado Springs, CO	$1,190	-0.3%
Denver, CO	$1,673	0.2%
Lakewood, CO	$1,510	0.1%
Littleton, CO	$1,623	0.0%
Longmont, CO	$1,490	0.1%
Loveland, CO	$1,452	0.1%
Northglenn, CO	$1,340	0.4%
Parker, CO	$1,645	0.0%
Thornton, CO	$1,466	0.3%
Westminster, CO	$1,507	0.5%
Wheat Ridge, CO	$1,339	0.1%

Data Source: Yardi Matrix

RENTCafé



5 Amenities Friendly to Tenants for Raising Your Profits

BY HOLLY WELLES

Tenant-friendly amenities, those that attract and keep high-paying tenants, are a must in today's rental housing world – but some features cost so much to add that it's difficult to recoup your investment.

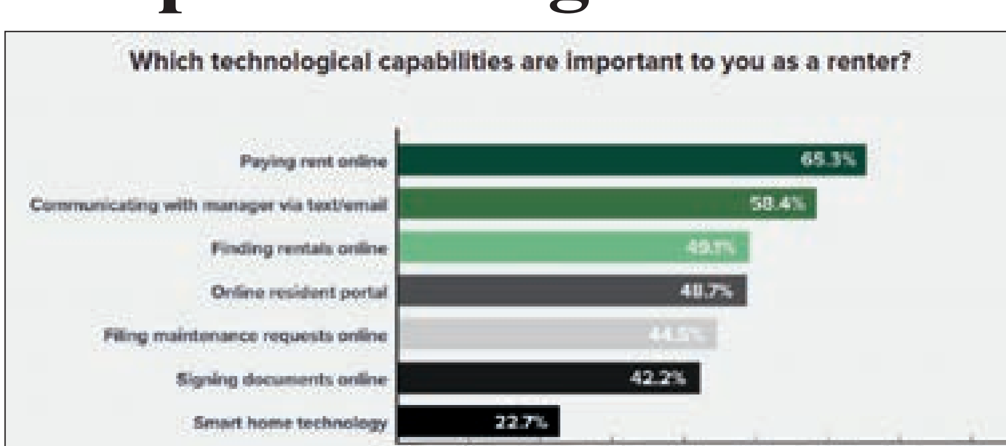
Fortunately, there are some attractive elements you can include in your rentals that won't cost a fortune.

In recent years, the cost to rent an unfurnished apartment increased by about 50 percent over a 10-year period. In some big cities such as New York, nearly half a person's salary goes to paying rent.

Sure, high prices are good for landlords. However, since renters are paying so much, they expect a lot in return. Discover tenant-friendly

See 'Tenant-Friendly' on Page 7

5 Top Technologies That Renters Want



RENTAL HOUSING JOURNAL

A new survey shows the 5 top technologies that renters want and that, over the last year, residents' interest in rental technologies has grown by an average of 7 points.

The 2020 State of the Property Management Industry Report by Buildium and the National Association of Residential Property Managers (NARPM),

See 'Interest' on Page 11

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Kay Properties Real Estate Offering Goes Full Cycle on Behalf of Investors

By Kay Properties and Investments, LLC

Kay Properties and Investments is pleased to announce that one of their joint venture private placement real estate offerings has gone full cycle. The offering consisted of an opportunity to participate in an Absolute Triple Net Leased (NNN) hospital in the Kansas City metro area.

The offering generated a 22.27% return on investment (ROI)* in approximately one year and was made available to accredited investors under Regulation D Rule 506(c) at $25,000 minimum investments.

Dwight Kay, CEO and Founder of Kay Properties commented, “We are extremely pleased with the opportunity to provide these returns for our investors in such a short time period and look forward to continuing to provide future real estate investments for those in 1031 exchanges as well as direct cash investors.”

* Past performance does not guarantee or indicate the likelihood of future results. Diversification does not guarantee profits or protect against losses. All real estate investments provide no guarantees for cash flow, distributions or appreciation as well as could result in a full loss of invested principal. Please read the entire Private Placement Memorandum (PPM) prior to making an investment.

* The return on investment (ROI) represents the ratio of total sales proceeds and distributions through the life of the asset over the total initial equity invested, net of fees. The ROI represents a return to an individual investor. No representation is made that any investment will or is likely to achieve profits or losses similar to those achieved in the past or that losses will not be incurred.

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, D.C. Kay Properties team members collectively have over 114 years of real estate experience, are licensed in all 50 states, and have participated in over $7 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 to investing. This article 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.

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Getting the Most from Tenant-Settlement Strategies

By Brad Kraus

I’m amazed by the number of landlords who give money or rent concessions to tenants, thinking they just settled a dispute, only to find themselves at the wrong end of subsequent claims for those same disputes.

Rather than giving up money for nothing, let’s make sure you’re getting the most from your tenant-settlement strategies.

Landlord/tenant relationships are like many other contractual relationships. Parties must comply with their end of the agreed-upon terms/conditions/obligations, and a failure to do so can lead down the path toward litigation.

When, for example, a tenant seeks damages for a defective toilet or an unlawful entry, many landlords give tenants money, thinking the damage claims are thereby resolved. The landlord’s goal in making the payment is obvious: pay the money, make the problem go away.

However, those same landlords may not realize that, without solid settlement documents, they may have created more headaches than solutions.

A landlord’s payment of money to a tenant without a signed settlement agreement often occurs as a result of several faulty assumptions.

The landlord may incorrectly assume that:

(a) The tenant has agreed that the money fully compensates the tenant for that claim.

(b) The tenant has no other potential claims against the landlord.

(c) The tenant won’t pursue those claims (and seek more money) on a later date.

The faulty nature of the foregoing assumptions often raises its ugly head when the tenant files a lawsuit, for it is at that moment the landlord discovers that money was handed out for nothing.

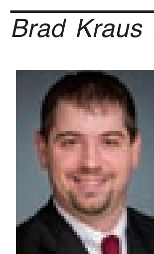
To add insult to injury, the landlord may also discover that litigation costs can dwarf the initial payment to the tenant. This money-for-nothing scenario is wholly avoidable: In consideration for any payment of money to a tenant, have the tenant execute a settlement agreement releasing any and all claims that may exist.

In other words, use a written contract that protects you.

The necessity of a document evidencing the parties’ settlement agreement—and the complete release of any and all claims—derives directly from contract law: Settlement agreements are contracts, and they are subject to the basic rules of contract law. Well-written settlement agreements contractually waive and release existing claims, eliminate disputes regarding the nature of the parties’ settlement, and rebut tenants’ subsequent efforts to contend that no such waivers and releases exist.

A well-written settlement agreement provides a landlord with a solid defense to any lawsuit brought by the tenant for the previously resolved claims.

So… money for nothing? It’s a great song title, but let’s make your money work for you and get you something in return. Create and execute well-written settlement agreements, put past disputes in the past, and avoid allowing the past to tarnish your future.



Brad Kraus is an attorney at Warren Allen LLP. His primary practice area is Landlord/Tenant law, but he also assists clients with various litigation matters, probate matters, real estate disputes, and family law matters. A native of New Ulm, Minnesota, he continues to root for Minnesota sports teams in his free time. He is an avid sports fan, enjoys exercise, spending time friends and his fiancée, Vicky. You can reach Mr. Kraus via email at kraus@warrenallen.com, or by phone at 503-255-8795.

2019 Most Expensive ZIP Codes for Renters

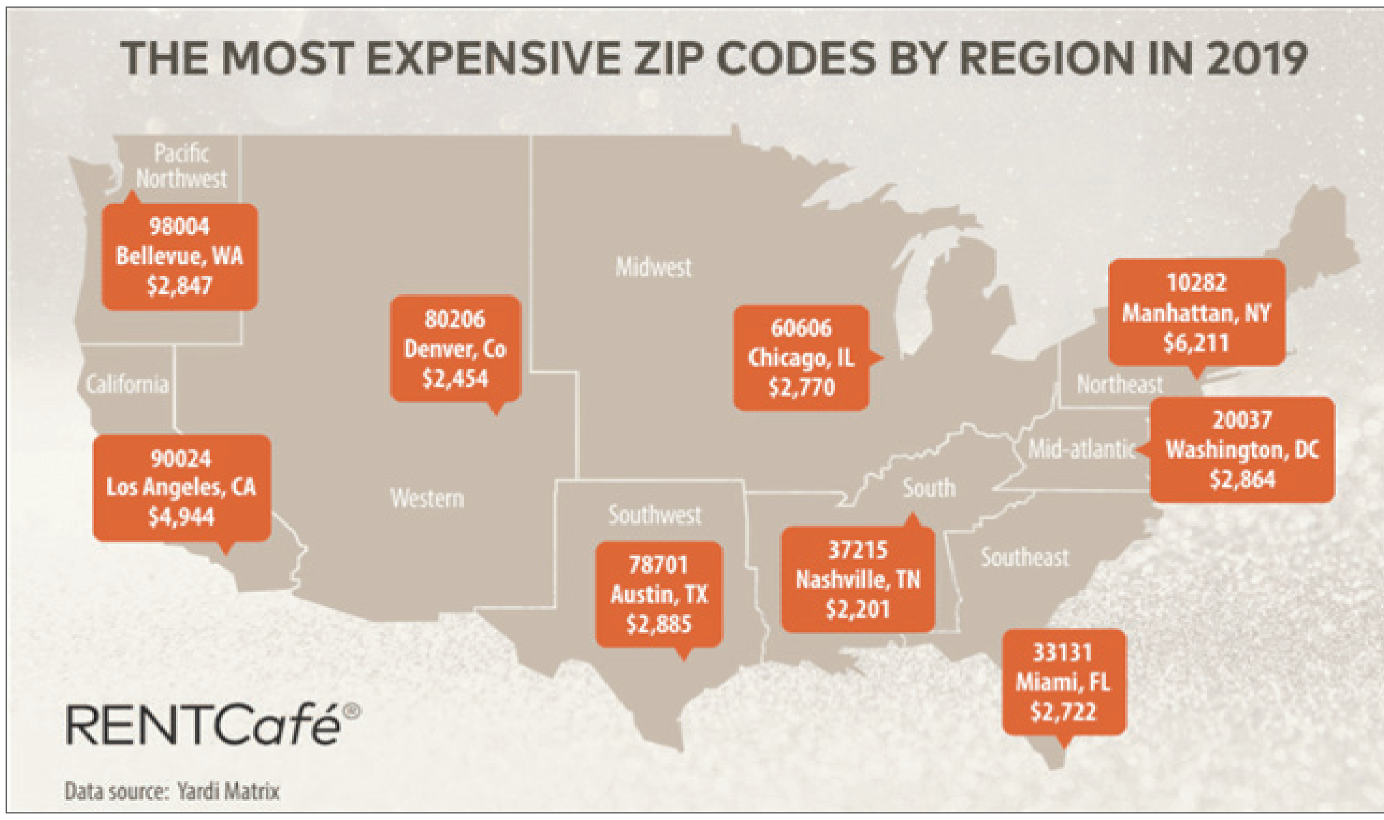
RentCafe

The most expensive ZIP codes for renters in 2019 are dominated by New York City, the San Francisco Bay area, Southern California and Boston, according to a new report from RentCafe.

"As the peak rental season has come to an end, we wanted to see which neighborhoods charged the priciest rents this summer and which high-end areas saw the most significant rent changes." - RentCafe.

As the most-coveted locations for high-paying jobs and endless opportunities, New York City and California grab the most spots in the top 50 as the priciest places to live in the United States.

Out of the 50 most expensive ZIP codes, 28 are in New York City, with 26 in Manhattan and one each in Queens and Brooklyn. The ranking is completed by 18 California ZIP codes and 4 ZIP codes from Boston.



#	ZIP Code	City	Average Rent	Change Y-o-Y
1	80206	Denver, CO	$2,454	1.4%
2	80209	Denver, CO	$2,325	3.2%
3	80202	Denver, CO	$2,229	2.8%
4	80204	Denver, CO	$2,126	5.9%
5	80301	Boulder, CO	$2,118	3.3%
6	80211	Denver, CO	$2,057	4.7%
7	80216	Denver, CO	$1,981	8.0%
8	80238	Denver, CO	$1,931	3.8%
9	80210	Denver, CO	$1,923	3.8%
10	80223	Denver, CO	$1,890	4.0%

Los Angeles' 90024 is the most expensive in California

With 18 ZIP codes across Los Angeles, San Francisco, Corte Madera, Redwood City, Culver City, Menlo Park, San Mateo, Mountain View, Marina Del Rey, Santa Monica, Cupertino and Sunnyvale, California apartments aren't too far behind those in New York.

Among the top 10 most expensive ZIP codes, three are in California, split between two in Los Angeles and one in San Francisco.

Where are the least expensive Zip codes?

The ZIP code with the smallest average rent is in Wichita, 67213, at $423. It is followed by Memphis ZIP code 381,06 with an average rent of $471.

On the list, in 16th place is Saint Louis ZIP code 63137, with an average rent of $548. Another large city ZIP code, in 38th place, is 48234 in Detroit, where rent averaged out at $585.

There are also 10 Ohio ZIP codes spread in the top 50, spread across Toledo, Girard, Youngstown, Canfield, Warren and Dayton, all of which have apartment rents in the $500s. Kansas has 9 ZIP codes covering the Wichita and Hutchinson areas, with average rent ranging between $423 and $581.

Tennessee has 8 ZIP codes in the top 50, in Memphis, Louisville and Maryville, with apartments under $600.

Methodology: This study uses the actual rent charged in apartment buildings with 50 or more rental units, located in over 130 U.S. markets, totaling approximately 15 million apartment units. ZIP Codes with less than 200 rental units and less than 3 rental properties were not included in the study. Average rent price data was provided by Yardi Matrix, an apartment market intelligence source and RENTCafe's sister company that researches and reports on large-scale multifamily properties of 50+ units across 130+ markets in the United States. The average rent prices are as of July 2019. Rent data was provided by our sister company Yardi Matrix, a business development and asset management tool for brokers, sponsors, banks and equity sources underwriting investments in the multifamily, office, industrial and self-storage sectors.

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Publisher/General Manager
John Triplett

Editor-in-Chief
Linda Wienandt

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

Email
info@rentalhousingjournal.com

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

Denver Rents Drop Slightly Over Past Month

Apartment List

Denver rents have declined 0.2 percent over the past month, but are up marginally by 0.9 percent in comparison to the same time last year, according to the latest report from Apartment List.

Median rents in Denver stand at $1,076 for a one-bedroom apartment and $1,362 for a two-bedroom.

Denver's year-over-year rent growth lags the state average of 1.6 percent, as well as the national average of 1.4 percent.

Rents rising across the Denver Metro

Throughout the past year, however, rent increases have been occurring not just in the city of Denver, but across the entire metro.

Of the largest 10 cities that Apartment List has data for in the Denver metro, all of them have seen prices rise.

Here's a look at how rents compare across some of the largest cities in the metro.

- Thornton has the most expensive rents in the Denver metro, with a two-bedroom median of $1,931; the city has also seen rent growth of 3.5 percent over the past year, the fastest in the metro.
- Over the past month, Broomfield has seen the biggest rent drop in the metro, with a decline of 0.9 percent. Median two-bedrooms there cost $1,757, while one-bedrooms go for $1,400.
- Denver proper has the least expensive rents in the Denver metro, with a two-bedroom median of $1,362; rents decreased 0.2 percent over the past month but were up 0.9 percent over the past year.

Colorado Springs rent trends flat over the past month

Colorado Springs rents have remained flat over the past month; however, they have increased moderately by 2.5 percent year-over-year.

Currently, median rents in Colorado Springs stand at $980 for a one-bedroom apartment and $1,263 for a two-bedroom.

Colorado Springs' year-over-year rent growth leads the state average of 1.6 percent, as well as the national average of 1.4 percent.

Boulder rents decline for third straight month

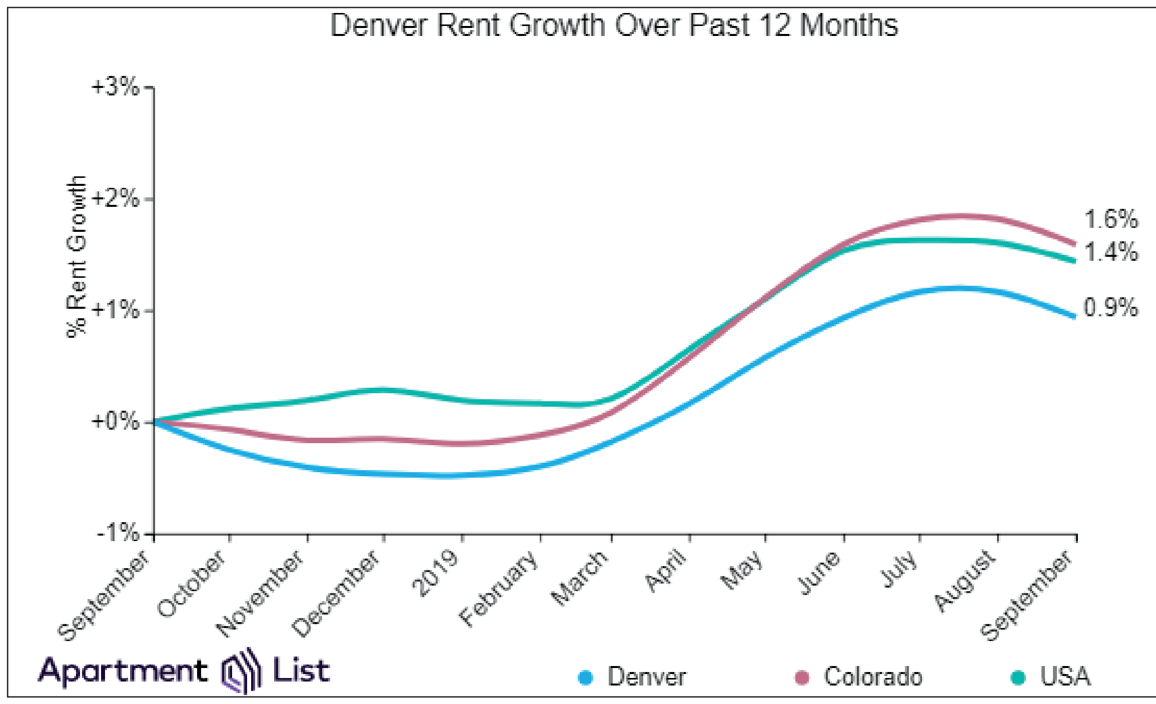
Boulder rents have declined 0.5 percent over the past month, but are up slightly by 1.3 percent in comparison to the same time last year.

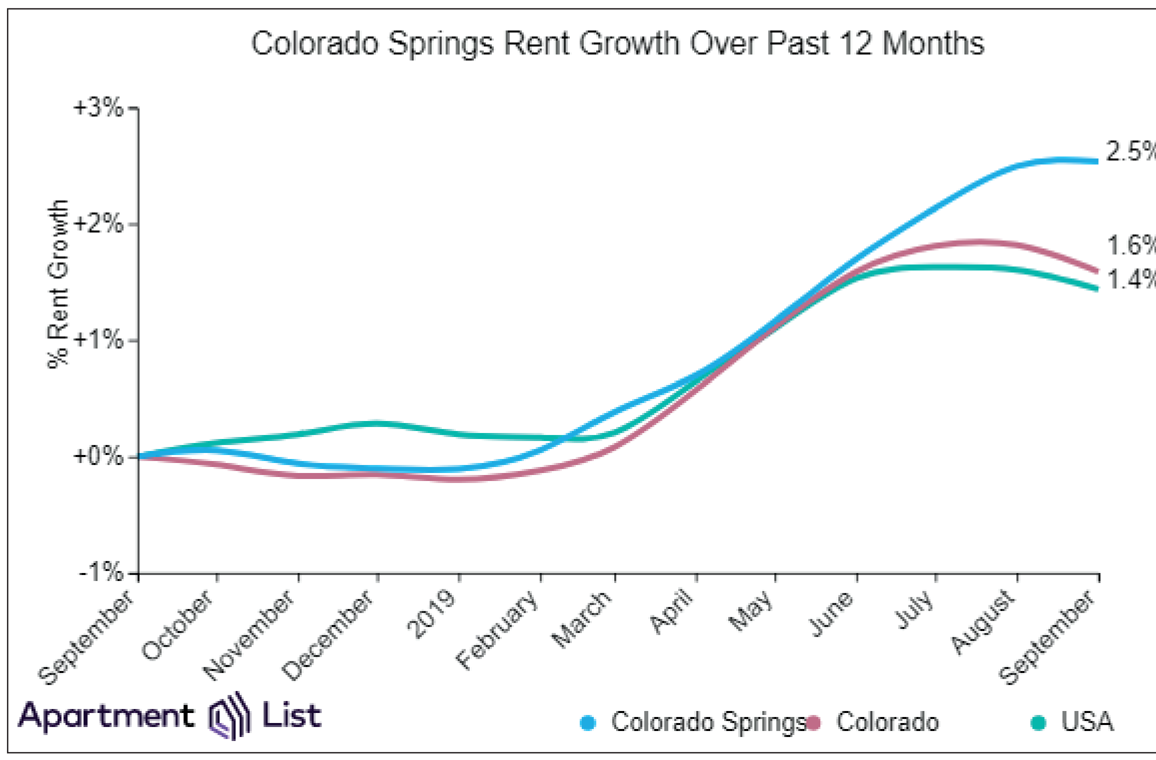
Currently, median rents in Boulder stand at $1,167 for a one-bedroom apartment and $1,425 for a two-bedroom.

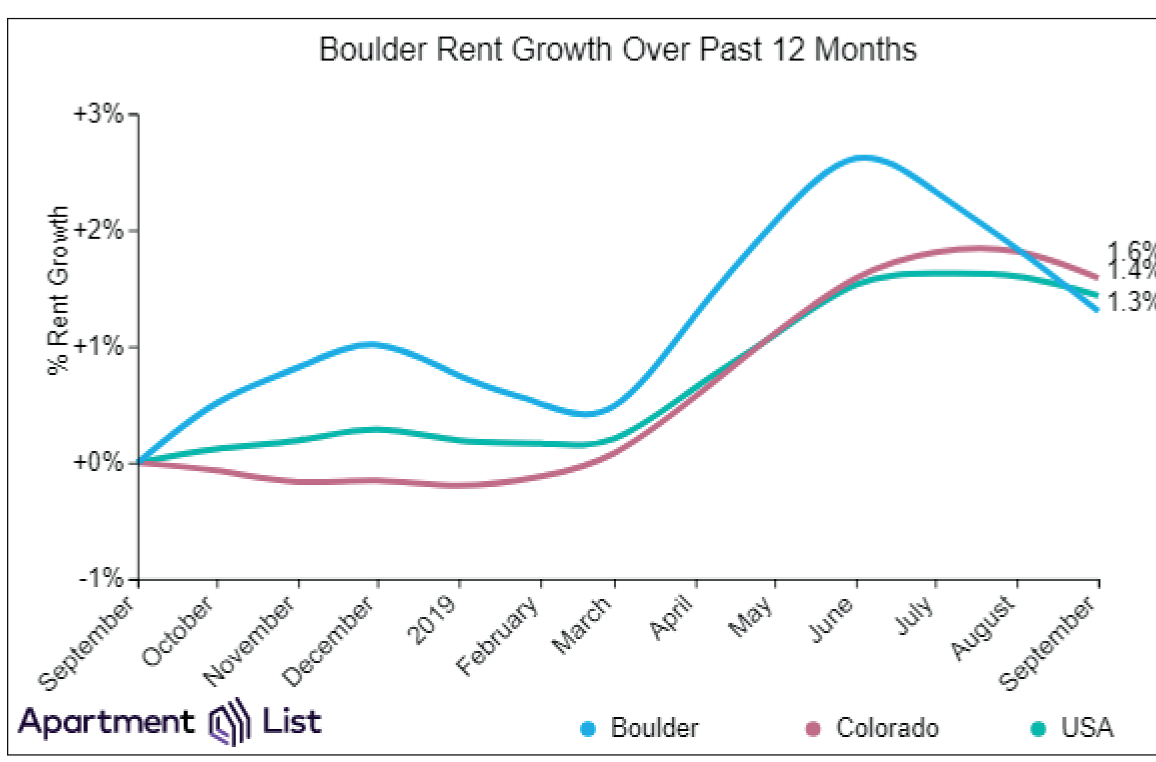
This is the third straight month that the city has seen rent decreases after an increase in June.

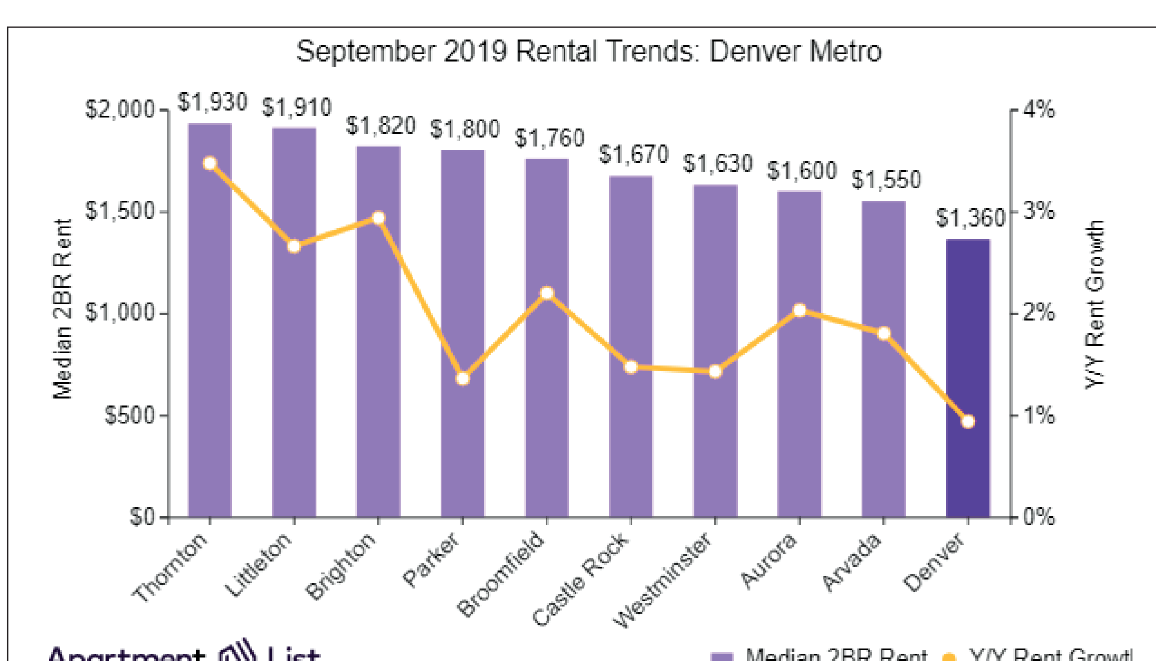
Boulder's year-over-year rent growth lags the state average of 1.6 percent, as well as the national average of 1.4 percent.

City	Median 1BR price	Median 2BR price	M/M price change	Y/Y price change
Denver	$1,080	$1,360	-0.2%	0.9%
Aurora	$1,260	$1,600	-0.1%	2%
Thornton	$1,530	$1,930	-0.2%	3.5%
Arvada	$1,220	$1,550	-0.5%	1.8%
Westminster	$1,290	$1,630	-0.7%	1.4%
Broomfield	$1,400	$1,760	-0.9%	2.2%
Castle Rock	$1,320	$1,670	-0.4%	1.5%
Parker	$1,420	$1,800	-0.2%	1.4%
Littleton	$1,510	$1,910	0	2.7%
Brighton	$1,430	$1,820	0.3%	2.9%
Englewood	$1,220	$1,540	-1.9%	2.3%
Wheat Ridge	$1,000	$1,260	-0.2%	1.5%
Golden	$1,250	$1,570	-1%	1.3%
Lone Tree	$1,580	$2,000	-0.8%	1.1%









Total Q3 Job Postings in Apartment Industry (% of Real Estate Sector)

Q3 2019: **41.6%**

Q3 2018: **34.9%**

2013-2018 Average: **33.4%**

Summary:
More than 41 percent of available real estate jobs in the US were in the apartment sector, increasing from 34.9 percent in Q3 2018. The demand for apartments continues to show commanding results. A hectic leasing season yielded 118,000 move-ins during the third quarter. Occupancy soared to 96.3 percent, as reported by RealPage.

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

	Q3 2019	Q3 2018
Property Management	23.2%	25.9%
Leasing	24.8%	23.3%
Maintenance	26.4%	25.6%

Summary:
Maintenance positions remained in greatest demand during the third quarter, increasing by 0.8 percentage points since Q2 2018. Leasing job postings had the largest growth in demand year-over-year with an increase of 1.5 percentage points.

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

Q3 2019		Q3 2018	
Dallas	6.0%	Los Angeles	6.3%
Los Angeles	5.4%	Dallas	5.9%
Washington, D.C.	4.2%	Washington, D.C.	3.7%
Seattle	3.7%	Seattle	3.5%
Phoenix	3.5%	Phoenix	3.5%

Summary:
Dallas, Los Angeles and Washington, D.C. had the highest concentration of apartment jobs during the third quarter of 2019. Phoenix continues to rank as one of the top preforming apartment markets. According to RealPage, Phoenix led the nation in annual rent growth with an increase of 8.2 percent.

September 2019: % Apartment Jobs of Total Real Estate Jobs

Raleigh	54.4%
Houston	54.3%
Portland	53.9%
Jacksonville	53.4%
Minneapolis	52.1%

Summary:
Raleigh, Houston, Portland, Jacksonville, and Minneapolis ranked the highest in concentration of available apartment positions as measured against the entire real estate sector. Demand for apartments in the Minneapolis market continues to strengthen. Multifamily permits in the twin cities totaled 8,134 units at the end of August, a year-over-year change of 33 percent, according to Census.

The Evolution of Titles & Skills 2019 vs. 2014

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

Leasing Consultant	+1.7
Maintenance Supervisor	+1.4
Assistant Property Manager	+1.3

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

Yardi Software	+6.6
Microsoft Office	+6.4
Teamwork/Collaboration	+6.1

Summary:
Leasing Consultants had the highest growth in demand over the past five years, increasing by 1.7 percentage points. Yardi software skills were up 6.6 percentage points. Positions requiring experience with Microsoft Office and team collaboration increased significantly since 2014.

Competing Sectors (Highest Location Quotients)**

Apartments		Retail Trade		Hospitality	
Austin	3.6	Seattle	2.2	Las Vegas	3.6
Denver	3.1	Denver	1.9	Napa	3.2
Seattle	2.8	Portsmouth, NH	1.9	Reno	3.1
Phoenix	2.6	Burlington, NC	1.9	Nashville	2.7
Portland, OR	2.6	Reno	1.7	Flagstaff	2.6

Common Skills (Percent of Jobs Requiring Skill)

	Apartments	Retail Trade	Hospitality
Specialized Skills			
Customer Service	31.6%	45.0%	25.3%
Sales	19.8%	47.2%	10.4%
Scheduling	15.5%	18.5%	18.0%
Baseline Skills			
Communication Skills	40.0%	41.1%	34.5%
Organizational Skills	28.9%	25.5%	20.5%
Detail-Oriented	23.1%	14.7%	13.5%
Teamwork/Collaboration	15.9%	20.3	23.2%

Summary:
The apartment industry often competes with the hospitality and retail sectors, all of which require strong customer service, communication, and organizational skills. Denver and Reno experienced tight labor markets with unemployment rates of 2.6 and 3.2 percent respectively, both below the national rate of 3.5 percent.

NATIONAL APARTMENT ASSOCIATION
Education Institute

Apartment Jobs Snapshot
Q3 2019

Strong Demand for Apartments Mirrored in Jobs

National Apartment Association

The strong demand for apartments across the country is well-illustrated in the echo demand for apartment jobs, according to the latest report from the National Apartment Association.

More than 41 percent of available real estate jobs in the United States were in the apartment sector, increasing from 34.9 percent in the third quarter in 2018, according to the NAAEI's Apartment Jobs Snapshot.

Occupancy up to 96.3 percent

A hectic leasing season yielded 118,000 move-ins during the third quarter.

Also, occupancy soared to 96.3 percent, as reported by RealPage.

Maintenance positions remained in greatest demand during the third quarter, increasing by 0.8 percentage points since the second quarter of 2018.

Leasing-consultant jobs in high demand

Leasing-consultant job postings had the largest growth in demand year-over-year with an increase of 1.5 percentage points.

In fact, leasing consultants had the highest growth in demand over the past five years, increasing by 1.7 percentage points.

Compared to five years ago, there has been an increase in employers seeking candidates who are skilled in Yardi Software, Microsoft Office and teamwork/collaboration.

Consistent with third quarter of 2018, Dallas, Los Angeles, and Washington D.C. had the greatest demand for apartment jobs in 2019.

National Apartment Association jobs report background

The NAA 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, RealPage, Census, Bureau of Labor Statistics

* 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).

Tenant-Friendly Amenities to Help Raise Profits

Continued from Page 1

amenities that will attract new renters and secure higher rent rates.

1. Offer High-Speed Internet

If you're leasing a commercial space, fast internet is a must. A high-speed connection as part of your rental package will attract those who work from home, such as busy professionals.

Is fiber optic available in your area? If so, extend the offer to the entire building so each unit is wired and ready to connect. You can even include free internet as part of your rental package or add an up-charge for the service.

2. Include Pet Deposits

There are millions of families with some type of pet. Even busy singles often have a dog or cat for companionship. However, as much as we all love those furry critters, they can create thousands of dollars in damage to your building. Cats with claws may dig at the carpet and leave a frayed mess. Dogs may have accidents or chew through doors if they have anxiety.

Many building owners find it essential to charge a pet deposit and monthly fees to offset costs. A deposit is typically not refundable, and you can customize the amount based on the type of animal. Some landlords charge fees based on their experience with similar pets. You should also consider insurance, as some dog breeds and animal species will ramp up your rates.

3. Install a Laundry Center

Installing a laundry center is one way to attract and keep tenants.

Most renters expect to have on-site laundry facilities to wash clothes and bedding. It's much more convenient than dragging everything to an off-site location. For landlords, this is an opportunity to make additional money. You can invest in modern machines that are coin-operated. Add a vending area with laundry soaps and softeners, plus snacks for those doing their laundry.

If you have the staff and want to ramp up your profit-making potential, offer a dry-cleaning delivery service. You can run dry-cleaning items to a local store, pick them up when finished and deliver to tenants' front doors. This type of add-on is particularly attractive to those who work long hours. Plus, it adds a nice side income to your real estate business.

4. Vet New Tenants

The people you rent to can save or cost you money. Look for people who will treat the rental as their own home and take good care of it. You can earn a profit from people who pay rent on time, don't damage the property, and offer reasonable complaints. Low-maintenance renters are a landlord's dream come true. You won't have to spend money on costly repairs or invest in a lawyer to start eviction proceedings.

While it isn't possible to avoid every bad tenant, running background checks and conducting an interview process helps. You should also ask for references from previous landlords. Just make sure you follow state and federal laws to ensure you don't discriminate based on age, race or other important factors.

5. Install Desirable Finishes

If you want to demand higher rent on your units, you must compete with similarly priced buildings in the area offering quality amenities. While you don't need to transform your property into a luxury complex, take a look at competitors to see what they provide. Do they have a gym or 24/7 doorman? In 2018, the top amenities included dog parks, bike storage, workshop areas and more.

Make any apartment look pricier by adding a coat of fresh paint to the walls. Install granite countertops, add a backsplash in the kitchen and swap old carpet for beautiful hardwood floors. Upgrade one unit at a time until they're all completed. Remember, however, buying materials in bulk can save you money.

Choosing Amenities That Increase Your Profits

The upgrades above are a good start, but you should also consider what your tenants want. For young people, a social outlet, like shared common areas, is particularly important. You can also implement small things that tenants appreciate, such as green plants and beautiful artwork.

Determining which amenities your renters want most is key to keeping profits high. You don't have to go over budget to provide luxury amenities in a market that doesn't support it, but there are great ways to provide an improved living experience for your tenants while maximizing the revenue you bring in.

3 Ways to Maximize Rents

By Carlos Azucena

Before you advertise your next apartment vacancy, here are three ways to maximize rents that many property managers and investors in multifamily properties are looking to do, according to a release.

1 - Do the Little Things

Tenants don't want to show up to a property where the landscaping is overrun, paint is peeling, or trash is strewn about.

Take the time to address these low-cost fixes. First impressions matter when you are trying to achieve market rents.

Just as you wouldn't want to show up to your own home in this condition, tenants feel the same way. They will reward you with fair rents and longer-term tenancy.

2 - Renovate Older or Dilapidated Units

Could your rent be $100, $200 or even $500 higher if the apartment was remodeled?

If so, you may be missing out on a great opportunity to gain a high return on your investment.

Many owners get discouraged when they look at the time it will take to recover the cost of the remodel. However, if you invest $10,000 into a unit that allows you to achieve $200 more per month, that is a whopping 24 percent annual return on your investment!

A $200 rent bump also translates into almost $50,000 in value at a 5 percent capitalization rate. Now that's a great investment!

No. 3 - Understand Your Market's Rents

A wise person once said, "If you don't know where you're going, then you don't know where you are."

In other words, how can you tell if your rents are below or even far below the market if you don't know where market rents are?

Market rents will vary between quality, condition and location even within the same neighborhood.

You can do your own research by going online and see what others are asking and what they are offering. For insider info, you can consult with a local property manager or an apartment real estate broker.

An experienced apartment broker would provide this information for free and with a high level of detail.

Carlos Azucena is a real estate broker with 15 years of experience in apartment sales, representing buyers and sellers. He serves the San Francisco Bay Area and can be reached at 650-391-1746 or cazucena@marcusmillichap.com. Find out more at www.cfapropertyadvisors.com.

4 Types of Water-Intrusion Problems and Some Ways You Can Avoid Disaster

Rental Housing Journal

One of the most common causes for alarm in a rental property is water intrusion. This can be caused by many things, including faulty waterproofing during construction, poor drainage, incorrect water structure, and more commonly, the age of the property.

Next time you need to tackle water intrusion at your rental property, take note of these areas of concern.

Problems caused by water intrusions and leakages

Water intrusion can be disastrous on many levels, especially any part of the structure that is wood. Water damages wood, making leakage a major concern.

Secondly, water leakage causes a health threat to the occupants of the rental property; it can enable mold to grow when it goes undetected, and it provides a breeding ground for mosquitoes and other insects. If a substantial water leak comes in contact with electricity, there's also the danger of electric shock or electrocution.

Why basements and crawl spaces leak

Basements and crawl spaces are the places most susceptible to water intrusion. In property management, it is critical to be keen about the following:

Construction codes: These are the regulations that govern the design, construction, alteration and maintenance of structures. By adhering to these standards, you will uphold the health, safety and welfare of building occupants and, in this case, avoid water intrusion.

Proper drainage: A faulty drainage system can result in water intrusion in your property. This is why it is important to make sure your drainage is well-structured, because while a water intrusion may take a long time to manifest, when it does, it will cost more to repair.

Problems with water vapor: A family of 4 people yields about 3.5 gallons of water vapor on a daily basis, aside from the water vapor generated by activities like cooking, ironing and other heat-generating activities. Indoor air quality is affected by moisture. If water vapor is not managed well, the result is that mold can form in the room. There is also condensation and an increase in dust mites, which can be a big cause for concern.

Waterproofing: Water intrusion can sometimes come through the floor of the basement. This is an indication that the waterproofing part of the original build of the floor was not efficient. If your property is in the process of being built, there is still time. However, if it is an existing property and you notice water intrusion from the floor, the floor has to be replaced.

Summary

The water-intrusion threat should always be considered because of potential consequences to both occupants and property. To be vigilant, routine maintenance practices are a must.

How to Motivate Tenants to Conserve Water

By Hank Rossi

Dear Landlord Hank:

With the current water restriction in Los Angeles and other drought-affected areas, how do I motivate my tenants to conserve water when I'm paying the bill?" — **Landlady Lynn**

Dear Landlady Lynn,

You can't use economics to have tenants conserve since your wallet will be the one suffering from high water usage.

I'm assuming you have one water meter that handles every unit at your property?

What I've done at my properties where I have only one water meter for many units is to determine the highest bill, divide by the number of units and all NEW tenants are now going to be paying for the water.

You can't change your current rental agreement but you could talk to tenants and make sure they are aware of the water crisis, also make sure you have no leaks anywhere.

You could also install conserving shower heads and toilets.

Make sure all new tenants, per your lease, know they are paying for water based upon consumption if you think the rate is likely to increase.

*****

Dear Landlord Hank:

Our city is seeking to require landlords to place screens on all windows in their rental units in the city. This seems a rather draconian change. The tenants rarely open windows anyway. Do you have to

put screens on all your rental windows and put up with this kind of thing from the city? — **Frustrated Landlord Vincent:**

Dear Landlord Vincent:

I have rentals in the South, both in Georgia and Florida.

For months at a time the weather is beautiful and interior climate control is not necessary.

I'm not sure what the legal requirement is, but the weather here is such that some of the year you would want to open your windows and have fresh air.

I have screens on all windows in my rentals and replace as needed.

Some rentals have sliding glass doors and they require screens as well.

I'd also want screens on my windows to keep out insects.

I want happy tenants.

*****

Dear Landlord Hank:

My property manager does not seem as focused on my rentals these days as he was in the beginning a few years back It is taking longer each month to get the slow-paying tenants to pay and catch up, for instance. I am wondering if it is time to switch property managers. How do you know when to change property managers? — **Connie**

Dear Landlady Connie,

If you are asking the question, this may be the time to change.

Property managers, if they are good, will continue to attract business. And, as the business grows, so do the numbers of issues requiring attention.

There are only so many hours in each day. Additional staffing may be required so no balls are dropped and everything is handled in a timely manner- just like you'd do if you only had one rental to deal with.

Have you spoken to your property manager and related your concerns?

It may be time to start checking out other property management companies. It would pay to check their references, too.

About Landlord Hank: "I started in real estate as a child watching my father take care of our family rentals- maintenance, tenant relations, etc , in small town Ohio. As I grew, I was occasionally Dad's assistant. In the mid-90s I decided to get into the rental business on my own, as a sideline. In 2001, I retired from my profession and only managed my own investments, for the next 10 years. Six years ago, my sister, working as a rental agent/property manager in Sarasota, Florida convinced me to try the Florida lifestyle. I gave it a try and never looked back. A few years ago, we started our own real estate brokerage. We focus on property management and leasing. I continue to manage my real estate portfolio in Florida and Atlanta." Visit Hank at https://rentsrq.com.

Rental Housing Deposit Alternatives Drive More Leases

Rental Housing Journal

High up-front costs are preventing renters from moving into the homes they want nationwide, and many of these renters believe that lower fees are the solution for a better leasing experience, according to survey of renters.

The nationwide survey of 667 renters found that affording the up-front costs of signing a new lease is the biggest worry in the context of renting, according to a release from financial services and rent guarantee company Jetty.

"Today's renters are stressed. They worry about making monthly rent payments, they struggle to afford up-front move-in costs—and they're ready for change," the company said in the release.

Key findings of rental housing deposit alternatives survey

- Paying rent causes more stress than jobs, student loans, credit card bills, and political issues.
- Most renters worry that they won't be able to pay rent.
- High up-front costs are preventing renters from moving into the homes and apartments they want.
- Almost half of renters wouldn't be able to afford a cash security deposit right now—but security-deposit alternatives could be a game-changer for them.

Most renters worry they won't be able to pay the rent at some point

There are many costs involved with renting, but monthly payments weigh the heaviest on renters.

When asked about their most burdensome renting expenses, almost half of renters (44 percent) cited monthly rent payments, followed by security deposits (26 percent), utility bills (16 percent), movers (8 percent), and broker fees (5 percent).

In fact, almost two-thirds of renters surveyed worry that they won't be able to make their rent payments at some point during their lease cycle.

Of those, 18 percent said that they worry about making rent every month or most months, and 46 percent said they worry about it at least two months out of the year.

According to a report in MarketWatch, as many metros are seeing a flood of new rental apartments ease the supply crunch, rents remain high — up 3.6% compared to a year ago, according to fresh CPI data - and the barriers to entry, for many people, formidable.

Now a new wave of start-ups is trying to apply fintech principles to helping ease some of the angst of getting into a rental agreement, even if it can't do much about the rent itself.

Some consumer advocates are wary about innovations like the ones TheGuarantors – and competitors like Jetty and Insurent – offer, according to reports.

Also there are others such as Suredeposit and Leaselock.

Typically renters pay a non-refundable fee and percentage to the companies.

Renters feel up-front move-in expenses are too high

High up-front costs are preventing renters from moving into the homes and apartments they want, according to the release.

Despite the stress renters feel about monthly payments, being able to make rent isn't what they're most fearful of in the renting process.

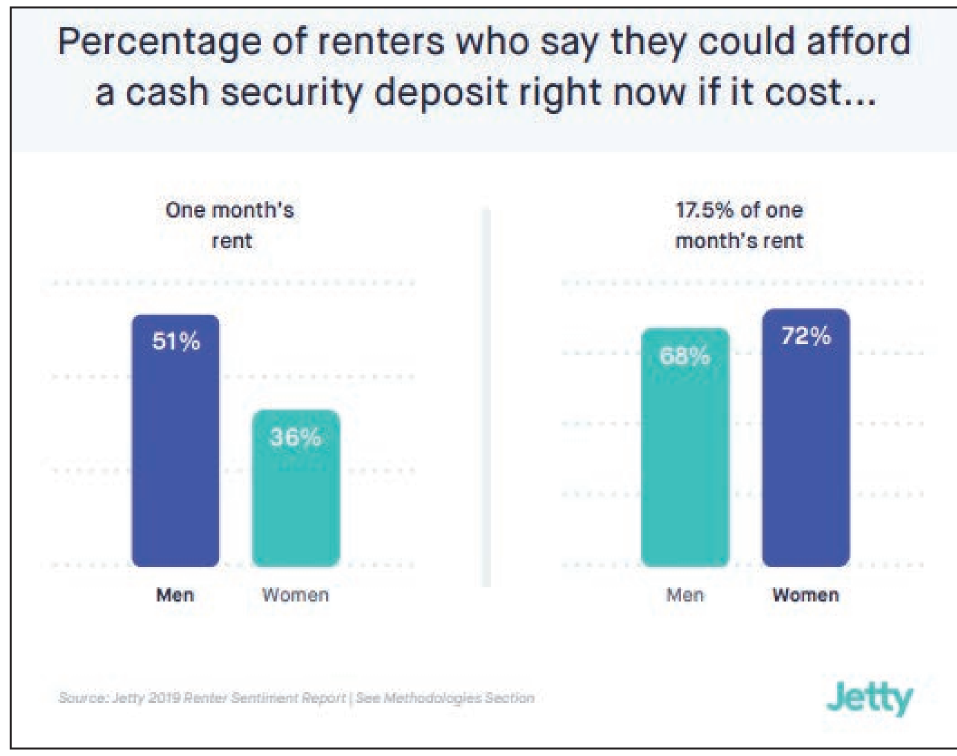
According to the survey, when asked what they're most afraid of in the context of renting, 30 percent of renters ranked affording up-front costs, while 26 percent said keeping up with rent payments.

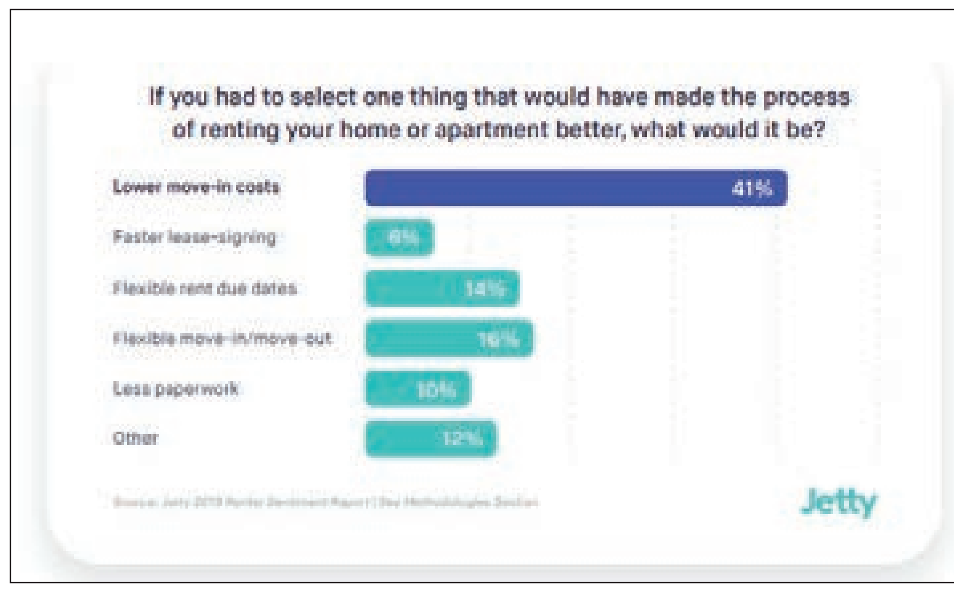
Almost 60 percent of renters have been prevented from moving into the rental homes or apartments they wanted because the up-front expenses were too high, the survey says.

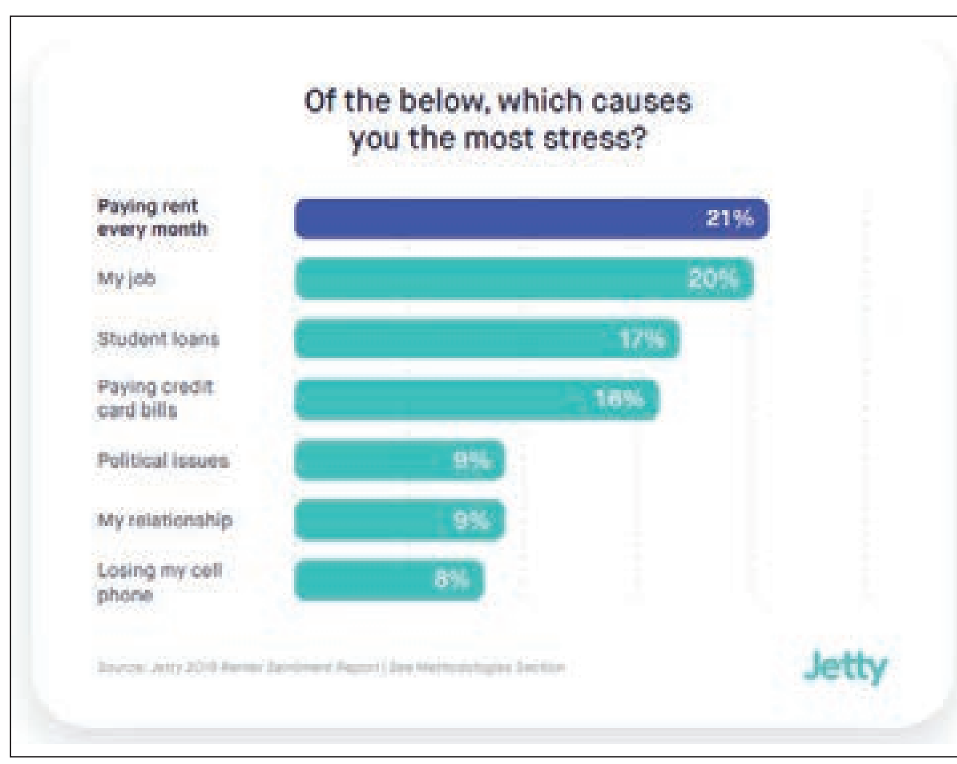
Almost half of renters wouldn't be able to afford a cash security deposit of one month's rent right now. Survey respondents said security-deposit alternatives could be a game-changer for them.

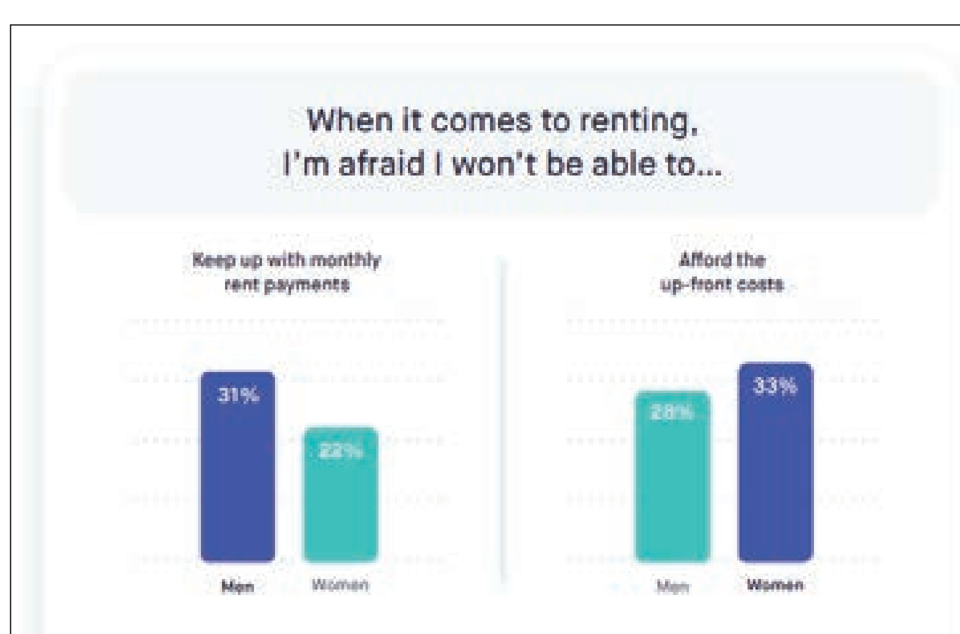
While less than half of renters would be able to afford a cash security deposit of one month's rent right now, 70 percent of those renters could afford a security deposit alternative.

Methodology: This data was collected through a survey by Jetty designed to discover how renters feel about renting and what challenges they face in the process. The company used a third-party survey tool to reach a sample of U.S. renters, balanced for age, gender, and geographic region, and gathered a total of 667 responses.









Colorado Rents Higher Than National Average

Continued from Page 1

growing rents in September were in Westminster, where rental apartment prices increased by 0.5% month over month, or $8.

Northglenn apartments saw the second highest monthly increase, jumping by 0.4%, making them $6 more expensive than last month. In Colorado Springs, prices dropped by 0.3% ($3) compared to August.

Boulder rents most expensive

Boulder apartments are the state's most expensive for renters, with an average rent of $1,974, followed by apartments in Highlands Ranch, where the average monthly rent is $1,745.

On the other hand, the cheapest city to rent an apartment of the cities analyzed is Greeley, which has an $1,174 average rate.

Provo, UT rents decreased the most in the past month (-2.2%) followed by North Charleston, SC (-1.5%), energy boomtown Midland, TX (-1.5%), Bay Area tech hub Santa Clara (-1.3%), and Portland (-1.2%). Meanwhile, California and New York saw the most substantial upticks since last month, with Syracuse(2.2%), Moreno Valley, CA (2.1%), Manhattan (1.5%), Torrance, CA (1.4%), and Los Angeles (1.2%) leading the pack.

Some 65% of mega-hubs have rents below the national average, while 35% have rates above. At the same time, 55% of the largest renter hotspots saw apartment rents decrease since August, by as little as -0.1% in Tampa ($1,320), Charlotte ($1,243) and Jacksonville ($1,091), and as much as +0.5% in Houston ($1,101).

Indianapolis apartments cost $878 on average in September (after a 0.2% uptick from the prior month), the most affordable for renters living in the nation's largest renting cities.

Columbus is the second most affordable, with a $947 monthly rate (up by 0.3% since August). San Antonio ($1,045) offers the third most affordable apartments, where prices have also seen a slim monthly dip of -0.2%.

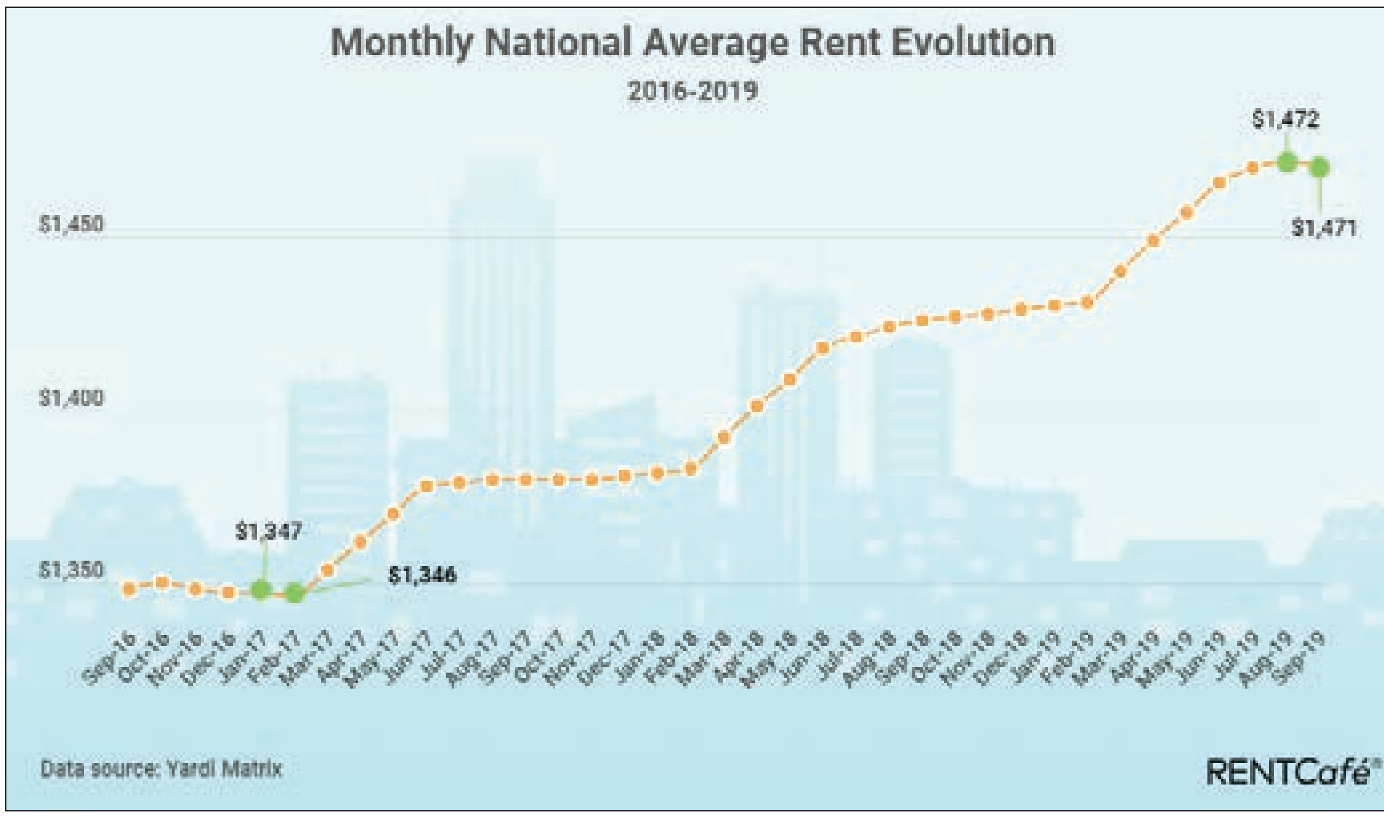
Meanwhile, Manhattan continues its reign as the priciest renter hub in the nation, with its average rent reaching $4,336 in September (a hefty 1.5% increase compared to the prior month). Los Angeles apartments go for $2,556 per month (up a solid 1.2% since August), while Washington, D.C. apartments ($2,232) trail behind, after a 0.2% uptick since August.

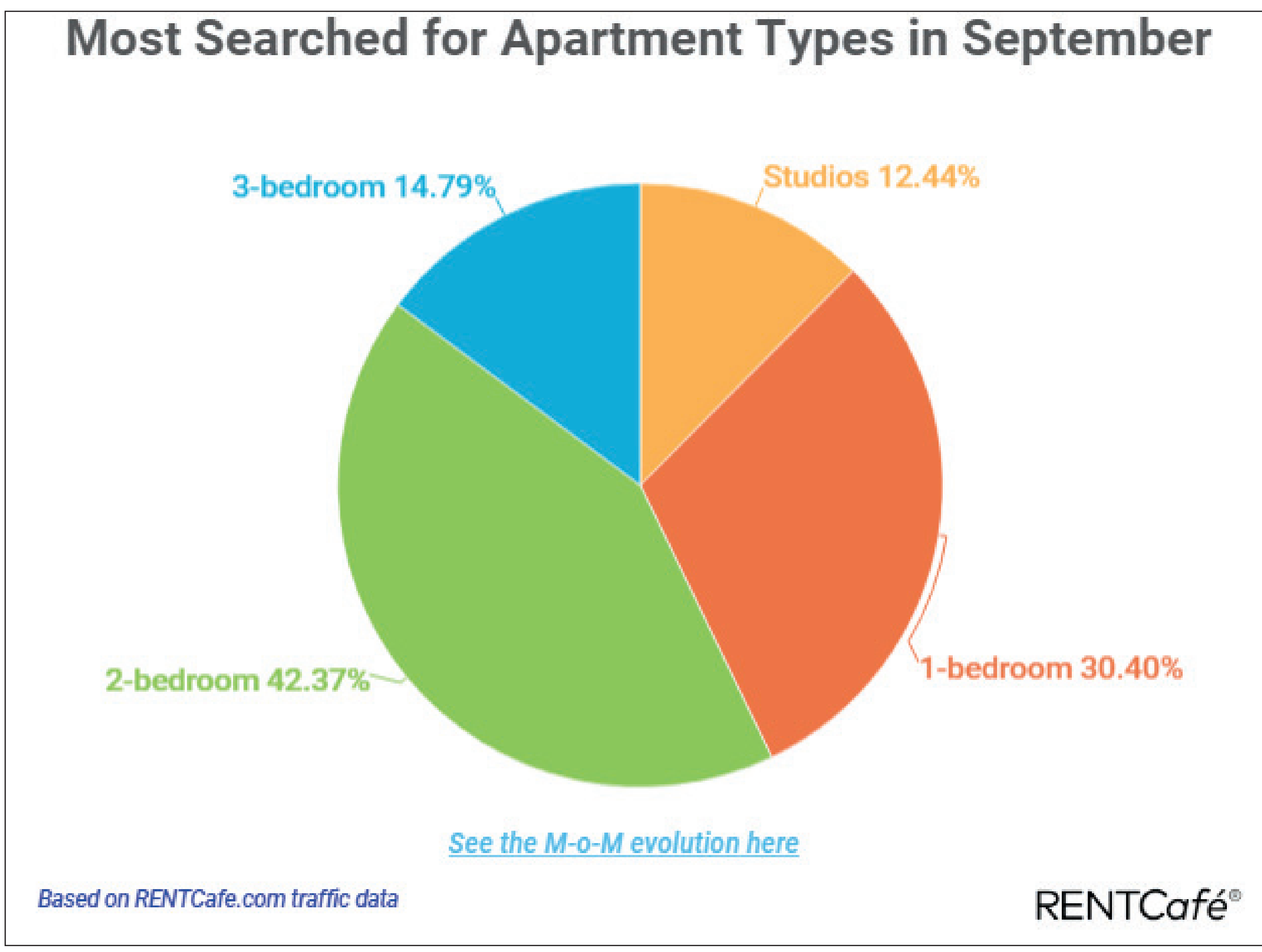
Two-bedrooms most popular

Traffic data from RENTCafé.com shows two-bedroom apartments are the most popular among renters searching for new homes, making up 42% of searches on the website.

The second most popular units have one-bedroom floor plans (30%). three-bedroom apartments (15%) follow in popularity, while renters show the least interest in studios (12%).

Methodology: RENTCafe.com is a nationwide apartment search website that enables renters to easily find apartments and houses for rent throughout the United States. To compile this report, RENTCafe's research team analyzed rent data across the 260 largest cities in the US. The data on average rents comes directly from competitively-rented (market-rate) large-scale multifamily properties (50+ units in size), via telephone survey.





Rank by Average Rent	City	Average Rent September 2019	Net 1-Year Change
1	Manhattan, NY	$4,336	$199
2	Los Angeles, CA	$2,556	$126
3	Washington, DC	$2,232	$88
4	Seattle, WA	$2,122	$61
5	Chicago, IL	$1,998	$99
6	Denver, CO	$1,673	$60
7	Atlanta, GA	$1,485	$64
8	Orlando, FL	$1,436	$41
9	Austin, TX	$1,433	$75
10	Tampa, FL	$1,320	$30
11	Charlotte, NC	$1,243	$58
12	Dallas, TX	$1,235	$47
13	Fort Worth, TX	$1,129	$47
14	Houston, TX	$1,101	$5
15	Las Vegas, NV	$1,104	$72

Interest in Tech Rises Among Many Groups

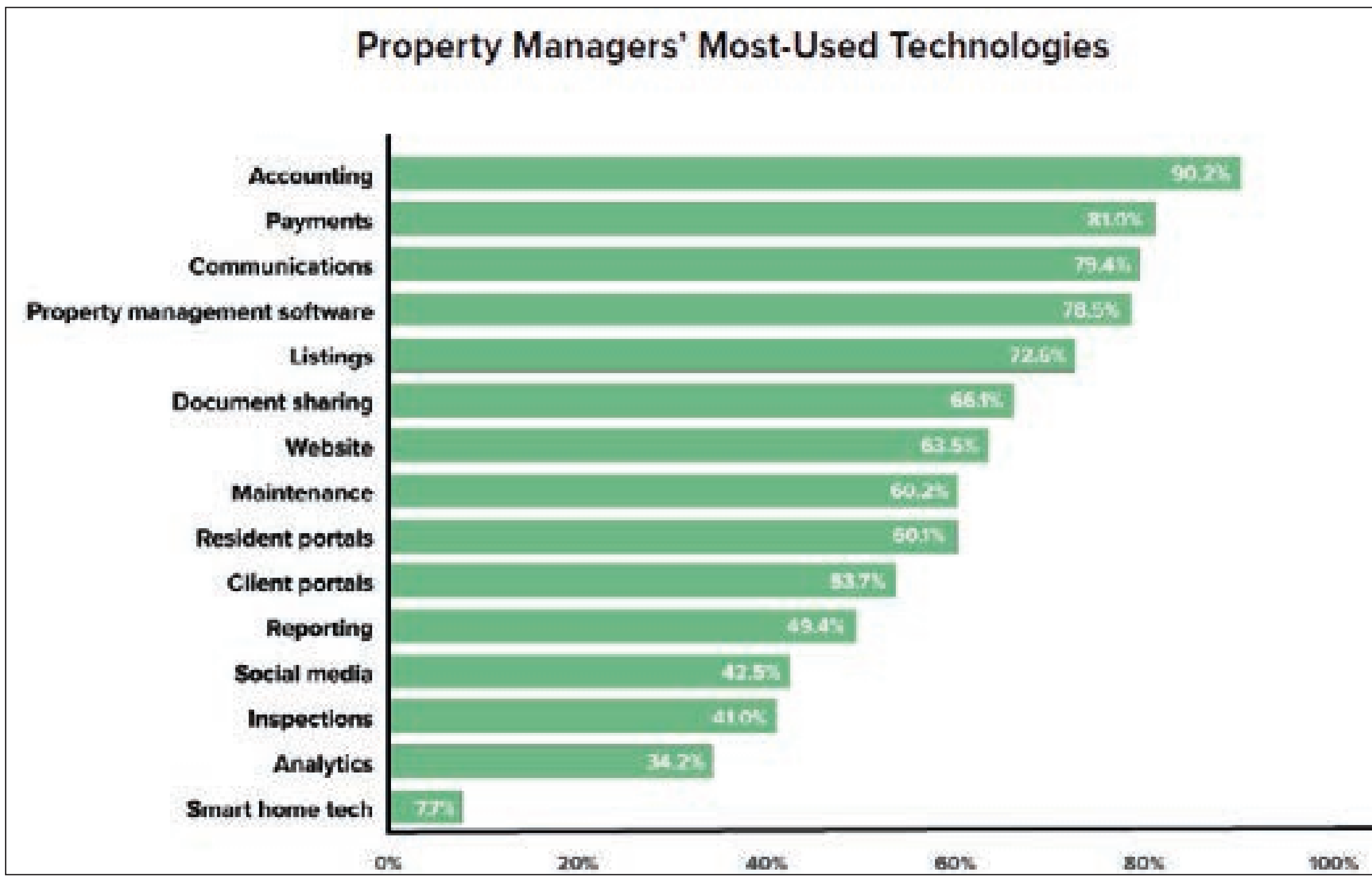
Continued from Page 1

surveyed both property managers and renters.

In the annual survey of 1,188 renters across the county, Buildium and NARPM found the biggest gains in interest among renters were in applying for rentals online (+15 points), communicating with their property manager via text or email (+11 points), and signing leases and other documents electronically (+8 points).

Though interest has stayed roughly constant among Gen Z and Millennial renters over time, Gen X residents and Baby Boomers are far more interested in technology than they were just a year ago: On average, interest in rental technologies has grown by 8 points among Gen Xers and 10 points among Baby Boomers, according to Buildium's 5th Annual State of The Property Management Industry Report.

Though Millennials are the most enthusiastic about technology overall, more than half of Gen Z, Millennial, Gen X, and Baby Boomer renters want the ability to pay rent online and communicate with their property manager via text or email.



How residents want to pay

Gen Z, Millennial, and Gen X renters all agree that they prefer to pay their rent via electronic payment, electronic bank transfer, or credit/debit card over writing a check.

Though most Baby Boomers still feel more comfortable paying by check, nearly 1 in 3 would rather pay online. Residents of all ages appreciate having the option to pay their rent online, and their expectation to be able to handle this and other tasks digitally increases with every year.

The survey also showed two in five renters definitely plan on renewing their lease for another year—a number that stayed constant from 2018 to 2019.

'Typical renter' definition is evolving

"In the past, we've thought of renting as a temporary rite of passage for those who haven't yet set down roots or saved enough for a down payment on a home of their own. But for many Americans today, renting is a lifestyle choice, as well as a necessary alternative to homeownership for those whose finances were irreparably altered by the Great Recession. As a result, property managers' strategies for attracting and retaining renters will need to evolve to fit a broader demographic than they've seen in the past.

Renters' desire to own a home of their own varies logically by age: Gen Z residents are happy renting for now, but assume that they'll want to become homeowners down the road.

Millennials and Gen X renters are highly interested in homeownership, but are waiting for the right time to buy. Baby Boomer residents are largely former homeowners who either prefer to rent or have financial reasons for doing so at this time in their lives.

The report was produced by Buildium in partnership with the National Association of Property Managers (NARPM).

Mystery Maintenance Call

Help! Hornets in My Rental!

Keepe

The apartment mystery maintenance call this month comes stems from an unsual work order from the property manager of a Portland rental.

"There are hornets inside my house, and it seems to be coming out from inside my drywalls. Please send keepers now!" the property manager said.

As our workers came in, they were able to assess that somehow, a hornet nest has been accumulating inside the drywall.

As they explored further, our crew discovered that the nest has been building for at least three months before the work order was called in. Our workers determined that it originated from a tiny hole beside the front door, which allowed the hornets to go into the hollow dry walls and build their homes from there.

This unique problem took a full day to solve, with the help of a separate pest control crew to exterminate the hornets and clear out the nest.

The maintenance crew had to cut open a large portion of the drywall, which pest control would need to clean the inside of the drywall.

Once everything has been cleared out, the wall had to be fully patched, a job that took about three to four hours.

After a long day of completing this odd job request, not only does the drywall look good as new, but more importantly, no more hornets in the rental.

Keepe is an on-demand maintenance solution for property managers and independent landlords. The company makes hundreds of independent contractors and handymen available for maintenance projects at rental properties. Keepe is available in the Greater Seattle area, Portland, Phoenix, San Francisco Bay and San Diego areas.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