

The Fundamentals  
of 1031 Exchanges  
*Page 3*

Strong Demand for Apartments  
Mirrored in Jobs  
*Page 7*

Education is Key to Dealing With  
Regulations Landlords Confront  
*Page 8*



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

### 1. Offer High-Speed Internet

If you’re leasing a commercial space, *See ‘5 Tenant-Friendly’ on Page 4*

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## Survey Shows Job of Property Management is Changing Fast

RENTAL HOUSING JOURNAL

How the job of property management is changing “came through loud and clear” in this year’s annual survey of property managers, said Chris Litster, CEO of Buildium, in a recent webinar.

Litster presented the 2020 State of the Property Management Industry Report along with National Association of Residential Property Managers (NARPM) CEO Gail Phillips.

The survey was actually three surveys in one, including 1,738 property managers, 217 community managers, 1,118 tenants and 603 owners and investors in more than 50 cities.

“What we heard loud and clear is that property management has changed,” Litster said. “Property management is complex, yes, but what has changed is the environment around it.”

He cited five substantial elements in the property management environment, macro trends that have caused the changes:

- Cost of housing

- Legislation and regulation
- Industry consolidation and owner mix
- Changing tenant demographics and generations
- How technology is changing everything

### PROPERTY MANAGERS OFFERING MORE SERVICES

Across the board, property managers are offering more services than ever before.

This is a way for property managers to diversify their revenue streams and find new ways to demonstrate their value to clients in a shifting market. Of particular note are services like property sales and brokering, financial reporting, building renovation, and investment advice, which have experienced average gains of 14 points over the last three years.

These are the types of services that are taking on new importance as landlords sell rentals, investors acquire rentals, and owners of all types keep a close eye on their properties’ profitability.

*See ‘Survey’ on Page 6*

## 5 Top Technologies That Renters Want

RENTAL HOUSING JOURNAL

A new survey shows the five top technologies that renters desire and that, over the last year, residents’ interest in rental technologies has grown by an average of seven points.

The 2020 State of the Property Management Industry Report by Buildium and the National Association of Residential Property Managers (NARPM) 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 (+eight points).

“What I found that was really interesting is that smart-home technology seems to have lost some of its favor in terms of importance to the tenants,” National Association of Residential Property Manager’s (NARPM)



CEO Gail Phillips said. Last year nearly half said home tech was a preference but this year that dropped substantially in favor of the transactional preferences, she said, perhaps because of more mobile tech.

“Is the younger generation carrying

their home tech from property to property?” is a question she raised during a recent webinar with Chris Litster, CEO of Buildium.

*See ‘5 Top’ on Page 4*

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# The Fundamentals of 1031 Exchanges

**By Dwight Kay and the Kay Properties Team**

Welcome to 1031 101! If you’ve come to our metaphorical class here, you likely have a few questions. Chief among them: what is a 1031 exchange? What Qualifies for a 1031 exchange? Why should I do a 1031 exchange? What should I 1031 exchange into? Is there an option if I have a failed 1031 exchange?

## WHAT IS A 1031 EXCHANGE?

A 1031 exchange is a procedure that allows the owner of investment property to sell and acquire another “like-kind” property while deferring capital gains tax. The name comes from IRS Section 1031 and has morphed into a verb in the investment real estate world — as in, “Let’s 1031 this property for that one.”

## WHAT QUALIFIES FOR A 1031 EXCHANGE?

While the idea is a simple one, the execution is a bit more complex. There are very specific definitions and timeframes to which users must adhere to qualify for a 1031 exchange.

The most important thing to keep in mind just might be how to define a “like-kind” property. That doesn’t mean you must exchange one apartment complex for another; there’s actual considerable flexibility there. For instance, you can sell an apartment complex and purchase a retail building, you can sell a retail building and purchase an industrial building, you can sell an industrial building and purchase raw land, etc. However, you can’t exchange a property for a business, for example. It’s also worth noting that a 1031 exchange can only involve property held for investment, not personal use and, to maximize the benefits of a 1031 exchange, the replacement property should be of equal or greater value than the original.

What’s often forgotten in the lead-up to an investment property’s sale is how quickly the 1031 clock starts. After that sale, you have 45 days to choose aka identify a property with your qualified intermediary (the escrow like company that holds your exchange proceeds after you sell your relinquished property). From there you must close on that property within 180 days of the sale to qualify for the 1031 benefits.

## WHY SHOULD I DO A 1031 EXCHANGE?

You know the saying about death and taxes?

Well, at least you can defer one of those with a 1031 exchange. Typically, when you sell an investment property, you’re subject to several different taxes. But by trading one like-kind property for another via a 1031 exchange, the IRS lets you defer a considerable amount of taxes.

Without a 1031 exchange, you can be taxed at a rate of 25 percent on all depreciation recapture. Depending on your taxable income, you would owe federal capital gains tax of at least 15 percent and as high as 20%. On top of that is the state capital gains tax which is anywhere from 0-13.3%. Lastly, there is a 3.8 percent Medicare surtax as well.

## WHAT SHOULD I 1031 EXCHANGE INTO?

We’ve already established that you must exchange your investment property for a like-kind property. However, there are many different options for you to execute a 1031 exchange.

The most obvious is trading one property you manage for another. An example: you sell a duplex and purchase a commercial building. In that instance, you’re maintaining your role as landlord, which comes with responsibilities such as repairing issues, dealing with individual tenants, property management, asset and property level accounting and processing rent. The role of the investor is very involved.

A slightly more passive approach is to exchange into a triple-net property. In this case, you’re leasing your property to a tenant who often agrees to pay the majority of expenses associated with the property. Which can include taxes, insurance and maintenance. But it does not mean the investor just gets to kick back. You are still often responsible for those many needs of a property — including coordinating and paying for repairs, paying property tax bills, processing invoices. The difference from a standard lease is that you are then billing the tenant for those expenses and now tasked with the fun job of tracking down the tenant and getting them to actually reimburse you for them. Our firm has owned many triple net properties over the years and we have to have full time asset management, accounting and legal teams to look after the triple net properties and run them efficiently. For an investor to think that the triple net property option is a passive endeavor is wishful thinking!

If, as an investor, you are looking for a fully passive exchange option, Delaware Statutory Trusts (DSTs) are potentially a good option. A DST is an entity that holds title to a piece of

real estate and investors are able to buy in for typically 100k minimum investments. DSTs are used by investors to build a diversified portfolio for their 1031 exchanges whereby they can, for example, on an exchange with \$1,000,000 of equity purchase 5 different DSTs in 200k increments. The investor may purchase 200k in a DST that owns a long-term net leased FedEx building, 200k in a DST that owns a long-term net leased Amazon building, 200k in a debt free multifamily DST apartment building in the Nashville metro area, 200k in a DST that owns 1,000 multifamily units among 3 properties in 3 different states and lastly 200k in a DST that owns a long-term net lease industrial building.

Additionally, the trust’s sponsor is the asset manager of the property, which involves handling reimbursements from tenants and daily needs, repairing issues, processing rent and invoices, etc. This provides investors with a truly passive approach to their 1031 exchange and a change in lifestyle from the active duties of property management. DSTs are also a great backup plan to keep in mind due to the 1031 exchange’s tight timeframe. Because the trust already owns the properties, transactions can often be completed within just a few days.

## IS THERE AN OPTION IF I HAVE A FAILED 1031 EXCHANGE?

If a 1031 isn’t on the table for you (for whatever reason that might be), the Tax Cuts and Jobs Act of 2007 created a new way to defer, reduce and, in some cases, eliminate long-term capital gains taxes: Opportunity zones. There are more than 8,700 qualified tracts scattered around the country. By investing your capital gains in one of those via a Qualified Opportunity Zone Fund, you will be able to defer any taxable gain until the fund is sold or Dec. 31, 2026, whichever comes first. Five years in, you receive a 10 percent step-up in tax basis with an additional 5 percent step-up after seven years. Hold the fund for at least 10 years and the new capital gains taxes generated from the opportunity fund investment are slashed to zero.

The 1031 exchange is a valuable tool in the real estate investors toolbox and with proper planning and understanding the investor can utilize the features of this piece of the tax code which has been around since 1921. To learn more about 1031 exchanges and your 1031 exchange options utilizing DST, NNN and Opportunity Zones please visit [www.kpi1031.com](http://www.kpi1031.com). You will also, upon registering, be sent a free book on 1031 exchanges.

### 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](http://www.kpi1031.com).



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# 5 Tenant-Friendly Amenities for Raising Your Profits

Continued from Page 1

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

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.

# 5 Top Technologies That Gen Z/Xers, Millennials Desire

Continued from Page 1

Litster said there is no denying that smart home tech is a “buzzy topic,” but “we are hearing more and more people have made the decision to go with Amazon or Google or whoever and they are bringing their own smart tech into the apartments or units.”

He said additionally what tenants prefer more seems to be basic amenities such as in-unit washers and dryers.

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 eight 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 boom 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 one in three 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.

## HOW THE “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 home ownership

for those whose finances were irreparably altered by the Great Recession,” the report says.

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 boom residents are largely former homeowners who either prefer to rent or have financial reasons for doing so at this time in their lives.



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RESIDENT NAME(S) \_\_\_\_\_

UNIT NUMBER \_\_\_\_\_ STREET ADDRESS \_\_\_\_\_ also all other Occupants or persons unknown claiming any right or interest in the Premises.

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**This is to inform you that your rent is now more than seven (7) days past due. This is your 72-hour written notice to pay your past due rent or your Rental Agreement will terminate as provided by Oregon Landlord/Tenant law.**

Rent Amount Due \$ \_\_\_\_\_. You must pay only this amount to avoid termination. However, you remain responsible for all other charges and outstanding amounts.

☐ If this box is checked, your Rental Agreement requires payment by means other than a personal check, third-party check or multiple checks. Money order or certified check preferred.

☐ This Notice has been served personally at \_\_\_\_\_ TIME ☐ AM ☐ PM.

Your rent payment must be paid by \_\_\_\_\_ TIME ☐ AM ☐ PM ON \_\_\_\_\_ DATE \_\_\_\_\_ or your tenancy will terminate automatically without further notice.

or

☐ If written rental agreement allows, this Notice has been served by posting on the main entrance door of the dwelling unit and mailed first class mail.

Your rent payment must be paid by 11:59 p.m. on \_\_\_\_\_ DATE \_\_\_\_\_ or your tenancy will terminate automatically without further notice.

or

☐ This Notice has been served by first class mail and the effective date is extended by four days including the date mailed.

Your rent payment must be paid by 11:59 p.m. on \_\_\_\_\_ DATE \_\_\_\_\_ or your tenancy will terminate automatically without further notice.

**Owner/Agent: Please note additional service requirements for subsidized residents as listed in "Subsidized Residents Only" section below.**

☐ Section 8 Housing Choice Voucher

Make payable to (name and delivery location): \_\_\_\_\_

**WARNING NOTICE:** The conduct described above is a violation of your Rental Agreement. If you cure this violation as provided above, Owner/Agent may choose to terminate your tenancy at the end of the fixed term if there are three or more violations within a 12-month period preceding the end of the fixed term. Correcting the third or subsequent violations is not a defense to termination under ORS 90.427(7).

**Statement of Account** (Informational Purposes Only)

Past Due Rent	\$ _____
Late Charges	\$ _____
Other	\$ _____
Other	\$ _____
Other	\$ _____
Other	\$ _____
<b>Total Outstanding Amount</b>	<b>\$ _____</b>

THANK YOU FOR YOUR COOPERATION

OWNER/AGENT ☒ \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

EMAIL \_\_\_\_\_

SUBSIDIZED RESIDENTS SEE DISCLOSURES

**HUD DISCLOSURES**

If you remain in the leased unit on the date specified for termination, Owner/Agent will enforce the termination only by bringing a judicial action at which time you may present a defense. You have ten (10) days within which to discuss this eviction with Owner/Agent. This 10-day period commences on the earlier of the day this Notice is hand-delivered to your unit or the day after it is mailed. The discussion period does not extend the date for termination. The amount of rent due was calculated as of the date of this Notice. Persons with disabilities have the right to request reasonable accommodation to participate in the hearing process.

**ADDITIONAL SERVICE REQUIREMENTS**

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**HUD (PROJECT BASED):** Notice served by one of the methods listed above, AND mailed to Unit, AND

1. Attempt to serve the Notice personally to any adult answering the door. If unable to do that:
2. Attempt to slide the Notice through the door (mail slot) or under the door. If unable to do that:
3. Post the Notice on the door at eye level.

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NOVEMBER 5	LANDLORD STUDY HALL: DOMESTIC VIOLENCE AND THE ORLTA	6:30 PM - 8:00 PM
NOVEMBER 8	IT’S THE LAW: ANOTHER YEAR IN THE HOPPER (ALMOST)	12:00 PM - 1:00 PM
NOVEMBER 11	LANDLORD/TENANT PART I	1:00 PM - 5:00 PM
NOVEMBER 13	HR ISSUES: CORRECTIVE ACTION/DISCIPLINE OPTIONS	12:00 PM - 1:00 PM
NOVEMBER 14	PRISM EDUCATION CONFERENCE	8:00 AM - 4:00 PM
NOVEMBER 19	HCEP CLASS: OREGON HOUSING LAW IN 2019 (MEDFORD)	9:00 AM - 1:00 PM
NOVEMBER 20	MAINTENANCE TIPS, TRICKS & PITFALLS	9:00 AM - 12:00 PM
	CAM: RESIDENT EXPERIENCE	10:00 AM - 12:30 PM
NOVEMBER 21	BEND HOLIDAY BOWLING PARTY	4:00 PM - 7:00 PM
DECEMBER 2	GENERAL FAIR HOUSING	9:00 AM - 11:00 AM
DECEMBER 3	FAIR HOUSING STEREOTYPING AND BIAS	9:00 AM - 12:00 PM
DECEMBER 9	LANDLORD/TENANT PART II	1:00 PM - 5:00 PM
DECEMBER 10	HOW TO GET THE MOST OUT OF TENANTTECH	1:00 PM - 3:00 PM
DECEMBER 11	HR ISSUES: HARASSMENT REPORTING	12:00 PM - 1:00 PM
DECEMBER 13	IT’S THE LAW: SEEING 2020	12:00 PM - 1:00 PM

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5

# Survey Shows Job of Property Management Is Changing

Continued from Page 1

## GROWTH OPPORTUNITIES

The survey shows that 48 percent of property managers named growth a top priority this year—an increase of nine points since 2017.

“Growth is the top priority,” Phillips said, and “the importance of efficiency has rebounded this year.” Profitability expectation was lower.

Though fewer property managers reported portfolio growth in 2019 than in years past, 70 percent did add new properties to their portfolios in the last two years.

Portfolio loss has prevented many property managers from achieving significant growth recently, with a strong seller’s market motivating some rental owners to sell their properties. In response, property managers have found innovative ways to generate more revenue without adding new doors, from expanding their services to retooling their fee structures and more.

“However, another piece to the profitability question that has really exploded is legislation and regulation,” Phillips said. “There are a lot of changes that are going on here and I just want to note we are looking through the lens of how it impacts our industry. This is not about politics. This is how these policy changes impact our economy.”

Phillips read a response from a participant in the survey that said, “So as laws become more restrictive we are forced to take additional precautions

Property Managers' Top Priorities

	2017	2018	2019
Growth	38.9%	42.8%	47.8%
Efficiency	48.7%	39.0%	45.1%
Profitability	—	34.7%	31.0%
Owners	15.4%	20.3%	23.0%
Communication	20.5%	17.1%	22.6%
Balance	21.4%	12.9%	20.5%
Organization	20.8%	23.4%	19.1%
Marketing	12.8%	16.7%	19.0%
Residents	19.3%	23.8%	16.1%
Property improvements	17.3%	16.0%	12.8%
Staff	12.4%	15.6%	12.3%
Vendors	13.7%	12.1%	11.4%
Technology	9.9%	15.2%	11.2%
Downsizing	1.8%	1.9%	1.6%

in our leasing processes and resident-retention policies. This is not always perceived well by owners and residents.”

Phillips said in an effort to combat housing-related issues NARPM is seeing “a lot of new regulations pop up, and we are trying to work with our localities. This is just the beginning.”

## TOP PRIORITIES

Property managers are laser-focused on growth and efficiency above all else—as they have been for four years straight, according to the survey

In our recent seller’s market, growth

hasn’t come naturally, the survey says.

Property managers have had to fight to maintain their profitability and client base—their third and fourth most-selected priorities for the coming year. In addition, many have renewed their focus on effective communication with their residents, owners, and employees, needed in this fast-moving era where technology both facilitates and hinders relationships.

## THE FUTURE

“Property management increasingly resembles the hospitality industry,” Phillips said in the webinar. “The role is

“CUSTOMERS ARE DRAWN TO HIGH-TOUCH, PERSONALIZED EXPERIENCES. IT SHOULD ALL BE IN SERVICE TO A STRATEGY THAT CREATES GREAT TENANT EXPERIENCE AND CUSTOMER EXPERIENCE.”

—NARPM CEO GAIL PHILLIPS

becoming more of a consultant, especially as regulations complicate things for the landlords. Relationships are still the most important thing despite all prop-tech hype,” she said.

“Customers are drawn to high-touch, personalized experiences,” she said. “It should all be in service to a strategy that creates great tenant experience and customer experience,” she said.

In addition, a few takeaways:

“First and foremost, make sure you ground every decision you make in the experience and relationships you are seeking to create with your owners and managers.

“Remember, focus on your local expertise. Property management cannot be handled on a national level. Awareness of local market trends matters.

“Diversify your revenue stream, and most of all keep learning and stay connected and take advantage of the learning opportunities out there for you,” Phillips said.

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Which types of property do you manage?



3 in 4  
manage  
single-family rentals

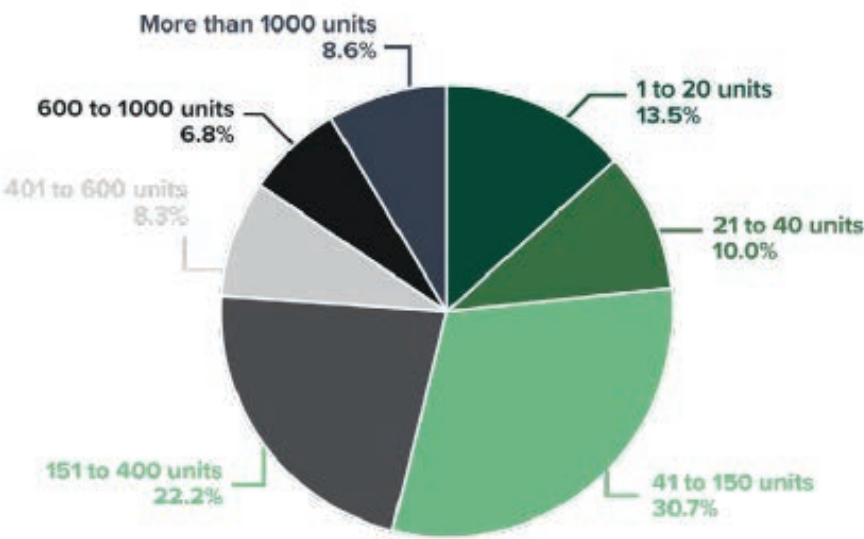


2 in 3  
manage  
multi-family rentals



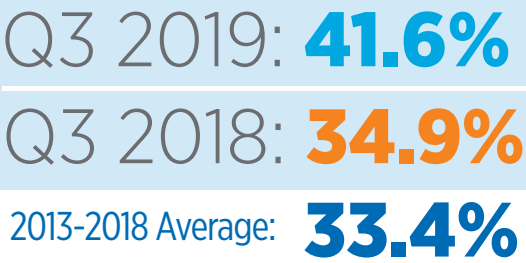
1 in 3  
manage  
association properties

How many total units do you manage?



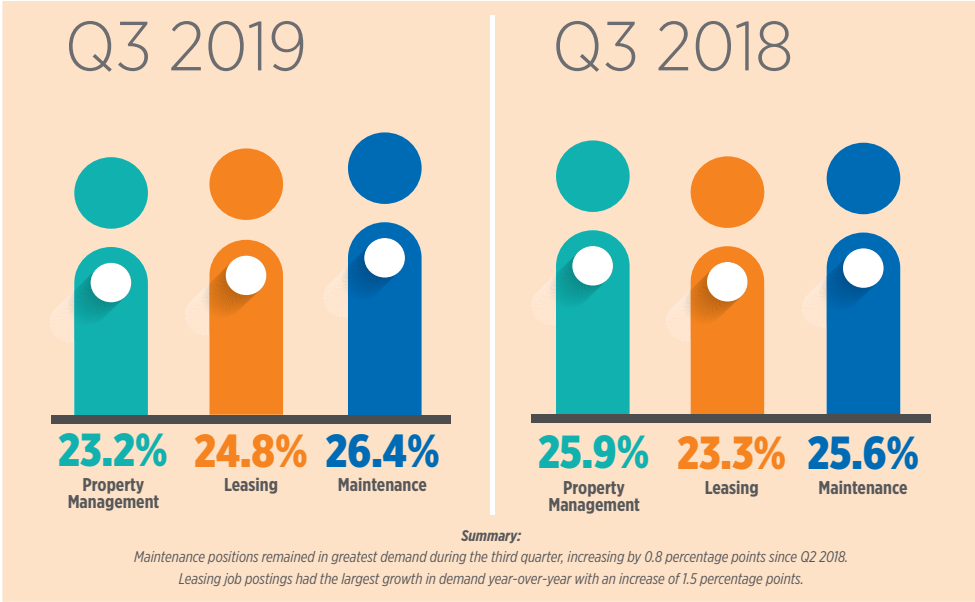
To advertise in Rental Housing Journal,  
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Total Q3 Job Postings in Apartment Industry (% of Real Estate Sector)

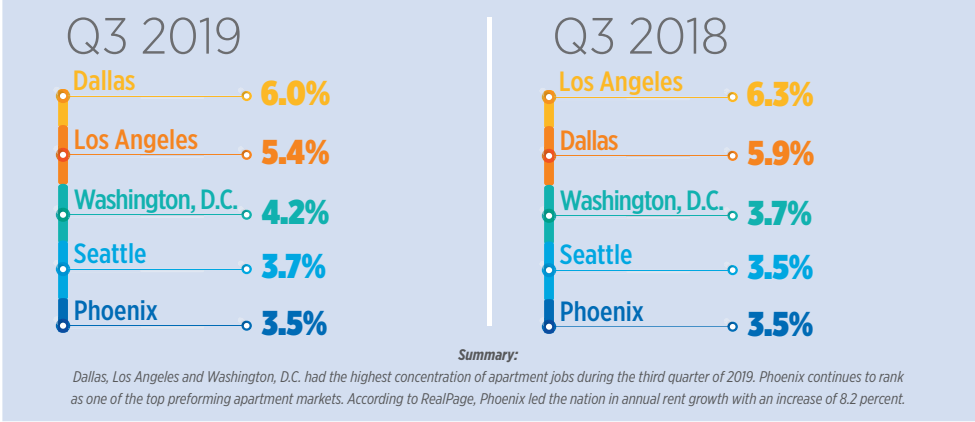


**Summary:**  
More than 41 percent of available real estate jobs in the US were in the apartment sector, increasing from 34.9 percent in Q3 2018. The demand for apartments continues to show commanding results. A hectic leasing season yielded 118,000 move-ins during the third quarter. Occupancy soared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

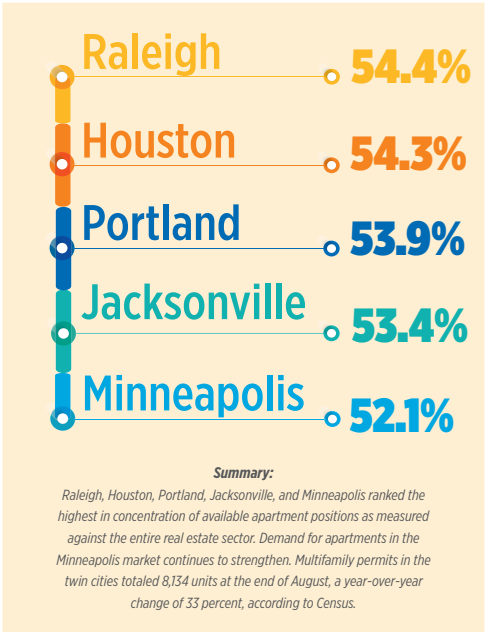
Job Postings by Major Category (As a percent of all Apartment Jobs)



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



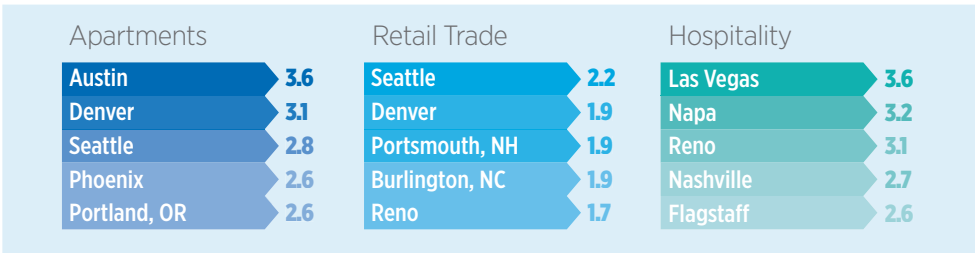
September 2019: % Apartment Jobs of Total Real Estate Jobs



The Evolution of Titles & Skills 2019 vs. 2014



Competing Sectors (Highest Location Quotients)\*\*



Common Skills (Percent of Jobs Requiring Skill)

	Apartment	Retail Trade	Hospitality
<b>Specialized Skills</b>			
Customer Service	31.6%	45.0%	25.3%
Sales	19.8%	47.2%	10.4%
Scheduling	15.5%	18.5%	18.0%
<b>Baseline Skills</b>			
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.



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).



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RHA Oregon President’s Message

# Education is Key to Dealing With Myriad Rules and Regulations Landlords Confront

Last month I used this column to raise my voice a bit more than usual with respect to the regulatory environment in which we, as landlords, find ourselves. There are few places in the country where it is more challenging to comply with the myriad regulations of developing and managing rental properties than Portland, Oregon. I ended my comments with the prediction that if this continues, housing costs will increase, and neighborhood diversity will decrease. I also promised to share some ideas that may help to reverse, or at least slow, this trend.

First, educate yourself! I have written on this theme enough times since I became RHA Oregon president that I shouldn’t need to repeat myself here. But I can’t help myself. Learn about what resources are available to help you comply with state and local regulations; this month’s RHA dinner meeting is a great place to start with a panel of three of our vendor affiliates who specialize in different aspects of tenant screening. Watch your e-mail and the online RHA calendar for

*The small-landlord business community serves hundreds of thousands of Oregonians; we will need to continue to increase our involvement with these entities if we are to have any impact on future regulation.*

additional relevant classes.

Second, educate your tenants! I budget a 90-minute meeting with new tenants when I meet them to sign the rental agreement and hand over the keys. I review the most important clauses in the rental agreement and each of the addenda. I provide concrete examples of what constitutes a violation of a clause in the agreement. When I raise rents, I explain how much of the increase is from passing through expenses, such as the \$5/month registration fee imposed by the City of Portland, the \$10/month tax increase associated with the Metro Bond for affordable housing, or the \$10/month increase in insurance premiums (your numbers may differ).

Third, educate your civic leaders and state legislators! Most state legislators hold monthly “coffees” or other casual gatherings with constituents. These are good opportunities to share your concerns and the impact of regulation on your business. I have found that although I may not always agree with my political leaders, they are usually open to listen to my argument; I like to think they will at least consider my position when evaluating proposed regulations. I try to avoid lecturing, but I also try to explain the real consequences of these regulations on our industry; see examples above.

Finally, become politically involved! In addition to the various public offices at the city, county, metro, and state levels, there

are many other commissions and advisory committees at each of these levels. The small-landlord business community serves hundreds of thousands of Oregonians; we will need to continue to increase our involvement with these entities if we are to have any impact on future regulation. Even if you cannot personally participate, you can support candidates that support landlords. One way of doing this is to contribute to a PAC such as the Good Landlord PAC. Remember that in Oregon you may take a \$50 tax credit against such contributions (\$100 for couples). Talk to your accountant for specifics.

Each November brings two important annual events: voting day and Thanksgiving. Of course, I urge you to vote. I also hope that you can use the holiday to take a break from your property management tasks and spend time with family and friends.

Happy Thanksgiving!

— Ken Schriver  
RHA Oregon President



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