

## Top 3 Questions Property Managers Ask When They Call A Roofer

Page 8

## 5 Multifamily Investing Predictions For 2020

Page 12

## Jobs in Demand in Pacific Northwest

Page 14



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## Rental Pricing Resources and Trends, By Size

BY STEVE GEIDL

Rental pricing and how to set the price of their rentals is naturally one of the first questions asked by owners.

They often have some idea – which, unsurprisingly, may lean towards the optimistic end of the spectrum. Independent pricing sources are available to provide pricing guidance and counter any internal bias. But there also are some general guidelines you can calculate yourself based on size, which are very important to understand regarding total rental yields.

Pricing is important both directly and indirectly. Directly as rental income, and indirectly in that it determines occupancy – or vacancy – and lease-up times. High pricing may result in higher volatility of rent payments and lower total revenues due to longer lease-up times or increased vacancy.

Pricing also affects the pool of

*See 'Rental' on Page 7*

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# The Rental Housing Decade: 12 Trends From 2010 to 2020

### RENT CAFÉ

The last 10 years have been the rental housing decade so we look back at 12 important trends that have seen in rental housing and what they show us.

Some of the 12 trends below may surprise you and others you may already know from your day-to-day work in the rental housing industry.

The research team at RentCafe prepared the report using data from the U.S. Census Bureau, Yardi Matrix, PropertyShark, and the U.S. News & World Report.

“We examined a number of economic and demographic indicators to get an overview of the housing trends that shaped the country in the past ten years,” RentCafe says in the report. “This past decade has transformed the relationship between America and its housing, especially when it comes to renting.”

### THE RENTAL HOUSING DECADE 12 TRENDS

**1** In the past decade average rents nationally have increased 36 percent or \$390 outpacing median home prices and median income. Of the cities with complete data for the decade, Oakland saw the highest rent growth, 108 percent. National average rent is currently \$1,473.

**2** The number of renters in the U.S. passed 100 million in the last 10 years. The renter population increased 9.1 percent, or two times faster than home owners at 4.3 percent. The percentage of those who rent, 34 percent, was the largest it's been since the '60s.

**3** Twenty U.S. cities made the switch from a homeowner majority to a renter majority. At the end of the decade, a third of the 260 largest cities are dominated by renters. Manhattan crowns itself as THE city of renters, with no less than 77 percent of its population living in apartments.

**4** More high-earning Americans are renting than ever. The number of renter households earning 150,000 a year increased two times faster, 157 percent, than that of high-income owner households at 78 percent.

**5** The number of homeowner families with children dropped significantly by



more than 1 million, down 5.6 percent, while the number of renting families with children was just about stagnant down slightly at 0.5 percent.

**6** Renting has increased in popularity among seniors. The number of renter households over 60 rose by 32 percent outpacing younger segments and even homeowners in the same age group.

**7** In a construction boom unseen since the 1980s, 2.4 million rental units were delivered this decade. A significant 40 percent of these units were classified as luxury. Texas overshadowed the rest of the U.S., with four metros in the top 20 metros which built the most units this decade.

**8** The average size of newly built apartments decreased by 57 square feet (the size of a medium bathroom) in the past decade, from 990 square feet to 933.

**9** Suburbs added renters at a faster pace, 17 percent, compared to cities at 14 percent. In 40 of the 50 largest metro areas, suburbs eclipsed urban areas in terms of renter population growth.

**10** Almost two-thirds of renters live now in multifamily units. Growth in this sector was consistent in the past decade, while single-family rentals witnessed a slowdown as the economy stabilized after the recession.

**11** The nation's priciest metros, such as New York or Los Angeles have been shrinking in population, as their residents moved to more affordable areas.

**12** Most of the millennials entered the job market this decade. If in 2010, the top 10 cities with the highest share of millennials were college towns, in 2018, they had been replaced by job hubs.

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# What Are the Best Properties for a 1031 Exchange?

By Dwight Kay and the Kay Properties Team

You are about to sell your property, and your CPA tells you that there is a large tax consequence lurking around the corner. In order to avoid paying capital gains and depreciation recapture tax, you consider a 1031 exchange whereby your taxes are deferred from the sale into a new property or group of properties. The legal and financial particulars of executing a 1031 exchange can be confusing, but many potential exchangers find it more difficult to find the next property in which to invest.

How do you choose your next investment property? There are many ways to go about looking for property to exchange into, but something that I recommend to my clients is thinking about the end goal. What are you looking to get out of your next property? For example, many of those who are looking to make a 1031 exchange now likely began with an investment in real estate that they hoped would appreciate in value. Many of these

types of properties can potentially be riskier but can appreciate more quickly. If this strategy is something that still seems interesting to you, then I would recommend looking into multi-family buildings. Depending on your risk profile, the geography, year built, and other factors would go into determining which properties would be a fit. Multi-family requires a lot of hands on management and could require out of pocket expenses. However, If you are looking to retire and take a less hands-on approach, then I would recommend other types of properties.

Many clients of ours that look for less management intensive investments may veer towards NNN properties. With a NNN lease, the tenant will pay for some or all costs associated with the overhead of a building. The leases are sometimes guaranteed by larger companies that have multiple stores across the United States. Although these properties tend to be more passive investments, management is still in the hands of the owners. If anything should happen to the building itself, it could be a liability to the management.

Between these types of real estate, there are a whole array of different strategies to implement. Another strategy is using Delaware Statutory Trusts to blend your real estate portfolio into a risk profile and return of your preference. With DSTs, you can purchase fractional interests of properties without having to make your whole investment count towards one property since minimums for 1031 exchange are typically \$100,000 and investors have the opportunity to diversify by location, property type and asset manager by investing in multiple DSTs. You can strategize on how you would like your 1031 exchange to count depending on what your end goal is. With DSTs you can employ a passive investment strategy while having the ability to invest fractionally in properties with appreciation potential. There are risks however associated with DSTs. Like with all real estate securities, there are not guaranteed returns. Each DST will be associated with their own sets of risks tied to geography, management, and asset type. We still believe that you can employ an effective strategy depending on what your end goal is through DSTs.



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

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*operating commercial and multifamily properties, short term leases associated with multifamily 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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DECEMBER 2019

How A Regular Maintenance Schedule Can Help Busy Landlords Page 4

How Rent Control Limits Owner Profits and Maintenance in Portland and Seattle Page 8

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**SEASONAL SLOWDOWN**

**Rent Growth, Demand For Multifamily Housing Stalls**

**Yale Mayors**  
Rent growth and multifamily demand for housing remains strong and continues despite a nationally forecasted decline in the rental rate in November, according to the latest report from Yale Mayors.  
Average rents fell slightly in November to \$2,472 per month as the winter seasonal slowdown starts to take hold.  
Rents are up 1.1 percent year-over-year and have been up 16 percent or higher since the spring of 2015, which demonstrates the strength and consistency of demand. The report also noted that the seasonal slowdown is expected to continue through 2020. The substantial demand for multifamily housing remains, and the growth will likely accelerate again in the spring.

**Scenes from TRENDS**

Attendees, Vendors Crowd 35th Annual Rental Management Conference and Trade Show in Seattle on Dec. 10

# 4 Difficult Hurdles in the Life of a Landlord

By MILDRED DELGADO

From an outside perspective, being a landlord seems like the sort of job that you could do with your eyes closed.

All you have to do is make sure that the apartment building doesn't burn down and the money comes flooding in, right? In reality, the opposite is true.

There's so much more to being a landlord than it seems that sometimes it can be an immensely stressful job, made harder by the fact that people underestimate the difficulties.

But, if you're thinking about being a landlord, or you already are one, or you're just curious about what the life of a landlord is like, then here are four of the biggest challenges they face in their daily lives.

## 1. GAPS IN YOUR TENANCIES

In life, nothing lines up quite right. This is certainly true when it comes to being a landlord, and is a particular problem when you are trying to ensure that you can keep making a profit on a building. One of the biggest problems for a landlord are those awkward periods between tenants, where an apartment is sitting unrented but draining money. This can occur even if you have a good flow of customers.

The gaps occur when you can't line up your move-in, move-out dates perfectly, which, unless you're leasing something in a city as packed as New York City, is a simple reality of rentals. The way to avoid this problem is to have a really strong understanding of the organization and a complete understanding of how to keep your property an attractive prospect at all times, pricewise and otherwise.

## 2. DAMAGE TO YOUR PROPERTY

It doesn't matter who you are, or how



hard you try to avoid it, at some stage or another, your property will get damaged in a major, noticeable way. There's always a bit of a feeling of panic with damage to property; even though it's a building, you start to see how vulnerable things are for the place that generates your income. A quick tip is that all noticeable physical damage to the property must be dealt with as soon as possible. Problems have a nasty way of propagating themselves in physical structures, so even if it looks fairly minor to you and your tenant(s) doesn't care, action has to be taken to protect the long-term viability of a property.

## 3. HANDLING TENANTS WHO STOP PAYING RENT

This is a classic issue. Even with a credit check and all the rest of the hoops a prospective tenant needs to jump through, people do just fall into rough patches financially. The problem is that there's a fine balance to strike in dealing with it, and you need to assess a few things in order to know how to handle this tricky issue.

How likely is it that it's just a rough month or so?

How important is it to you to keep this particular tenant in your property?

What's their personal credit with you like?

These are the sorts of questions you need to ask yourself when handling someone who isn't paying rent when they should be. You don't want to lose money, but eradicating a tenant or taking too little action will end up with losses on your end.

## 4. COMPLIANCE TO REGULATIONS NOW PART OF THE LIFE OF A LANDLORD

This is, unfortunately, a problem that will never go away. There are more and more rules and it's increasingly important for you to pay the utmost attention to them as a landlord. Compliance is like a cloud hanging over your head as you try to conduct business. It's a hassle, it's as simple as that. You need to make sure that you have the proper channels in place to be certain that you hear about all of the changes in policy on landlord responsibilities and rental agreements.

## CONCLUSION

It's a tough job being a landlord; a client-facing job that has lots of back-room responsibilities as well – and many different areas you need to be skilled in, from handyman to tax lawyer. Hopefully, this list offers you a little peace of mind that you're not alone!

*Mildred Delgado is a marketing strategist at AcademicBrits. She works with a company's marketing team in order to create a fully-functional site that accurately portrays the company. She is also a landlord based in Portland, who prides herself on safe, decent, habitable housing.*



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# Landlords May Have to Accept Security Deposit Insurance in Lieu of Cash

By Karen Marshall

Security deposits remain a steep financial barrier for low-income tenants and young renters with minimal savings. The financial strain is compounded when relocating because renters must pay first and often last months’ rent plus a new security deposit before having their current deposit refunded.

A New York-based startup, Rhino, aims to lower the financial barriers for renting an apartment and seeks to work with governments at the local, state, and federal levels to help legislators pass laws it says will benefit low-income citizens, according to a New York Times article.

Rhino was founded in 2017 with the goal of getting back to renters the billions of dollars that are locked up in cash security deposits, all while protecting landlords and their property.

Nationally, security deposits are tying up over \$45 billion. This is money that could otherwise be reinvested into local economies or used to cover critical expenses like healthcare, childcare, student-loan debt, and other burdens.

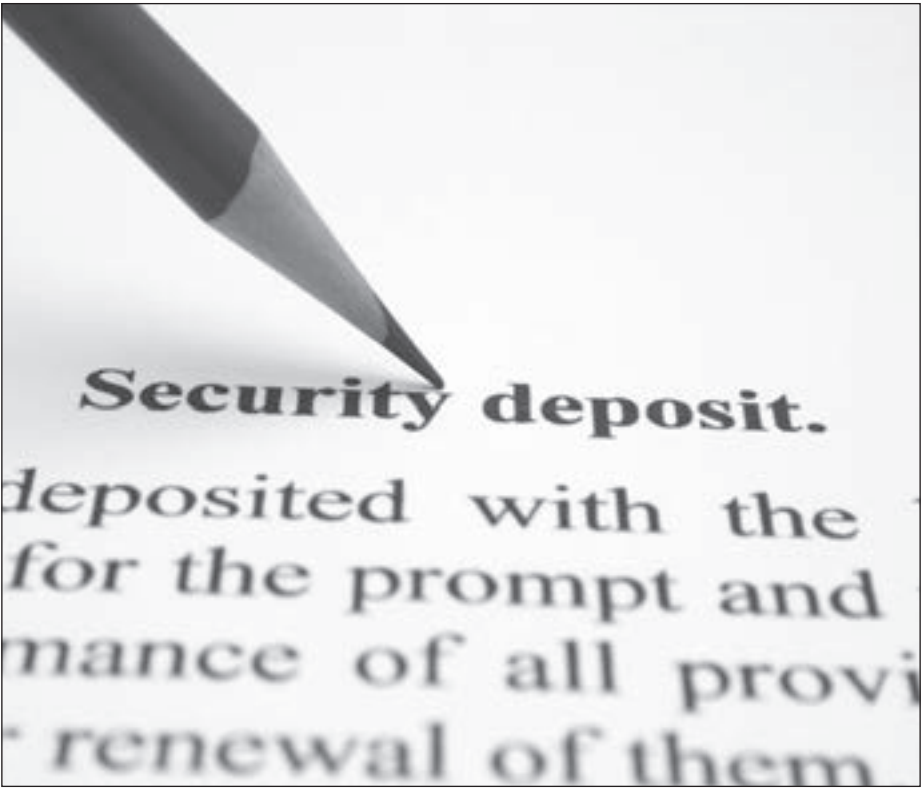
Rhino offers security-deposit insurance to give renters the option of paying a small monthly fee, generally \$10-\$20, to cover an insurance policy for the landlord. This benefits the tenant by needing less cash up front, and benefits the landlord by paying for damages up to the limit of the policy, which is generally equal to the amount of the security deposit.

## CINCINNATI FIRST IN NATION TO PROPOSE LEGISLATION

Cincinnati City Councilman P.G. Sittenfeld (Dem.) introduced a local bill that would require landlords to accept security-deposit insurance as an option instead of a cash deposit.

The Cincinnati City Council will begin reviewing the measure in December, and if passed, Cincinnati will be the first city in the nation where renters wouldn’t need an upfront cash security deposit.

Nearly two-thirds of the Cincinnati population are renters. For the younger renters and those who are more economically challenged, “the amount tied up in a security deposit can literally be the total of their life savings,” said Sittenfeld. More than 40 percent of Americans have



less than \$400 in savings.

“To get an apartment in Cincinnati, you might need at least \$1,000 extra for a security deposit, which is greater than many Americans’ life savings,” said Sittenfeld. “With this kind of insurance, someone can instead pay a small monthly fee, removing a big barrier.”

Cincinnati Mayor John Cranley, who supports the bill, said “This legislation will make housing more affordable, offer protection to landlords, and put money back into the pockets of hardworking people here in Cincinnati. Reducing the amount of upfront cash required from a renter would lift a huge burden, be a direct benefit to tenants, and spur our local economy.”

Sittenfeld’s office estimated the amount of security deposits held by property owners in Cincinnati to be roughly \$70 million.

## RHINO LOBBYING LAWMAKERS

“The idea is pretty simple,” said Ankur Jain, the chairman and co-founder of Rhino, based in Manhattan. “Security deposits have been vastly overlooked for the past few decades and as rents have gone up, security deposits have become a much bigger barrier than they used to be for renters.”

*“To get an apartment in Cincinnati, you might need at least \$1,000 extra for a security deposit, which is greater than many Americans’ life savings. With this kind of insurance, someone can instead pay a small monthly fee, removing a big barrier.”*

“The greatest challenge is working against legacy and industry norms,” said Rhino CEO and co-founder Paraag Sarva. “That start has begun, but there is a huge amount of inertia behind the status quo and that is far and away what we are most challenged by day in and day out.”

To help speed up the process, Rhino is working alongside policymakers to enact change on a federal level. Rhino announced its new policy proposal, created in collaboration with federal, state and local

government officials.

The proposed policy essentially allows for renters to be given a choice:

- Pay the security deposit in cash upfront, or
- Pay security deposits in installments, or
- Use security-deposit insurance to cover deposits.

Rhino says it will be sharing the policy proposal with 2020 presidential candidates on both sides of the aisle, and is now focused on building political support for local policies nationwide that would require landlords to accept alternatives to security deposits and give renters more flexibility.

So far, Rhino says it has saved renters upwards of \$60 million in 2019, with users in more than 300,000 rental units across the country.

## OPPOSITION TO THE PROPOSAL

Not everyone is happy with the proposed legislation. Charles Tassell, chief operating officer for the National Real Estate Investors Association, says, “Security-deposit insurance should really be an option only for the high-end, newly built apartment complexes.

Tassell adds, “The smaller landlords are already doing a version of it. Many property owners already take installments, but mandating those options has a lot of unintended consequences.”

Those opposed to the bill are quick to point out that Rhino is poised to benefit financially from the legislation. A growing number of insurance carriers are now offering these policies, including LeaseLock, SureDeposit, TheGuarantors, and Rhino, among others.

If passed, this legislation may apply to existing tenants as well. Current tenants may potentially request a landlord to refund their security deposit if they purchase a security deposit policy instead, freeing up their cash, while continuing to live in the same rental property.

While tenants benefit by not needing as much cash up front, it is important to note that the cost of the security-deposit insurance is non-refundable. Long-term tenants may end up paying more for insurance premiums than the cost of the security deposit (which would have been refundable).



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# Is an Old Drug Conviction a Big Deal?



Picking the right tenant for your rental often involves a tenant who is up front, and honest. This week a landlord asks, “Is an old drug conviction a big deal?” Each week veteran landlord and property manager Hank Rossi answers questions from other landlords and property managers around the country about their rentals.

**Dear Landlord Hank:** We have a potential tenant with a meth conviction from five years ago who says he is now clean and more mature. He told us right up front we would see his old drug conviction when we checked his criminal record, and that he has not done any drugs since his conviction. Has a good job, good pay and always paid his previous landlord on time. Do you think we should rent to him? — **Landlord Sam**

**Dear Landlord Sam:** This is a tough one.

Has this potential tenant good references for the last 5 years from more than one landlord and employment reference?

Since this is a conviction and not just an arrest, this applicant could be denied as criminals are not a protected class under Fair Housing law (no legal advice here!).

But people do change and if this person really has moved on from his criminal past, and you can verify that without a doubt, you could give this applicant a chance despite the drug conviction.

I’d want to know if the meth conviction was for using the drug, manufacture of the drug, distributing the drug or any combination of these.

Be fair with this applicant and treat this applicant and all applicants the



same.

If you do accept this person as a tenant, he can’t have any special treatment like frequent inspections, etc.

\*\*\*

**Dear Landlord Hank:** Do you always use the same paint color throughout all your rentals or do you sometimes use different interior colors? We are considering an accent color on a wall in the living room, but do not want to offend potential tenants. What colors do you use? — **Landlord Eileen**

**Dear Landlady Eileen:** I always try to use the same color throughout all my rentals.

I’ve found that to be the most cost effective and efficient way, for me.

Sometimes, I can get away with just touching up, and I always know what color I used last without having to keep track of which unit was painted what color, when.

I use an off white color with bright

white trim.

**USE A DARKER PAINT COLOR BELOW RAIL IN DINING ROOMS**

I often will have chair rail in my dining rooms and use a darker color below that compliments the flooring, and a lighter color above in the same color family.

This requires some keeping track of paint colors and is often a pain, but I like the results, it’s a warmer look and more inviting to me. (These are Atlanta choices, not Florida.)

When you use accent colors you do risk losing someone that doesn’t like your choice.

If that were the case, and this was a great prospect, you could repaint but that’s more money and time.

For efficiency and cost effectiveness, it’s best to use the same color, and brand of paint.

\*\*\*

**Dear Landlord Hank:** A house that

we manage has a failing septic system. The repair process is likely to take about two months. The landlord would prefer that tenant temporarily moves out during repair (for various valid reasons) and is even willing to assist with the cost. Tenant insists on staying and has agreed to “drastically reduce” their water usage during this time. Can the landlord “force” the tenant to temporarily move out (and abate rent during this time, of course), or does the tenant have the right to insist on staying, even if that makes the septic repair more complicated? — **Cory**

**Dear Landlor Cory:** All leases that I’ve ever seen have a section called Fire and Casualty. Most read something like this: If residence becomes uninhabitable by reason of fire, explosion, or by any casualty, management may, at its option, terminate rental agreement or repair damages within 30 days.

If management does not do repairs within this time or if building is fully destroyed, the rental agreement is hereby terminated.

You are in control. Having no water in a building would be considered to be a casualty making the building uninhabitable, in my opinion.

It would certainly be for the best for this tenant to relocate during this repair. Even with drastic reduction in water usage, there has to be somewhere for this water to go, which would be the non-existent septic system.

I would tell the tenant they must move out, and that would be an absolute requirement, if they want to return. Good luck.

*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 here in Florida and Atlanta. Visit Hank’s website: <https://rentsrq.com>*

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# Rental Pricing Resources and Trends, By Size



*Continued from Page 1*

applicants. The higher the price, the smaller the pool of applicants. Using a common 3x rent-to-income approach diminishes the pool quickly as you move into the upper echelons of household income. For example, rent of \$3,000 per month would require an annual household income of \$108,000 – which equates to roughly the 70th percentile of household income in the Portland/Vancouver MSA. Said another way, only 30 percent of the population would qualify to rent your unit based upon income. Other exclusions (such as no pets) may quickly reduce that pool further. Rental-pool size is a larger subject, but you get the idea.

As housing increases in size, pricing can be difficult to estimate due to diminishing returns. While the difference tenants are willing to pay for 200 more square feet may be significant as square footage increases from 800 to 1,000 square feet, the extra they are willing to pay as it increases from 2,000 to 2,200 may be significantly less. The diminishing-return trend can be calculated by plotting available rentals and their asking prices.

**RENTAL PRICING PER SQUARE FOOT**

The following graph illustrates the declining price-per-square-foot as the rental size increases. This graph includes all properties currently listed for rent on Zillow in West Linn, OR (as of December 14, 2019). The price per square foot is shown on the vertical axis and the total square foot of the unit on the horizontal. For example, a 1,400-square-foot house may rent for \$1.50 per square foot (\$2,100 per month) while a 2,500 square foot house will rent for \$1.10 per square foot (\$2,750 per month).

There is a distinct trend of diminishing income per square foot as size increases. The breadth of pricing at a given square footage may stem from various factors, including location of rental, quality, included amenities, pet acceptance, and simple pricing errors.

As you may imagine, type of rental (single- or multi-family) affects the slope of the rental-income curve. The following charts illustrate single- and multi-family separately. The range of square footage for multi-family units is more compact than SFR.

Interestingly, the slopes of the trendlines for both single and multi-family units

decrease at very similar rates. The decline in average rent as size increases is as follows for this group of rentals:

**SFR**

- 3.3¢ per 100 square feet
- 33¢ per 1,000 square feet

**MULTI**

- 2.9¢ per 100 square feet
- 29¢ per 1,000 square feet


At first glance those may seem like small numbers but extrapolating into annual rents for long-term properties the results can be highly significant. The yield differential between a 1,500 square foot rental and a 2,000 square foot unit is very significant – especially when you factor in the additional costs of purchasing, operating, and maintaining the larger homes – think roofs, window counts, flooring, yard maintenance, etc.

Third party pricing guides are very helpful in providing an unbiased (albeit unseen) estimate of your property. And absent notable differentiators such as location or amenities, are likely reasonably accurate. Rentometer ([www.rentometer.com](http://www.rentometer.com)) and RentRange ([www.rentrange.com](http://www.rentrange.com)) are 2 sites worth a visit. And again, Zillow will automatically provide an amount that will be seen by all visitors. The combination of these 3 estimates will provide you with a default rental amount.


Keep in mind that renters will likely also see estimates – particularly on Zillow – and may assume that your higher price is out of line with the market. Owners must counter that price anchoring effect with photos and a compelling description that justifies a higher rent variance. On a side note, while I love Craigslist please exercise caution when using it for anything rental related including rent pricing. Most rental horror stories begin with “I saw an ad on Craigslist...”

Using these third-party pricing sources will you give several data points as a backdrop for your pricing decision. Understanding the diminishing return trends in pricing will also help to guide your pricing – and investment decisions. Good luck!

*Steve Geidl is a licensed Property Manager and Residential General Contractor living in West Linn, Oregon. He can be reached at [geidl.steve@gmail.com](mailto:geidl.steve@gmail.com).*

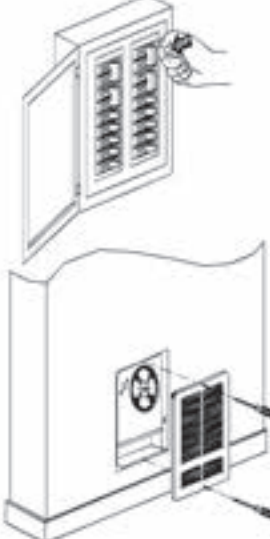


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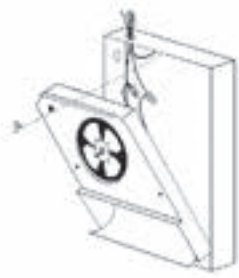
### Cleaning and maintenance guide for W-series heater

Regular maintenance on your electric wall heater will prolong the heater's life and keep it operating safely. W-Series heaters should be cleaned and inspected every 6 months. Heaters that are not cleaned regularly can become clogged with foreign matter causing the heater to produce excessively high discharge temperatures. A combustible object placed too close to a heater in this condition could ignite, starting a fire. We recommend that combustible materials always be kept at least 3 feet away from the front of the heater and 1 foot from the sides. This guide will show you in detail how to properly clean and maintain your King electric wall heater. It will also show you when the heater interior should be replaced. Listed below are step by step instructions for cleaning and maintaining the W-Series wall heater. If you do not feel confident performing the tasks listed in this manual, please contact a professional electrician or qualified repair person to do it for you.




**WARNING** Take extreme caution when working with electrical heaters. Turn off the electrical power to the heater by switching off the circuit breaker or fuse feeding the heater before removing the grill. Lock, tape or tag the circuit breaker so that the power cannot be turned on accidentally while working on the heater.

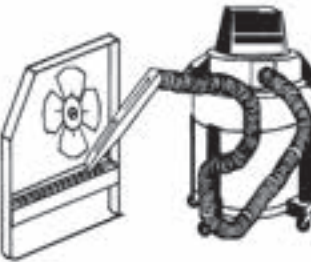
After the power is turned off, remove grill using a #2 square drive or a #2 phillips head screw driver. Clean grill by vacuuming or wiping off before reinstalling.



Remove the heater interior from the wall can. To do this:  
1) Unfasten the screw at the top of the wall can as shown.  
2) Tip the interior forward to expose the power supply connection wires. 3) Disconnect the power wires, making sure you mark them so you can reconnect them exactly the same way, if wires become crossed they could short causing damage. The interior should pull out easily after the mounting screw and electrical connections are removed.



Use a square drive or phillips to remove the four screws that hold the interior cover. Once removed, you have access to the heating element.



Vacuum out any foreign material that is in the chamber between the fan and heating element by using a vacuum as shown. Use a soft bristled brush, such as a paint brush, to loosen any contaminants that may be stuck to the interior surfaces. Never use water or chemical solvents to remove contaminants. Also, spin the fan by hand to make sure that it spins freely. If it feels like the motor is binding, see the instructions below for oiling the motor. Be careful not to bend the fan blade because it can become out of balance if deformed. The fan can be removed to gain more access by using a 3/32" allen wrench. If done, replace the fan in the same position on the shaft as before.

The useful life for the W-series heater depends on the amount of use, environment, and how often it is cleaned and maintained, generally they will last for 8 to 10 years. Heaters operated beyond their useful life are more prone to safety problems. For example, if a motor slows down due to wear or lack of cleaning it reduces the airflow, which can cause the safety limit to trip due to excessively high temperatures. The limit will cycle the heater on and off and eventually fail. For safety reasons, it is important to clean or replace a cycling heater as soon as possible. Heaters produced after 1992 have an indicating light which will turn on when the limit trips and then turns off after the heater cools down. If you see this light coming on, discontinue use of the heater and inspect it immediately. Heaters prior to 1992 do not have the indicating light. When the limit trips it makes a audible click, so by listening close to the heater on older models you can determine if it is cycling. Heaters manufactured in 2001 were equipped with the **SMART GUARD** high temperature limit system which does not utilize the warning light lens. Also, look at the grill to see if it has discolored from high temperatures. In either case, if you suspect that your heater is not functioning properly, discontinue use and follow the guidelines mentioned in this manual or call a qualified electrician. As mentioned before, always keep combustible materials at least three feet away from the front of the heater and one foot from the sides. With regular inspection and maintenance of your electric heaters they will operate safely and efficiently.

# Top 3 Questions Property Managers Ask When They Call a Roofer

RENTAL HOUSING JOURNAL

The top 3 questions property managers ask when they call a roofer are because property managers have two interests at heart – they don’t like their roofs to leak and they don’t want to spend any more money on them than they have to, according to Eric Skoog, owner of Sunvek Roofing in Phoenix.

**No. 1 – CAN WE DO A LOCALIZED REPAIR RATHER THAN REPLACE THE WHOLE ROOF?**

That is their first fear, that we are going to come back and say everything needs to be redone. And sometimes that is the case but usually we are able to do one plane or face of the roof, or in a flat roof just a section of it as far as repairs go. Our general experience with flat roofs is that if we can catch it early enough we can do roof restoration. If maintenance is deferred too long then we are looking at replacement. And there is a tremendous difference in cost.

**No. 2 – HOW MUCH WILL IT COST?**

Money is always an issue.  
Can it be a localized repair, and what will it cost?

**No. 3 – HOW QUICKLY CAN YOU GET IT DONE?**

If it is a leak they want us there immediately to at least stop the leak and then come back when it is not raining to do the repairs.

“With the property managers that we deal with it really has been nice that for the most part they are proactive,” he said.

“They are looking ahead for their budget for next year. They want us to walk their roofs and give them our honest opinion about the condition of the roofs and what they can do to maintain them rather than having to replace them,” he said.

“Regular maintenance and a good roofing contractor can help. If, for example, property managers have their roofs walked at least annually, and preferably semi-annually, the roofer can verify all roofing penetration areas are water-tight and sealed as needed,” Skoog said. “Also, on pitched roofs, valleys need to be cleaned out so water or snow can move quickly off the roof, resulting in less chance of damage and water entry.

“I think quite often, building owners mistake maintenance with roofing cost. Our experience is that if you maintain a roof – meaning having someone go up there periodically, do minor repairs, check the roof to make sure everything is in good shape, you are much more likely to be able to extend the life of that roof than you are by ignoring it in order to save money until it leaks,” he said.

Especially that is the case with flat roofs.  
“Very typical on multifamily roofs, you will have mansards, eaves or porch covers on the exterior and a flat roof in the central area simply because it is a less costly way to build initially, and you hide most of the roof,” Skoog said.

“You typically have larger, flat, expanses of roof to deal with. And those flat roofs are going to be some form of roll product – which is either self-adhered, heat-sealed, or some form of adhesive – or maybe spray polyurethane foam,” he said.



“With foam roofs you do have the issue that they need to be periodically coated. It is much less expensive to maintain than replace. With a roll product you have the issue that seams can pop open, sealant can come loose, and you can have water entry.

“If those roofs are periodically checked and maintained you can defer the need for major investments in restoring them.

“Additionally, with any flat roof system you should be able to coat it at some point and extend the useful life, thereby saving significant sums of money rather than letting that system deteriorate to a point where you need to replace it.

“It is much more cost effective to maintain, coat and restore a roof than to ignore, repair and replace a roof. And of course your tenants tend to be happier when they don’t have water leaking in their unit,” he said.

**COST OF AN ANNUAL ROOF WALK FOR PREVENTIVE MAINTENANCE?**

The cost of a roof walk check by a roofer is going to vary depending on the size of the apartment complex. If you have a number of buildings, the unit investment is going to be lower.

“But I think for a typical, 12-unit multifamily building, which might be either two or three stories, it would be reasonable, semi-annually, to have somebody walk the roof, check the penetrations, assess the need for repairs and/or replacement or restoration for \$500 to \$1,000,” he said.

The larger the number of units, the more cost effective it could be. It could get down to as little as \$50 per unit dependent on the type of roof system, he said.

**TENANT COMMUNICATION IS KEY FOR ROOFERS IN ROOF WORK**

“The ideal client for us is one who is proactive. They want to maintain their building. They want to keep their tenants happy. And they see the value of having a roof system that keeps water, snow and ice out because that is much cheaper than having to come back and fix it,” he said.

He gave an example of how it worked at an apartment complex he replaced the roofs on several years back.

“The complex had roughly 450 units, so we had hundreds of tenants to deal with. The complex consisted of 20 buildings. We did one building, then moved to the next, and so on through the complex. The property management company was very good to work with. We sent notice in advance saying, ‘We will be on building A, starting this date, we expect it will take a week to 10 days.’ They would then send a notice to the tenants and post a notice on every door. Plus they sent digital communication, either text or email to every one of the tenants so everyone would know that we were coming.

“They were also really good about including a telephone number to call so that if the tenants had any questions, they could call the property management office, or our office, and one of us would address the issue.

“Our crews went there, set up our tape lines, and did our work. First we had to replace underlayment on the tile roofs, then we did the repair work and coating to restore the flat roofs. It worked out as well as it did because the property management company was very willing to work with us to ensure their tenants were communicated with – as well as to ensure our work crews had the information they needed to do their work.

“For example, they asked the tenants to please not park in these spaces where we need the space available to get our equipment in. And we, on our part, tried to make sure the tenants were notified at least a week or two in advance that we are going to be on their building – ‘here’s what you can expect, here are the hours we will be here, if you have any questions here is who you can contact.’

“It works really well when the property management company and the roofer can work together to coordinate the work,” he said.

**STARTING A ROOF REPAIR CAN HIGHLIGHT OTHER MAINTENANCE ISSUES**

“We have had tenants approach our roofing crews and ask, ‘Ok that’s great you are getting the roof fixed but when are you going to come back and fix the damage inside my unit from the leaks?’

“And our guys say we really don’t know the answer to that. But, our guys have been very good about telling the tenants we will pass the information on to the property management company because that is not typically something we do. And typically the property management company has somebody who does that type of repair,” Skoog said.

**LOCAL CODES AND REQUIREMENTS FOR ROOFS AND ROOFERS**

In some states each community may adopt its own building codes and standard requirements. So you do have variation in requirements. Property management has to be sure and check all locally applicable codes and requirements and be sure your roofer knows them as well.

To advertise in Rental Housing Journal, call Vice President/Sales Terry Hokenson at 480-720-4385 or email [Terry@rentalhousingjournal.com](mailto:Terry@rentalhousingjournal.com)



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# New Pet-Damage Insurance Gives Managers More Potential Tenants

RENTAL HOUSING JOURNAL

Pet-deposit protection is now being offered by a company to help property managers cover any pet-related damages and allow tenants to lease a property without an extreme up-front pet deposit.

Jetty Pet is a new offering from Jetty, a financial services company. Jetty Pet is Jetty’s pet protection for property managers, which can be used alone or combined with Jetty Deposit to replace a traditional up-front pet-deposit charge.

This can give properties increased coverage against pet-related damages and a more streamlined leasing process—while keeping move-in costs lower for the renter.

“We always have an ear to the ground on the fundamental problems our partners face, and how we can solve even more of them,” said Mike Rudoy, CEO and co-founder of Jetty, in a release. “Jetty Pet is just another way we give partners the protection they need, while keeping costs low for the many pet-loving renters nationwide.”

According to Jetty’s nationwide survey of U.S. renters, more than 70 percent of pet owners have decided against applying for a rental home or apartment because the costs to have a pet were too high.

This can have a negative impact on the number of qualified applicants at pet-friendly buildings. But without the added protection of a pet deposit, properties risk exposure to pet-related damages and unforeseen expenses, which can cost much more than what a pet fee might cover.

Jetty Pet provides the pet-related protection to a rental home, while alleviating the burden of high up-front costs for the renter.



PET-DEPOSIT PROTECTION

How it works is that renters pay a one-time fee to Jetty, which replaces a traditional pet deposit. A fee of \$200, for instance, covers a potential \$1,000 in damage. A traditional \$200 pet deposit covers only \$200 of potential damage (which is why most pet

deposits are higher).

Property managers benefit from marketing a lower move-in cost, filling more units while having the added protection of an admitted, non-pooled product, and generating meaningful ancillary revenue for the portfolio.

More protection against pet-deposit damages: Pets are capable of causing a lot more damage than what a typical pet deposit might cover. Properties can get more coverage without raising move-in costs.

Lower move-in costs (competitive edge): In addition to eliminating security deposits through Jetty Deposit, Jetty renters can save on costly pet deposits, reducing move-in costs for qualified renters and giving Jetty properties a competitive edge.

Simplified overhead: Jetty properties benefit from a streamlined operation process. With the addition of Jetty Pet to Jetty Deposit, both deposits are replaced by one fee. Properties don’t have to worry about managing checks, and there is less confusion for residents.

Jetty works with property managers across the country to increase lease-conversion rate, reduce bad debt, and streamline operations, hereby increasing net operating income.

Partners include LivCor, Related, Pinnacle, MG Properties, Trammell Crow, Griffis Residential, Cortland, and many more. Jetty’s products are written on A-rated paper, and are admitted in 49 U.S. states and D.C, which means they have been approved by those states’ insurance departments, providing additional consumer protections.

*Jetty is a financial services company that helps property managers increase lease conversion, reduce bad debt, and streamline operations. For the renter, Jetty lowers the barrier to entry, potentially saving residents thousands of dollars on move-in costs.*

An advertisement for South Tacoma Glass Specialists. The top half features a photograph of a multi-story brick and white apartment building. To the right of the building are two inset images of different window styles: a white-framed double-hung window and a grey-framed triple window. Below the building photo is a dark blue banner with the text "MULTI-FAMILY WINDOWS SPECIALISTS" in white. To the right of this banner is another blue banner with the text "WE TAKE CARE OF ALL THE REBATE PAPERWORK" in white. Below these banners is a large blue banner with the text "SEE HOW MUCH OUR CLIENTS SAVED ON NEW WINDOWS!" and the website "www.southtacomaglass.com/savings" in white. At the bottom left is the South Tacoma GLASS Specialists logo, and at the bottom right is the text "CALL FOR FREE ESTIMATE 253-582-2401" in blue.

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# New Research on Housing Affordability and Rent Control

Washington continues to grow. Our state's population has exploded by 12 percent in the last decade with no sign of slowing. By 2030, Washington needs nearly 10,000 new apartment homes built annually in addition to other housing types so that everyone who needs a home can access one they can afford. Meanwhile, we must support current residents so they can continue to live in their homes and communities.

## PARTNERSHIP FOR AFFORDABLE HOUSING

The Partnership for Affordable Housing is a 501(c)4 nonprofit, formed out of a strong and shared interest to come together to provide fresh ideas and solutions to providing a wide range of housing options for all Washingtonians.

Like many other parts of the country, Washington state's rapid growth presents significant challenges. The coalition takes a proactive approach to address housing affordability in the state and is focused on the following principles:

- Support the creation of all types of housing that meets the needs of every Washington resident.
- Enact new policies that help residents to stay in quality, affordable housing for the near and the long term.
- Give local communities more tools to keep housing affordable.

## POLICY SOLUTIONS WE CAN WORK ON TOGETHER

Washington needs to create more housing that meets the needs of people of all income levels. Rent control does the opposite. Rent control reduces housing creation and will make Washington's housing crunch even worse.

Instead, Partnership for Affordable Housing supports effective solutions that will address the immediate need to help residents remain in their homes and communities while laying the groundwork for the creation of more housing for everyone.

- Provide rental assistance for residents in need: A community fund that helps residents remain in their homes in both short- and long-term instances.
- Create multifamily tax aid: Property tax exemptions for housing providers who keep rents below market rates to maintain quality, affordable housing.
- Build public/private partnerships: Partnerships between government and the private sector that create a range of housing that fits the needs of more people.
- Increase and expand the Washington Housing Trust Fund: State-created program to fund affordable housing projects through a competitive process throughout the state.
- Support Local Housing Levies: Jurisdictional programs that develop and preserve affordable housing and/or provide direct assistance to families at immediate risk of eviction and homelessness.

Partnership for Affordable Housing

has commissioned ECONorthwest, a respected economic consulting firm, to conduct independent research on the effects of rent control on housing affordability.

The research concludes that rent control would have significant negative impacts on housing in Washington. Rent control does nothing to address Washington's underlying housing challenges.

The evidence shows the counterproductive effects of rent control. According to the report, rent control:

- Would reduce housing production, resulting in housing scarcity
- Can lead to poorly maintained housing
- Can lead to lower resident mobility
- Can lead to an inefficient allocation of housing
- Would reduce property tax revenue by \$750 million over 10 years
- Would reduce sales tax revenues

Cumulative, numerous policies that delay new development of housing can drive up costs and reduce overall supply. Rent control would further impact development feasibility, resulting in reduced housing supply and increased housing costs.

## MODELING THE IMPACTS OF RENT CONTROL

National Apartment Association has recently published research on the impact of rent caps on four cities: Seattle, Denver, Chicago and Portland.

Rent growth caps affect the apartment industry in several ways, each of which is estimated in the model.

The analysis of the model outputs concluded:

- The expected change in rental values across metropolitan areas ranged from 2 percent in Chicago to 9 percent in Seattle. The effect on new apartment construction would also be substantial, but it varies significantly across metropolitan areas. Seattle would see a reduction in construction of 1,739 units per year, or 20,868 apartment units by year 2030.
- The models estimate that annual maintenance spending would fall by \$5.9 million in Seattle; 46,085 units would be at increased risk due to decreased maintenance through 2030.
- The total rental income lost for apartment owners would be significant. The model estimated that total annual income loss would be \$33 million in Seattle.
- If property value losses are realized in the assessment of property, then they would also be realized by lower property tax collections.
- Taking the property loss estimates and assuming that property assessments follow market value losses, annual property tax revenue losses would be more than \$5 million annually in Seattle.

Housing development, rehabilitation and property maintenance generate significant economic benefits in terms of job creation

and wage growth and overall economic value to the state economy. Rent control policies eliminates most of this benefit as development, renovation and rehabilitation of rental housing activity is significantly reduced or eliminated.

## HOUSING UNDERPRODUCTION IN WASHINGTON STATE

In a new research report from Up For Growth, a coalition of stakeholders who believe that communities should grow for the benefit of every person, Washington state has underproduced housing by 225,600 units from 2000 to 2015.

This underproduction has created a supply and demand imbalance that has contributed to rising costs of housing.

According to the report, artificial barriers to increasing housing production to a level needed to keep up with demand include:

- Zoning restrictions biased against high density
- Escalating and misaligned fee structures such as impact fees
- Poorly calibrated inclusionary housing requirements
- Lengthy review processes

Legislative burdens have escalated

the housing shortage leading to rental cost increases. Policy solutions to future housing imbalance include creation of incentives for localities to produce more private sector housing, impact fee reform, expanded funding for affordable housing, zoning reform, and increased public-private partnerships.

The state's legislative session begins in January, and lawmakers will be proposing a myriad of bills, including many that work to address housing issues.

WMFHA will be working with our state legislators on these policies to ensure that they are equitable and do not lead to unintended consequences that might have the opposite effect as to their stated intentions. Grassroots advocacy is needed more than ever to preserve affordable housing in Washington and to avoid the costly impacts or poor legislation.

*WMFHA serves the rental housing industry and the broader community by supporting the multifamily housing industry, our members and residents of our housing communities. To learn more about membership in this leading organization, simply call us at 425-656-9077 or visit our website at [www.wmfha.org](http://www.wmfha.org). Follow us on Facebook and our other social channels for up-to-date information on association activities.*

*"I understand the power in engaging with the industry's leading advocacy organization. It was a no-brainer to join the association."*

- DENNY THOSTRUD, AFB

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# 5 Multifamily Investing Predictions for 2020

By VINNEY CHOPRA AND JON ROOSEN

The market for multifamily properties is continuously changing. In the light of major political, social, and economic developments, investors will have to look at the bigger picture. Adaptation is the key to success amid an uncertain landscape. Whether to resist or go with the flow will depend on what investors want to achieve in the foreseeable future.

It's because of these fundamental reasons that investors will have to keep themselves abreast of significant disruptions in the multifamily field. For that, they will have to be aware of these disruptions and how they are going to affect the profitability and sustainability of their investment portfolios.

You don't have to look for a fortuneteller to get a good glimpse of the future of the multifamily market. You only need to view the trends that will shape the investment market. As we close another year and welcome the new one, let us focus on what to expect from the multifamily market and look at the trends that really matter in the long run.



## FEAR OF A MARKET CORRECTION

Market correction or no market correction?

It is very difficult to say when the next recession will be, but it has been a big buzzword lately among the media and investors. Recent interest rate cuts might have stopped a recession, or a slowdown due to fear, from hitting in 2020. This has been the longest bull market in U.S. history. Many on Wall Street are wondering if this long run is on its last leg or mustering a second wind. However, there are still expectations that the U.S. economy and GDP growth could slow next year. Investors are starting to hedge against this increased risk. And there are other various notable issues ahead in 2020 that also will create higher levels of uncertainty, such as the upcoming presidential elections, and trade conflicts. As most investors are treading with caution as they move into the New Year, many are still seeing strong opportunity when using sound fundamentals when purchasing apartments. In our case we are closing on our deals with a lower Loan to Value Ratio (LTV) to hedge against a correction, and also having strong value-play built into the business plan. With a looming market correction, it's important to not overleverage, and to have plenty of cash on hand if one does hit.

## RENT CONTROL IN 2020

The slowing economy and the fear of a recession are not the only fears of investors in 2020.



The issue of rent control has quickly become a top concern. Rent regulations have been instituted in a few major markets recently, and many more markets are considering this control to try and combat rising rental housing costs. States like New York, California, and Oregon are all implementing this control. Illinois and Washington State are on the list next for possible legislation. On January 1, 2020, California law will allow only for a five percent increase, plus the local rate of inflation, per year. This law will expire in 2030 unless lawmakers vote to extend it. In New York's metro area there has been a 9.2 percent decrease in multifamily investment, which is partly believed to be caused by the

implementation of the new rent-control regulations.

Many housing economists agree that rent control is not the solution, that building more housing is a better answer to the problem.

**CATERING TO A MILLENNIAL AND BABY BOOMER MARKET**

As we move further into 2020, the millennial and baby boomer markets for multifamily will continue to expand.

Millennials today are searching for more affordability and portability, and they want accessibility to such things as entertainment

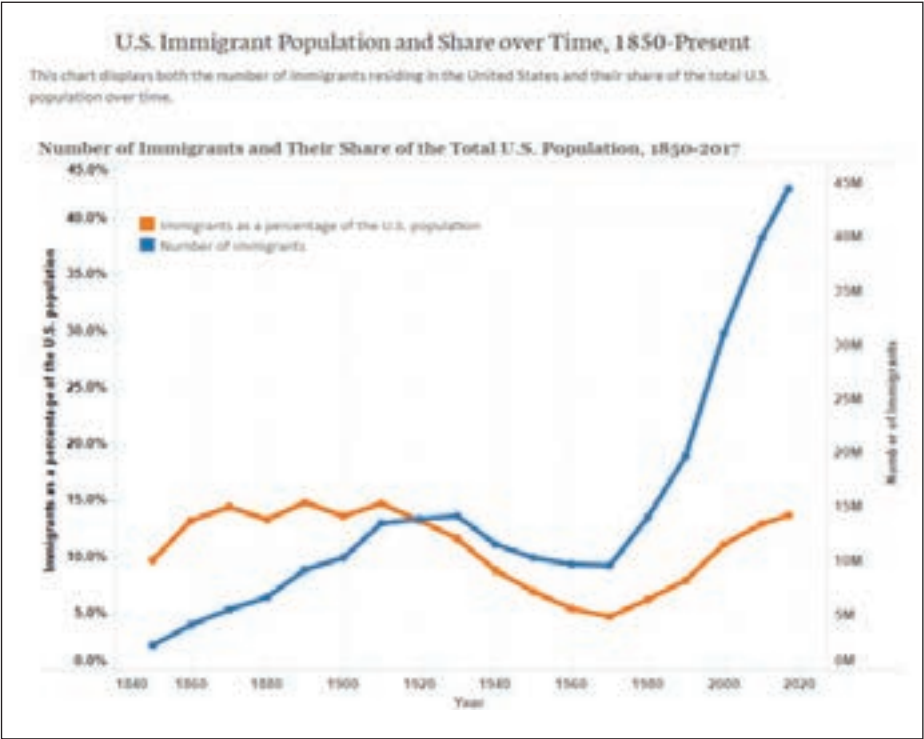
*Millennials today are searching for more affordability and portability, and they want accessibility to such things as entertainment and local experiences.*

and local experiences. Urban housing prices are skyrocketing in many popular cities, causing this shift for more affordable housing. Many millennials are coming out of college with record-high student loans; adding a mortgage to that could easily surpass 50 percent of one's income. So they avoid homebuying, which is helping to lead this shift. Home ownership of millennials is very low compared to other generations; they view buying a home as a long-term goal, and see their priority now as lifestyle. Along with affordability and portability, millennials are favoring things in our communities such as smart home features (Nest thermostats and USB outlets), white-glove services such as valet trash, lavish swimming pools and outside eating areas, and hip cyber cafes.

Another trend to look for in 2020 is the downsizing of the baby boomer generation into multifamily homes.

A study conducted by Fannie Mae

*Continued on Next Page*



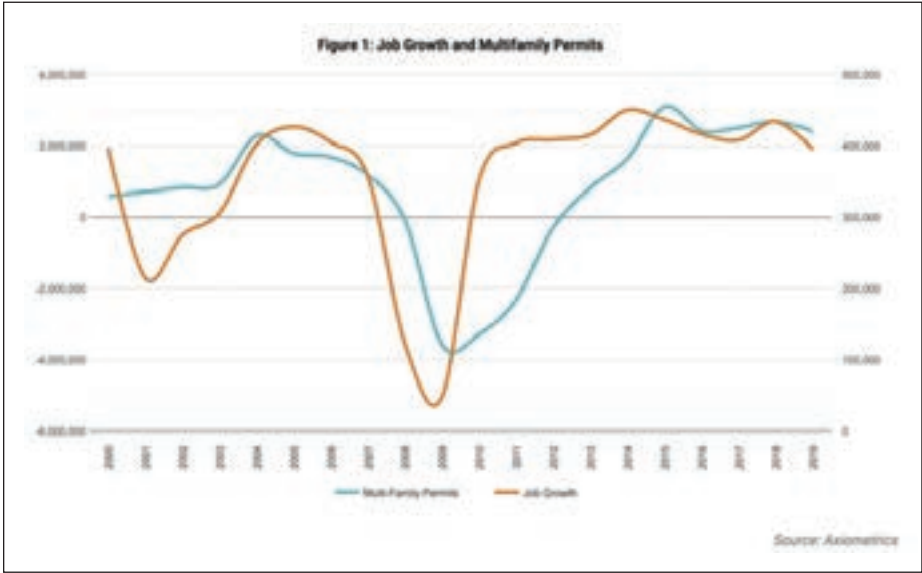
estimated that more than 14 million baby boomers will end their home ownership by 2036, a 42 percent increase from the previous decade. One study estimated that thousands of this demographic are coming into retirement daily, and are looking to downsize. They will have challenges; the Insured Retirement Institute estimates that 45 percent of baby boomers have no retirement savings. Leaving work for them will mean a drastic lifestyle adjustment and a need for more affordable housing. According to the NMHC (National Multifamily Housing Council) tabulations of U.S. Census Data, 73 million baby boomers in the United States accounted for 58.6 percent of the increase in renter households between 2006 and 2016. With the expanding bubble of aging Americans,

this number is expected to increase even further. The demand for senior living is increasing with the increase of baby boomers downsizing. We believe this trend will continue for the next 10 years, giving us a strong market in the senior living multifamily units.

**IMMIGRATION**

By 2024, immigration is expected to surpass internal population growth for the first time, according to Hoyt Advisory Services Research.

Why is this important? It's because immigrant families are more likely to rent than a native-born American. As you can see in the graph below, immigration is at an all-time high; this is great news for



multifamily investors.

**DEMAND FOR NEW APARTMENTS WILL SOFTEN**

Post-recession in 2009, multifamily has become a larger piece of the overall new housing market with multifamily construction peaking in 2015 and 2016. While 2018 and 2019 paced well – even with a potential market correction on many minds – we believe we will see a slowdown on new construction in 2020. As shown in the chart here, there was a considerable drop in multifamily permits as the recession hit.

**SUMMARY OF 5 MULTIFAMILY INVESTING PREDICTIONS FOR 2020**

As we enter 2020, even with these factors, we believe multifamily housing will remain strong and will still be a strong investment for investors who use sound fundamentals.

According to the Harvard Joint Center

for Housing, State of the Nation's Housing, 2019, approximately 75 percent of renters would like to become homeowners at some point.

This being said, homeownership rates have been stagnant and are not likely to return to levels seen during the previous housing boom. Millennials are entering the housing market in a time where student debt is a major problem, housing affordability is low, and lending criteria is more stringent.

When you pair this with their lifestyle factors of delaying marriage and choosing experiences over saving, it is very likely more millennials will remain renters for longer than previous generations. If and when a market correction comes, this will cause an increase in the need for affordable housing, and many will look to multifamily.

Another factor that will help multifamily investments are the aging of baby boomers, many becoming empty nesters, which is also contributing to the increase of older renters.

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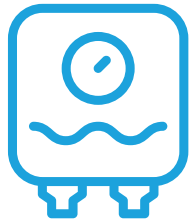


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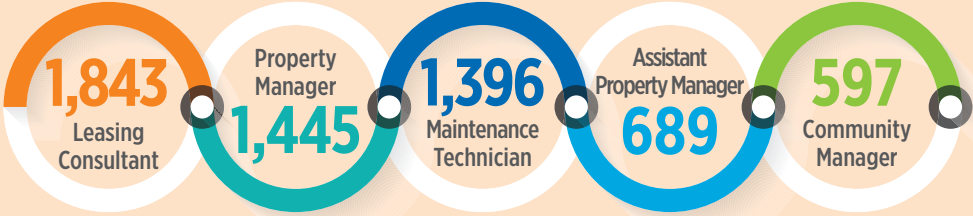
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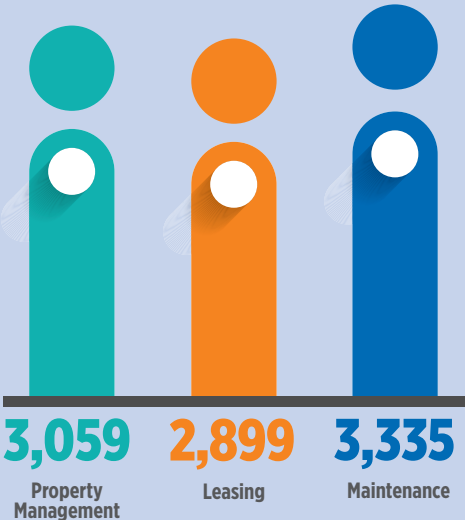
# Apartment Jobs Snapshot

November 2019

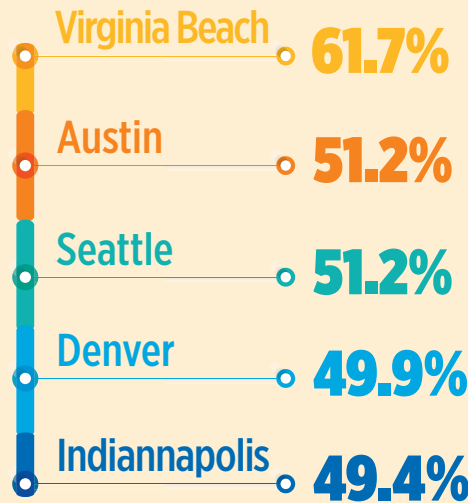
**12,389** Total Job Postings in Apartment Industry in November 2019 (% of Real Estate Sector: 39.4)



**9,293** Job Postings by Major Category



**%** Apartment Jobs of Total Real Estate Jobs in Top MSAs\*



\*MSAs with 100 or more apartment job postings

**Time to Fill For Top MSAs\*\***

\*\*Based on historical information; weighted average based on positions with 100 or more postings

Indianapolis	40.1 Days	VA Beach	34.5 Days
Seattle	38.9 Days	Denver	33.6 Days
Austin	35.1 Days		

# Jobs in Demand in Pacific NW

## NATIONAL APARTMENT ASSOCIATION

In the Northwest U.S., Seattle now ranks in the top five markets nationally for rental housing jobs, according to the latest jobs report from the National Apartment Association (NAA).

Apartment-job demand is high in Seattle and apartment job openings represent more than 51 percent of all real-estate-related jobs in the metro area. It takes on average about 39 days to fill those job openings in Seattle, according to the NAA's Education Institute.

Across the country, 12,389 rental housing jobs were available during November, representing over 39 percent of the broader real estate sector. Seattle emerged among the top five markets for apartment-job demand for the first time this year.

Denver ranked in the itop five for the seventh month, where time to fill available positions was only 33.6 days.

Maintenance areas were the major category of jobs with the most postings.

There was also high demand for leasing consultants.

## ASSISTANT PROPERTY-MANAGER JOBS IN THE SPOTLIGHT

Assistant property-manager jobs are in the spotlight this month in the NAA report and in Seattle; those jobs pay about \$43,000 per year.

In addition to requiring property-management skills, employers are looking for individuals who have experience with customer service, Yardi Software, budgeting, and bookkeeping skills.

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

Salaries in the 90th percentile are displayed due to the tightness of the labor market.

## 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." So 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.

# REACH YOUR TARGET AUDIENCE



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## Spotlight

Last 6 Months

## Assistant Property Manager

### Top MSAs

(Highest Location Quotients)



Location Quotient\*\*\*

**3.2**  
**3.1**  
**2.5**  
**2.4**  
**2.0**

Market Salaries (90<sup>th</sup> Percentile)\*\*\*\*

**\$39,549**  
**\$42,862**  
**\$48,197**  
**\$40,987**  
**\$42,224**

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

### Top Skills

Specialized/Required	Baseline
Property Management	Communication Skills
Customer Service	Microsoft Office
Yardi Software	Microsoft Excel
Budgeting	Organizational Skills
Bookkeeping	Computer Literacy

### Earnings

Market Salary (90<sup>th</sup> Percentile)\*\*\*\*

**\$40,989**

\*\*\*\*Market salary is calculated using a machine learning model built off of millions of job postings every year, and accounting for adjustments based on locations, industry, skills, experience, education requirements, among other variables. Salaries in the 90th percentile are displayed due to the tightness of the labor market.

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



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# Seattle Rents Decline for the Third Month

## APARTMENT LIST

Seattle rents declined 0.2 percent over the past month, the third month in a row of slight declines, but have increased slightly by 1.8 percent year-over-year, according to the latest report from Apartment List.

Median rents in Seattle are \$1,345 for a one-bedroom apartment and \$1,675 for a two-bedroom.

Seattle proper rents over the past year lag the state average increase of 1.9 percent.

## RENTS RISING ACROSS THE SEATTLE METRO

During the past year, rent increases have occurred not just in the city of Seattle, but across the entire metro.

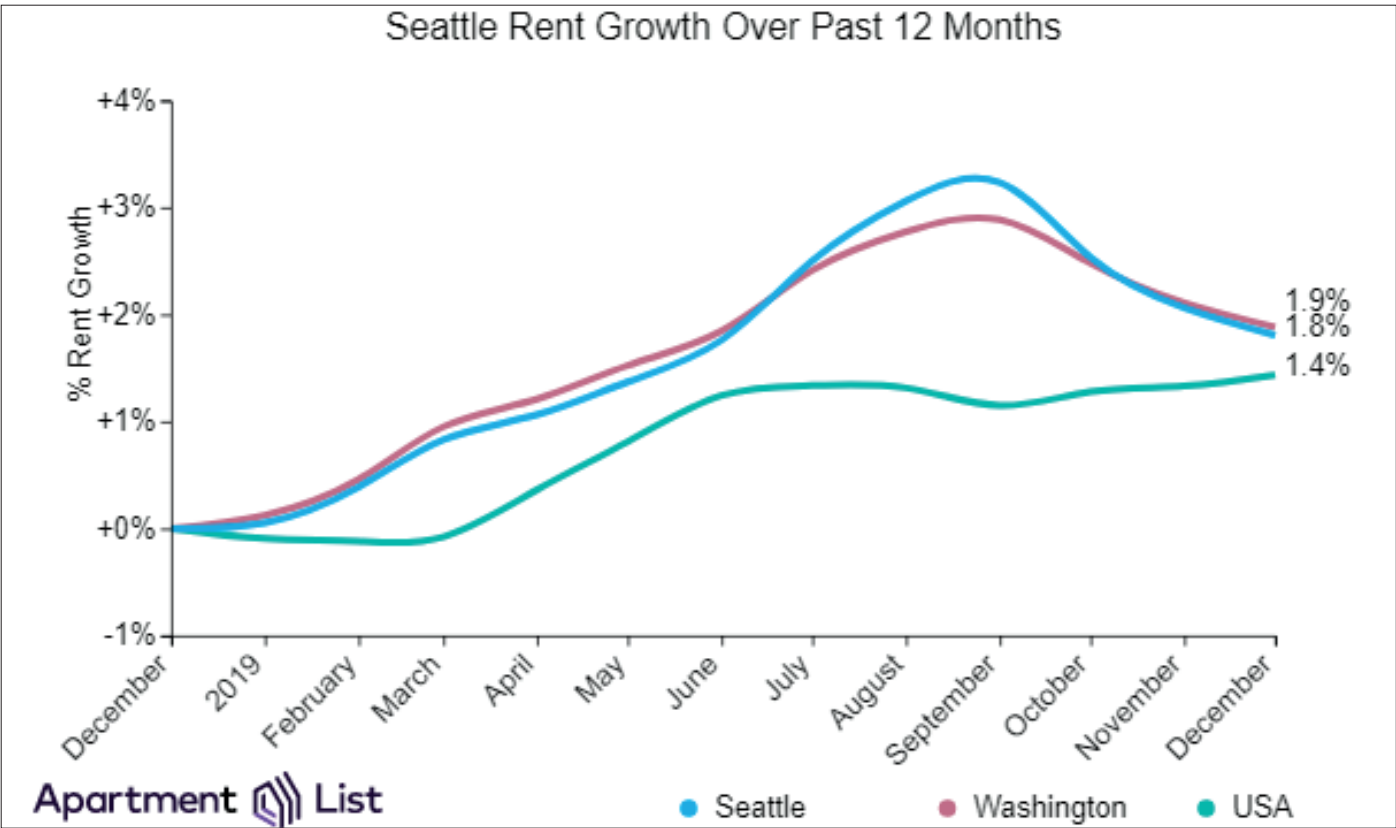
Of the 10 largest cities that Apartment List has data for in the Seattle metro, all of them have seen prices rise.

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

- Lakewood has the least-expensive rents in the Seattle metro, with a two-bedroom median of \$1,502; the city has also experienced the fastest rent growth in the metro, with a year-over-year increase of 3.8 percent.
- Over the past month, Auburn has seen the biggest rent drop in the metro, with a decline of 0.7 percent. Median two-bedrooms there cost \$1,710, while one-bedrooms go for \$1,373.
- Bellevue has the most expensive rents of the largest cities in the Seattle metro, with a two-bedroom median of \$2,389; rents decreased 0.4 percent over the past month but were up 3.2 percent over the past year.

## COMPARABLE NATIONWIDE CITIES SHOW MORE AFFORDABLE RENTS THAN SEATTLE

As rents have increased slightly in



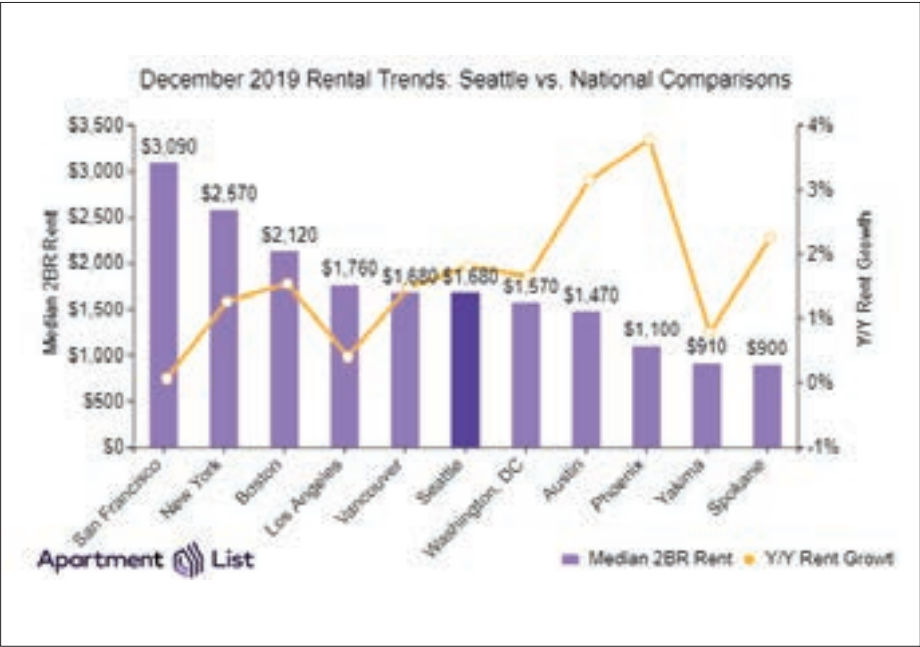
Seattle, a few similar cities nationwide have also seen rents grow modestly. Compared to most other large cities across the country, Seattle is less affordable for renters.

Rents increased slightly in other cities across the state, with Washington as a whole logging rent growth of 1.9 percent over the past year. For example, rents have grown by 2.2 percent in Spokane and 1.5 percent in Vancouver.

Nationwide, rents have grown by 1.4 percent over the past year compared to the 1.8 percent increase in Seattle.

While Seattle’s rents rose slightly over the past year, many cities nationwide also saw increases, including Phoenix (+3.8 percent), Austin (+3.1 percent), and DC (+1.6 percent).

City	Median 1BR price	Median 2BR price	M/M price change	Y/Y price change
Seattle	\$1,340	\$1,680	-0.2%	1.8%
Tacoma	\$1,260	\$1,570	0.1%	1.4%
Bellevue	\$1,920	\$2,390	-0.4%	3.2%
Everett	\$1,380	\$1,720	0.2%	2.5%
Kent	\$1,500	\$1,860	0.5%	2.1%
Renton	\$1,710	\$2,120	0.3%	3.2%
Federal Way	\$1,400	\$1,750	-0.2%	0.6%
Auburn	\$1,370	\$1,710	-0.7%	2.4%
Marysville	\$1,330	\$1,650	0	0.8%
Lakewood	\$1,210	\$1,500	-0.1%	3.8%
Redmond	\$1,820	\$2,270	0.1%	1.8%
Kirkland	\$1,750	\$2,180	1.2%	3.1%
Sammamish	\$2,730	\$3,400	-1.4%	2%
Puyallup	\$1,580	\$1,970	-0.2%	3.8%
Lynnwood	\$1,570	\$1,950	1.1%	0.6%
Bothell	\$1,810	\$2,260	0.6%	1.7%
Spanaway	\$1,330	\$1,650	0	0.9%
Mercer Island	\$2,060	\$2,570	-0.7%	2%
Kenmore	\$1,660	\$2,070	-0.6%	-0.5%
Mukilteo	\$1,770	\$2,210	-0.7%	2%
Mountlake Terrace	\$1,610	\$2,000	-1.3%	3.5%
Snoqualmie	\$1,880	\$2,340	-0.8%	1.6%



# Operators of Deceptive Listing Sites Fined

RENTAL HOUSING JOURNAL

A California federal court has ordered the operators of several online rental-listing websites to pay more than \$6 million after the Federal Trade Commission (FTC) alleged that they made false and unfounded claims about their listings, according to a release.

The order also permanently bans the defendants of the deceptive rental listing websites from offering rental-listing services.

Steven and Kevin (Kaveh) Shayan made false and unfounded claims on their WeTakeSection8.com website targeting low-income, disabled, and older adults, including that the site had accurate, up-to-date listings that were approved for Section 8 housing vouchers. In reality, most of the listed properties were either unavailable or did not accept Section 8 housing vouchers. The FTC shut down the websites in 2018.

The corporate defendants in the court order were listed as, “Apartment Hunters, Inc., also d/b/a WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com; Real Estate Data Solutions, Inc.; Rental Home Listings Inc.; UAB Apartment Hunters LT; and their successors and assigns.”

The Shayans also falsely claimed that consumers could access hundreds of thousands of accurate, up-to-date, and available listings on the defendants’ other subscription websites and that they had



exclusive rights to list rental properties that consumers could not find on free websites, according to the release.

The original complaint said the defendants operated “several prepaid rental-listing websites, including WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com. The first website specifically targeted individuals

seeking Section 8 housing; the other websites purported to offer general-access rental units. Defendants charged consumers a fee to access contact information for property managers of rental units listed on their websites. Defendants represented to consumers that the listings on their websites were accurate, up-to-date, and available, that consumers were likely to find suitable housing within a short time, and that consumers could not find these listings on free websites. These representations were misleading, false, or unsubstantiated.”

An example of one of the deceptive rental listings websites the Federal Trade Commission (FTC) alleged made false and unfounded claims about their listings.

According to the original complaint

filed in 2018, “the fee and the length of the subscription to ApartmentHunterz.com varied. Typically, consumers paid \$49 for 30 days’ access to the website. Defendants have also charged consumers \$14.99 for a weekly subscription. Typically, consumers also paid defendants \$49 for 30 days access to FeaturedRentals.com.”

In addition to a monetary judgment, the order permanently bans the defendants from advertising, marketing, or promoting subscriptions for or access to a rental listing for an apartment, condominium, or single-family home.

The U.S. District Court for the Central District of California issued the final order on December 6, 2019 after granting the FTC’s motion for summary judgment.



## Mystery Maintenance Call: Spilled Bleach

KEEPE

This redent apartment mystery maintenance call from Keepe comes from Seattle, where a property manager called in distress with an emergency after a tenant had spilled a jug of bleach on the garage floor.

Due to its highly corrosive nature, the bleach dug through the garage floor and corroded it.

The incident started out when the tenant decided to call her property manager and explain what happened.

It turns out the tenant was simply cleaning out her garage and knocked over the jug of bleach by accident. She was not doing work on the garage on her own, just a routine cleaning.

After the manager called, a worker was assigned and got to the garage in about an hour to assess the extent of the corrosion.

After inspecting the damage to the garage floor, they did the following:

- Patched the corroded floor.
- Cemented the entire garage floor to restore it to its original condition.

The repair project took about four to five hours and cost \$399, which included \$89 for materials.

This was an expensive job for an accidental spill of a jug of bleach, and led to a lengthy dispute between the property manager and the tenant over who would pay the cost.

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



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night's sleep. Then you can focus on making the room cozy and aesthetically pleasing.

It's true that you can't please everyone, but your short-term rental will be more popular if it has a unique atmosphere about it as opposed to looking like a big hotel room

You can achieve that homey vibe, for example, by creating a travel corner so that you can place trinkets from different countries you visited; your guests might be coming from all around the world, so they might find it interesting. Otherwise, you can have different posters and interesting photographs framed and placed on the walls. Kitchen utensils and mugs don't have to come from the same set – mix-and-match has a rustic appeal. Your guests will value those little things because they would make them feel more comfortable, and more inclined to give you a high rating.

One caution: Don't use fragile figurines and vases; they're just accident waiting to happen, especially if the place is pet-friendly. If you must, make sure they're on a high shelf.

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*Lilly Miller is a Sydney-based graphic designer and a passionate writer. Loves everything about home decor, art history and baking. Shares home with two loving dogs and a gecko named Rodney. "Poetry creates the myth, the prose writer draws his own portrait." - Jean-Paul Sartre*

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A large percentage of Airbnb guests are couples on a romantic getaway wanting to explore the city and spend some quality time together.

It would be thoughtful to consider the lighting sources in the place so they won't be greeted by harsh, unpleasant light. Also, from the perspective of a homeowner, you should definitely opt for LED lighting since it provides more lighting for less energy and will influence your electricity bill significantly.

As for the lighting arrangement, in the living room, you might want to go with soft white tones so that guests can watch TV or make plans about which parts of the city to visit. For the bedroom, you should invest in ambient lights to set a relaxing mood, so no harsh overhead lights or any over-the-top light displays because the lights need to be subdued and gentle.

Forget about minimalistic sinuous furniture, which may look great but is uncomfortable. And honestly, people are not even certain how to sit without sliding off of it.

In the living room, go with a solution that doesn't take up too much space and that has a storage option so that the room is always neat. To achieve that balance, use modular couches that come with shelves and are luxurious-looking but incredibly flexible in the sense that pieces can be moved. Your guests will like the fact that they can rearrange the couch based on their needs as well as being able to use its accessories to charge their smartphone wirelessly.

In the bedroom, your main focus should be on providing a quality bed – nothing is more appreciated by guests than a great

# Most Expensive ZIP Codes for Renters in 2019

## RENTCafé

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 RentCafé.

“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,” the company said in the release.

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.

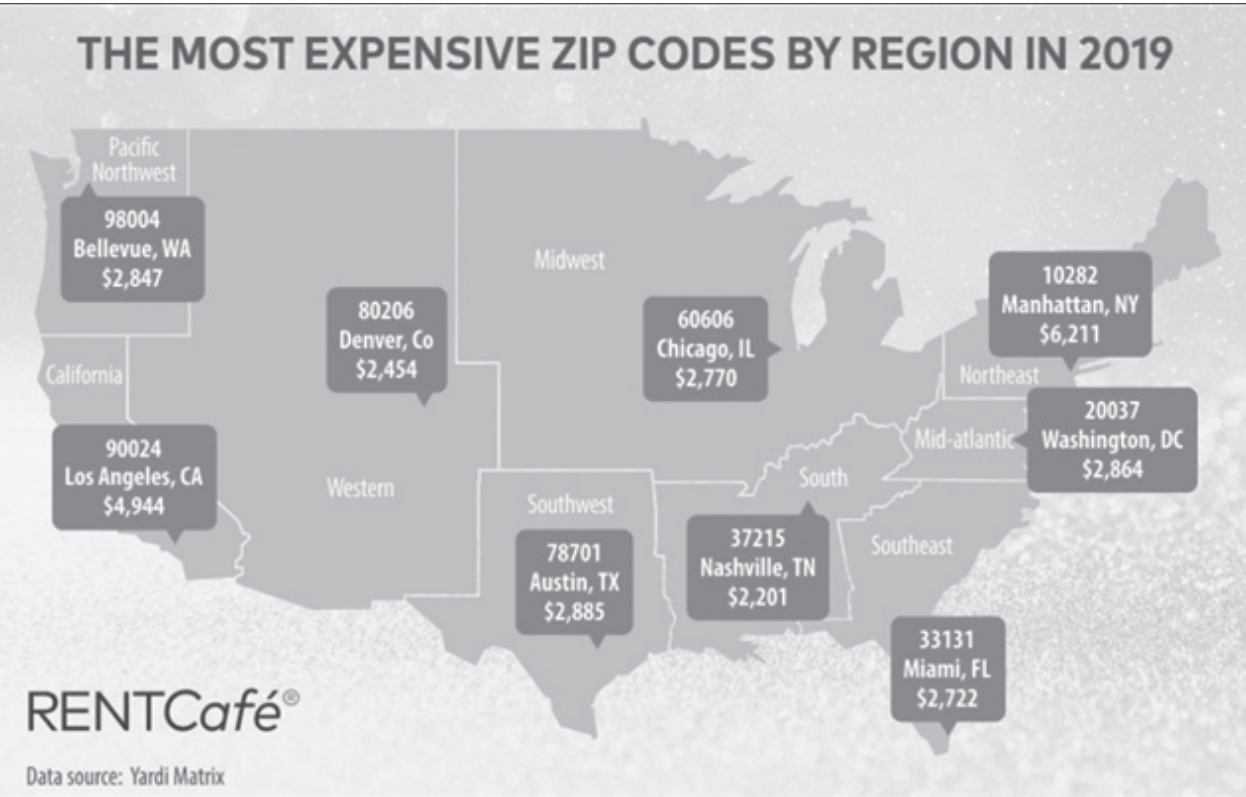
### LOS ANGELES’ 90024 IS THE MOST EXPENSIVE ZIP IN SUNNY CALIFORNIA

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.

In fact, 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.

# Tips to Maintain Long-Lasting Carpet in Your Rentals

## KEEPE

Long-lasting carpet in your rentals, and in fact flooring in rental properties in general, is always a challenge. Especially getting your rental carpet flooring to last longer.

Here are some ways to make your carpet last longer and be sure you are protecting your investment and income as well as keeping your tenants happy.

Rental carpet flooring can be one of the most high-maintenance parts of a property. Signs of wear and tear as well as stains and dirt are most visible on carpet.

Poor carpet care is easy to spot and tough on the eyes, which can make an otherwise appealing space lose its value. Improving poor carpet conditions generally means needing a complete replacement, which can be a lengthy and costly project.

The tips below outline more affordable and effective ways to protect carpet floorings and preserve their longevity.

### No. 1 – CONSIDER STRICTER PET POLICIES

Carpet is not a pet-friendly surface. It absorbs odor, and can easily hold onto hair and stains. Indoor ‘accidents’ can take an unpleasant turn, and their odor can linger long after cleanup is attempted. The best way to ensure carpet flooring can be adequately repaired and cared for on the long run is to set a higher security deposit for pet-friendly properties, which can then be utilized to repair carpet damage as needed.

Always make sure to thoroughly communicate with your tenant what kind of responsible pet care is expected for animals to continue living in the property.

### No. 2 – SCHEDULE A DEEP-CLEANING SERVICE ONCE A YEAR

Most carpet manufacturers recommend having a yearly professional deep-cleaning as a way to prolong the life of carpets.

It is best to steer clear of providers who utilize harsh chemicals, which can be harsh on carpet fibers and might lead to discoloration.

### No. 3 – INCLUDE HARD-SURFACE AREAS

Constructing a hard-surface area to act as a “barrier” against the dirt and debris brought in from outside can be extremely helpful when it comes to protecting carpet from direct exposure.

A small tile or vinyl landing can be easily added in front of main entryways, and tenants should be encouraged to utilize floor mats to wipe their shoes on.

### No. 4 – PROVIDE TENANTS WITH

### APPROVED DETERGENTS FOR SPOT-CLEANING RENTAL CARPET FLOORING

It is fundamental to inform tenants about the risks of letting stains dry on carpet fibers, which usually results in permanent staining and visible marks.

Utilizing an effective and carpet-friendly detergent and blot cleaning right away is the most effective approach to avoid permanent stains.

Consult a trusted professional carpet cleaner about ideal detergents and make the recommended product available to tenants.

### No. 5 – INVEST IN AREA-APPROPRIATE FLOORING

Carpet performs best and lasts longest in low-traffic areas, away from outside debris, food, moisture and pet exposure. It is ideal to remove carpet from kitchens and dining areas, opting for vinyl, tile and laminate options instead.

This will avoid the high risk of food stains and spills while improving the look of the property.

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# Are You Confused by Requests for Service, Emotional Support and Assistance Animals?

By ELLEN CLARK

The FHA prohibits discrimination based on disability and requires housing providers to make reasonable accommodations for people with disabilities.

You probably know that you would need to grant this request. But what if the prospect requested an emotional support bird in addition to a service dog? What if she gave you an online “certification” for the emotional support bird? What if the requested service dog was a restricted breed in your county?

Accommodation requests related to assistance animals are prevalent, yet they cause much confusion. This is understandable; multiple laws apply and use different terms and definitions. There are many kinds of assistance animals that help people with many types of disabilities (some of which are not obvious), and online sites have surfaced offering questionable documentation.

So, what you can you do? First, you can read “The Multifamily Property Manager’s Guide to Handling Assistance Animals” for a handy primer on this tricky topic. It is available for download at [www.gracehill.com](http://www.gracehill.com). Then follow these suggestions for reducing your risk of discrimination when it comes to assistance animals:

Three laws relate to rental housing and service and assistance animals:

- The Fair Housing Act (FHA)
- Section 504 of the Rehabilitation Act of 1973 (Section 504)
- The Americans with Disabilities Act (ADA).

The FHA applies to almost all rental housing. Among other things, it prohibits discrimination based on disability and requires housing providers to make reasonable accommodations for people with disabilities, such as making an exception to a no-pet policy or a breed restriction.

Housing that receives federal financial assistance from HUD must also comply with Section 504. Like the FHA, Section 504 prohibits discrimination based on disability and requires housing providers to make reasonable accommodations for people with disabilities.

Whereas the FHA and Section 504 prohibit discrimination in housing, the ADA prohibits discrimination based on disability in all areas of public life, including schools, transportation, and all public and private places that are open to the public. The ADA requires you to let service dogs accompany their owners in any area of the community that is open to the public, such as the leasing office.

## KNOW THE TERMINOLOGY

An assistance animal may be any type of animal and is not required to have specific training.

The FHA and Section 504 use “assistance animal” as a broad term to describe any animal that works, provides assistance, or performs tasks for the benefit of a person with a disability or provides emotional support that alleviates one or more symptoms or effects of a person’s disability.

Under the FHA and Section 504, service animals, emotional support animals, and companion animals are all considered assistance animals. An assistance animal



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TRAINING TIP  
OF THE MONTH

may be any type of animal and is not required to have specific training.

The ADA uses the term “service animal” and defines it specifically as a dog that has been individually trained to do work or perform tasks for people with disabilities. Emotional support animals, companion animals and animals other than dogs (and sometimes miniature horses) are not considered service animals under the ADA.

You cannot deny a reasonable accommodation request because an animal does not meet the ADA definition of a service animal. Under the FHA and Section 504, reasonable accommodations must be granted for assistance animals, which include service animals, emotional support animals, and companion animals.

If an animal works, assists, or performs tasks for the benefit of a person with a disability or provides emotional support that alleviates one or more symptoms or effects of a person’s disability, it doesn’t matter what term someone uses, it is an assistance animal under the FHA and Section 504.

Thinking of assistance animals as working animals, not pets, can prevent confusion. Under the FHA and Section 504, assistance animals may be cats, dogs, birds, turtles, rabbits, hamsters, fish, or nearly any other type of animal. It is not the type of animal that matters, but rather the function the animal serves.

## UNDERSTAND ASSISTANCE ANIMAL DOCUMENTATION

Currently, there are no legally recognized organizations for registering service or assistance animals. Sites that claim to be certifying bodies or that offer official registrations are misleading because there is no such thing.

Under the FHA, there is no requirement that assistance animals be trained. Documentation only needs to establish that the person has a disability and that the animal provides disability-related assistance or emotional support. An animal’s training is not relevant when evaluating a reasonable accommodations request.

HUD states that you are entitled to documentation from a reliable third party that is in a position to know about the individual’s disability.

If the organization or person who issued the documentation has never talked to or met with the person requesting the accommodation, it is likely reasonable to ask for supplemental information.

No matter what the source of the documentation, if you are suspicious, do not immediately deny the accommodation request. Instead, start a conversation with the resident to gather more information, and consult your legal counsel.

## KNOW HOW TO HANDLE ACCOMMODATION REQUESTS

Remember these three criteria when considering accommodation requests:

1. Under the FHA, there is no requirement that assistance animals be trained. The person must have a disability. If the person’s disability is obvious, you may not ask questions. If the disability is not obvious, you may ask for reliable documentation that the person has a disability. Never ask for details of a person’s

physical or mental disability.

2. The animal must serve a function directly related to the person’s disability. If the disability-related need is obvious, you may not ask questions. If the need is not obvious, you may ask for reliable documentation that the animal provides disability-related assistance or emotional support.

3. The request must be reasonable. You are not obligated to grant every request.

## CONTINUOUSLY EDUCATE YOURSELF

The best way to avoid confusion is to read as much as you can and get exposure to the scenarios that come up in real life. This is the best way to learn things like:

- A resident may be entitled to multiple assistance animals.
- You can deny a request if that particular animal has harmed someone in the past.
- You can usually take action when residents with assistance animals violate community rules.

This stuff is complicated – and serious. You’ll find that The Multifamily Property Manager’s Guide to Handling Assistance Animals can answer a lot of your questions about assistance animals, including how to tackle conversations with other residents. But when in doubt, ask your supervisor or legal counsel.

*Ellen Clark is the Director of Assessment at Grace Hill. 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.*

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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](mailto:kraus@warrenallen.com), or by phone at 503-255-8795.*

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# A Guide to 4 Types of Flat-Roof Systems

## KEEPE

Flat roofs can offer a clean look to an apartment building and add efficient space that tenants like. But remember: Roofing is the first line of defense toward any natural disasters. Without a sturdy roof, your apartment and residents may be left at risk.

If you are installing a roof on a new building or considering a replacement on an existing property, use this guide to help decide if a flat-roof design fits your budget, geography, and style.

### PROS OF FLAT-ROOF SYSTEMS

**Aesthetic:** Flat roofs offer a clean aesthetic to a building. If your property is in the city or overlooks a beautiful landscape, a flat roof can complement the environment. Flat roofs are also a characteristic of modern design, so if your property is contemporary, this might be a priority for you and your tenants.

**Useable Space:** A flat roof allows for more efficient use of space both inside and out. Unlike a pitched roof, a flat roof offers rooftop space that can be used as a rooftop patio, flower garden or give you the option to install solar panels out of view.

**Cost:** A flat roof is significantly cheaper than a pitched roof since the surface area of a flat roof is less than that of a sloped roof. Although installation is cheaper, depending on the amount of rainfall your property’s area receives, the maintenance costs might override the initial short-term costs.

**Maintenance:** The flat-roof design makes it easier to inspect and maintain the roof. Issues can be addressed easier, but don’t underestimate the importance of regular maintenance.

**Improved Energy Efficiency:** Flat roofs may be more energy-efficient depending on the climate and what materials are used for the roofing system.

### CONS OF FLAT ROOF SYSTEMS

**Climate Limits:** Low-slope roofs have an increased tendency to collect water. If you live in a rainy or snowy climate, this option might not be ideal for your property.

**Increased Maintenance:** Flat-roof drainage is not as effective as a pitched roof. Without regular inspection, drains can become clogged, leading to damage and leaks.

**Lifespan:** Standing water, debris and

clogged drainage systems may shorten your roof’s lifespan to as short as 10 years if not monitored regularly. Many flat-roof leaks are due to the lack of regular inspection, so be sure you have regular maintenance checks if you choose a flat roof for your property.

### TYPES OF FLAT ROOF SYSTEMS

If you decide that flat roofing is right for you and your property, take the next step and consider which material is best. There are several flat-roof options – here are the four most common kinds of flat-roof systems.

#### No. 1 – BUR (Built-Up Roof)

This flat-roof systems contains layers of waterproof membrane, tar and gravel to seal the flat-roof surface. This flat-roof system is a great affordable option, plus it has fire-resistant properties that are a great safety factor for multifamily sites. Built-up roofs are also very sturdy and efficient insulators due to their several layers. BUR systems can last 15 to 20 years and last longer in warmer climates. When installing this roofing system, your property must be empty and free of tenants during installation. BUR systems cost between \$5 and \$7 per square foot.

#### No. 2 – PVC (Polyvinyl Chloride)

PVC is one of the most popular roofing materials used for flat roofs. Sheets of PVC are an attractive option for waterproof performance as well as pedestrian traffic coating. PVC allows you to turn a flat roof into a usable space – ideal for multifamily properties. This type of roofing is also easy to install and maintain. It typically costs between \$5 and \$8.50 per square foot.

#### No. 3 – EPDM Rubber (Ethylene Propylene Diene Monomer)

EPDM is made of synthetic rubber made of recycled materials. Roofs of EPDM are durable, inexpensive and have a longer lifespan than metal roofs. EPDM roofs require seaming which means that there are more chances for water to seep through seams and lead to damage. If roofs are spray-applied, then the chance of damage is significantly lower. EPDM installation costs between \$4 and \$8 per square foot.

#### No. 4 – Modified Bitumen

Bitumen roofing is another long-lasting option for flat roofs. This is a single-ply roofing system that is rolled onto the roof surface. These roofs can last at least 20

years due to their durability. They are ideal for extreme-weather climates that have high winds, hail and heat. Bitumen roofs range from \$3 to \$6 per square foot.

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