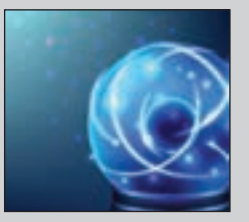


Portland Rents Continue Decline for 3rd Month

Page 5

5 Multifamily Investing Predictions for 2020

Page 6



An Overview of New Landlord/Tenant Laws

Page 8

RHJ

RENTAL HOUSING JOURNAL

INSIGHT FOR RENTAL HOUSING PROFESSIONALS

METRO

rentalhousingjournal.com • Rental Housing Journal, LLC

PORTLAND • VANCOUVER

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



How Rent Control Limits Owner Profits and Maintenance in Portland, Seattle

NATIONAL APARTMENT ASSOCIATION

A new rent-control modeling study that includes Portland and Seattle shows how the combined effects of limiting rents and deterring new construction work to reduce owner profitability and can limit maintenance.

The National Apartment Association (NAA) engaged Capital Policy Analytics (CPA) to model its impacts on four metropolitan areas, all of which have had increasing calls for rent control during the past two years: Chicago, Denver, Seattle and Portland.

CPA used the Oregon rent-control legislation as a likely precedent for other governments and chose to examine the imposition of a similar limit, excluding inflation, on the amount of annual growth in rental prices. The rent growth cap in Oregon limits the increase in rent

See ‘How’ on Page 13

PRSR STD
US Postage
PAID
ALBANY, OR
PERMIT NO. 188

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 57square 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.





CONSIDERING SELLING YOUR INVESTMENT PROPERTY? CONSIDERING A 1031 EXCHANGE?

CALL TODAY
1.855.899.4597
or register at
www.kpi1031.com

**FOR A FREE BOOK
ON 1031 EXCHANGES**

ASK US ABOUT:

- ✓ 1031 Exchange Solutions
- ✓ Passive Investment Opportunities – No More Tenants Toilets and Trash!
- ✓ Delaware Statutory Trust (DST) Properties
- ✓ Triple Net Leased (NNN) Properties
- ✓ 721 Exchange UPREIT Properties – How to 1031 Exchange into a Real Estate Investment Trust (REIT)
- ✓ Opportunity Zones
- ✓ Preferred Return Investment Opportunities
- ✓ Real Estate Investing Seminars and Workshops

Learn More at **www.kpi1031.com** or call **1.855.899.4597**



**YOU WILL ALSO GET
FREE 1031
EXCHANGE LISTINGS!**

This material does not constitute an offer to sell nor a solicitation of an offer to buy any security. Such offers can be made only by the confidential Private Placement Memorandum (the “Memorandum”). Please read the entire Memorandum paying special attention to the risk section prior investing. IRC Section 1031, IRC Section 1033 and IRC Section 721 are complex tax codes therefore you should consult your tax and legal professional for details regarding your situation. This material is not intended as tax or legal advice. There are material risks associated with investing in real estate, Delaware Statutory Trust (DST) properties and real estate securities including illiquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multi-family properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, potential returns and potential appreciation are not guaranteed. Securities offered through WealthForge Securities, LLC. Member FINRA/SIPC. Kay Properties and Investments, LLC and WealthForge Securities, LLC are separate entities. Preferred return is not guaranteed, and subject to available cash flow.



President: Ken Schriver • **Vice President:** Phil Owen
President Elect: John Sage • **Past President:** Ron Garcia
Secretary: Lynne Whitney • **Treasurer:** Sandra Landis • **Office Manager:** Cari Pierce



10520 NE Weidler, Portland, OR 97220
503-254-4723 • Fax 503-254-4821

info@rhaoregon.org
www.rhaoregon.org

RHA Oregon President's Message

Welcome 2020!

Membership Grows in Rental Housing Alliance

KEN SCHRIVER, PRESIDENT

I will say that 2019 is a year I'm happy to see in my rear-view mirror. As I begin my second year as president of Rental Housing Alliance Oregon, I am optimistic about several things:

First, RHA is growing with increased membership, additional educational offerings, new office staff, and an active board including two new members and two more likely soon. I am thrilled to report that from a fiscal standpoint, we finished the year in the black, allowing us to add a full-time marketing and membership services staff person to replace the part-time position being vacated by Diana Lindemann, who (as a landlord herself) has joined the RHA board. Also welcome to the board Melinda McClellan, another small landlord like most of our members.

The board held its annual retreat in early November and set several goals for 2020. We plan to continue growth through

recruitment and expanded educational offerings. We are expanding our support of affiliate and dual members that provide goods and services to our industry: we will be holding a Vendor Fair in March and will be bringing back Affiliate Member Spotlights to our dinner meetings each month. The rental housing industry, like so many others, is experiencing an increase in the use of technology to simplify operations and ensure regulatory compliance. RHA is committed to helping our members access these resources; in 2020 we are expanding our calendar to include online training sessions presented by affiliates that provide web-based services to landlords. These services can range from showing vacant units to applicant screening to arranging maintenance services to collecting rent. This will be a great year to evaluate whether adoption of a web-based service might streamline your operations as a landlord or property manager.

We will increase our outreach to other

The rental housing industry, like so many others, is experiencing an increase in the use of technology to simplify operations and ensure regulatory compliance.

entities to find solutions to community housing problems. This will range from increased participation on local and state advisory boards and coalitions to support of non-profit organizations like SnowCap Community Charities and Portland Homeless Family Solutions to the backing of political candidates at all levels of government that are willing to listen to our positions and take action based on sound analysis of the evidence.

Finally, the Oregon legislative assembly in 2020 is a "short" session that will likely be focused on proposed cap-and-trade legislation. Regardless of your position on that subject, this should mean that landlords will be able to spend 2020 adapting to the several regulatory changes passed last year at the state and local levels. Nevertheless, RHA's Legislative Committee has a full agenda in 2020. As our past-president Ron Garcia is now running for Oregon's 37th House District seat, he is stepping back and I will be chairing that committee in 2020. Closely connected with the efforts of the Legislative Committee, RHA is networking with other rental housing organizations in Oregon, California, and Washington. Stay tuned for more information on how we hope to stem the tide of overly burdensome regulations on housing providers like ourselves all along the West Coast.

It's going to be a great year!



Laundry just got easier.

At WASH, we are transforming the laundry experience with intelligent systems and easy-to-use apps.

- Pay from your phone with **mobile payment**
- Check machine availability and **get alerts** when your laundry is done
- Scan a barcode on a washer to **request service**

Because there is more to life than laundry.

Learn more at wash.com/tech
800-777-1484



Portland Rents Continue Decline for 3rd Month



APARTMENT LIST

Portland rents continued their decline for the third month in a row after the last increase in September, according to the January report from Apartment List.

Portland rents have declined 0.5 percent over the past month, but have been relatively flat at 0.4 percent in comparison to the same time last year. Median rents now are \$1,122 for a one-bedroom apartment and \$1,324 for a two-bedroom in Portland.

RENTS RISING ACROSS THE PORTLAND METRO

While rents have remained steady in the city of Portland throughout the past year, cities across the metro have seen a different trend. Rents have risen in nine of the largest 10 cities in the Portland metro for which Apartment List has data.

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

- Beaverton has seen the fastest rent growth in the metro, with a year-over-year increase of 3.0 percent. The median two-bedroom there costs \$1,824, while

- one-bedrooms go for \$1,546.
- Over the past month, Canby has seen the biggest rent drop in the metro, with a decline of 2.6 percent. Median two-bedrooms there cost \$1,725, while one-bedrooms go for \$1,462.
 - Portland proper has the least expensive rents in the Portland metro, with a two-bedroom median of \$1,324.
 - Hillsboro has the most expensive rents of the largest cities in the Portland metro, with a two-bedroom median of \$2,055; rents fell 1.0 percent over the past month but rose 2.9 percent over the past year.

PORTLAND RENTS MORE AFFORDABLE THAN MANY OTHER LARGE CITIES NATIONWIDE

Rent growth in Portland has been relatively stable over the past year, while some other large cities have seen more substantial increases.

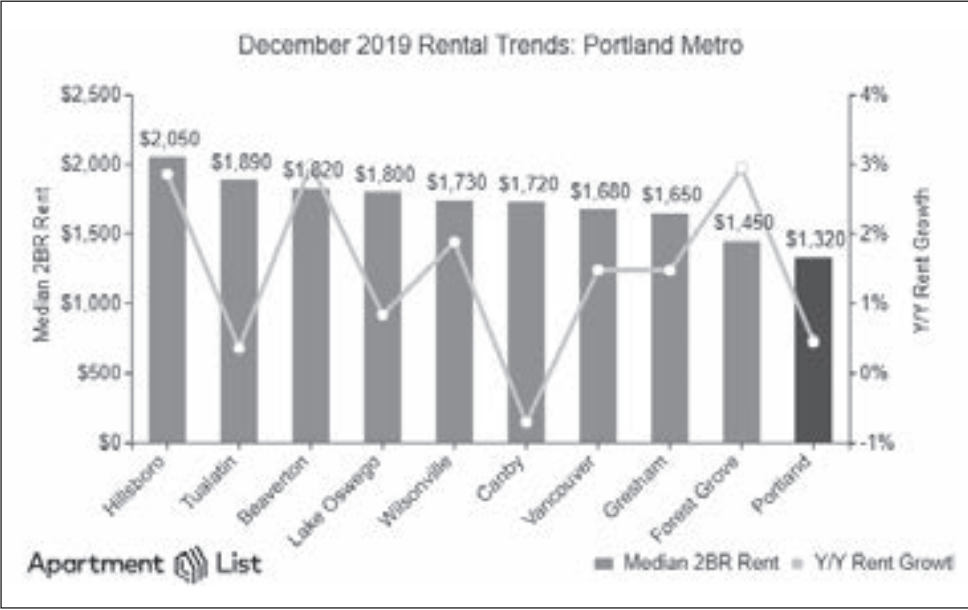
Portland is still more affordable than most comparable cities across the country.

- Oregon as a whole has logged 1.5 percent year-over-year growth, while rent trends across other cities throughout the

CITY	MEDIAN 1BR PRICE	MEDIAN 2BR PRICE	M/M PRICE CHANGE	Y/Y PRICE CHANGE
Portland	\$1,120	\$1,320	-0.5%	0.4%
Vancouver	\$1,420	\$1,680	-0.2%	1.5%
Gresham	\$1,400	\$1,650	-1.1%	1.5%
Hillsboro	\$1,740	\$2,050	-1%	2.9%
Beaverton	\$1,550	\$1,820	0.1%	3%
Lake Oswego	\$1,530	\$1,800	0.5%	0.8%
Tualatin	\$1,600	\$1,890	-1.6%	0.4%
Forest Grove	\$1,230	\$1,450	-0.2%	2.9%
Wilsonville	\$1,470	\$1,730	-0.4%	1.9%
Canby	\$1,460	\$1,720	-2.6%	-0.7%
Gladstone	\$1,510	\$1,780	0.1%	0.9%
Fairview	\$1,520	\$1,800	-0.3%	-0.1%

state have varied. For example, rents have grown by 1.0 percent in Eugene and have fallen 0.8 percent in Salem.

While rents in Portland remained moderately stable this year, similar cities saw increases, including Phoenix (+3.8 percent), Las Vegas (+3.2 percent), and Austin (+3.1 percent); note that median 2BR rents in these cities go for \$1,099, \$1,193, and \$1,471 respectively.



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.

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

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 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

Continued on Page 7



METRO

Publisher/General Manager
John Triplett

Editor-in-Chief
Linda Wienandt

Associate Editor
Diane Porter

Vice President/Sales
Terry Hokenson

Accounting Manager
Patricia Schluter

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

Website
www.RentalHousingJournal.com

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

Email
info@rentalhousingjournal.com

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

The statements and representations made in advertising and news articles contained in this publication are those of the advertisers and authors and as such do not necessarily reflect the views or opinions of Rental Housing Journal, LLC. The inclusion of advertising in this publication does not, in any way, comport an endorsement of or support for the products or services offered. To request a reprint or reprint rights, contact Rental Housing Journal, LLC at the address above.

© 2020, Rental Housing Journal, LLC. All rights reserved.

Subscribe Today!

NAME		
ADDRESS		
CITY	STATE	ZIP
E-MAIL ADDRESS		
I am an:		
<input type="checkbox"/> OWNER	<input type="checkbox"/> INVESTOR	<input type="checkbox"/> PROPERTY MANAGER
<input type="checkbox"/> VENDOR	<input type="checkbox"/> OTHER	
*Print subscriptions \$25/year		
I would like:		
<input type="checkbox"/> PRINT	<input type="checkbox"/> E-MAIL	
Editions:		
<input type="checkbox"/> ARIZONA	<input type="checkbox"/> COLORADO	<input type="checkbox"/> PORTLAND, OR
<input type="checkbox"/> SALEM/EUGENE, OR	<input type="checkbox"/> SEATTLE/TACOMA	<input type="checkbox"/> UTAH
<input type="checkbox"/> VISA	<input type="checkbox"/> MASTER CARD	
CARD NUMBER	EXP.	CVV
NAME ON CARD		
BILLING ADDRESS		
OR MAIL A CHECK TO:		
Rental Housing Journal		
4500 S. Lakeshore Drive, Suite 300		
Tempe, AZ 85282		



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 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.

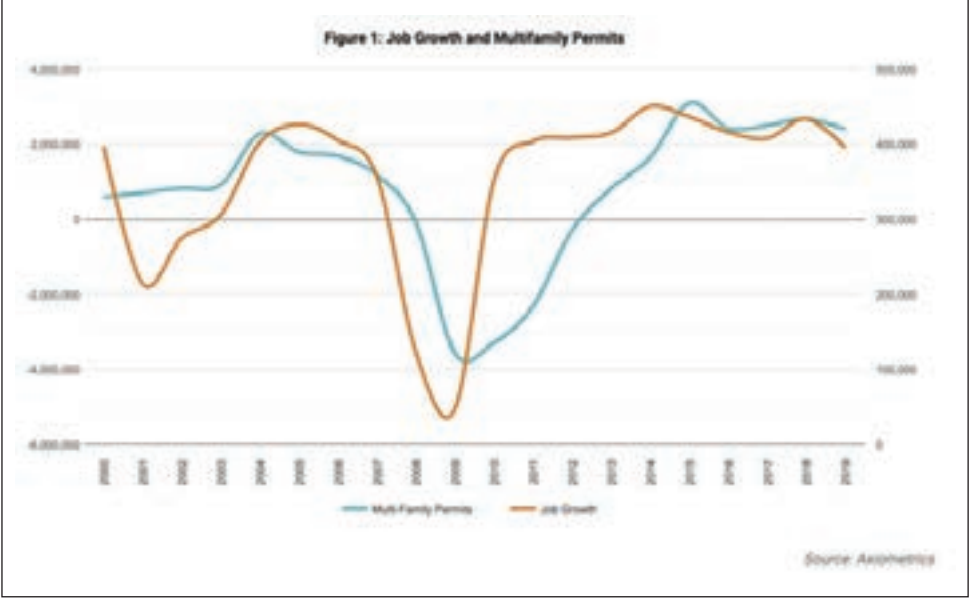
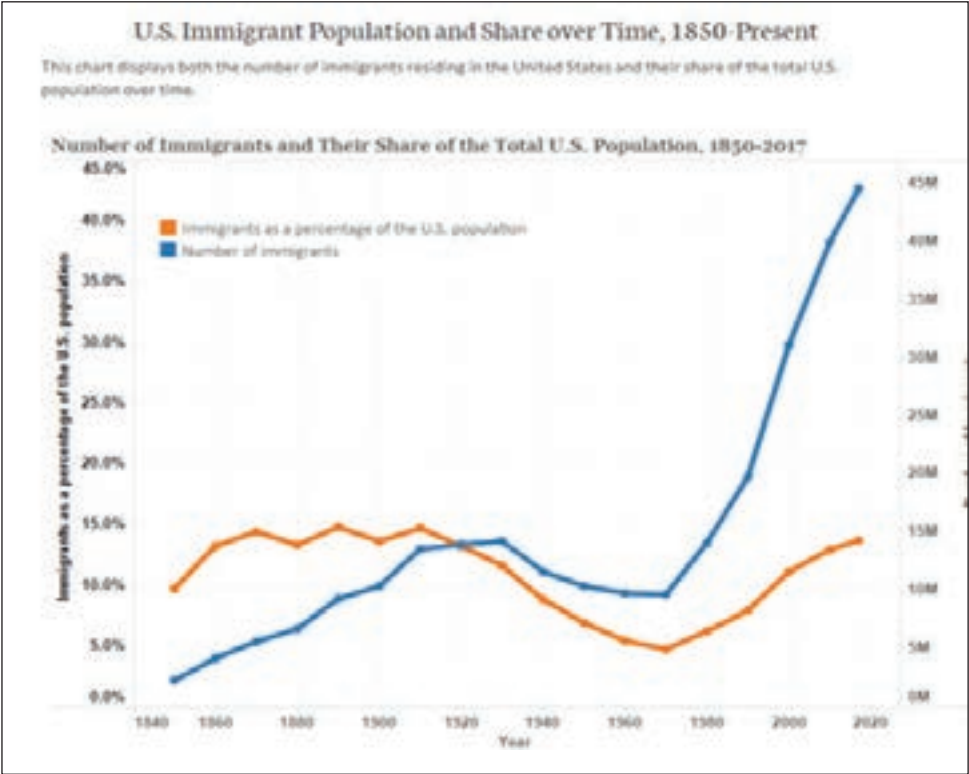
IMMIGRATION

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.

The go to periodical for property management professionals and multifamily investors doing business in Portland and Vancouver.

\$2.95

DECEMBER 2019

Holidays a Time to Reinforce Landlord-Tenant Relationships

Page 5

Leaking Sinks No. 1 Most Popular Fix in November

Page 7

New Laws, New Defenses for Tenants

Page 8

RH

RENTAL HOUSING JOURNAL

INSIGHT FOR REAL ESTATE PROFESSIONALS

METRO

PORTLAND • VANCOUVER

rentalhousingjournal.com • Rental Housing Journal, LLC

Published in association with Multifamily REW Rental Housing Alliance Oregon, WREM & Clark County Association

New Pet-Damage Insurance Gives Managers More Potential Tenants

Brian Blumstein, Director

Pet-damage protection is now being offered by a company in WA property managers can use pet-related damages and allow tenants to have a property without an extreme up-front pet fee.

Just Pet is a new offering from Insure, a financial services company. Just Pet is an online marketplace for pet managers, which can be used alone or combined with Just Expense to replace a traditional up-front pet-damage charge.

This can give properties increased turnover against potential damage and a more streamlined leasing process while keeping tenants cost-effective.

Portland Rents Continue Decline

ANALYSIS

Portland rents have declined 9.7 percent over the past month, the second month in a row for the last four months, according to the latest report from Apartment List. Portland's rent-manager cost grew by 10.6 percent during the last 12 months, as well as the national average of 1.9 percent.

While costs in Portland stood at \$1,227 for a one-bedroom apartment and \$1,230 for a two-bedroom, the same costs did not hold across the metro. Rents have usually risen across the Portland metro area.

Hillbush has the most expensive metro in the region, but recently those rents have declined as well, down 1.2 percent over the past month. The second highest metro increase is in Seattle, up 1.7 percent over the last month.

Rents in WA fell by the most over the last month after an increase in September.

Rents in WA fell by the most over the last month after an increase in September.

See "Maintenance" on Page 14

3 Ways to Prevent Costly Roof Maintenance

Brian Blumstein, Director

Properly maintained roofs are an integral part of the general maintenance and upkeep of your property. Periodicals with regular roof maintenance, capital budgeting, insurance, water protection, and replacement. When property managers maintain a roof correctly, this prevents leaks and damage to the building. It's long-term, then it's more effective ways to do this.

New Year, New Laws: A Brief Overview of the Newest Landlord/Tenant Legislation

By **BRADLEY KRAUS, ATTORNEY**
WARREN ALLEN, LLP

Every year, hot button topics, social issues, and societal problems receive attention during the legislative process. With that comes new laws passed by the Oregon legislature directed at addressing those topics, issues, or problems. As 2019 made clear, housing in Oregon has never been a more pressing topic, and due to that, Landlord/Tenant law was not immune from significant legislative attention.

Senate Bill 608, passed earlier this year, serves as the poster child for the previous paragraph. SB 608, which amended the termination statute, caused cataclysmic changes to the rights and obligations of Landlords in the state of Oregon. As we enter 2020, several other new laws became effective. While they vary in their impact, all Landlords should be aware of these new changes and obligations, in order to stay ahead of the game.

House Bill 2530 was the subject of a previous article, but given its immense impact, it bears repeating that discussion here. HB 2530 imposes new obligations on Landlords related to veteran’s disclosures. These disclosures must be included in every notice served pursuant to the Landlord/Tenant Act, and the failure to include such a disclosure likely provides a “defective notice” defense to your tenant. Similarly, these veteran’s disclosures



must also be included in every summons served for eviction actions, and the failure to do so also provides a similar defense.

House Bill 2006. While most of this Bill amends statutes which have no bearing on Landlord/Tenant law, the legislature did slightly amend the termination statute within the same. In doing so, they appear to answer a question long pondered: with regard to payment of relocation for a Qualifying Landlord Exemption under SB 608, does a Landlord’s own residence count towards the four dwelling unit requirement? HB 2006 added particular language indicating that private non-rental use of a dwelling doesn’t count toward the four units threshold in SB 608.

Senate Bill 484 amends the screening statute, ORS 90.295. It limits Landlords to requiring applicants paying only a single applicant screening charge within any 60-day period, regardless of the number

of rental units owned or managed by the Landlord for which the applicant has applied. Further, it requires the Landlord to refund an applicant screening charge within a reasonable timeframe if the Landlord (a) fills the vacate unit before screening the applicant; or (b) does not screen the applicant. However, it does provide that the Landlord does not need to return the screening charge if the Tenant refuses an offer from the Landlord to rent the dwelling unit.

Senate Bill 970 amends the evaluation of applicant statute, ORS 90.303. It now includes prohibits against some denials based upon marijuana, no doubt in part to marijuana’s new legality in Oregon (and many other states). ORS 90.303 now states that a Landlord may not consider criminal convictions or charging history for convictions based solely on the use or possession of marijuana. Additionally, when evaluating an applicant, a Landlord

may not consider the possession of a medical marijuana card or status as a medical marijuana patient.

Senate Bill 873 is a new Tenant/Consumer protection mechanism. It allows a Tenant to apply to the court to set aside an eviction judgment and seal the official records related to that judgment. It requires the court to grant that motion if (a) the judgment is more than five years old and the Tenant has satisfied any money award included in the judgment; (b) the judgment was by stipulation and the applicant complied with its terms (including satisfaction of any money award); or (c) the judgment was in the Tenant’s favor or resulted in a dismissal of the action. The Tenant is required to serve a copy of the motion upon the Landlord and provides the Landlord 30 days to object. If they do so, a hearing must be set. If no objection is filed, or if the court finds the Tenant satisfies the requirements, the judgment against them is set aside.

If 2019 is any indication, 2020 will continue to see the Oregon legislature paying close attention to the relationship between Landlords and Tenants. As new laws get passed, they can provide Tenants new rights, defenses, or claims against unsuspecting Landlords. Staying up to speed on these new laws, including updating forms and practices, has never been more crucial.



Warren Allen LLP
ATTORNEYS AT LAW



Bradley Kraus

- Landlord Rights
- Litigation
- Property Disputes

The Portland area’s largest full-service firm east of the Willamette River

WWW.WARRENALLEN.COM

503-255-8795

E-mail: kraus@warrenallen.com



CABINETS & COUNTERS

1st Choice Property Solutions LLC



- Multifamily Specialists
- On Time
- On Budget
- Fast Turn

503-659-1618

sales@1stchoicepropertyolutions.net

www.cabinetsfast.net

www.1stchoicepropertyolutions.net



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

FORM OF THE MONTH
M172 OR Veteran's Resource Disclosure

MULTIFAMILY NW
The Association Promoting Quality Rental Housing

OREGON
VETERAN'S RESOURCE DISCLOSURE

If the recipient of this document is a veteran of the armed forces, assistance may be available from a county veterans' service officer or community action agency. Contact information for a local county veterans' service officer and community action agency may be obtained by calling a 2-5-1 information service. Contact information for this county and area you live in is provided below.

COUNTY	ORV 408-414 COUNTY SERVICE OFFICER CONTACT INFORMATION	COMMUNITY ACTION AGENCY	COUNTY	ORV 408-414 COUNTY SERVICE OFFICER CONTACT INFORMATION	COMMUNITY ACTION AGENCY
Baker	Rick Gentry - CIVSO rgentry@bakercounty.org County Courthouse 1000 Third Street Baker City, OR 97604 541-623-8229	Community Connection 140 Oregon Ave. 2010 Cedar St. Baker City, OR 97603 541-626-1371	Benton	Rick Thompson - CIVSO rthompson@bentoncountysos.org 2200 10th Highway SE Benton, OR 97509 541-388-3314	Neighborhood 2310 Douglas Ave., 4th Fl. Benton, OR 97509 541-388-2385
Benton	Leslie McMillan - CIVSO lesmcmillan@bentoncountysos.org 777 NW 9th St, Suite 202 Corvallis, OR 97330 541-758-1585	Community Services 1000 SW 1st St, Suite 4 Corvallis, OR 97331 541-452-1212	Clatsop	Mary Neuman-Royce - CIVSO mneuman@clatsopcountysos.org 1038 SW Douglas Astoria, OR 97103 541-442-4219	United Community Action Network 880 NE Everett Road SE Astoria, OR 97103 541-472-5421
Clatsop	Jenna Hoffman - CIVSO jhoffman@clatsopcountysos.org 2000 River Road, Suite 100 Astoria, OR 97103 541-442-4219	Clatsop County Social Services 1001 Kaula Rd Astoria, OR 97103 541-442-4219	Clatsop	Mary Neuman-Royce - CIVSO mneuman@clatsopcountysos.org 1038 SW Douglas Astoria, OR 97103 541-442-4219	United Community Action Network 880 NE Everett Road SE Astoria, OR 97103 541-472-5421
Clatsop	Leslie McMillan - CIVSO lesmcmillan@bentoncountysos.org 777 NW 9th St, Suite 202 Corvallis, OR 97330 541-758-1585	Community Action 1000 SW 1st St, Suite 4 Corvallis, OR 97331 541-452-1212	Clatsop	Mary Neuman-Royce - CIVSO mneuman@clatsopcountysos.org 1038 SW Douglas Astoria, OR 97103 541-442-4219	United Community Action Network 880 NE Everett Road SE Astoria, OR 97103 541-472-5421
Columbia	Rick Clark - CIVSO rclark@clatsopcountysos.org 100 N. 17th St. St. Helens, OR 97150 503-344-4388	Community Action Team 1000 Thompson Ave. 125 South 17th Street St. Helens, OR 97150 503-344-4388	Clatsop	Mary Neuman-Royce - CIVSO mneuman@clatsopcountysos.org 1038 SW Douglas Astoria, OR 97103 541-442-4219	United Community Action Network 880 NE Everett Road SE Astoria, OR 97103 541-472-5421
Cook	Brynn-Beth Muller-Hess, Tracy May - CIVSO bmuller@coocounty.org 2017 N Adams Coquille, OR 97423 541-288-7200	Coquille County Community Action 1000 Thompson Ave. 125 South 17th Street St. Helens, OR 97150 503-344-4388	Cook	Leslie McMillan - CIVSO lesmcmillan@bentoncountysos.org 777 NW 9th St, Suite 202 Corvallis, OR 97330 541-758-1585	Community Action 1000 SW 1st St, Suite 4 Corvallis, OR 97331 541-452-1212
Cook	Adam Williams - CIVSO awilliams@coocounty.org 400 NW Industrial St. Prineville, OR 97654 541-447-2264	Neighborhood 2310 Douglas Ave., 4th Fl. Benton, OR 97509 541-388-2385	Cook	Leslie McMillan - CIVSO lesmcmillan@bentoncountysos.org 777 NW 9th St, Suite 202 Corvallis, OR 97330 541-758-1585	Community Action 1000 SW 1st St, Suite 4 Corvallis, OR 97331 541-452-1212
Cook	Leslie McMillan - CIVSO lesmcmillan@bentoncountysos.org 777 NW 9th St, Suite 202 Corvallis, OR 97330 541-758-1585	Community Action 1000 SW 1st St, Suite 4 Corvallis, OR 97331 541-452-1212	Cook	Leslie McMillan - CIVSO lesmcmillan@bentoncountysos.org 777 NW 9th St, Suite 202 Corvallis, OR 97330 541-758-1585	Community Action 1000 SW 1st St, Suite 4 Corvallis, OR 97331 541-452-1212

COCL SITE COCLSDNIP COCLSDNIP OFFICE OF REQUIRED PAGE 1 OF 2

This is a NEW FORM and beginning January 1, 2020 it's required to be served alongside any notice of termination in Oregon. In the 2019 Oregon Legislative Session, HB 2530 was passed that mandated this disclosure to provide contact information for counties veterans' service officer and community action agencies.

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

SAVE THE DATE!



2020 Fair Housing Fair:
Housing Access for All
Thursday, Feb. 13, 2020
Oregon Convention Center
777 NE Martin Luther King Jr. Blvd.
Portland, OR 97232

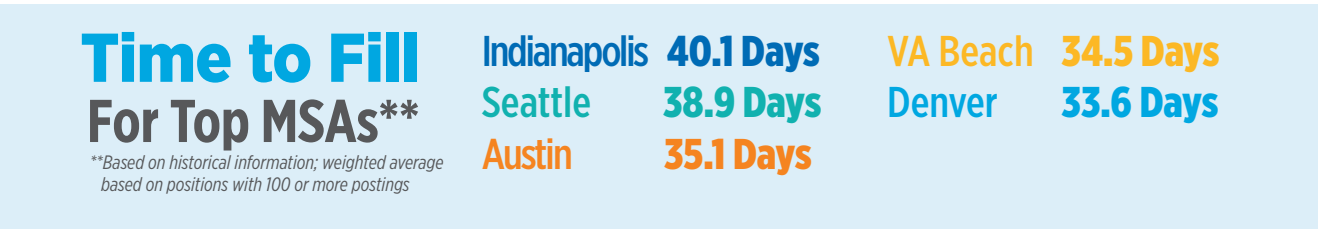
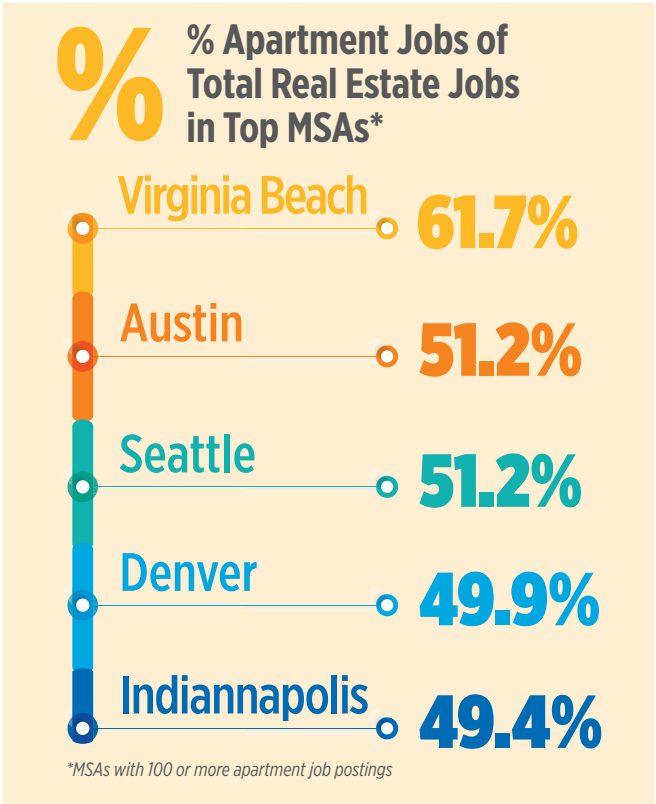
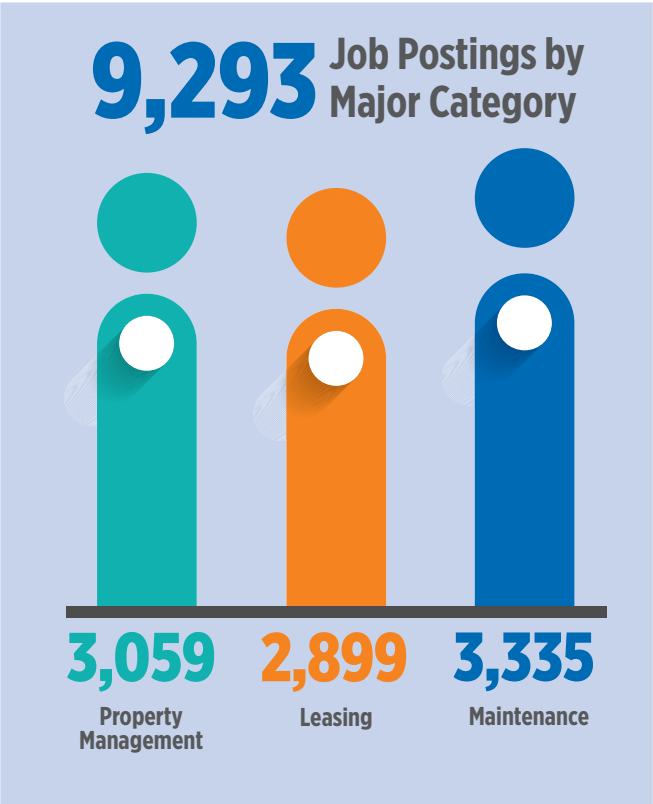
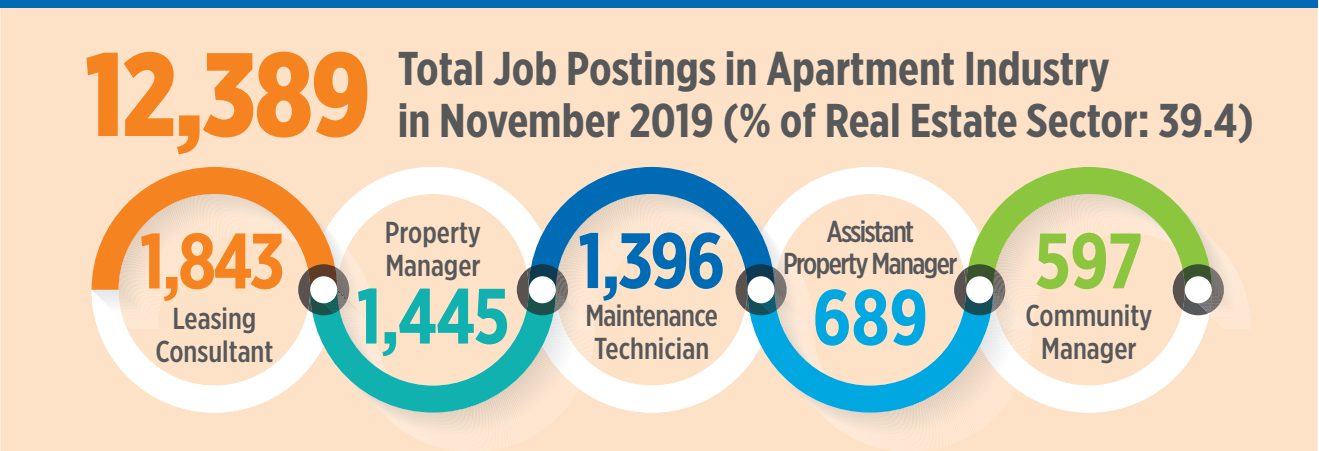
FOR MORE INFORMATION:

www.multifamilynw.org/events/fair-housing-fair-2020-housing-access-for-all

Multifamily NW Schedule

JANUARY 6	LANDLORD/TENANT PART I	1:00 PM - 5:00 PM
JANUARY 8	HR ISSUES: RECRUITMENT IDEAS	12:00 PM - 1:00 PM
JANUARY 8	LANDLORD STUDY HALL	6:30 PM - 8:00 PM
JANUARY 10	IT'S THE LAW: STARTING ON THE RIGHT FOOT	12:00 PM - 1:00 PM
JANUARY 15	PDX JANUARYUARY LUNCHEON: PORTLAND FAIR ORDINANCE	12:00 PM - 1:00 PM
JANUARY 16	CAM: FINANCIAL MANAGEMENT & INDUSTRY ESSENTIALS	9:00 AM - 5:00 PM
JANUARY 16	STRENGTHENING FRONT LINE SKILLS FOR MAINTENANCE	9:00 AM - 12:00 PM
JANUARY 20	PORTLAND'S FAIR ACCESS IN RENTING (FAIR) ORDINANCES PART 1	1:00 PM - 4:00 PM
JANUARY 27	PORTLAND'S FAIR ACCESS IN RENTING (FAIR) ORDINANCES PART 2	1:00 PM - 4:00 PM
FEBRUARY 5	LANDLORD STUDY HALL	6:30 PM - 8:00 PM
FEBRUARY 6	LAW AND RULE REQUIRED COURSE (LARRC)	1:00 PM - 4:00 PM
FEBRUARY 10	LANDLORD/TENANT PART II	1:00 PM - 5:00 PM

To advertise in Rental Housing Journal, call Vice President/Sales Terry Hokenson at 480-720-4385 or email him at Terry@rentalhousingjournal.com



Apartment Jobs Snapshot

November 2019

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.

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

Spotlight

Last 6 Months

Assistant Property Manager

Top MSAs (Highest Location Quotients)

City	Location Quotient***	Market Salaries (90 th Percentile)****
Denver	3.2	\$39,549
Seattle	3.1	\$42,862
Washington, D.C.	2.5	\$48,197
Dallas	2.4	\$40,987
Minneapolis	2.0	\$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 (90th 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.



Pacific Exteriors

Northwest Waterproofing Experts



WE SPECIALIZE IN SIDING REPAIR & REPLACEMENT

- Windows
- Decking
- Painting

EXPERIENCED
SINCE 1994

www.PacificExteriorsNW.com
503-953-0419



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

Fully Licensed, Bonded, and Insured
WA LIC# PACIFBS831MK OR LIC# 215897



ACCREDITED
BUSINESS



RHA OREGON
10520 NE WEIDLER ST
PORTLAND OR 97220
503/254-4723



Rental Housing Alliance Oregon

RENTAL FORMS



*** Landlord Friendly * Attorney Drawn * Convenient ***

- Application to Rent
- Rental Agreement
- Addendums
- Notice of Terminations
- Notice of Non-Payment of Rent
- and Much, Much, More!

FOR ALL YOUR RENTAL NEEDS

3 Convenient Ways to Order

1. Online at www.rhaoregon.org, both downloadable and hardcopy
2. Phone 503/254-4723 to order your forms with one of our friendly representatives
3. Visit 10520 NE Weidler Portland OR 97220 for fast friendly service



Professional Bathtub, Fiberglass and Tile Repair and Refinish

in Portland and Vancouver Since 1994

- One-Day Service
- 100% Satisfaction Guarantee
- Competitive Pricing

GET YOUR FREE ESTIMATE TODAY
www.RenewItRefinishing.com
503-650-5181

ORCCB#170333 Licensed • Bonded • Insured WA Lic 946K6

We focus on the small details.

Let Micro Property Management customize our services to help you maximize your properties and their cash flow potential.

- Property management
- Tenant screening & placement
- Rental inspections
- Maintenance

Micro Property Management
www.micropropertymgmt.com
Jeannie@micropropertymgmt.com 503-473-3742
OR Business Registry #83614397 • OR Property Management Lic. # 201201121

GLASS DOCTORTM

a neighborly company

Formerly All About Windows

Our Services

- Window Repair and Replacement
- Tabletops/Mirrors
- Insulated Glass/Fogged Units
- Commercial Glass Replacement
- And More!

503-969-5719
GlassDoctor.com/molalla-or
Locally Owned and Operated Franchise
CCB#153979



How to Detect Faulty Wiring in a Rental Property

RENTAL HOUSING JOURNAL

Every year, electrical fires leave a trail of costly damages on rental properties across the United States. This is considered to be one of the most expensive fixes that property managers have to face, according to maintenance company Keepe.

As a property manager, keep an eye out for poorly installed, outdated and damaged electrical wiring. Often, the warning signs of faulty wiring are relatively easy to detect – as long as you stay proactive and alert in spotting these issues.

5 WARNING SIGNS OF FAULTY ELECTRICAL WIRING

Frequent circuit breaker trips

A circuit breaker is designed to trip whenever a power overload occurs in the system. However, if this happens too often (frequent circuit breaker trips in a span of a few days or weeks), it is a clear sign that there is a deeper underlying problem in the building’s electrical wiring system. Make sure to have it checked out.

Constant dimming, buzzing or flickering of lights

If lights in the building constantly buzz when turned on, or worse, flicker or dim when multiple appliances are in use at the same time, it is an indication that there is a problem with the building’s electrical wiring, which would potentially require an urgent professional upgrade.

Chewed or frayed wiring

Damaged wiring – left behind by inexperienced handymen, pets, and rodents – can cause an electrical fire in a rental property. It is essential for property managers to look out for chewed or frayed wiring. If you spot these types of wiring, contact an electrical contractor immediately.

Discolored, scorched or smoked outlet points

When a rental property’s wiring system is damaged, it often causes discoloration and scorch marks on the outlet points. This is a tell-tale sign that the wiring system is damaged. If left unchecked, it has the potential to cause a fire or shock.

As a property manager, do routine walkthroughs and inspections to detect an electrical fire before it occurs. Remember not to tinker with the electrical system in a building, especially if you see or hear any of the above warning signs.

Advertise in Rental Housing Journal

REACH YOUR TARGET AUDIENCE
Call Vice President/Sales Terry Hokenson
at 480-720-4385 or email
Terry@rentalhousingjournal.com

How Rent Control Limits Owner Profits and Maintenance in Portland, Seattle

Continued from Page 1

to seven percent plus inflation as measured by the Consumer Price Index (which varies widely across years and regions of the country).

The study says rent-growth caps affect the apartment industry in several ways, each of which is estimated in the model.

HERE ARE SOME OF THE EFFECTS IN THE RENT-CONTROL STUDY

- The most direct effect is on the monthly rent for units that would have experienced a growth above seven percent in a given year.
- Limiting rent growth affects the long-term viability of building new units and performing maintenance on existing units, as it changes the expected return on investment for each of these activities.
- By limiting rents, a rent-growth cap also will affect new construction as it will change the expected return on this investment.
- The combined effects of limiting rents and deterring new construction work to reduce owner profitability.
- A cap on rent increases essentially becomes a de facto cap on the profits of building owners, and that gets negatively capitalized in the value of rental property.

“Each of these effects represent inefficient outcomes relative to allowing the market price to adjust according to supply and demand. By not allowing the market for dwellings to function properly, rent control changes the allocation of housing investment across space,” the NAA study says.

Under normal conditions, rising rent levels would be met with increased

building in an area, curbing long-term growth in rents.

However, rent control blunts the price mechanism, causing a misallocation of housing investment both within and across metropolitan areas.

CPA constructed several models to examine the effect of a rent growth cap on the study markets.

First, the change in expected rents was modeled through an examination of historical rent increases. Those data were used to assign a probability that an apartment owner is likely to see a spike in demand that results in a rental price increase that exceeds the seven percent cap in a given year for each area.

That expected rent change was linked to estimates of new supply and maintenance expenditures, and the outputs from those models were combined to estimate the effect of rent caps on total income and, ultimately, property values.

All estimates reflect the impact of a seven percent rent-growth cap on rental units in buildings with five or more units.

THE ANALYSIS OF THE MODEL OUTPUTS CONCLUDED:

The expected change in rental values across metropolitan areas ranged from two percent in Chicago and Portland to five percent in Denver and nine 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, with 779 fewer units constructed annually.

- Denver and Chicago would see 320 fewer per year.
- Portland would see 233 fewer per year.

MAINTENANCE SPENDING WOULD FALL UNDER RENT CONTROL

The models estimate that annual maintenance spending would fall by:

- \$5.9 million in Seattle
- \$5.4 million in Chicago
- \$4.5 million in Denver
- \$2.7 million in Portland

The total rental income lost for apartment owners would be significant. The CPA model showed the loss would be:

- \$33 million in Seattle
- \$24 million in Chicago
- \$23 million in Denver
- \$10 million in Portland

These loss estimates include both the income lost due to restricting rents and the income lost from foregone construction.

PROPERTY TAXES WILL FALL WITH LOSS OF APARTMENT VALUES

Also, the projected income reductions logically translate into declines in the value of apartment properties.

The model output estimated an aggregate loss of property value of \$213 million in Portland, \$462 million in Denver, \$487 million in Chicago and \$655 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 from the low-discount rate model and assuming that property assessments follow market-value losses, annual property-tax revenue losses would be more than \$6 million annually in Chicago, with losses of more than \$5 million in Seattle and Portland and \$3.5 million annually in Denver.

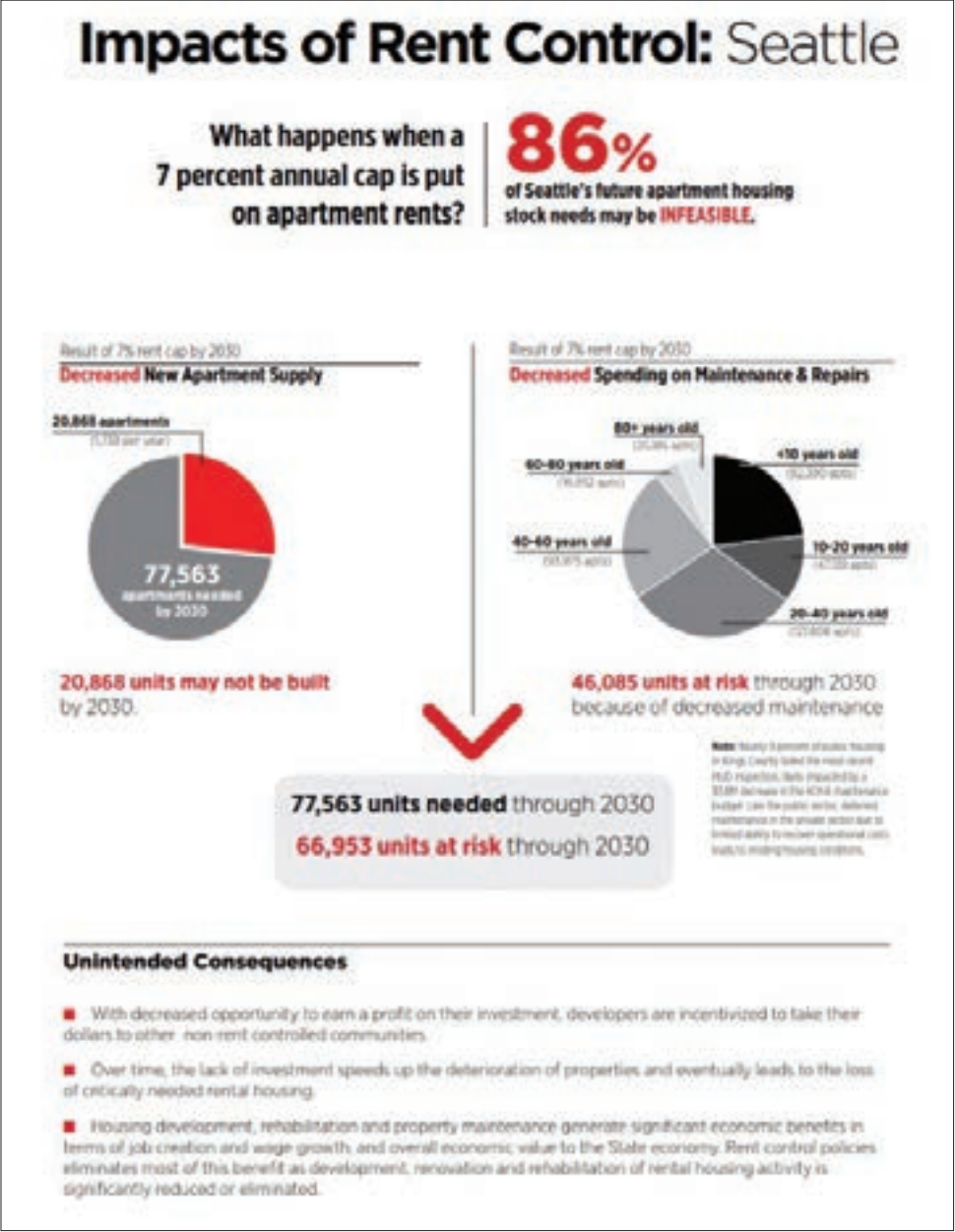
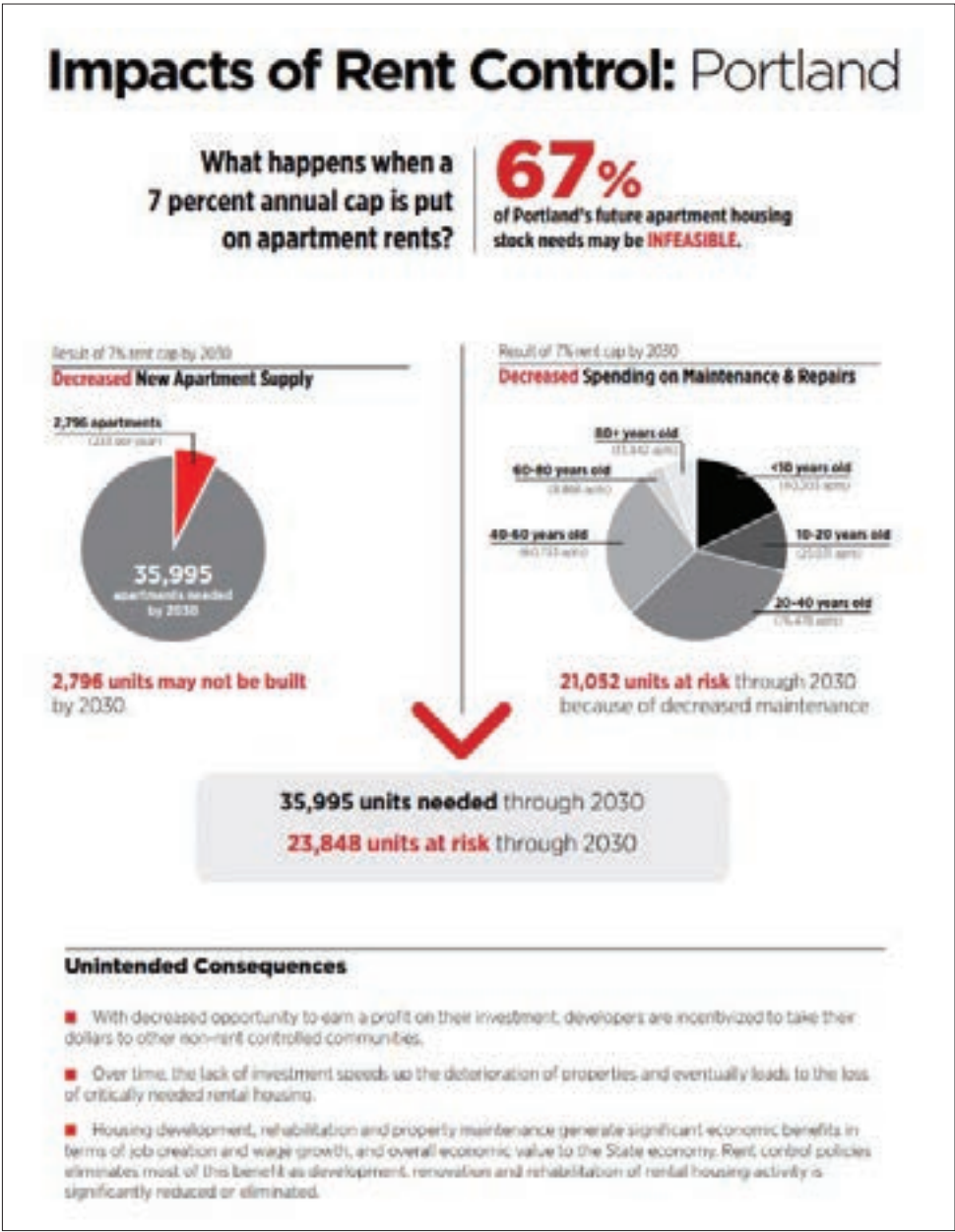
A seven percent growth cap on rents would have a substantial impact on the apartment rental market in the areas studied.

The estimates suggest that a non-trivial percentage of units would be bound by the policy and that this would lead to rent losses for building owners.

The fact that rents would not be able to fluctuate to meet market conditions in the metropolitan areas and across neighborhoods would have far-reaching implications.

A seven-percent cap would substantially reduce the amount of new unit construction and have a negative impact on maintenance expenditures.

Finally, the models show that the seven-percent growth cap would depress annual income for owners and ultimately be capitalized into falling property values. Falling property values could have further implications not explored in the study, such as declines in local wealth and public services funded by the local property tax base. Using the results of a 2017 report, “U.S. Apartment Demand – A Forward Look,” produced by Hoyt Advisory Services for NAA and NMHC, we estimate the long-term effects of rent control and how it could affect vitally needed rental housing units by 2030. These figures are presented in the following charts included here.



How A Regular Maintenance Schedule Can Help Busy Landlords

By COREY BREWER

The day-to-day life of a landlord or property manager can be difficult to predict, which is part of the fun of the job, but it also means you can be caught off guard.

It's a little more reliable to predict monthly, seasonal, and annual management cycles.

Proper planning will put you in the best position possible to handle maintenance needs as they arise at your properties.

The most common "routine" maintenance items are typically landscaping and pest control.

The exact frequency and timing will, of course, depend on the property itself, but these items will often require attention each month or each quarter. Shop around to find a plan that works.

The time of year will dictate how often the grounds need attention, and what kind of work is to be done. During winter months, when the grass isn't growing, perhaps the focus shifts to leaf cleanup or pressure washing, for example.

Seasonal maintenance can take many forms, from window-washing to gutter-cleaning to the all-important "periodic"



or "routine" inspections.

Best practice at our management firm is to visit our properties at least twice per year to test smoke and CO alarms, look at plumbing connections, and so on. Another common seasonal concern will be to winterize, and then de-winterize,

sprinkler systems (or pools and hot tubs if applicable).

Annual maintenance will likely include a check on the major functions of the home, such as a furnace tune-up.

It's always good to take a look before

heading into the colder months so you can try to avoid emergency repairs or even replacement, and some vendors may offer lower pricing during off-peak times of year. Again, on a property-specific basis, you may have additional concerns such as snaking drains and checking for root growth, or pumping a septic system.

Over the long-term life of the property there are going to be other concerns such as paint, flooring, and appliances.

Generally speaking, the "useful" life spans of these elements in a rental property are as follows:

- Interior paint is about 4-5 years.
- Carpet is about 7-10 years.
- Common household appliances are about 10-12 years.

Budgeting for these types of expenses in advance will soften the blow when it comes time to update, repair, or replace.

Other considerations will be the care of the roof, deck, railing, fence, and any other elements that can wear over time.

Map out a plan, and look for reliable vendors that you can (if you're happy with their work) bring back year after year, as they'll become familiar with the unique quirks of your property.

SOLD

ESTACADA LAKES APARTMENTS
ESTACADA, OR

18 UNITS | \$1,680,000

GABE JOHANSEN
PRINCIPAL BROKER/OWNER
LICENSED IN THE STATE OF OREGON
gabe@smicre.com

ERIC SWANSON
APARTMENT BROKER
LICENSED IN THE STATE OF OREGON
eric@smicre.com

503.390.6060
www.smicre.com

SMI
COMMERCIAL REAL ESTATE, LLC

RENTAL HOUSING MAINTENANCE SERVICES, INC.

503-678-2136

FULLY LICENSED

- Plumbers
- Electricians
- Maintenance Technicians
- Interior/Exterior Painters
- Complete Turnover Services
- Ongoing Maintenance & Repairs
- Rehab Specialists

We Accept:

Licensed • Bonded • Insured
Oregon CCB #163427 Washington Lic. #RENTAHM016LM
www.rentalrepairs.com

To advertise in Rental Housing Journal, call Vice President/Sales Terry Hokenson at 480-720-4385 or email him at Terry@rentalhousingjournal.com

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 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.

“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.”

“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.

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.”

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.



Cordero Painting is a full-service family owned painting contractor in business since 1995. We proudly serve the Portland/Seattle area. We are committed to quality workmanship for a fair price with a full guarantee.

Our Services:

- Interior & Exterior Painting
- Accent Walls
- Pressure Washing
- Gutter Cleaning
- Countertop Resurfacing
- Tub and Surround Resurfacing
- Drywall repairs

Commercial and Residential

Visit us at www.corderopaintinginc.com
or call us at 503-848-7788

THE VALUE OF MEMBERSHIP



- Legislative Representation
- General Membership Dinner Meetings
- Mentor Program- FREE Mentor Roundtable
- 2000+ Members
- Educational Classes
- Substantial discounts on Rental Forms, Education & Tenant Screenings
- Membership starting at \$99
- Fully staffed office open Monday-Friday 9am-5pm

Since 1927, the **Rental Housing Alliance Oregon** has set the standard for community participation by landlords providing affordable and fair housing.



Visit www.rhaoregon.org
or call 503/254-4723 for details!

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.

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.

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>

Rentegration.com

Integrated Solutions at your fingertips

5 REASONS TO USE RENTTEGRATION

1. Access - Rentegration.com is a web based, multi-user software offering cus- tomers 24/7 access to forms generation, archives, property man- agement data- base, basic accounting, vendor ordering and other services.

2. Rental and Lease Forms - Unlimit- ed use of a full line of state specific rental and lease forms. All Rentegration.com forms are created by attorneys and/or local rental housing associations.

3. Simplified Accounting - Owners and managers can track income and ex- pense for each unit, property and compa- ny. Perfect for mid and small size property managers and indepen- dent rental own- ers, who neither have the need or budget for larger, more ex- pensive software.

4. Management Database - Rente- gration.com is an easy to use, database driv- en software. Most form fields are auto populated from the database. The mod- ules are all integrated and work together. For example, a customer can use the rent- roll function to identify all delinquencies, apply fees, and create eviction forms with a few simple clicks of themouse.

5. Value - Large property manage- ment companies that use Rentegra- tion.com for only forms generation will save time and money over other methods. Mid and small size prop- erty managers and independent rental owners can manage their entire busi- ness at a fraction of the cost of other software and forms.

Exclusive Industry Partner of



NATIONAL TENANT NETWORK

State specific rental and lease forms available in:

AK, AZ, CA, CO, DC, DE, FL, GA, IL, IN, KS, KY, MA, NC, NJ, NV, NY, OH, OR, PA, TX, UT, VA, WA & WV.

rentegration.com 503.933.6437 sales@rentegration.com



Ultimate Cleaning Solutions specializes in apartments move-in and move-out cleaning services.

We will make sure that your vacated apartment or rental property is ready for the next client. First impression is important and therefore, our goal is to help you show your prospective client a polished, clean and inviting apartment!

Ultimate Cleaning Solutions can make a vacant apartment, or office "move-in" ready by cleaning everything from top to bottom. You can feel confident that we are busy returning your rental to showcase condition. We are ready to help you!

Our services include move in/move out cleaning services to apartment community managers and individuals owning rental property. We are your one-call apartment turnover solution.

You can contact us at:

503-521-7458 or

office@ultimatecleaninginc.com

Winter Seasonal Slowdown Stalls Rent Growth

YARDI MATRIX

Rent growth and multifamily demand for housing remains strong and consistent despite a seasonally driven \$3 decline in the average rent in November, according to the latest report from Yardi Matrix.

Average rents fell slightly in November to \$1,473 per month as the winter seasonal slowdown starts to take hold.

Rents are up 3.1 percent year-over-year and have been at 3.0 percent or higher since the spring of 2018, which demonstrates the strength and consistency of demand, the report says.

The seasonal slowdown is expected to continue through early 2020, but substantial demand for multifamily housing remains, and rent growth will likely accelerate again in the spring.

SEATTLE CONTINUES TO SEE NEGATIVE GROWTH IN THE WINTER

- With 320,000 units absorbed to date, this is the sixth straight year with more than 250,000 units absorbed.
- Rent growth remains strong across the board, with metros in the Southwest, Southeast and California dominating the top 10 of the rankings.
- The Pacific Northwest shows seasonal weakness in several metros, with three-month drops of 0.4 percent or more in Seattle, San Francisco and San Jose.

Seattle – along with San Jose and San Francisco—posted sharply negative growth over the last three months. For reasons that are not entirely clear, these metros have developed the same pattern of larger-than-average seasonal changes in recent years, with high growth in the summer and rent declines in the winter, according to the report.

“Overall demand in all of these markets remains extremely high, and none have extreme winters, so the pattern doesn’t have an obvious explanation,” the report says.

“Rents may be affected by new



deliveries that tend to come online in the fall. Job growth and in-migration continue to be strong in the Pacific Northwest, so we would expect rent gains to pick up again in the New Year.”

PHOENIX, LAS VEGAS AND SACRAMENTO TOPS IN RENT GROWTH

The Southwest and West continue to exhibit the highest rent growth, producing the strongest gains. Job growth and strong in-migration continue to fuel the desert Southwest.

- Phoenix: 7.5 percent
- Las Vegas: 6 percent
- Sacramento: 5.3 percent

DESPITE ANXIETY, MULTIFAMILY RENT GROWTH IS FORECAST BY EMPLOYMENT, OCCUPANCY AND SUPPLY

“Commercial real estate performance has been stellar for about eight years and demand is strong, and rents continue to grow in most segments.

“At the same time, property values are at all-time highs and debt markets are functioning smoothly, with healthy deal flow and few delinquencies.

“The industry, however, isn’t used to lengthy periods of uninterrupted success, which leads to anxiety about the other shoe dropping,” Yardi Matrix says in the report.

- Nearly a decade into a very positive cycle for commercial real estate, many in the industry are wondering how long it can last and looking for signs of weakness.
- Although transaction underwriting and debt levels are not as frothy as they were in 2006-07, investors are getting very little premium for high-risk assets such as value-added properties and mezzanine loans.
- Market players should keep abreast

of the possible economic headwinds and develop strategies to deal with such events.

It is a hard time for businesses to plan when there is so much uncertainty about government rules and regulations.

“With the next presidential election a year away, policies could change soon. For the time being, however, the economy remains set to expand at a 2 percent plus real rate, enough to power the real estate expansion forward,” Yardi Matrix says in the report.

Yardi Matrix is the industry’s most comprehensive business development and asset management tool for investment professionals, equity investors, lenders and property managers who underwrite and manage real estate investments in multifamily, industrial, office and self-storage. Email matrix@yardi.com, call 480-663-1149 or visit yardimatrix.com to learn more.



To advertise in Rental Housing Journal,
call Vice President/
Sales Terry Hokenson
at 480-720-4385
or email him at
Terry@rentalhousingjournal.com

Sidewalk Trip Hazard Removal... The Right Way!



- ADA Compliant
- Fast, Clean and Precise
- Cost-Effective
- Environmentally Friendly

Call 503-305-6271 for your free sidewalk inspection!

CCB# 178181 WA# SAFESSL911CE

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.

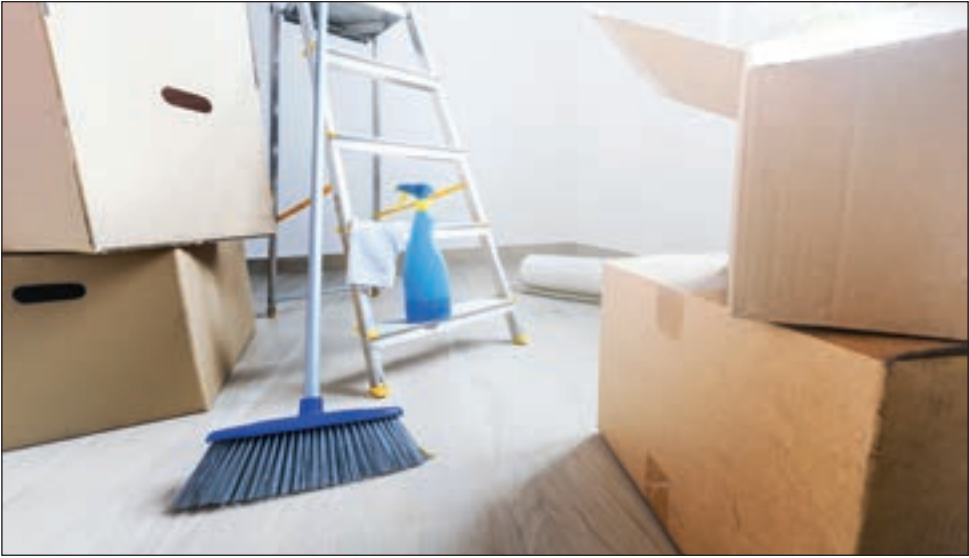
There's so much more to being a landlord than it seems that sometimes it can be an immensely stressful job, made harder by the fact that people underestimate the difficulties.

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.

washer drain on the floor?
overflowing bathtub?
leaking hot water heater?
forget to open the flue?
cooking fire?

fire.water.wind
smoke.vandalism
blood-borne pathogens

Restoring
property damage
since 1950

- 24 hour emergency service
- locally owned and operated
- full-service general contractor
- certified in mold, lead based paint and biohazard cleanup

before

after

kennedyres.com

315 SE 7th Avenue • Portland, OR 97214
503-234-0509 OR • 360-693-5288 WA • 800-643-2790 Toll Free
CCB#3402 WA.Kenner.995CA

INCREASE THE COMFORT OF YOUR RENTAL PROPERTY!

LOWER ENERGY COST & ADD AIR CONDITIONING

NEW
Energy Trust of Oregon
CASH INCENTIVES

Trade Ally of
Energy Trust of Oregon

LIMITED TIME!
INSTANT Incentives for
Single-Family Rental Homes

* Installation Cost	\$3,750
* NEW Energy Trust Instant Incentives	\$1,750
Out of Pocket Cost	\$2,000

DAIKIN
Ductless
Heat Pump
Install for
\$2000

A DIVISION OF SUNSET HEATING AND COOLING.

Call Today!
503-233-5360

* INSTALLATION COST & CASH INCENTIVES VARY BASED UPON SIZE OF EQUIPMENT INSTALLED.
As an Energy Trust of Oregon trade ally, we can help you access cash incentives to make it easier to improve your home's energy efficiency.

Sponsored Content

Are You Prepared for Winter?

Inspection/ Cleaning of Your Fireplace Chimneys and Dryer Vents

By Portland Chimney and Masonry Inc.

Portland Chimney & Masonry Inc. With winter upon us, it is time to ensure any wood-burning system in your multi units are inspected/ cleaned and safe for the burning season.

Since wood-burning systems leave creosote buildup (creosote is the residue left caused by smoke and chemical reaction of the burning), it is recommended these be checked for safety regularly, as creosote is a fire hazard. Creosote buildup can cause poor flow of the smoke out of the chimney, causing smoke or odor to come back in. An upper multifamily apartment unit can get smoke transfer from a lower unit when a fire is burning, and there are remedies for this.

These are problems that can be easily handled if caught in time. A Certified Chimney Sweep can inspect/clean the chimneys to ensure any issue is addressed. Better safe than sorry.

Dryer vents are also important to keep clean, though not a seasonal issue, as dryer vents are used year-round.

A clogged dryer vent can decrease a dryer’s efficiency markedly, causing the dryer to use twice the time and energy to dry the clothes. This can lose you a lot of money in the long run with the wasted electricity. Lint is also a highly flammable substance that can present quite a fire hazard to your property. Also, an inspection of the dryer’s air flow will help to discover that the dryer vent does vent outside of the building and not into the attic, for example, creating a fire hazard.

In most cases, when a complex has both fireplace chimneys and dryer vents to clean, it is much more cost effective to have them all cleaned at the same time (chimneys and dryer vents). Volume discounts are available that will save you a lot of money on these important maintenance items.

So with this point of view, sufficient planning and effective action, you can rest assured that all your properties will be ready for winter!





*Licensed, Bonded & Insured
License #49750*

PORTLAND CHIMNEY & MASONRY, INC.

503-256-9140

Call today for a

FREE ESTIMATE ON CHIMNEY REPAIRS:

FAST & FRIENDLY
NEAT & CLEAN
SERVICE
★ ★ ★
ENSURE YOUR CHIMNEY IS SAFE AND PROPERLY MAINTAINED
★ ★ ★
LICENSED
BONDED
INSURED
OR #49750
WA LICENSE # PORTCI005PZ

- Brick, Block & Stone Masonry
- Chimney Cleaning & Inspections
- Chimney Build & Repair
- Chimney Remortaring
- Chimney Relining (Stainless Steel or Aluminum)



*Licensed, Bonded & Insured
License #49750*

PORTLAND CHIMNEY®

\$140⁰⁰

Any 1-3* Story Open Fireplace Chimney
Level One Inspection/Cleaning

503-256-9140

*3 Story Homes added fee may apply due to access
Coupon valid thru December 2020



DESIGN CERTIFIED
CHIMNEY SWEEP ASSOCIATION
CERTIFIED

MULTI FAMILY SPECIALS!

JANUARY-JUNE 2020
VOLUME DISCOUNTS
Fireplaces & Dryer Vents
Call for a **FREE ESTIMATE**
503-256-9140
BUDGET NOW!

All Work Guaranteed and Done By Experienced Professionals

www.portlandchimneyinc.com

Need Staffing?

Don't take chances with staffing! Our temps are tested, trained, experienced, and fully insured!



Apartment
Advantage®



Hiring, Training, and Placing the Property Management Leaders of Tomorrow

Daily • Weekly • Monthly • Permanent

Temporary On-Site Staff

Managers • Leasing Agents • Maintenance • Grounds Keepers

Greater
Portland-Vancouver Area

(503) 644-8233

Greater
Seattle-Tacoma Area
(425) 456-3663

Greater
Denver-Boulder Area
(720) 822-0117



www.apartmentadvantage.com