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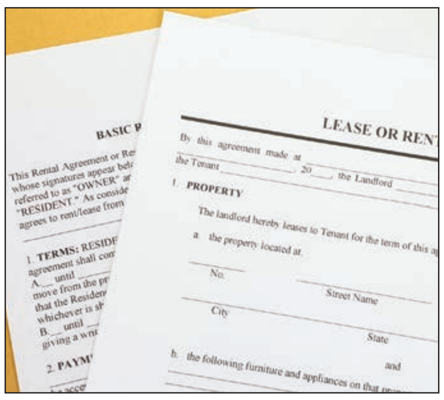

Portland's New FAIR Housing Ordinance

By Ron Garcia

The City Council of Portland is now slated to pass its "Fair Access in Rentals" (FAIR) Act to become law on March 1, 2020. However, Portland landlords should instead understand this new ordinance to read as: "Forcibly Accepting Increased Risk."

This new statute restricts and governs:

1. How tenant screening must be conducted, as well as how vacancies must be advertised and filled, and
2. How much landlords can collect for tenant security deposits and how those funds must be allocated towards damages upon termination, as well as new mandates on handling termination notices (including 72-hour late notifications).

See 'Portland's' on Page 15

Property Managers Are Facing Unprecedented Change in 2020

Rental Housing Journal

Property managers are at the center of the collision between rising rental demand, declining profitability, changing regulations, and the nationwide shortage of affordable places to live, according to the fifth annual survey of 1,738 property managers by Buildium and the National Association of Residential Property Managers.

In addition to the property managers, the report also surveyed 1,118 renters, 603 rental property owners and 217 association board members in 340 metro areas.

Chris Litster, CEO of Buildium, and Gail Phillips, CEO of the National Association of Residential Property Managers (NARPM), presented *The 2020 State of the Property Management Industry Report* in a recent webinar focusing on key macro trends.

The report said property managers who "are prepared to refocus their businesses on the rapidly evolving preferences of their residents and clients will be best positioned for success as the industry enters a new chapter."

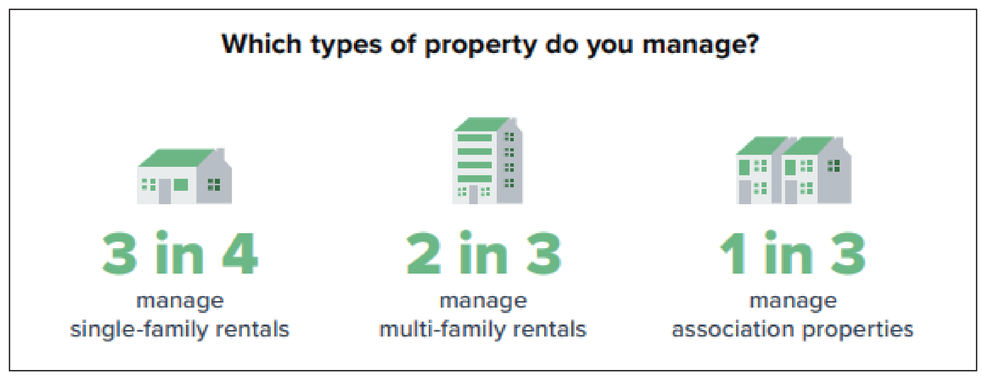

Chart from the Buildium report, The 2020 State of the Property Management Industry Report.

Still, the report makes the point that relationships remain at the heart of effective property management.

"Property managers have found themselves at the center of the collision between rising rental demand, declining profitability, changing regulations, and the nationwide shortage of affordable places to live," the report says.

"It's evident that these socioeconomic forces, along with the very real and immediate demands of their owners and residents, are changing the role of the property manager for good."

See 'Property' on Page 10

3 Reasons Why You Should Consider Trash-Valet Service at Your Property

Keepe

Have you been thinking about adding a trash-valet service at your property? In the race to attract renters, properties are continually trying to find new ways to make life easier for renters and improve the condition of the property.

Trash-valet service is one of the most requested services by renters, and it has some serious benefits for properties as well.

About Trash-Valet Service

Trash-valet service eliminates the need for big dumpsters placed all over the

See '3 Reasons' on Page 12

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Five Things to Remember When Deciding to do a 1031 Exchange

By Dwight Kay
and the Kay Properties Team

A 1031 exchange is a legal way for investors to defer their capital gains taxes on the sale of real estate held for investment or business purposes. It allows one to defer taxes on a property sale as long as they follow specific 1031 rules and guidelines. In other words, you have the potential to keep all your profits working for you with the purchase of your next investment property, without the IRS coming after you looking for their share of the pie. Here are five things to remember before a 1031 exchange.

1. Taxes are Applicable in a Non-1031 Exchange

When an investor sells a property that has gone up in value this results in several types of taxes. These include capital gains taxes, which the investor must pay if they sell the asset at a price higher than they initially paid for it. Federal capital gains are taxed at 15-20% of the increase in value, while state capital gains are taxed between 0- 13.3% of the increase in value.

Depreciation recapture taxes are taxes due when the seller had claimed depreciation expenses on the sold property. Depreciation recapture is currently taxed at 25% of the amount you have depreciated over the years. Other taxes incurred on property sales include the 3.8% Medicare surtax.

All these taxes are able to be deferred if you do a 1031 exchange. But if you choose to sell your property without a 1031 exchange, ensure you consult a reputable attorney and CPA so you can know what your full tax bill will be when adding up federal capital gains, state capital gains, depreciation recapture and the medicare surtax.

2. You Need a Qualified Intermediary

A 1031 exchange isn't as simple as selling and reinvesting in another property. You must first transfer the relinquished property to an intermediary or an accommodator so they can execute the sale on your behalf. This is a process whereby your sale contract is assigned to the qualified intermediary and when the property closes your funds are then wired to your account at the qualified intermediary. From there you will instruct which properties you would like the qualified intermediary to purchase on your behalf. Kay Properties is not a qualified intermediary however we work with many throughout the country so if you would like a referral please let us know.

3. You Can Only Purchase a Like-Kind Asset

For you to defer taxes via a 1031 exchange, you must reinvest the profits from the sale in like-kind property. In other words, if you sell a property held for investment or business purposes in a 1031 exchange, the replacement property must be of the same character. For example, you could sell an apartment building and purchase a commercial building or you could sell a rental home and purchase a DST 1031 investment.

4. Remember Deadlines

1031 exchanges are subject to deadlines. If you sell a property today, you're expected to have identified the replacement property within the next 45 days and reinvested the proceeds in it within 180 days. But if you'd already identified the replacement property, you can reinvest immediately.

5. Understand Your Options

Once investors have decided to do a 1031 exchange they should consider their options. First, they could purchase another type of investment property that they would manage on their own. Second, they could purchase a triple net lease property whereby a national tenant such as Walgreens or FedEx has leased the property for typically 10-15 years. The problem with the triple net leased properties is that it causes investors to place a large portion of their net worth into a single property which could be disastrous (think Blockbuster Video). Third, if the investor is wanting to get out of active management and the day to day issues of dealing with tenants, toilets and trash as well as they are wanting to diversify their investments into multiple properties then a DST 1031 exchange may be a solution. The DST (or Delaware Statutory Trust) is a type of property whereby the management is handled by a third party trustee and since the typical minimum investment of a 1031 DST offering is $100,000 investors are able to purchase a diversified portfolio of Delaware statutory trust properties that may include a piece of Walgreens for 100k, piece of a FedEx distribution warehouse for 100k and a piece of a 800 unit portfolio of multifamily properties located throughout the south east and Texas*.

If you are interested in learning more about your 1031 exchange options please get in touch with us today to learn more.

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.

KAY PROPERTIES & INVESTMENTS LLC

To learn more about Kay Properties please visit: www.kpi1031.com

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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 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.

Securities offered through WealthForge Securities, LLC, Member FINRA/SIPC. Kay Properties and Investments, LLC and WealthForge Securities, LLC are separate entities. There are material risks associated with investing in 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 multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks, long hold periods, and potential loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, returns and appreciation are not guaranteed. IRC Section 1031 is a complex tax concept; consult your legal or tax professional regarding the specifics of your particular situation. This is not a solicitation or an offer to see any securities. Please read the Private Placement Memorandum (PPM) in its entirety, paying careful attention to the risk section prior to investing. Diversification does not guarantee profits or protect against losses.

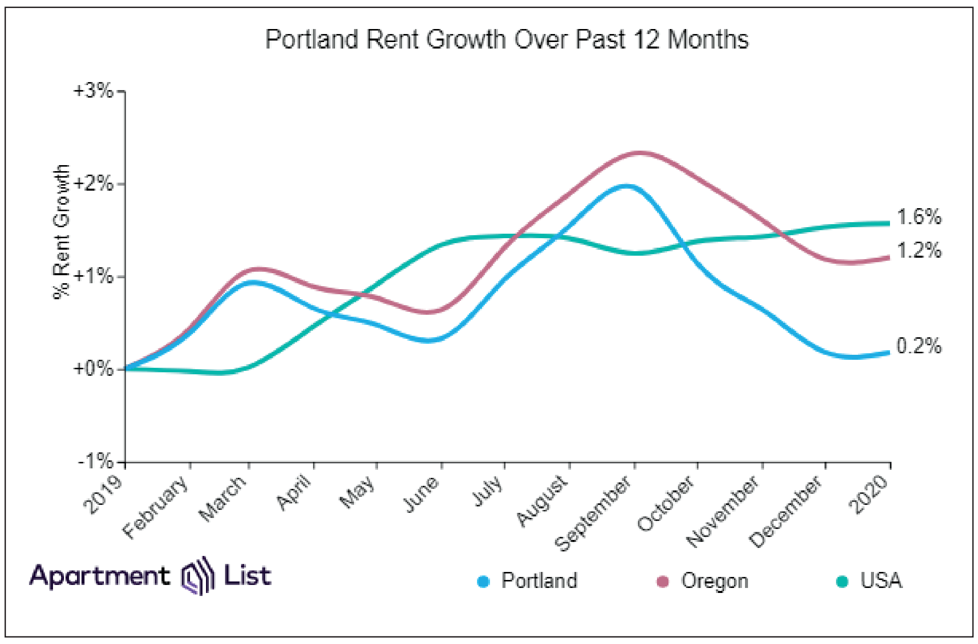
Portland Rents Stop Decline and Hold Steady

Apartment List

Portland rents have remained steady in the last month after three months of decline, according to the latest report from Apartment List.

However, Portland's year-over-year rent growth of 0.2 percent lags the Oregon state average of 1.2 percent, as well as the national average of 1.6 percent.

Median rents in Portland are $1,122 for a one-bedroom apartment and $1,324 for a two-bedroom.



Rents continue rising across the Portland metro

While rents have remained steady in the city of Portland in the past year, cities across the metro have seen a different trend.

Rents have risen in eight of largest 10 cities in the Portland metro for which Apartment List has data.

Beaverton has seen the fastest rent growth in the metro, with a year-over-year increase of 3.4 percent. The median two-bedroom costs $1,825, while one-bedrooms go for $1,547.

Over the past year, Canby has seen the biggest rent drop in the metro, with a decline of 3.2 percent. Median two-bedrooms there cost $1,725, while one-bedrooms go for $1,462.

Hillsboro has the most expensive rents of the largest cities in the Portland metro, with a two-bedroom median of $2,050; rents went down 0.3 percent over the past month but rose 2.0 percent over the past year.

Portland proper has the least expensive rents in the Portland metro.

Eugene Rent Trends Were Flat Over the Past Month

Eugene rents have remained flat over the past month, although they have increased marginally, by 0.5 percent year-over-year, according to the most recent report from Apartment List.

Currently, median rents in Eugene are $821 for a one-bedroom apartment and $1,092 for a two-bedroom.

Eugene's year-over-year rent growth lags the state average of 1.2 percent, as well as the national average of 1.6 percent.

Corvallis rents unchanged

Corvallis rents have remained flat over the past month, but are up slightly by 1.4 percent year-over-year.

Median rents in Corvallis stand at $828 for a one-bedroom apartment and $1,039 for a two-bedroom.

Salem rents down year-over-year

Salem rent trends were flat over the past month and have decreased moderately by 1.3 percent year-over-year.

Median rents in Salem stand at $809 for a one-bedroom apartment and $1,063 for a two-bedroom.

Rents have risen in 9 of the 10 largest cities in Oregon

Oregon as a whole logged rent growth of 1.2 percent over the past year. Here's a look at how rents compare across some of the largest cities in the state.

Hillsboro is the most expensive of all Oregon's major cities, with a median two-bedroom rent of $2,050.

Beaverton has been experiencing the fastest growth (+3.4 percent).

Bend, Hillsboro, and Corvallis have all experienced year-over-year growth above the state average (2.8 percent, 2.0 percent, and 1.4 percent, respectively).

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RHA Oregon President's Message

Celebrating Our Many Volunteers

The last weekend of January I attended a leadership training course put on by the American Chemical Society, of which I am a longtime member. All the trainees were volunteers who serve the society in various capacities.

One of the sessions I attended was "Engaging and Motivating Volunteers." In that course, I gained several new insights into the process of involving volunteers to accomplish an organization's goals. One of the key takeaways for me was learning of the different ways that volunteers are motivated.

There are five motivating factors:

1. Social engagement
2. Values affirmation
3. Career advancement
4. Gaining experience
5. Personal fulfillment

Each of these factors has its own weighting for different individuals. That weighting may change over time; a younger volunteer may be more driven by career advancement and gaining experience than a retiree. However, this is not always the case.

Volunteer opportunities can be divided into two types: "Positional," and "Project."

Examples of **positional volunteer opportunities** at RHA are officer, board, and committee chair positions. These positions are defined in our by-laws.

Since December we have published a notice of proposed change to the by-laws that will allow us more flexibility in filling all the seats on our board. Please attend the February Dinner meeting and vote on this change! We had 15 active board members for most of 2019 and 17 board members going into 2020, of which four (the maximum allowed by the current bylaws) are affiliate members. Assuming the amendment passes, we expect to make three more appointments, including one additional affiliate member. This will bring our board to the maximum size of 20, which will strengthen all aspects of our organization.

Project opportunities differ from positional opportunities in that volunteers are assigned a specific task, usually short-term. Rental Housing Alliance has many project opportunities such as "help set up for our annual picnic" or "send an email to the City Council" or "help serve meals at Portland Family Homeless Solutions."

Keep an eye out for that last one – we will be scheduling a regular meal each month at PFHS in the Lents neighborhood. This is an opportunity for all Portland landlords to contribute a small amount of time to an organization that assists some of our most vulnerable community members.

RHA has a long history of volunteerism. We would not be as strong as we are without the thousands of hours of volunteer time contributed by our members. I have met many of you who have volunteered for positional opportunities like serving on the board, as well as project opportunities like teaching a class or setting up for our Starry Night fundraiser.

Each year, the board of directors nominates one of our members for the Al Moulton & Sharon Fleming-Barrett Award, named after two past members who were devoted volunteers not only for RHA, but for the broader community as well. Although I never had the opportunity to meet Al or Sharon, I am thrilled that our organization recognized them for their volunteer efforts and continues to recognize an outstanding volunteer from within our membership. This award will be given at our February dinner meeting, so there is another great reason to attend!

Our board members and committee chairs will be reaching out in the months ahead to ask for volunteers for several projects. I look forward to working alongside you in these endeavors!

— Ken Schriver
RHA Oregon President

Legislation Proposed to Target Eviction Crisis

By Karen Marshall

Two proposals have been introduced in the U.S. Senate aimed at reducing the number of evictions across the nation. The Eviction Crisis Act and the Prevention Evictions Act propose aid in the form of emergency rent assistance, court translators, mediation, more legal guidance, and further study of the underlying issues.

In 2016, there were 2.3 million eviction filings nationwide. Evictions are not only detrimental for tenants; they have a negative impact on landlords, as well. Neither party benefits from an eviction. For landlords, the eviction process can take weeks or months of time, cost, and stress. Evicting a tenant can take up to 3-4 weeks and costs an average of $3,500, according to data from SmartMove.

The two bills currently being considered in the Senate include:

Eviction Crisis Act

In December 2019, Senators Michael Bennet (D-CO) and Rob Portman (R-OH) introduced the bipartisan Eviction Crisis Act, which was developed and championed by the Opportunity Starts at Home affordable homes campaign.

Colorado Sen. Bennet says, "This new legislation will shed light on the root causes of the eviction crisis, reduce preventable evictions, and limit the devastation to families when eviction is unavoidable." The Eviction Crisis Act aims to:

• Create a national database to collect data for better understanding of the evictions issue.

• Provide funding for tenant guidance and emergency financial assistance.

• Allow tenants copies of screening reports during the application process.

The Eviction Crisis Act proposes to collect and analyze data on evictions by creating a national database. Then, it proposes to establish a Federal Advisory Committee on Eviction Research to review the data and make policy recommendations aimed at preventing evictions or reducing the consequences when eviction is unavoidable.

The bill would help fund state and local government programs to increase the use of social services representatives for tenants in landlord-tenant court, and establish an emergency assistance fund to provide financial assistance and housing stability-related services to eviction-vulnerable tenants.

During the tenant-screening process, the proposed Eviction Crisis Act would require consumer-reporting agencies to provide tenants with screening reports when they are requested as part of a rental application process, so tenants can contest and correct inaccurate or incomplete information.

When a court rules in favor of a tenant in an eviction proceeding, the bill requires those judgments and eviction filings related to that proceeding to be removed from tenant-screening reports.

Prevent Evictions Act

In September, 2019, Senators Maggie Hassan (D-NH), Tim Kaine (D-VA) and Chris Van Hollen (D-MD) introduced the Prevent Evictions Act. This legislation would establish a federal grant program to create landlord-tenant mediation courts and fund translators to assist tenants who don't speak English.

While some evictions involve tenants who owe thousands of dollars, some evictions occur when tenants owe much less, in some cases just a few hundred dollars. The Prevent Evictions Act is aimed at helping reduce the number of small-dollar evictions by creating a landlord-tenant mediation grant program.

A study by Eviction Lab across 22 states found that the median money judgment for eviction cases between 2014 and 2016 was $1,253. This number includes other costs accumulated during the court process, so most tenants initially faced eviction for failure to pay a smaller rent sum.

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Continued from Page 6

The bill would provide funding for Housing and Urban Development (HUD) to study the cost-effectiveness of a rent-insurance program. Rent insurance would cover the cost of rent if a tenant experiences an unforeseen circumstance, such as sudden job loss or an unexpected medical bill, and is unable to pay rent.

The Prevent Evictions Act would:

• Create a landlord-tenant mediation grant program to help landlords and tenants find informal, mutually agreed-upon solutions that keep tenants in their homes.

• Provide grant funding for translators, ensuring that all individuals have the ability to participate.

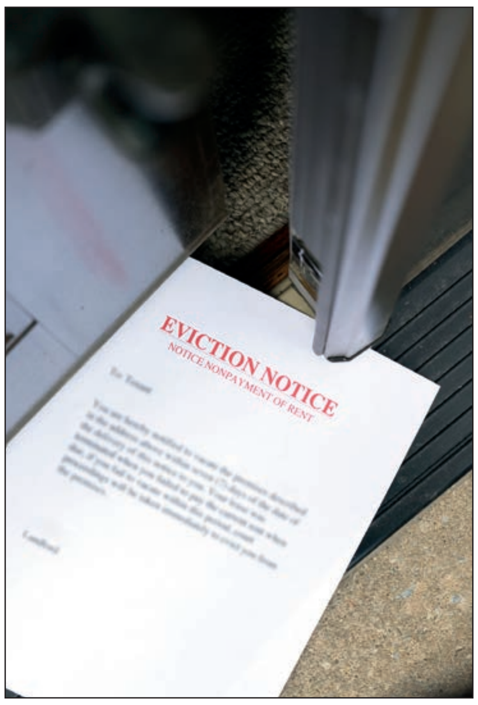
• Direct the United States Department of Housing and Urban Development to study the potential for certain types of rent insurance to be cost-effective eviction mitigation tools.

This bill has been referred to the Committee on Banking, Housing, and Urban Affairs.

Potential Impact of Legislation on Landlords

If either of these bills passes, the potential impact for landlords could be:

More tenants would likely have representation at eviction hearings. Currently, because tenants are going through financial difficulties, they can rarely afford to have legal representation at the eviction hearing. The result may still end up the same—eviction if the tenant cannot pay the money owed the landlord. But the counsel provided to the tenant may help them move out and guide them to other resources to ease their situation.



Tenants who owe smaller amounts of money may receive grant funds to pay the debt owed and remain in the property. While this may resolve the immediate debt, it may only prolong the struggle if a tenant is facing an ongoing financial crisis.

Tenants may be provided a copy of the screening report used in the screening process.

Tenants who have won a previous evictions case may have that issue removed from their record, so it will not show up on future screenings.

The Nation's Affordable Housing Crisis

At the heart of the evictions crisis is the nation's increasing affordability crisis. The lack of affordable rental housing has many tenants stretched beyond their ability to afford their monthly rent.

A 2018 report from The National Low-Income Housing Coalition found the average American being paid minimum wage would have to work 99 hours per week to afford a one-bedroom apartment at fair-market rent.

Nearly 40 million households are spending more than 30% of their income on housing, including 18 million households that pay more than half of their income toward rent or the mortgage. The United States is short 7.2 million affordable units. For every 100 low-income renters in need, there are only 35 homes available.

For these Americans, even small, unexpected financial events can threaten their housing stability. An unexpected illness, job lost, car accident, divorce, or family emergency can result in a family being unable to pay rent, leading to being evicted from their home.

Renter wages have stagnated, while rents have risen significantly in the past 60 years. Adjusting for inflation, the median rent payment has risen 61% since 1960 while the median renter income grew only 5%.

The goal of both pieces of legislation is to reduce the number of preventable evictions for low-income Americans, by providing nominal sums of money on a limited- or one-time basis, to save them from falling into homelessness.

Both bills are still under consideration; neither has been put up for a vote.

Letter to the Editor: Bay Area Housing Crisis

Dear Editor:

As the housing crisis in the Bay Area gives rise to mass hysteria and equally massive opportunities for elected officials to garner headlines, a large and relatively ignored population has lost its voice.

That is the segment of this society who worked hard, got an education, made good decisions and now carries the tax burden for the entire population while being vilified as rich, uncaring, greedy and opportunistic. These people represent homeowners, landlords, investors, small business owners, and property managers, all of whom remain the silent majority in this community, while criminal trespassers, multi-generational Section 8 recipients and ne'er-do-wells continue to be heralded by elected officials and entrenched bureaucrats.

There will be a tipping point, folks, when economics triumphs over illogical political posturing and this house of cards will fall.

Andrea G. Caldwell
San Martin, CA

How Technology is Changing Property Management ... and Why You Should Care

By Alex Britton

Like most industries, property management is being disrupted by technology. As a property owner and former tenant, I've experienced each side of property management, with and without technology being involved. From rent collection and handling maintenance issues to property accounting and leasing, there are new ways to leverage technology to efficiently manage your properties, and your portfolio.

Let's consider technology and property management on a spectrum, going from manual on one end to automated on the other. The traditional way of managing property where almost everything is handled manually:Tenants send or drop off checks and cash, leave messages when a maintenance issue comes up, and look through classifieds to find apartment rentals. Things gradually became more automated with options like PayPal and Venmo to collect rent, and web portals were created by large management companies to handle online rent payments and in-building messaging to alert tenants of upcoming building repairs. Today, app's are now available to assist in automated rent collection; in-app messaging to provide maintenance communications that allow tenants to identify the type of problem and send images so that the issues can be dealt with sooner rather than later, and to notify tenants of an event or an upcoming building repair; and built-in marketing tools to list vacant apartments on popular rental websites.

Studies and surveys from leading real estate blogs and publications show that incorporating technology into the property management mix is the new norm. Millennials and Gen Z are the largest groups renting and Mashvisor says that automation is going to be a necessity in the 2020's. A 2020 CBRE report goes a step further saying that tech integration, including mobile app payment for rent, is an important amenity for multi-family properties.

So how does tech measure up in real terms? Let's take a look at how it is directly shaping the four pillars of property management.

1. Rent Collection

Late payments and inputting cash and checks manually slows down the accounting cycle, among other things. With an app, payment reminders and notifications go directly to the tenant when rent is due. Tenants can pay from anywhere, with one tap of their phone, enabling landlords to collect rent 2x as fast.

2. Maintenance

Decentralized communications from messages coming from different places -vms, email, or texts, and delays in response time due to a lack of organization, all contribute to the problems that arise when maintenance issues are not dealt with in a timely manner. Technology is driving more efficient ways to manage maintenance issues, from in-app reporting to contacting your maintenance provider, all communication is in one location and easily tracked.

3. Property Accounting

Weekly and monthly reports are time consuming to keep up with manually, especially when you have multiple properties to track and documents are coming from different sources. Incorporating property management software will enable you to automatically log and track all revenue and expenses in a general ledger, making it much easier to manage.

4. Leasing

Writing copy and placing your listing on multiple real estate sites is tedious and takes time. Property management software allows you to quickly publish and edit your listings to multiple sites at once, respond to inbound leads, order background and credit checks, and eviction reports, all from one hub.

Like any disruptor, there are barriers to entry to consider- cost, ease of use, and security. Although it can cost a property manager hundreds, if not thousands of dollars a month to use property management software, there are platforms that are free to use, and have the same, if not better features than their more expensive competitors.

For some, adopting a new process seems to be too time consuming to change and too difficult to learn. But contrary to this belief, there are platforms that have been built intuitively by property managers, for property managers, keeping easy onboarding, inputting, and reporting top of mind and easy to use.

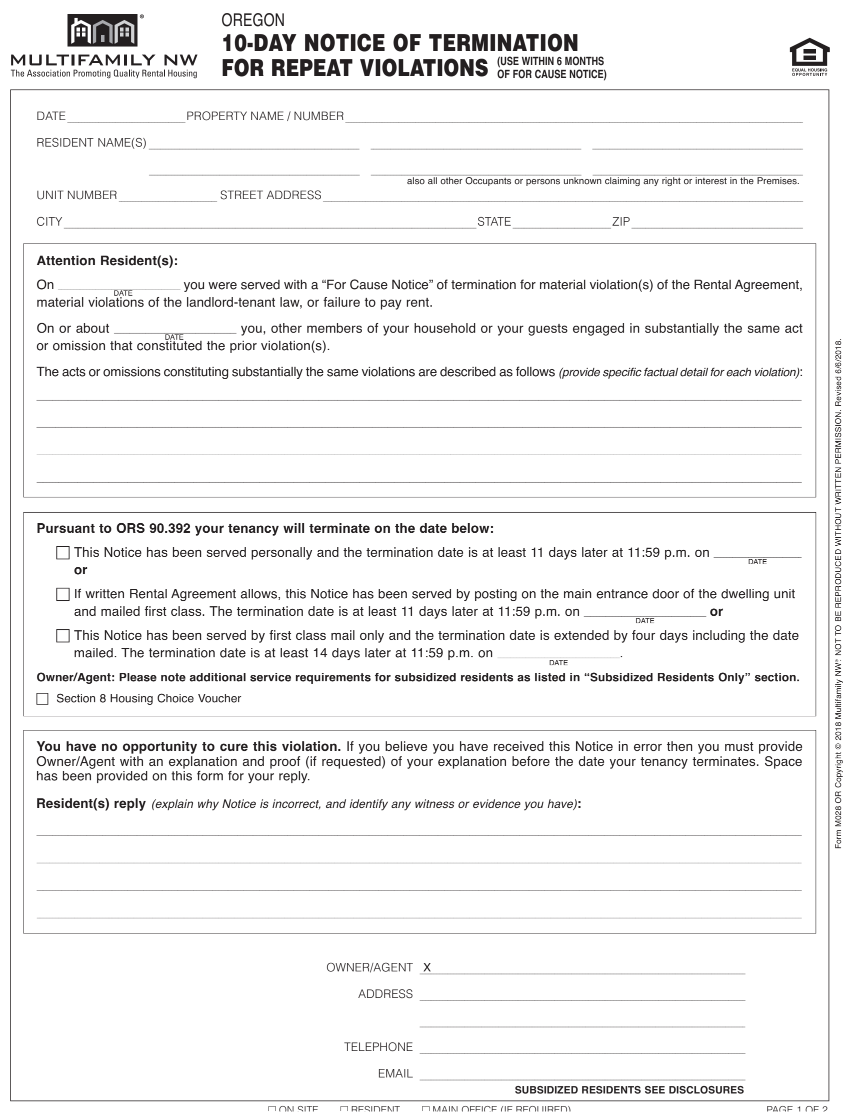
Lastly, like other ACH payment options, online rent payment software adheres to the same strict guidelines to keep both tenant, landlord, and third party transactions secure. Banking credentials are verified and protected.

As technology continues to shape the way properties are managed and how tenants and landlords communicate, adopting new processes to improve efficiency and ultimately, your bottom line, is well worth the time to explore.

Alex Britton has extensive experience working in the technology industry, where he has led software development, go-to-market strategy, and operations teams. A tech entrepreneur, he's also worked as a growth product manager at Toast Inc and Blue Apron, where he gained a strong understanding of B2B and consumer software businesses. Alex holds a B.A. in Entrepreneurship and Computer Science from NYU.

FORM OF THE MONTH

10-Day Notice of Termination for Repeat Violations



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

OREGON
10-DAY NOTICE OF TERMINATION FOR REPEAT VIOLATIONS (USE WITHIN 6 MONTHS OF FOR CAUSE NOTICE)

EQUAL HOUSING OPPORTUNITY

DATE ______ PROPERTY NAME / NUMBER ______

RESIDENT NAME(S) ______ ______ ______

______ ______ ______ also all other Occupants or persons unknown claiming any right or interest in the Premises.

UNIT NUMBER ______ STREET ADDRESS ______

CITY ______ STATE ______ ZIP ______

Attention Resident(s):

On ______ (DATE) you were served with a "For Cause Notice" of termination for material violation(s) of the Rental Agreement, material violations of the landlord-tenant law, or failure to pay rent.

On or about ______ (DATE) you, other members of your household or your guests engaged in substantially the same act or omission that constituted the prior violation(s).

The acts or omissions constituting substantially the same violations are described as follows *(provide specific factual detail for each violation)*:

Pursuant to ORS 90.392 your tenancy will terminate on the date below:

- ☐ This Notice has been served personally and the termination date is at least 11 days later at 11:59 p.m. on ______ (DATE) **or**
- ☐ If written Rental Agreement allows, this Notice has been served by posting on the main entrance door of the dwelling unit and mailed first class. The termination date is at least 11 days later at 11:59 p.m. on ______ (DATE) **or**
- ☐ This Notice has been served by first class mail only and the termination date is extended by four days including the date mailed. The termination date is at least 14 days later at 11:59 p.m. on ______ (DATE).

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

☐ Section 8 Housing Choice Voucher

You have no opportunity to cure this violation. If you believe you have received this Notice in error then you must provide Owner/Agent with an explanation and proof (if requested) of your explanation before the date your tenancy terminates. Space has been provided on this form for your reply.

Resident(s) reply *(explain why Notice is incorrect, and identify any witness or evidence you have)***:**

OWNER/AGENT X ______

ADDRESS ______

TELEPHONE ______

EMAIL ______

SUBSIDIZED RESIDENTS SEE DISCLOSURES

☐ ON SITE ☐ RESIDENT ☐ MAIN OFFICE (IF REQUIRED) PAGE 1 OF 2

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This form is used exclusively within 6 months after a For Cause Notice of Termination has been previously served and cured, when the resident has committed the same lease violations described in the earlier For Cause Notice of Termination.

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Multifamily NW Schedule

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 LAW PART II	1:00 PM - 5:00 PM
FEBRUARY 12	HR ISSUES: AM I A BAD BOSS?	12:00 PM - 1:00 PM
FEBRUARY 13	FAIR HOUSING FAIR 2020: HOUSING ACCESS FOR ALL	8:00 AM - 4:00 PM
FEBRUARY 14	IT'S THE LAW: FAIR HOUSING PROTECTING YOUR ASSETS	12:00 PM - 1:00 PM
FEBRUARY 17	FAIR ACCESS IN RENTING (FAIR) PART I	1:00 PM - 3:00 PM
FEBRUARY 18	FAIR ACCESS IN RENTING (FAIR) PART II	1:00 PM - 3:00 PM
FEBRUARY 19	CAM: MARKETING	9:00 AM - 4:00 PM
MARCH 4	LANDLORD STUDY HALL	6:30 PM - 8:00 PM

Property Managers Face Unprecedented Change in 2020

Continued from Page 1

"As laws become more restrictive, we are focused to take additional precautions in our leasing-process and resident-retention policies," said Gail Phillips, CEO of NARPM.

"This is not always perceived well by owners and residents," she said. "Our company is exploring options for educating owners about landlord-tenant laws. We hope by doing this we will strengthen our relationship with our owners," Phillips said.

The report used survey data and in-depth market research to look at the following questions:

"How should property managers adapt their strategies for success in response to changing conditions in the local markets where they operate?

"What role do property managers play for their clients as the nation's largest rental markets face a less-profitable, more-regulated future?

"How can property managers balance the explosion of property-technology options with the vital "human element" at the heart of our industry?"

Top priorities include both efficiency and growth

The report says "property managers are laser-focused on growth and efficiency above all else—as they have been for four years straight.

"In our recent seller's market, growth hasn't come naturally. Property managers have had to fight to maintain their profitability and client base—their third and fourth most-selected priorities for the coming year," the report says.

In addition, "many have renewed their focus on facilitating effective communication with their residents, owners, and employees in this fast-moving era where technology both facilitates and hinders our relationships."

Areas that cause stress for property managers

In addition to being property managers' top priorities, the pursuit of increased efficiency and growth is a top source of stress.

Together with maintenance, these three areas were selected as "the biggest challenges by nearly 1 in 3 property managers for three years in a row.

"Now more than ever, property managers are faced with conflicting demands for ever-more-efficient business processes and human-centric customer service—all in a market where profitability and portfolio growth require additional effort," the report says.

Skills wanted in a property manager?

Here is what the report says:

• 78 percent of owners want regular updates from their property manager on their rental properties; 43 percent want to receive those updates in real time.

• 72 percent of renters feel that it's very important that their property manager is easy to get ahold of and resolves issues quickly.

• 60 percent of renters say it's very important that their property manager provides great customer service and keeps things running smoothly.

• 44 percent of rental owners agree that quick response times and good communication skills are among the most important qualities a property manager can possess," the report says.

Top 5 Services Property Managers Offer

Maintenance & repairs	80%	↑ 15 points since 2017
Rent & fee collection	80%	↑ 4 points since 2018
Leasing properties & marketing vacancies	77%	↑ 22 points since 2017
Property inspections	74%	↑ 16 points since 2017
Evictions	68%	↑ 16 points since 2017

Which services do you offer to your clients?

	2017	2018	2019
Maintenance & repairs	65.5%	74.6%	80.4%
Rent & fee collection	--	76.4%	80.1%
Leasing properties/marketing vacancies	55.2%	69.9%	77.3%
Property inspections	58.4%	68.3%	73.9%
Evictions	52.3%	65.5%	68.4%
Cleaning	44.5%	59.0%	62.2%
Accounting	47.1%	51.1%	57.1%
Financial reporting	35.0%	38.7%	54.8%
Property sales	31.2%	49.5%	52.5%
Outdoor services	35.5%	49.2%	52.3%
Construction/renovation	38.7%	40.2%	47.6%
Financial/investment advice	15.7%	17.4%	22.1%
Insurance services	9.1%	12.6%	15.3%
Interior design/staging	9.4%	12.9%	12.9%
Legal advice	7.1%	9.3%	12.9%

Charts from the Buildium report.

Fewer entering the property manager field

Property-management jobs are in high demand, the report says, and an ongoing challenge in a tight labor market.

"The field is changing fast, and property-management companies face a dwindling supply of employees and vendors.

"The current labor shortage underscores the importance of retaining staff with a positive company culture, bolstered with the training and mentorship they need to have successful property management careers in the decades to come," the report says.

"Due to understaffing, current employees are stretched thin, creating high-stress working conditions that cause burnout and turnover. To add to the issue, property managers may soon begin to retire faster than others are entering the industry; IREM estimates that the average property manager is in their 50s," the report says.

Though current property managers often found their way to their career by accident, it's a profession that many come to love for the independence and day-to-day variety it provides, Litster and Phillips said on the webinar.

"And it's a good time to be a property manager: The profession is in high demand as renting becomes a way of life for a growing portion of Americans," they said.

"Whether you entered property management from another part of the real estate industry; from within a family business; or through a passion for housing issues, you're in good company," they said on the webinar.

Litster said the number of people entering the industry has dropped in half in the last few years.

"Property management needs a serious public relations campaign. We need to pay attention to how we coach and mentor young people and show them all the ways this job is not only critical but really an ideal opportunity for those with an entrepreneurial spirit and ones who want to take control of their careers," he said.

3 top takeaways from the property managers' report

No. 1: Property managers have a critical role

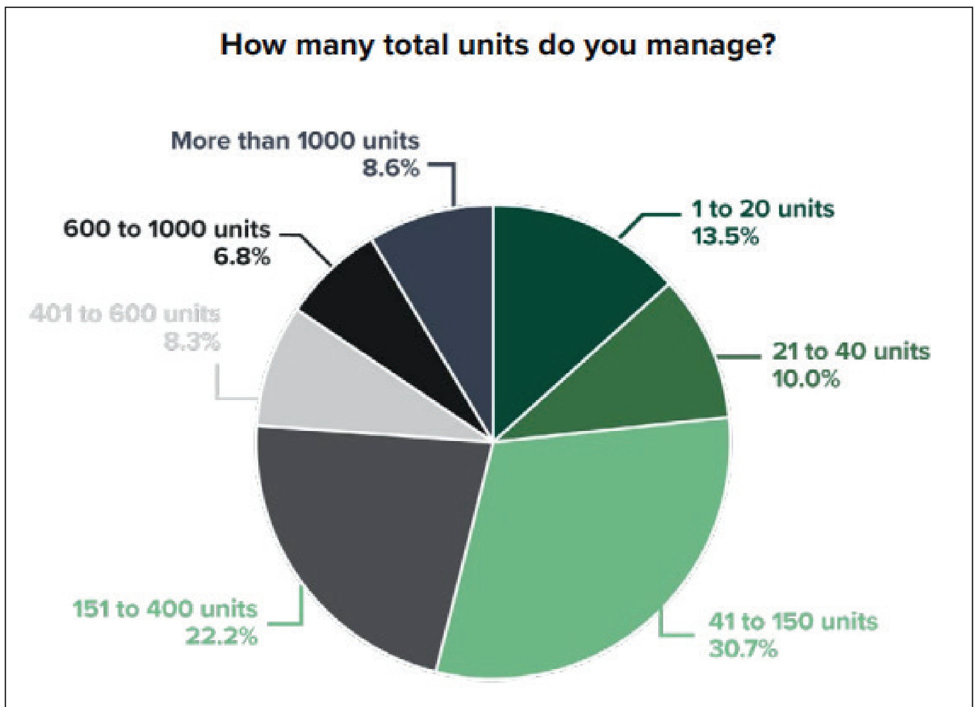
"The demand for affordable places to live has outpaced the supply for years, causing rents and home prices to grow faster than residents' salaries can support. Property managers are put in a difficult position, trying to balance the profitability of their clients' investments with rent prices that keep units filled with qualified residents. There's no simple solution to this crisis on the horizon; but property managers can play an advisory role to property owners by staying on top of changing regulations aimed at easing affordability issues in their market, such as up-zoning and rent stabilization," the report says.

No. 2: Keeping up with issues in the local market

Continued on Page 11

Property Managers' Top Challenges

	2017	2018	2019
Efficiency	32.0%	32.3%	32.6%
Growth	24.5%	26.5%	30.6%
Maintenance	34.1%	31.4%	30.2%
Vendors	23.2%	24.6%	23.5%
Accounting	23.9%	11.3%	21.2%
Balance	18.1%	17.3%	19.3%
Staff	15.5%	22.6%	17.9%
Profitability	22.9%	19.0%	17.4%
Marketing	8.9%	11.5%	16.1%
Residents	22.9%	19.6%	15.2%
Portfolio loss	6.4%	13.5%	13.4%
Technology	11.3%	14.0%	12.2%
Communication	12.9%	11.4%	11.8%
Owners	10.2%	11.2%	10.1%
Legal issues	6.7%	6.6%	7.3%
Finances	8.9%	5.8%	5.8%



Charts provided courtesy of Buildium.

Continued from Page 10

"With cap rates compressing in overheated markets like New York and San Francisco, investors are discovering higher yields and faster growth in mid-sized cities and suburbs— though prominent secondary markets like Austin and Nashville are becoming less lucrative as investors flood in. Some residents are discovering strong job growth and an appealing standard of living by migrating to rising markets like Phoenix and Dallas. Property managers can be an invaluable asset to their clients by keeping abreast of socioeconomic changes in their local market, ensuring that their properties are positioned effectively to attract and retain high-quality residents," the report says.

No. 3: People are the heart of property management

"Technology makes it possible for investors to automate many aspects of running a rental property, from DIY landlords with a handful of multi-family units to institutional investors buying up thousands of single-family rentals. This has put property managers in a position to prove that the service they provide can't be replaced with an app. Property managers can get ahead by shifting their strategy to account for their residents' and owners' experiences, and reinforcing those relationships with technology. There is no technology that can replace the human element in property management—it can only enhance it," the report says.

More renters will continue coming

"In 2018 the number of people who rent their homes surpassed the number of people who owned their homes for the first time in the U.S.," Litster said. And that trend is only expected to continue.

The good news is the U.S. Bureau of Labor Statistics is "predicting a 10 percent increase in property management jobs by 2026," said Chris Litster, CEO of Buildium.[/caption]

He said it is a great supply and demand story for the industry.

"The good news is," Litster said, the U.S. Bureau of Labor Statistics is "predicting a 10 percent increase in property management jobs by 2026" compared to other professions expected to grow by 7 percent.

Phillips said property management is becoming more like the hospitality industry.

"Customers are drawn to high-touch personal experiences" that property managers can create with excellent tenant customer service, she said.

"Keep learning and stay connected and take advantage of learning opportunities, such as NARPM, that are out there," Phillips said.

3 Reasons Why You Should Consider Trash-Valet Service

Continued from Page 1

property and keeps the property looking great. A trash-valet company will supply trash receptacles that residents place outside their doors on a set schedule, usually in the evening. Teams from the trash-valet service will take the trash bins, empty them, and return them to the resident's door. Usually this service is offered on weeknights only. There are several different kinds of trash bins that are designed to fit seamlessly into different styles of architecture. Indoor trash bins look like regular kitchen bins and can be easily placed in hallways. Others are designed for townhouse and condo rentals and are made to look like attractive outdoor benches that can sit near the door.

The Benefits of Trash-Valet Service

There are several big benefits for properties that switch to trash-valet service including:

Residents want it: One of the best reasons to switch to trash-valet service is that it's something residents really want. You'll attract more renters – and renters who are already in place will be more likely to renew their leases – because your property offers trash-valet services. It's fantastic for senior renters, and parents and students love it too.

Keeps the property clean: Another big benefit of using a trash-valet service is that it keeps garbage from building up on the property. No more overflowing dumpsters or huge eyesores in the middle of the property. No more trash blowing all over the property needing to be cleaned up. This saves you labor costs because you won't need your maintenance team to patrol the grounds looking for and picking up stray trash. Trash is kept out of sight except for the hour or two in the evening when it's being picked up. Residents are less likely to keep trash in their apartments instead of throwing it away if all they have to do is set it outside their doors.

Fewer pests: Pests can do a lot of damage to apartments, and nothing attracts pests like trash. From insects like roaches to animals like mice, squirrels, and raccoons, trash attracts a big range of pests. Without large dumpsters filled with trash, your property will attract fewer pests. It will also discourage stray animals from coming through the property looking to feed on some leftovers. When you don't have so much trash out in the open you can cut back on pest control, and save money while still ensuring that the property looks great and that residents are happy.

The costs of trash-valet service are comparable to the cost of traditional trash management. But making the change will make your property look better, require less maintenance, and make residents very happy.

Apartment Jobs Almost 40% of Real Estate Jobs, NAA Says

National Apartment Association

Nearly 40 percent of available real estate jobs across the United States were in the apartment sector during the fourth quarter of 2019, well above the longer-term average of 30 percent, according to the latest NAA (National Apartment Association) jobs report.

The National Apartment Association Education Institute Apartment Jobs Snapshot for the fourth quarter last year also shows property management positions were the most sought-after during the fourth quarter.

Leasing-consultant job openings had the largest growth in demand year-over-year with an increase of 0.8 percentage points.

Overall, job openings in the apartment sector comprised 39.9 percent of positions available in the real estate sector, increasing 6.4 percentage points year-over-year.

Dallas, Los Angeles, Washington D.C., Seattle and San Francisco ranked as the top markets for apartment jobs available during the fourth quarter. In December, San Antonio, Houston, Denver, Dallas, and Nashville ranked the highest in concentration of available apartment positions as measured against the entire real estate sector. Demand for apartments in Dallas and San Antonio has been solid, supported by robust job growth. As of November, Dallas and San Antonio saw an increase in employment by 3.2 percent, according to the U.S. Bureau of Labor Statistics.

Since 2014, leasing-consultant and maintenance-supervisor positions had the greatest increase in demand, up by 1.9 percentage points. Denver and Austin had the highest location quotients, meaning demand in these markets was three times the U.S. average.

Organizational skills had the greatest rise in demand among the many baseline skills required in the apartment industry, increasing 8.1 percentage points. Experience with Yardi Software and writing also saw a significant increase in the percentage of jobs requiring these skills since 2014.

The apartment sector often competes with the hospitality and retail sectors for talent with similar experience and skills. Customer service, communication, and organizational skills are among the most desired skills across all three sectors.

During the fourth quarter, Seattle was the only market especially challenged by a competing sector with a high concentration of both apartment jobs and retail jobs available there.

NATIONAL APARTMENT ASSOCIATION
Education Institute

Apartment Jobs Snapshot Q4 2019

Total Q4 Job Postings in Apartment Industry (% of Real Estate Sector)

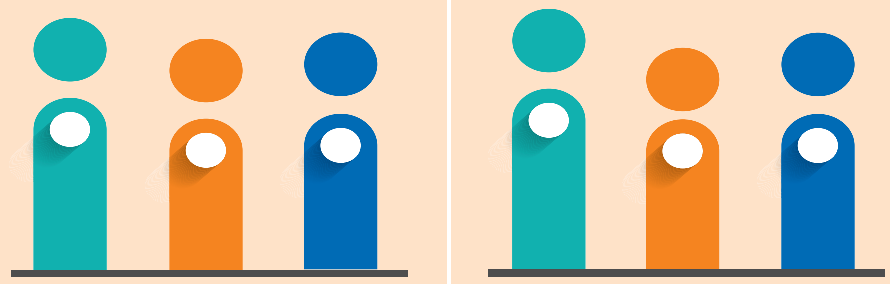
Q4 2019: **39.9%**

Q4 2018: **33.5%**

2013-2018 Average: **30.0%**

Summary: Nearly 40.0 percent of available real estate jobs in the Nation were in the apartment sector during Q4 2019, well above the longer-term average of 30.0 percent.

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



	Property Management	Leasing	Maintenance
Q4 2019	26.9%	23.6%	24.4%
Q4 2018	27.8%	22.8%	24.4%

Summary: Property Management positions were the most sought after during the fourth quarter. Leasing Consultant job openings had the largest growth in demand year-over-year with an increase of 0.8 percentage points.

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

Q4 2019		Q4 2018	
Dallas	5.5%	Los Angeles	5.8%
Los Angeles	5.2%	Dallas	5.7%
Washington, D.C.	3.9%	Washington, D.C.	3.7%
Seattle	3.7%	Seattle	3.4%
San Francisco	3.4%	San Francisco	3.2%

Summary: Dallas, Los Angeles and Washington, D.C. continued to lead in highest level of apartment job availabilities during Q4 2019. According to Reis, Washington, D.C. ranked third among markets with the greatest change in vacancy from Q3, decreasing 0.2 percentage points. Washington, D.C. also saw an increase in effective rent growth of 5.1 percent since Q4 2018, enabling owners and operators to increase hiring plans.

December 2019: % Apartment Jobs of Total Real Estate Jobs

San Antonio	54.6%
Houston	54.4%
Denver	53.8%
Dallas	52.9%
Nashville	50.9%

Summary: In December San Antonio, Houston, Denver, Dallas, and Nashville ranked the highest in concentration of available apartment positions as measured against the entire real estate sector. Demand for apartments in Dallas and San Antonio has been solid, supported by robust job growth. As of November, Dallas and San Antonio saw an increase in employment by 3.2 percent, according to the U.S. Bureau of Labor Statistics.

The Evolution of Titles & Skills 2019 vs. 2014

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

Leasing Consultant	+1.9
Maintenance Supervisor	+1.9
Assistant Property Manager	+1.5

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

Organizational Skills	+8.1
Yardi Software	+6.9
Writing	+4.7

Summary: Leasing Consultants and Maintenance Supervisors had the highest growth in demand over the past five years, increasing by 1.9 percentage points. Organization skills had the greatest rise in demand among the many baseline skills required in the apartment industry, increasing 8.1 percentage points. Experience with Yardi Software and writing also saw a significant increase in the percentage of jobs requiring these skills since 2014.

Competing Sectors (Highest Location Quotients)**

Apartments		Retail Trade		Hospitality	
Denver	3.1	Burlington, NC	2.1	Las Vegas	3.0
Austin	3.1	Monroe, MI	2.0	Reno	2.9
Seattle	2.8	Seattle	1.9	Nashville	2.4
Virginia Beach	2.6	Savannah	1.8	New Orleans	2.4
Raleigh	2.6	Manchester, NH	1.8	Savannah	2.4

Common Skills (Percent of Jobs Requiring Skill)

	Apartments	Retail Trade	Hospitality
Specialized Skills			
Customer Service	30.6%	47.2%	23.9%
Sales	20.3%	47.6%	10.0%
Scheduling	15.9%	18.2%	18.6%
Baseline Skills			
Communication Skills	41.0%	41.3%	31.1%
Organizational Skills	29.4%	24.9%	19.2%
Detail-Oriented	22.8%	15.5%	13.8%
Teamwork/Collaboration	15.8%	19.1%	22.5%

Summary: The apartment sector often competes with the hospitality and retail sectors for talent with similar experience and skills. Customer service, communication, and organizational skills were among the most desired skills across all three sectors. During the fourth quarter, Seattle was the only market especially challenged by a competing sector with a high concentration of both apartment jobs and retail jobs available there.

Sources: NAA Research; Burning Glass Technologies, Reis, Bureau of Labor Statistics

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

The Utility of Reviewing Your Utility Billing Practices

By Bradley S. Kraus, Attorney, Warren Allen, LLP

Every year, new issues seem to take the landlord/tenant world by storm. Some have a larger effect than others, but these new issues often result in lawsuits or an increased frequency of counterclaims in eviction actions.

Wherever these issues are litigated, they complicate the business of being a landlord.

The newest issue involves challenges to the practice of billing tenants for utilities. Given the dollar figures involved in some of these lawsuits, there's new utility in reviewing how you bill utilities.

As an initial matter, ORS 90.315, the utility-billing statute of the Oregon Residential Landlord and Tenant Act (ORLTA), requires that the rental agreement describe the utilities a landlord intends to bill to the tenant.

While that may seem like an obvious requirement, I occasionally encounter issues with clients believing their rental agreements allow them to charge for a utility when the rental agreement is devoid of any language allowing them to do so. If these landlords are billing those undisclosed or unmentioned utilities, it can have disastrous consequences.

Assuming a landlord has a written rental agreement allowing him or her to charge for utilities, ORS 90.315(4) is where I see landlords trip up the most. This section contains a variety of disclosure requirements, which many landlords—or their third-party billing agents—overlook.

Litigation involving this statute centers around three separate requirements:

1.) A landlord must bill the tenant in writing for the utility within 30 days after receipt of the provider's bill.

This requirement starts the clock on the landlord from the time they receive the provider's bill. Many landlords go through third-party billing companies that bill the tenants for the landlord, but the same timeline requirements would apply to those third-party billing companies. If the third-party billing company is not sending the tenant a bill within 30 days of receipt of the utility provider's bill, the landlord is likely liable for that failure.

2.) The landlord must make certain disclosures in the rental agreement or in a bill to the tenant.

ORS 90.315 requires the landlord to disclose the following information, either in the written rental agreement or in a bill to the tenant:

(i) The manner in which the provider assesses a utility or service charge; and

(ii) The manner in which the charge is allocated among the tenants if the provider's bill to the landlord covers multiple Tenants.

Claims arising under the statute usually target this provision due, in my opinion, to the vagueness of the same and also because no guidance on these disclosures exists. Often, rental agreements or the bill provided by the landlord/third-party billing agent may not be specific enough as to how the provider (as opposed to the landlord) assesses the charges. No one really knows for sure how detailed this explanation must be. As more litigation asserting utility claims floods the courthouse, erring on the side of caution and providing as much detail as possible on the provider's assessment of charges is recommended.

3.) The landlord must include the provider's bill with the utility bill or inform the tenant they can inspect the provider's bill.

The disclosure requirements require a landlord to do one of the following, with regard to the utility provider's bill:

(i) Include in the bill to the tenant a copy of the provider's bill; or

(ii) If the provider's bill is not included, state that the tenant may inspect the provider's bill at a reasonable time and place and that the tenant may obtain a copy of the provider's bill by making a request to the landlord during the inspection and upon payment to the landlord for the reasonable cost of making copies.

Reviewing the above, compliance with this statutory requirement requires only one of these tasks. Landlords can either send the provider's bill directly with any tenant-specific bill (which may require copying and other administrative tasks), or simply state in the tenant-specific bill that the "tenant may inspect the provider's bill at a reasonable time and place and that the tenant may obtain a copy of the provider's bill by making a request to the landlord during the inspection and upon payment to the landlord for the reasonable cost of making copies."

The damages provision of the statute is also the subject of dispute among landlord/tenant attorneys.

Tenants' attorneys are taking the position that any violation of the above disclosure requirements entitles a tenant to one month of rent in every month for every utility for which a landlord fails to comply with the above requirements. While attorneys disagree on the scope and amounts of damages involved, such claims are stressful, time-consuming, and costly.

The above only scratches the surface of ORS 90.315 and the practice of tenant-utility billing in general. Accordingly, find and use competent legal counsel, and ensure that your utility-billing practices comply with the statute.

Portland's New FAIR Housing Ordinance

Continued from Page 1

The requirements in this ordinance will substantially change most industry-wide accepted practices for advertisements, screening criteria, rental and management policies, termination procedures and for the final accounting resolutions on all residential income properties in the city of Portland. The goals of this ordinance are to lower the barrier of entry to housing-burdened populations and to restrict the amount of money for which a tenant would otherwise be liable, in order to pay for damages incurred to the unit. There is no attempt at parity between a landlord's and a tenant's rights within this act. There is no adjustments for any size or price of rental units. The penalty provisions of any violation in the statute include "actual damages" sought by the tenant – a provision that allows for an open-ended interpretation of potentially huge and cascading claims.

Commissioner Chloe Eudaly has been pursuing this law for nearly two years. Mayor Ted Wheeler's Residential Services Commission (RESC) supported its progress and provided a forum for it to develop within the Portland Housing Bureau. It should be noted that the RESC is made up of 14 commissioners, only five of which are "landlord representatives. Of those five seats, two commissioners resigned in 2018 because their perspectives were summarily dismissed by the board (I was one of those members). In 2019, three more of the landlord commissioners resigned for the same reason. The result is that the Portland City Council's housing policies are being created by stakeholders that are radically against landlord rights and whose agenda is to impose new social policies that require private citizens to fund public-housing policies. The law is cumbersome, confusing, and purposely constructed to penalize landlords for not following the very detailed procedures it introduces.

The FAIR. ordinance joins with the Portland Relocation Ordinance and the Oregon State rent-control law (HB608), each serving to limit the amount of rent increases and to prevent owners from terminating tenancies. With these new rules, FAIR designed to regulate the selection of tenants and minimize the costs to repair damages, the burden of liability on Portland rental property owners has skyrocketed. And as a result, this new law fundamentally changes the basic relationship between landlords and tenants by assuming that without a host of new policies, all tenants are subject to exploitation.

The just-adopted rules of the FAIR ordinance can now be found on the city of Portland's website. Ironically, while it is slated to become law in just weeks, a massive amount of training still needs to be conducted to sort out all of the complexities. Experts all agree that this could take months to bring all industry professionals up to date, and will certainly add to the confusion and difficulties in compliance. Cynical as it sounds, the city has been making this law up as they go, and they have added in many caveats and nuances for an array of issues that have created a tangled mess of red tape.

Provisions for refunding interest incurred on tenant security deposits (which already exist in state law) are now parsed out in a new and imposing accounting scheme. Forcing landlords to do in-home final inspections within five days of sending out a late notice for non-payment for rent is not only onerous and time-consuming, it's also intrusive and insulting to any tenant who has ever gotten just five days behind on a rent payment. Requiring landlords to itemize and place a cost valuation on every fixture, appliance, equipment and personal property in line with a city-approved depreciation schedule, and requiring a signed mutual agreement between the tenant and landlord prior to possession, is cumbersome and arbitrary (and substantially more onerous for larger single family homes than, say a one-bedroom apartment). It also raises anticipated disputes, i.e. what if the tenant doesn't sign the form and yet is still required (by the law) to be allowed to rent the property?

There are many other conflicts inherent in this ordinance. For example, carpet cleaning (as authorized and approved by state law to be a tenant expense) now must be limited to "discrete impacted areas" and not for other areas of the dwelling unit. Tell me – what does that actually mean and how will it play out in every single move-out? Requiring the rental agreement to have the name, address and phone number of the actual bank branch holding the deposit seems excessive. Which Citibank do you go to?

The increased amount of administrative oversight regulated in this ordinance is excessive. As a long-time professional property manager, I have long promoted the claim that everyone deserves affordable and safe housing. Tenant relations is an integral part of my business and our company works tirelessly to address the needs, concerns, fairness and habitability issues that rise up daily in managing rental housing. Yet even on our best days, with great tenants, we can be subject to questions, suspicions or accusations, etc. when things don't go as well as someone likes. Creating overreaching laws that do little for the majority of people they serve and which create intimidating conflict unnecessarily just does not seem like good public policy.

At the end of the day, however, when new laws are enacted, our job is to understand them and work diligently on their compliance. The sheer volume of change and the additional requirements and restrictions inherent in this law will be challenging and it will add considerable time allocations for documentation and "risk management." I certainly believe professional property managers will handle the process and create new best practices to adapt. However, I also believe prices to manage rental units will need to go up in order to accommodate these mandates, further burdening the rental-property owners who are shouldering the weight. Will we now start seeing every owner raise every rent to its maximum rate every year in order to recover their costs? Time will tell.

For the Property Management industry, I submit we should read this new ordinance as the City of Portland promoting "Frustrating Administrative Inflationary Rate-hikes."

Ron Garcia is the Past President of the Rental Housing Alliance Oregon and is currently a candidate for the Oregon State House of Representative, District 37. His website it www.GoGarcia.org.

National Average Rent Fell $1 in December

Yardi Matrix

There was a weak end to a solid year for multifamily, with national average rents falling by $1 in December, according to the latest report from Yardi Matrix.

The report says 2019 will go down as a year without much drama in the multifamily sector as U.S. rent growth finished at a solid 3 percent.

Highlights of the report

The average U.S. rent fell $1 in December to $1,474, with the growth rate falling 10 basis points from November. That said, U.S. multifamily rents finished a remarkably consistent 2019 up 3.0%. Year-over-year growth remained between 3.0% and 3.3% the entire year.

Rents were essentially flat for the fourth quarter, which is a normal seasonal trend. The last time rents grew significantly during the end of the year was 2014 and 2015.

Rent growth continues to be strong in all regions, led by secondary markets in the West and Southeast. Phoenix, Las Vegas, Sacramento and Nashville were among the top-performing metros all year. However, growth decelerated significantly during the year in some metros, notably San Jose, Orlando and Denver.

Rent gains softened, but the market is steady

The report says “the market is sound, with no red flags on the immediate horizon.

“Despite deliveries of roughly 300,000 units for the year, the occupancy rate for stabilized properties was 94.9 percent as of November, down only 10 basis points over the last year,” it says.

A healthy job market and low unemployment also helped handle the new deliveries of apartments during 2019.

Rent growth softened, yet again, to 3.0 percent on a year-over-year basis in December, down 10 basis points from November. Year-over-year rent growth is at its lowest level since May 2018, when it reached 2.9 percent.

Phoenix (7.7 percent) and Las Vegas (5.4 percent) have topped the rankings together for 16 months and counting. The last time these two markets did not top the charts was in September 2018, when Orlando claimed the first-place position, with Las Vegas and Phoenix following closely behind.

Three California markets—Sacramento (5.1 percent), the Inland Empire (4.1 percent) and Orange County (3.9 percent)—ranked in the top 10. Despite California’s affordability issues and the recent passage of statewide rent control, these three markets continue to find a way to increase rents.

Bay Area is weakening

“The Bay Area is weakening due to concern over growth in startup technology firms, the feeble IPO market and the lack of affordable housing, which is prompting large employers to seek cheaper markets,” the report says.

• San Jose started the year at 4.7 percent and ended up -0.3 percent.

• San Francisco started at 4.5 percent and ended at 1.6 percent.

• Even Denver started at 3.4 percent and ended at 1.5 percent.

“All of these metros have a strong economic base, so it would seem likely that growth will rebound. Despite pockets of concern, 2020 should be a healthy year,” Yardi Matrix says in the report.

Also the report said multifamily continues to benefit from abundant debt capital sources. Total apartment lending in 2019 was on track to reach 2018’s record $338 billion.

Is Renting to College Students for the First Time a Good Idea?

By Beatrix Potter

Investing in property can be an exciting business venture that you might enjoy as a sideline for extra income. For novice and experienced property investors alike, the prospect of student tenants may be somewhat terrifying. After all, we have all heard horror stories about damaged property and upset neighbors. Done right though, student rentals can offer high returns.

Research the demand for renting to college students

There are more than 5,000-plus colleges in the United States with an annual enrollment of 19.9 million students each year, more than half of whom do not live on campus or in purpose-built student accommodation. It is fair to assume that there is a rental market near you waiting to be tapped into.

Full disclosure: You are not the only one considering renting to college students. An increasing number of investors are tapping into the student market. Before applying for your application to rent to students, find out if your college town is one of those that has become saturated with private student rentals. If it is, it could provide more of a challenge. Local real estate agents and the universities themselves are useful resources to help gauge demand and to help you navigate residential laws.

Are students bad tenants?

With the exception of their first year living on campus, many students coming your way may not have lived alone before. You are not the first landlord to worry about how responsible they will be with your property. Take comfort from the fact that if all students were as terrible as urban myth would have us believe, the student rental market would not be as popular an option as it is.

Anticipate problem student behavior with a water-tight tenancy agreement, good renter's insurance, and a thorough screening process. Check all references and consider taking on a property manager who will keep an eye on things for you.

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What student renters want

When it comes to furnishings and finishing touches, students will be less particular than most tenants. They are not looking for high-end, they are looking for a place that offers convenience and independence. For you, this means that there is less expense involved in the setup of your property.

A student's ideal rental property is near campus. They want to roll out of bed and be in class within 15 minutes. Failing that, they will look for a place near bus routes or cycle routes, making study time in the campus library easier.

Some things that your new young tenants will not compromise on are hot water, laundry facilities, and wifi. Consider putting in more than one tub, make sure your boiler is up to date, and set them up with a decent internet provider to keep them happy. Happy tenants are less likely to disrespect a property.

Student rent

Worried they won't pay? Your student tenants will most likely be receiving rental support from one of two places: their parents, or student loans. Make sure that all tenancy agreements require a parent to co-sign and that you have the contact details of all parents and guardians.

There are upsides to student rents that you may have not considered. Those with parental support may pay in advance; offer this as an option straight up. Renting a shared property means multiple rent checks; is this an inconvenience? Maybe. But it also means that even if one of the tenants falls behind, you are not 100 percent out of pocket, as you will have the payments from the other tenants.

Students look for short-term rentals. During the summer months, you could experience a lull or you could use the season to bring in some extra cash flow. International students coming in ahead of the next school year may arrive early, or they might be attending summer school on campus and need summer accommodation. Contact the international student office of the college and let them know your property details for any students arriving. Other options include intern agencies and language schools; get to know them all.

Pitch your property

Lastly, advertise your property in the right places. There are websites and college-specific sites that will let you advertise directly to the audience you are looking for. Good old-fashioned flyers on campus-notice boards are surprisingly effective, as is good old-fashioned word-of-mouth. Also, advertise frequently, not just during the lulls. Letting people know that your house or apartment will be available in the summer or in the next school year could prevent the stress that comes with an empty property.

Beatrix Potter has been a landlord for five years. Now she also is a writer at Coursework Writing Service and Academized writing services. She writes about education.

Cincinnati

Landlords Must Give Renters Security Deposit Options

Rental Housing Journal

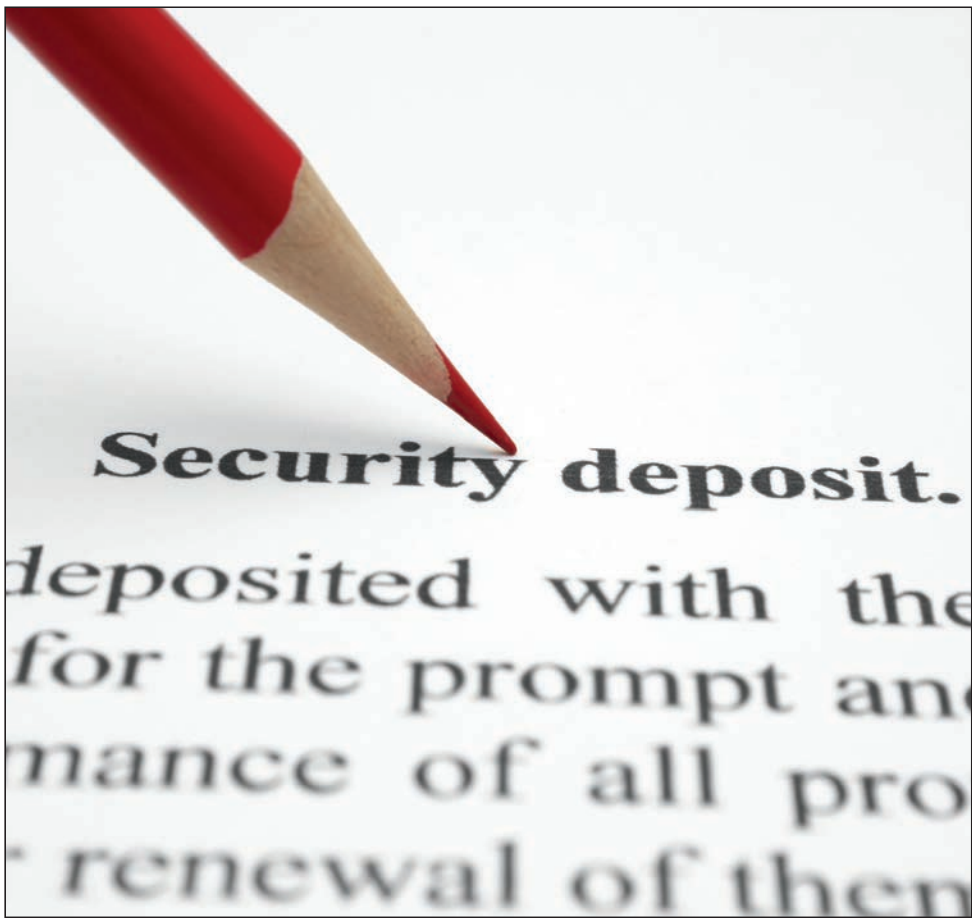
The Cincinnati City Council has passed an ordinance that takes effect in 90 days requiring landlords to give potential tenants options to traditional cash security deposits, according to reports.

Cincinnati is the first city in the United States to pass such a program, but others are considering security-deposit options for tenants.

Small landlords who own 25 or fewer units are exempt from the Cincinnati city ordinance.

One of the options is rental insurance, which allows renters to pay a small premium each month instead of a making one larger cash security deposit.

"For a significant number of people living in Cincinnati, a security deposit for a two-bedroom would equal or exceed the totality of their savings," said Cincinnati City Councilman P.G. Sittenfeld, sponsor of Cincinnati's new deposit law, in an interview with the Wall Street Journal. "To put down $1,000 up front, that's a significant expense for some people."



Under the city ordinance, once a potential tenant requests an option besides the standard cash security deposit, the landlord can then pick from three different options to offer the renter, according to the Cincinnati Enquirer:

• **Rental security insurance,** where tenants can pay as little as $3 a month. Instead of paying first month's rent and a security deposit up front, they pay $5 a month in insurance premiums for the duration of the rental. They don't get that money back, but the idea is making getting into the rental a possibility.

• **An installment plan,** where the security deposit is paid over a period of no less than six months.

• **Payment of a reduced security deposit,** which can be no more than the equivalent of 50 percent of the first month's rent.

Cincinnati requires that insurance providers be approved by the state, offer monthly premiums and provide coverage for the entire lease term.

Landlords pushing back

Many landlords are already pushing back against the security-deposit legislation. They say collecting all-cash security deposits at move-in is necessary to protect their assets, and to and make sure a tenant doesn't skip out without paying the last month's rent.

Landlords also say that insurance plans would likely leave them fighting with these companies for claims, when they would previously have the tenant's deposit already in hand.

"Now I'm in a whole different realm," said Charles Tassell, chief operating officer of the National Real Estate Investors Association. "I've got to deal with an insurance claim and get my attorneys involved. And they've got their high-priced attorneys in-house."

A series of startups have risen to offer alternative solutions to the security-deposit problem for renters, with what basically is an insurance product. Firms like Jetty, Rhino, TheGuarantors and Insurent all have slightly varying structures but all allow consumers to pay a much lower fee for insurance on the apartment, as opposed to a large cash deposit up front. Not all of these companies are available in all states.

The renter then either pays a monthly fee for the insurance for the term of the lease or a one-time payment to the third-party insurance provider. At the end of the term, the startup then takes responsibility for any damages or claims against the lease for the tenant.

Sponsored Content

DRYER VENTS: INSPECTION AND CLEANING

By Portland Chimney and Masonry Inc.

The vents of dryers serve the same purpose as the chimney of a fireplace: a way for exhaust to be allowed to get out of the building.

Usually these vents are vented through the roof or out the side of your buildings. Either way, there must be a clear passage for the exhaust to get out.

Structural:

Under no circumstances should these vents be allowed to vent anywhere inside the building, such as an attic or the like. This is simply allowing the exhaust and flammable lint to be vented into an enclosed, often unattended area. This is a fire waiting to happen.

Cleaning:

The lint that is built up in these vents is highly flammable and must be cleaned out on a regular basis, as should the chimneys for fireplaces. If this lint were to catch on fire, it could cause severe damage to your property.

According to the USFA (U.S. Fire Administration):

> "An estimated 2,900 clothes dryer fires in residential buildings are reported to U.S. fire departments each year and cause an estimated 5 deaths, 100 injuries, and $35 million in property loss.
>
> "Clothes dryer fire incidence in residential buildings was higher in the fall and winter months, peaking in January at 11 percent."*

Clogs:

Plus, the more these vents clog, the more time is needed to dry the clothes in the dryers. This can waste a great deal of money on electricity and is also why these vents should be cleaned out on a regular basis. Extremely clogged vents are harder to clean and may require extensive measures to gain access to the clog, which can be costly.

Inspection:

It is vital as the first step of servicing the dryer vents to inspect the air flow.

If there is no air flow or low air flow it is an indicator of:

- Clog in vent system

Or. ...

- Pinched transition (accordion-style vent that connects the dryer to the rigid venting in the wall).
- Dryer not connected.
- Damaged dryer.

A Certified Dryer Vent Technician ***should inspect the air flow*** to determine the air flow, as noted above, as part of the annual maintenance of the dryer vents.

So protect your property, protect your tenants. Ensure your dryer vents are properly vented and cleaned for maximum safety and efficiency. You can always call a Chimney Professional to inspect the venting and to clean the vents when needed.

Reference:

**www.usfa.fema.gov/media/press/2012releases/080712.shtm*

Clothes Dryer Fires in Residential buildings (2008-2010) is part of the Topical Fire Report Series.

Clothes Dryer Fires in Homes/ 8/7/12 Press Release