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



10 Ways to Keep Residents Engaged During COVID-19

NATIONAL APARTMENT ASSOCIATION

Here are 10 ways to keep residents engaged during the COVID-19 crisis, put together by the National Apartment Association (NAA). Social distancing is a challenge in apartment communities which are at their core a people-driven business. That makes it more difficult to abruptly cut off face-to-face communication. “Now more than ever, apartment owners and operators have a real opportunity to make a difference in how we respond to these challenges by moving resident events and communication online to further engage residents in a different manner,” the NAA said in its release. “Allowing residents to see continued effort is key to satisfaction. Apartment professionals can provide

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6 Actions Landlords Can Take to Support Residents

NATIONAL MULTIFAMILY HOUSING COUNCIL

On behalf of the 40 million Americans who call an apartment home and the 17.5 million jobs the industry supports, the National Multifamily Housing Council (NMHC) is suggesting six actions landlords can take to support their residents in light of the developments surrounding the coronavirus (COVID-19) pandemic, according to a release. The NMHC suggests landlords and

apartment firms consider adopting the following principles to help America’s renters retain their housing during this crisis.

No. 1 - Halt evictions for 90 days for those who can show they have been financially affected by the COVID-19 pandemic. (This would not apply to evictions for other lease violations, such as property damage, criminal activity or endangering the safety of other residents of the community.)

No. 2 - Avoid rent increases for 90

days to help residents weather the crisis.

No. 3 - Create payment plans for residents who are unable to pay their rent because of the outbreak, and waive late fees for those residents.

No. 4 - Identify governmental and community resources to help residents secure food, financial assistance and healthcare, and share that information with residents.

No. 5 - Communicate to residents that

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How to Handle Rental Maintenance During the COVID-19 Outbreak

NATIONAL APARTMENT ASSOCIATION EDUCATION INSTITUTE

How to handle rental maintenance, along with personal protective wear and equipment, was covered by Paul Rhodes, National Safety and Maintenance Instructor at the National Apartment Association Education Institute, during a recent video. Rhodes said in handling rental maintenance during COVID-19 the first thing in dealing with maintenance in our communities is that “everybody’s on the same page.” “I think that what we should be starting with is clear, consistent communication with our residents.”



MAINTENANCE AND COMMUNICATION WITH RESIDENTS

“First, let’s make sure that we send out information to our residents, letting them know that we’re here,” Rhodes said. “We are still here to provide service that is expected because ultimately we’re looking to make sure that both our technicians, our buildings, and our residents are all being safe.

It might be a good idea to remind residents that if they call for service, we are going to be coming from other apartments and that we will be taking appropriate precautions. It’s also a good opportunity to spread more good information. In other words, give the CDC latest guidance webpages or information, plus if there’s any local

resources that our city or County or municipality has and can provide for our residents.

FIRE, FLOOD AND BLOOD EMERGENCIES

We want to make sure that our resi-

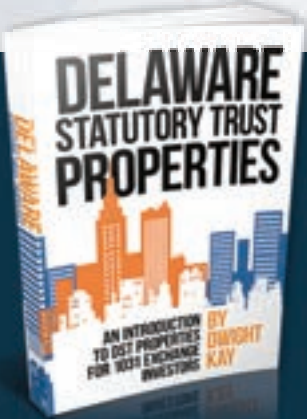
See ‘How’ on Page 8

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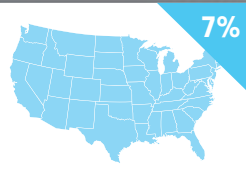
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DST Investing Across Market Cycles

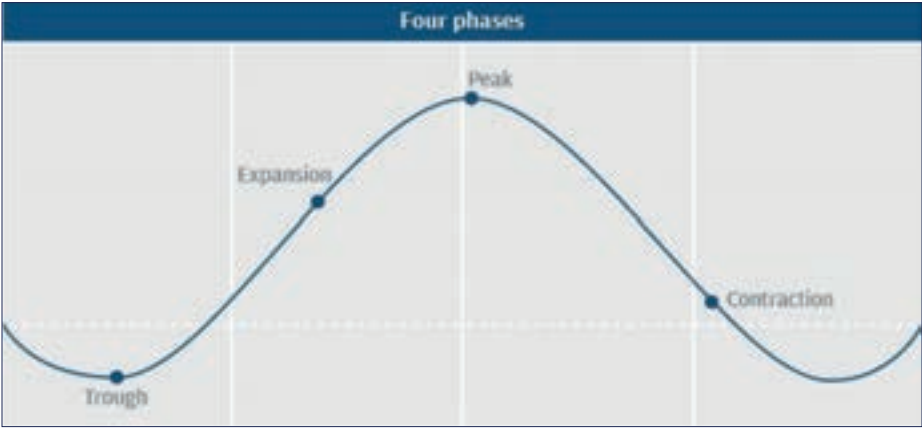
By **SEBASTIAN MOYA /**
ASSOCIATE AT KAY PROPERTIES & INVESTMENTS
AND THE KAY PROPERTIES TEAM

One of the common topics that frequently pops up in investment conversations these days is discussion about what stage of the “cycle” the market is in. Why does cycle matter, and what does the current cycle mean for DST investment opportunities?

Simply put, market cycles refer to the periodic ebbs and flows that occur in the economy and across individual sectors, such as tech, energy and commercial real estate. Markets rise and fall across four phases: expansion, peak, contraction and trough.

Four stages to the cycle:

- 1. **Recovery/Expansion:** The market is following a healthy, positive growth trajectory.
- 2. **Peak:** The top of the market where assets are fully priced.
- 3. **Contraction:** Growth slows but isn't negative.
- 4. **Trough/Recession:** Growth stalls or becomes negatives and can fall into a recession, which is usually defined as two consecutive quarters of negative growth.



Record-breaking expansion cycle

Timing investments right can help to maximize returns. Yet getting market timing exactly right is never easy unless you happen to have a crystal ball handy. There are plenty of savvy investors making educated guesses about where the market is at in its current cycle. Most are willing to wager that it is late in the expansion phase. The reality is that the current cycle has moved into uncharted territory. The U.S. is officially in its longest expansion, breaking the record of 120 months of economic growth previously occurring from March 1991 to March

2001, according to the National Bureau of Economic Research.

The length of the current economic expansion has many people worried that an inevitable end must be in sight. Yet this current period of slow and steady growth has proved to be sustainable, and there doesn't appear to be anything imminent that could derail that pattern. The “peak” that some were worried was nearing in both the economy and commercial real estate markets could very well turn out to be more of a plateau. Even if there is a contraction or trough ahead it could be a slight downturn rather than a sharp drop off a cliff. There are numerous variables that contribute to the shape of market cycles that range from Fed monetary policy to market bubbles that pop, such as the housing and dot com booms that caused the last two recessions. Hindsight is always 20/20, but it is challenging to predict exactly what events may surface and when they will hit.

Real estate cycles vary

The added challenge in real estate is that it is not a one-size-fits-all market. Different property types and cities are at different stages of their market cycles. For example, the Manhattan office market, may be viewed by some as being close to the peak with slowing or flat growth ahead, whereas the Nashville or Orlando apartment markets could still be considered to be in the mid-stage of expansion with more upside potential.

Defense vs offense? Cyclical investing strategies

What does the current market cycle mean for DST investors? People can and do invest across all phases of the cycle. However, strategies can change depending on the phase. During expansion, investors may choose to be more aggressive as they see more upside for growth. Investors in early stage expansion cycles are more prone to play offense so to speak and are willing to take on more risk. The closer a market gets to peak and a potential down shift to a contraction or trough phase, the more likely investors are to be cautious of risk and gravitate towards defensive strategies.

In some cases, mature market cycles are fueling an increase in property sales and 1031 tax deferred exchanges. Property owners who believe values may be at or near peak see it as a good time to take chips off the table and sell real estate that has experienced good appreciation. DSTs are an accepted alternative for use in a 1031 tax-deferred exchange. Individuals also have an opportunity to reinvest proceeds into a variety of different property types and geographic markets. For example, Kay Properties has DST opportunities with a minimum investment amount of \$100,000 for investors with offerings that span multifamily, student housing, self-storage, net lease (NNN), industrial and medical office properties.



Kay Properties and Investments, LLC is a national Delaware Statutory Trust (DST) investment firm with offices in Los Angeles, San Diego, San Francisco, Seattle, New York City and Washington DC. Kay Properties team members collectively have over 114 years of real estate experience, are licensed in all 50 states, and have participated in over \$9 Billion of DST real estate. Our clients have the ability to participate in private, exclusively available, DST properties as well as those presented to the wider DST marketplace; with the exception of those that fail our due-diligence process.

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

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New Rental Insurance Technology Tool for Property Managers

LIBERTY MUTUAL INSURANCE

Liberty Mutual has built a new set of innovative technical capabilities that allows the integration of the quoting and binding of rental insurance into property manager’s ecosystems.

During a recent interview, Kelly Piotrowski, Director, Ecosystem Partnerships for Liberty Mutual, said, “We say ‘ecosystem’ because it could be a website, it could be a mobile application, it could be the portal that someone uses to apply for an apartment and pay their rent.”

The program is not partner-specific, and does not rely on any third parties, as customers would work directly with a Liberty Mutual technology department.

“The reason that we’ve done this is really driven by a few factors. The first is when you look at the American population today, more and more people are renting for a longer period of time as home ownership is delayed,” Piotrowski said.

OVER HALF OF RENTERS DO NOT HAVE RENTAL INSURANCE

More than half of renters are uninsured, and “that’s pretty scary when you think about it because even just to replace an iPhone, a laptop, or your clothes, can be a pretty significant life event for a person,” Piotrowski said.

Liberty Mutual built the new renters API (application program interface) because “we wanted to build a set of capabilities that would allow us to partner with folks to make it easier for people who should have renter’s insurance to



get it,” she said.

While the API is an easy digital solution, functioning on both mobile and desktop, the quote-and-bind offer is integrated into your digital experience, with no need for individuals to be rerouted to LibertyMutual.com or call an agent. Of course if you want, “you can still come to libertymutual.com or you could call into libertymutual.com to get renter’s insurance,” she said.

Piotrowski said they are seeking partnerships with property-management companies, such as the one they already have with room8.io. The goal is to meet where the potential tenant is while they are online using digital products and signing up for their housing.

“So we’re meeting people where they are and we’re making it easier and trying to reduce as many barriers as possible so that people will finally get the coverage that they need,” Piotrowski said.

Although selecting housing may be top of mind at the moment, “We can say,

‘You know what? You should really have renter’s insurance while you’re here. Why don’t you take a look at this?’ And then the person can actually engage with the renter’s-insurance product without ever having to leave,” she said.

She explained that if a property-management company had a website “that you use for people to apply where they could load proof of insurance, what it would allow us to do is actually integrate the Liberty Mutual insurance product on that site. So if someone was using it, they could actually buy the insurance through that site and then it would proactively list you (property management) as the insured and then send you a proof of insurance.”

“We’re certainly hoping to partner with some of the larger property-management software companies. We have started to have some conversations with them. It’s definitely something that we strive for,” Piotrowski said. “We’ve built it once and now we can use it across various different types of partners.”

EASIER ONE-STOP SHOPPING FOR RENTERS INSURANCE

“I think we’re seeing, not just in the insurance industry, but shoppers in general are used to being able to purchase multiple things in one place,” said Ally Koss, Project Manager, Strategic Partnerships, for Liberty Mutual. “People don’t want to have to go to 10 different places to get 10 different things.

“So with the way that shopping behaviors are changing, we’re meeting customers where they are and making it easy and being mindful of how people

want to purchase insurance,” Koss said.

A SIMPLIFIED INSURANCE-BUYING EXPERIENCE

The technology and the product itself is the same full-coverage rental insurance someone would get from going to LibertyMutual.com or calling the company.

“It’s the same product, but it’s definitely a simplified product from a data-collection standpoint,” Piotrowski said, so it does not require as much information as other insurance products. She said partners in the program will most likely already have much of the data needed to apply for renters insurance with the company.

Property management typically already has the information that Liberty Mutual needs.

“Things like name, address, and data for email address, how long have you been living in this apartment? It is non-threatening, straightforward data, but it’s also things that our partners are likely to have. So then you have the opportunity to further simplify the process by pre-filling it as well to help the amount of data that it takes for someone to then actually complete the quoting and binding,” Piotrowski said

About the program: Liberty Mutual Insurance has created a Renters Insurance API that will allow your customers or tenants to quote and buy renters insurance without ever leaving your digital experience. To learn more about the program, visit libertymutual.com/renters-api or contact API.Partnerships@libertymutual.com.

10 Ways to Keep Residents Engaged During COVID-19

Continued from Page 1

value while also helping people to feel connected and combat loneliness and depression in the weeks and months to come.

10 WAYS TO KEEP RESIDENTS ENGAGED

Host an online book club. Let residents vote on a book to read online or listen to on a platform like Audible. Then create a Facebook group to discuss the book virtually once a month. You can host separate clubs for different age groups or book choices.

Use the power of technology with daily or weekly check-ins. Use social platforms, such as Instagram or Facebook Live, for example. People love to feel important and a part of their community. Check in on how everyone is doing and keep them updated on current events and neighborhood information.

Consider gifting subscriptions to Disney+ or Netflix. This will assist with the boredom your residents may enter while being confined to their apartment homes. Take it a step further with recommendations about great movies and shows to watch, and even start a discussion online for neighbors to comment on their favorites.

Encourage healthy competition at



an online game center; nothing beats a competitive game of neighborhood Scrabble! There are thousands of games your residents could play together online. You can play chess, find all sorts of virtual reality games, or find card and other puzzle games. Get creative and make your own crossword puzzle using words from your community.

Recommend online fitness apps if your fitness center is closed. Encourage your residents to continue putting their health at the forefront of their confine-

ment with apps, such as Peloton and Beachbody, to name a couple. Consider paying for the first month of their subscriptions in substitution for that month’s resident event.

Create a photo scavenger hunt online. List missions in different categories to allow residents to post pictures of objects they find inside their apartment homes. Residents can also solve riddles and complete fun photo challenges to share with neighbors.

Design your own community pot-

luck cookbook. This is an awesome twist on a classic resident event. Have residents submit recipes for their favorite dinner. Then, compile the recipes into a community cookbook and share all recipes on Dropbox or Google Drive.

Send out daily trivia to residents. Random trivia can productively kill time by teaching residents new facts. You can make this into a competition among neighbors by publishing a weekly leader scoreboard. Take this a step further by giving out prizes, such as e-gift cards for winners.

Make a music playlist on a platform, such as Spotify, to share with residents. Energetic music will help motivate residents to exercise, clean, and even dance around their home. You can even ask residents to make suggestions for music to add to the list to increase community participation.

Share online learning websites designed for children from preschool to middle school that encourage positive distant learning while schools are closed. Age of Learning and Scholastic Magazine are just two examples of online programs providing free home access. Even when schools are closed, you can keep the learning going with these special cross-curricular journeys – and parents will appreciate the help while they navigate the balance of work and childcare.

3 Areas Where Congressional Legislation Falls Short, Could Hurt Rental Market

RENTAL HOUSING JOURNAL

Legislation passed by Congress to stave off economic collapse may create problems for rental-housing property owners, according to a release from the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA).

“While there are a number of important provisions included that will be helpful to the industry and its renters, there are others that will create substantial challenges for rental-property owners and imperil housing stability Americans need and deserve during this crisis,” the two associations said in the statement.

“To its credit, Congress took important steps to provide relief to affected American renters and property owners. Boosting funding to U.S. Department of Housing and Urban Development (HUD) programs, expanding unemployment benefits and providing substantial tax relief are welcome resources. Yet, more must be done. NMHC and NAA have identified three areas where the legislation, while well-intended, falls short and will be detrimental to the stability of the rental housing market.”

THREE AREAS WHERE LEGISLATION FALLS SHORT

NMHC and NAA have identified three areas where the legislation, while well-intended, falls short and will be



detrimental to the stability of the rental-housing market.

No. 1 – EVICTION MORATORIUM NOT TIED TO COVID-19

“First, while we understand the intent of the national eviction moratorium included in the legislation, lawmakers inadvertently neglected to specifically tie the moratorium to those affected by the COVID-19 crisis.

“Instead, what should be a limited protective step is expanded to those who have not been financially impacted by the pandemic. This is already

creating an expectation that unaffected renters do not have to meet their lease obligations.

“The unintended consequences of the eviction moratorium will wreak havoc on the stability of the rental-housing market and places it out of step with similar state and local actions. Congress must swiftly address this discrepancy,” the associations said in the statement.

No. 2 – MORE EMERGENCY RENTAL ASSISTANCE NEEDED

“Second, the current package provides substantial financial support to

residents though HUD and unemployment insurance; however, more direct emergency-rental assistance is necessary—particularly for those who do not presently receive federal housing assistance but now find themselves needing it.”

No. 3 – MORTGAGE FORBEARANCE NEEDS TO EXTEND TO ALL

“Congress provided mortgage forbearance for multifamily property owners negatively impacted by the COVID-19 outbreak. The legislation, however, only provides this relief to owners with federally backed mortgages, such as those through the Federal Housing Administration (FHA), Fannie Mae and Freddie Mac. This protection needs to be expanded to all types of mortgages. Owners and operators are tasked with ensuring the viability of apartment communities. They, too, are experiencing financial hardships sometimes tenfold as renters in the communities across the country struggle.

“Further, the provision limits forbearance to a 90-day time period, which is out of alignment with the 120-day eviction moratorium. Unless it is fixed, this disconnect could result in a mass wave of financial delinquencies and defaults from rental-housing providers of all types and sizes, jeopardizing the stability of entire communities,” the associations said in the release.



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Rental Property Maintenance and the Fight Against Spread of COVID-19

KEEPE

With the real-estate industry and property-management businesses already reporting losses since the outbreak of the coronavirus (COVID-19), it is easy to get caught up in worry, not just about the health risks, but about your properties and tenants.

At Keepe, we understand that health is wealth. Since the outbreak of the coronavirus, we have taken several action steps to protect our business, our workers, and our clients. Being in the service industry requires us to be proactive in our actions toward fighting the spread of this virus.

Below are some of the recent action steps we have taken/are taking to fight against the spread of the coronavirus.

ENCOURAGING RENTAL PROPERTY CLEANING HABITS:

Cleanliness is essential for rental properties. Not only does it help in the fight against the spread of the coronavirus, but it helps in the promotion of a healthy living environment for tenants. We encourage our clients (property managers) to introduce a regular rental-property cleanliness plan. Our recent emails and blog posts focus on how property managers can get their tenants to clean their respective rental properties, with actionable steps.



SCREENING OUR WORKERS AHEAD OF WORK ORDERS

Every rental property needs a reliable handyperson or contractor at some point in time. While this is one of the motivations behind our business model, we understand the need to put our clients first. Buildings and property managers will always need the service of a reputable vendor to handle minor to major maintenance requests.

But even in the face of a pandemic such as the coronavirus, buildings or tenants with repair issues cannot be left without a vendor. That is why we are taking all precautionary measures to screen all our

workers before they are sent out to handle a work order in a tenant’s home.

Our screening practice involves hopping on a call with the workers to discuss their present health condition, and making sure they adhere to the practices of good hygiene. We also encourage our contractors to keep a minimum six feet distance from any of the tenants present while getting work orders completed.

APPROVAL FROM CLIENTS

At Keepe, we understand that individuals around the world are in panic mode. People are wary of what they touch, the food they buy, and the people allowed

into their homes. In the face of a virus, we understand the need to be careful, and we encourage it as a business.

That is why before our workers proceed to your home for maintenance repairs, we will need to request your approval for their entry into your unit. And all of our workers are aware that clients may require additional hygiene measures, such as the washing of hands, wearing of a face mask, and refusal to shake hands with them.

At Keepe, we are doing our best in creating safety measures targeted at not only fighting the spread of the virus but also in serving you better. We encourage you to plan on how to safeguard you and your tenants from the spread of the coronavirus. Above all, we would love to hear from you on strategies you may have adopted to fight against its spread in your property.

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



Monthly Meeting Schedule for the Arizona Real Estate Investors Association

AZREIA Phoenix: Monday – April 13, 2020
Virtual Meeting | 5:15 – 8:45 pm
Market Update & Market News with Alan Langston

The latest in trend analysis for the U.S., Arizona and Greater Phoenix including existing homes, new homes, foreclosures and traditional sales. Full analysis of fix & flip and rental markets. Plus, the latest market news affecting your business.

MAIN MEETING:

This presentation features a national or local speaker or panel of experts on general topics such as fix & flip, buying notes, private money lending, marketing strategies, buying land or commercial/multi-family property. These are “you can’t afford to miss” meetings.

AZREIA Tucson: Tuesday – April 14, 2020
Virtual Meeting | 5:30 – 7:15 pm
Market Overview

Find out where our market is heading – valuable information no real estate investor should do without.

Main Meeting with Special Guest Speaker

This presentation features a national or local speaker or panel of experts on general topics such as fix & flip, buying notes, private money lending, marketing strategies, buying land or commercial/multi-family property.

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

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Insurance for Property Owners and Managers

**NATIONAL REAL ESTATE
INSURANCE GROUP**

A transparent relationship between a real estate investor and property manager is critical to a successful rental property. Especially as it relates to insurance. Both parties should agree on what coverage the other should hold, how they are protected within that arrangement, and understand their individual exposures.

I'm a property manager, how should the property owner be insuring the property correctly?

Most landlords know they need property insurance for direct physical damage (fire, lightning, theft, etc). This can be purchased for named perils (known as basic form coverage) or all-risk (special form coverage), where any cause of loss is covered unless specifically excluded in the policy. Some of these exclusions can be “bought back” with additional endorsements, such as terrorism and earthquake.

But often, even more important is premises-liability coverage with a minimum of \$1 million of coverage per occurrence. Premises liability covers the investor in case of bodily injury at the property. You, the property manager, can and should be listed as an additional insured on the owner's liability policy. This does two things – could provide cover for you in the event a tenant sues both parties, and notifies you if the own-



er is in jeopardy of letting their coverage lapse for non-payment, or any other underwriting reason. And can be done for no additional cost.

Imagine a tenant notifies you of some broken stairs at their rental. You consult with the landlord, who does not authorize the repairs. The tenant falls on the broken step a few days later, injuring themselves, and files suit against both you and the landlord. If you are not list-

ed as an additional insured on the premises-liability policy, you could be left with no legal protection for injuries on the property, regardless if you are determined to be at fault or not.

A couple other things to note about the investor's liability insurance - be sure the owner's liability policy provides defense costs outside of the limit of liability. Legal fees can add up. And if you are managing more than one location for the same owner, be sure they carry a liability limit per location versus per occurrence, so that limits are not shared with multiple properties. Depending on the size of the portfolio by a single owner, an umbrella policy may be considered to provide additional cover above those limits in their underlying liability policy.

I'm a real estate investor, what insurance should I expect my property manager to carry?

First and foremost, the property manager should carry adequate professional liability including both general liability (for day-to-day business practices) and errors & omissions (E&O) coverage. Like your liability policy, you should be listed as an additional insured on the PM's policy and it should include a minimum limit of liability of \$1 million per occurrence. The PM should be sure the policy includes crime coverage, and wrongful eviction coverage. E&O coverage protects the PM (and you, if listed) from claims related to a mistake made

by the property manager.

If the property manager has employees, they should also consider employment practices liability insurance (EPLI) to cover for claims by their employees for wrongful termination, failure to promote, sexual harassment or discrimination. This is especially important to you if you share employees (such as maintenance workers). They might also consider workers compensation coverage in case an employee is injured on the job.

Where can we get this coverage?

National Real Estate Insurance Group operates the largest and longest running insurance program in the country, built specifically to meet the needs of rental property owners and their property managers. The program allows investors or their property managers to manage property and liability insurance for portfolios of any size, on one or multiple accounts, on the same schedule, with monthly reporting and payment options. For property owners who assign responsibility to their PM to secure and keep insurance coverage active, we can engage directly with the manager with ease and flexibility. And our full-service commercial agency has access to 300+ insurance markets and carriers for all of the professional coverages needed to keep both parties protected.

For more information, visit nreig.com/rentalhousingjournal.

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Tenant Cannot Pay Rent Due to COVID-19

Dear Landlord Hank: With schools closed, my tenant has advised she has to stay home with her children and cannot go to work and thus will have no income to pay rent. She wants to know if she can delay paying rent. — **Sam**

Dear Sam: With this pandemic, most are living in fear and uncertainty right now. I'm all about business first, but this is different. Government bailout money is in the works, supposedly mortgage companies may be offering delays on payments (I'd call your mortgage company to see what their stance is), businesses are shutting down, etc. We all have to work together in this disaster. Even if you didn't want to help out your tenant right now, courts are suspending evictions in many districts. I'd try to work with this tenant if you can. Hopefully, with all the measures that are being taken, this can be contained and eliminated and we can get back to the good life.



Dear Landlord Hank: Do you use credit scores in considering tenants? How important do you think scores are in tenant selection? I read a story that in big cities some landlords want scores over 700. — **Eileen**

Dear Landlady Eileen: I think credit scores are very important in evaluating a tenant.

Next to prior rental history that is the next most important criteria for me.

Credit history is unreliable in some cases. For instance, in some situations a very young applicant may not have had enough life or time to develop any credit.

Also there are some prospects that truly pay for everything with cash.

Then other times, folks are victims of identity fraud and credit history is skewed.

I won't take a tenant with a bad credit history that shows lack of responsibility, poor judgment and/or sometimes a sense of entitlement. I don't want that kind of tenant.

Also, I find failed marriages are sometimes a big contributor to a bad credit history. In that case, you must evaluate credit before the marriage and then during and after the marriage.

If credit scores show lack of payment you may be next.

If you find someone that has many accounts and they aren't paid regularly, you will probably be joining those ranks if you accept this client as a tenant.

I used to take a larger deposit to guard against not being paid rent but then I've

had to evict.

Credit score is one very important factor in an overall evaluation. Make sure YOU are the one that runs the credit. Don't take a tenant's copy of their credit report. You need a current report for a fair evaluation.

Hank Rossi started in real estate as a child watching his father take care of the family rental maintenance business and was occasionally his assistant. In the mid-'90s he got into the rental business on his own, as a sideline. After he retired, Hank only managed his own investments, for the next 10 years. A few years ago Hank and his sister started their own real estate brokerage focusing on property management and leasing, and he continues to manage his real estate portfolio in Florida and Atlanta. You can ask Landlord Hank a question at <https://rentalhousingjournal.com/asklandlordhank/>

How to Handle Rental Maintenance During COVID-19

Continued from Page 1

dents are aware of the fact that we are going to respond to an emergency, Rhodes said.

"As far as what constitutes an emergency that's going to change community to community, or management company to management company, but the ultimate slang saying of fire, flood, and blood still does apply.

"Be sure that it's clear what we're going to be responding for and any phone calls, or email messages, or anything like that that comes in, we're going to do and attend to as quickly as possible," he said.

A GOOD TIME FOR CROSS TRAINING FOR OFFICE AND MAINTENANCE

Right now a lot of communities are experiencing some different working hours and different staffing levels with people working from home or more remote work occurring.

"Be sure that maintenance is familiar with the important aspects of procedures regarding a lease document. For instance, what are the lockout procedures that we are to go through to make sure that we do everything properly?

"If maintenance receives a message from a resident, or from a prospective resident, make sure that maintenance knows exactly the correct information to have on hand and what details are important and which ones aren't.

"In much the same way that maintenance needs to train the office for service requests when we receive those, what all that important information is. What we're looking for here is to make sure that everybody presents a consistent message, a consistent communication.

In the case of the office, "make sure that they know not only where important things, like cutoff valves, are located, but also how they work.

"When you turn a gate valve, you will have to turn that knob multiple times in order to shut off the water, but if it's a ball valve, you only turn that a quarter of a turn.

"Be sure that the office, when they answer the phone, knows the practices, common communication skills for how to reset a breaker, a ground fault circuit interrupter, or a garbage disposal.



"This is also a good time for the entire office staff, and maintenance staff, to make sure that we have updated contact information and that everybody's on the same page about who to contact in the event of what particular situation," Rhodes said.

GLOVES AND PERSONAL PROTECTIVE EQUIPMENT

In the precautions "we're suggesting for maintenance include gloves. It's a good idea to put them on in front of the resident, that way they know they're fresh and now that we're not using a left-over from different tasks or different areas," Rhodes said.

Personal protective equipment for maintenance is important and can extend to everyone on staff. "Washing hands is the most important thing that we can do to prevent the spread of what is happening. And it's a good idea to do it regularly. Make sure and follow all the guidance for at least 20 seconds using soap," Rhodes said.

"Gloves should be used. A new pair for each apartment and task. Make sure that you order more before you run out. Yes, suppliers now are reporting that they are very, very short on stock. However, they will be getting resupplied.

"Be sure if you're not familiar with the proper donning and doffing procedure, that's just a name for putting gloves on and taking them off in a proper method, so that we're not cross contaminating ourselves or our work areas."

Be sure we keep our work areas good and clean. Not only that, even the World Health Organization (WHO) is talking about the fact that using gloves is not a perfect system. Washing your hands is more important than using gloves, and hand sanitizers should not be viewed as a replacement.

WEARING MASKS

Rhodes said, "Masks should not be used unless you're a caregiver, or you are infected, or there's a worry of you being infected.

"Those guidelines come directly from the CDC and the WHO. And a little side note, for those of us that happen to have a little bit of facial hair, if you are looking to wear a mask, if you have facial hair, they don't do much other than make you look a little bit silly."

SHOE COVERS

He said shoe covers are "wonderful items" as long as they apply to what you are doing. "If we're going to go into a resident's apartment and we have to get up on a ladder or we end up standing on a surface that is slippery or slick, shoe covers may actually provide more danger than then what they solve, or what they prevent from occurring."

IS IT AN EMERGENCY? CAN WE SOLVE THIS WITH A PHONE CALL?

How about some considerations or things to look at for all service requests, whether it's an emergency or urgent?

When a resident calls maintenance the question should be asked, "Can we solve this with a phone call? In other words, can I talk the resident through a self-repair or self-care? What about our policies for suspending non-essential repairs? And what are we going to tell residents as far as a speed or a response that is going to occur?"

ENTERING THE RESIDENT'S HOME

Maintenance should be aware of the fact that when we do go into somebody's home right now with as many schools being closed, children are going to be home during the day.

"That means that when we go into a resident's apartment and we've got tools and all of our working in working conditions, kids will be around. Please be aware of safety in the extra trip hazards that tools can have."

Also since many residents are now working from home, maintenance needs to be aware that "noise or distractions for them may add extra stress. "

He said to remember the maintenance staff in this time of stress is "even more the face of our management companies, our staff, our working family. And in this time of increased stress, smile. It's very possible you could be the only outside person that a quarantined family, or a family that is staying safe in place, gets to see.

"We're going to make it through this together and we can serve that purpose for our residents and for our communities.

"Ultimately, stay home if you're sick. We don't want to contaminate or we don't want to contaminate our work environment or get anybody else sick that we're around, especially carrying it back home to our families," Rhodes said.

The NAA said in the release for more information on this topic and others related to COVID-19, view our coronavirus resources and guidance page where new resources and information is updated daily.

In addition, the NAA said they have a new email address, cv19questions@naahq.org. "Please feel free to send any questions, comments, or concerns you have to that email address and they will be addressed as soon as possible."

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Are Fraudulent Rental Applications a Risk to Your Business?

SNAPPT

Bad residents top the list of things that property managers lose sleep over, and for a good reason. Evictions are expensive—as much as \$7,000 or more. Further, evictions keep units off the market. Here’s the bad news—there are a host of ominous trends that point to a dramatic rise in evictions in 2020. Let’s examine these trends one-by-one.

Let’s start with economics. A study from the National Association of Realtors shows that rents are rising faster than incomes. This obviously puts more pressure on residents. Fair enough, but as long as the applicant’s financials qualify, there’s no problem, right? Yes, but this added pressure is causing more and more applicants to lie about their financials so they can qualify.

In fact, according to a UBS study, one in five consumers admit to lying on credit applications. The most common transgression? Inflating their income. This is certainly the case in the rental-housing market, where a study from Forrester Consulting shows that 97 percent of property managers have been victims of resident fraud.

“About 30 to 40 percent of the applications we receive contain financial documentation that has been fraudulently altered,” says Chad Vasquez, property manager at Circa LA, a luxury property in downtown Los Angeles managed by Greystar.

Clearly, income verification is more important than ever.



Which is why our next trend, the “Gig Economy,” is so important. Here’s a great report on what the Gig Economy is all about, but the short version is the rise of workers who work by the “gig” as opposed to working for a salary. Think Uber driver versus Starbucks barista.

“It is difficult to manage fraud,” says Vasquez. “There are a lot of self-employed people making tremendous amounts of money. It’s a situation that invites fraud.”

The reason the Gig Economy is important to property managers is that it makes it so much more difficult to verify income. With gig workers there are no employers to check with and no pay stubs to verify. That’s important because analysts predict self-employed workers will total 42 million in the United States in 2020 (27 percent of the workforce). The rise of the Gig Economy will make it more difficult for property managers to vet applicants.

If that wasn’t enough, we’re also seeing an explosion in online tools that make it simple to create fraudulent financial documentation. Legitimate companies set up to help business owners

calculate paystubs for their employees can be manipulated to produce fraudulent pay stubs. Other sites can be used to create bank account statements with false balances. Even innocuous software like Adobe Acrobat can be manipulated to alter IRS documents for fraudulent purposes.

So, with all these trends pointing to a rise in fraudulent applications, will we see a rise in evictions? We already have. Research shows that annual evictions filings have skyrocketed over the past few decades. In fact, there were twice as many evictions filed in 2016 as in 2000 (nearly 2.4 million in 2016).

So, what can property managers do? You can always check documentation manually, but that’s a lot of effort for your team. Also, altered documents are often impossible to spot by humans. And, as we mentioned above, more than a fourth of your applicants are now self-employed, making manual verification nearly impossible. This leads to verifying statements with the government and the IRS—a time-consuming and expensive proposition.

There are a host of commercial services available that take way less time and are far easier. The problem is none of these will tell you if the applicant’s financial documents have been altered. For example, you can verify the applicant’s ID, but that won’t verify that the

documentation they supplied is valid. You can check their credit or eviction history, but that shows their past. There’s no guarantee you won’t be their first eviction.

Most of these measures are helpful and you should consider using them. But in today’s world, you need to add a way to spot fraudulently altered financial documentation. “We catch most of the obvious cases ourselves, but about 20 fraudulent tenants slip through each year,” says Vasquez. “That’s why we invest in a service like Snappt to spot altered financial documents.”

Solutions such as Snappt, which offer a quick, inexpensive screening process that spots altered documentation, can help solve that challenge.

I’ll leave you with one final statistic. More than 33 percent of the financial packages we review have been altered. Let that soak in for a minute. Accepting applicants without checking the accuracy and fidelity of their financial documentation is a serious risk to your business. Are you ready for that kind of risk?

Snappt provides a quick and inexpensive fraud detection engine that helps property managers accurately detect fraudulent documentation, minimize the risk of renting to high-risk tenants, and avoid costly evictions. Learn more at www.snappt.com.

6 Actions Landlords Can Take to Support Residents

Continued from Page 1

it is a priority for the industry to partner with them to help them retain their housing.

No. 6 - Develop a response plan for potential COVID-19 exposure.

“We also recognize that most rental properties are owned by individuals and small businesses that have financial obligations, including mortgages, utilities, payroll, insurance and taxes,” the NMHC said in the release.

“If residents cannot pay their full rent obligations because of the COVID-19 outbreak, then owners are at risk of not meeting their own financial obligations. This puts the individual property and the larger community in which it is located at risk.

“Congress must extend mortgage forbearance to rental property owners and extend similar protections to other financial obligations such as insurance premiums, utility service payments and tax liabilities. Forbearance is needed to prevent foreclosure and other adverse actions such as lien placements, utility shut-offs, defaults, and judgments that would negatively impact the viability of the property’s continued operation and ultimately put its residents at risk of additional disruption.

“We also continue to call on Congress

to provide disaster-housing assistance for renters who are suffering from income disruption as a result of the pandemic.

“At a time when many American workers are being encouraged to work from home, multifamily owners and operators are on the front lines, keeping residents cared for and safe in their apartment homes.

“These are trying, even desperate times, and all of us face grim uncertainty in the days ahead. However, by working together – apartment residents, owners and operators, and lawmakers at all levels of government – we can develop solutions to the evolving challenges and keep Americans housed,” the association said.

Additional materials and resources on from the NMHC on COVID-19 can be found here.

Based in Washington, D.C., the National Multifamily Housing Council (NMHC) is the leadership of the trillion-dollar apartment industry. NMHC provides a forum for insight, advocacy and action that enables both members and the communities they help build to thrive. For more information, contact NMHC at 202/974-2300, e-mail the Council at info@nmhc.org, or visit NMHC’s website at www.nmhc.org.

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9

Phoenix Rents Increased Over Past Month

APARTMENT LIST

Phoenix rents have increased 0.3 percent over the past month, and are up moderately by 3.4 percent year-over-year, according to the latest report from Apartment List.

Median rents in Phoenix stand at \$888 for a one-bedroom apartment and \$1,106 for a two-bedroom.

The city’s rents have been increasing for 28 straight months; the last time rents declined was in November 2017.

Phoenix’s year-over-year rent growth lags the state average of 3.5 percent, but exceeds the national average of 1.9 percent.

RENTS RISING ACROSS METRO AREA

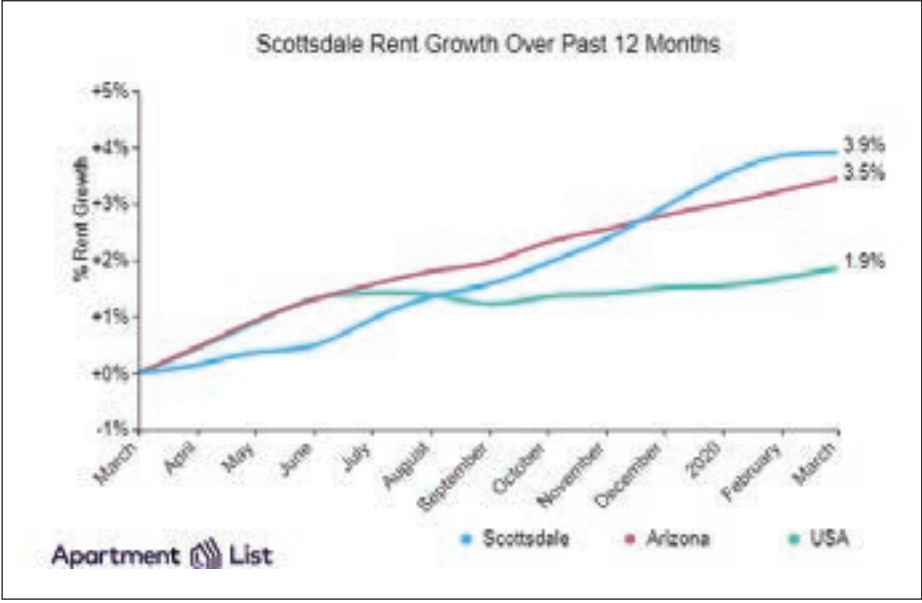
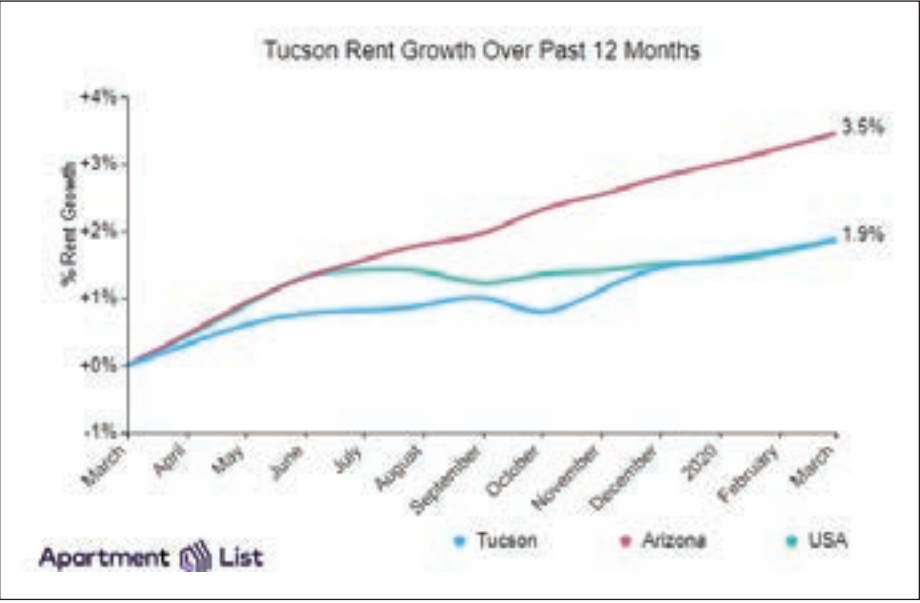
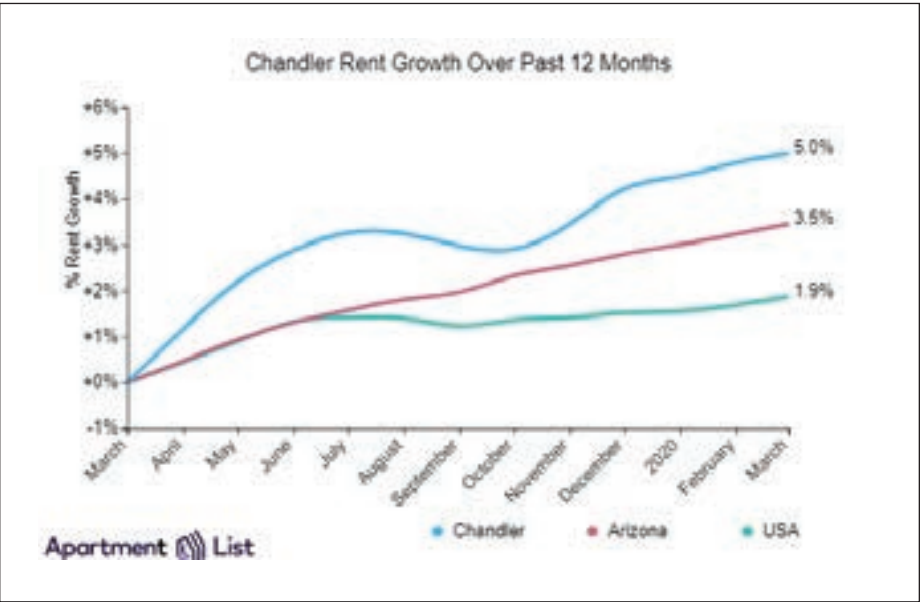
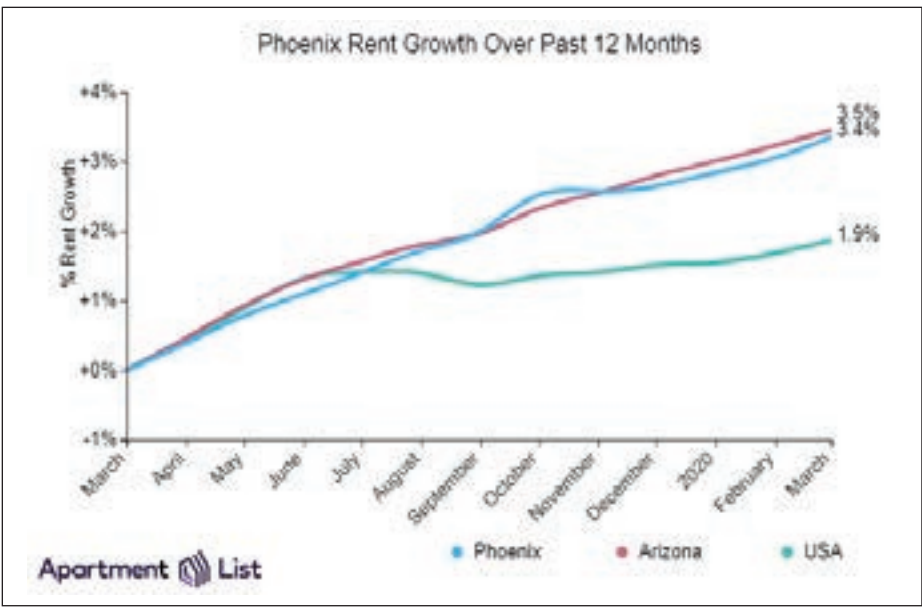
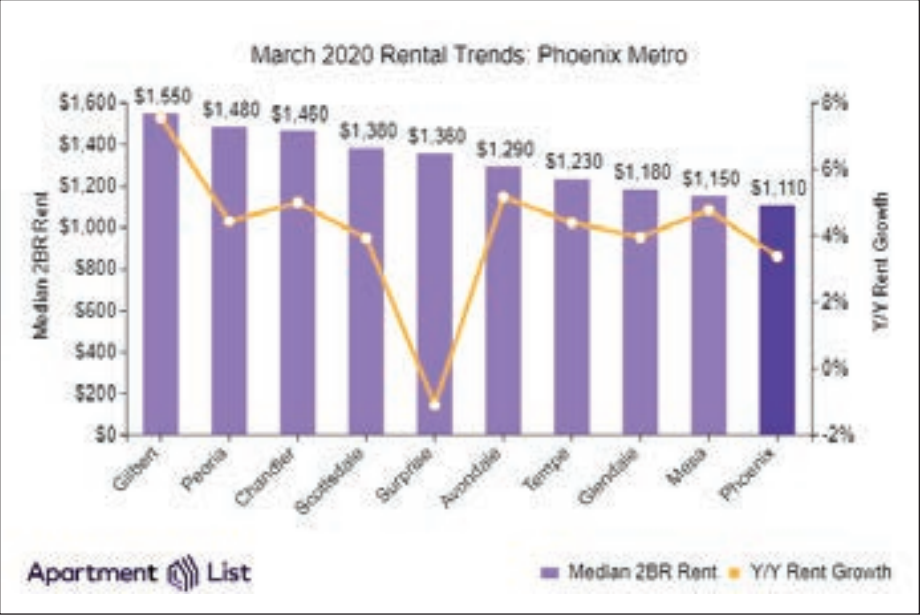
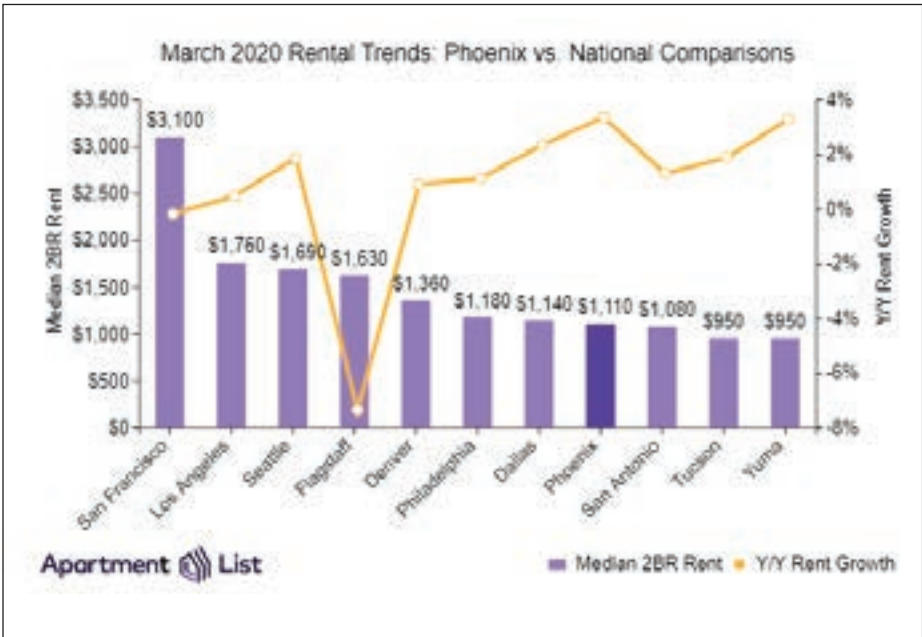
Throughout the past year, rent in-

creases have been occurring not just in the city of Phoenix, but across the entire metro.

Of the largest 10 cities that Apartment List has data for in the Phoenix metro, nine have seen prices rise. Here’s a look at how rents compare across some of the largest cities in the metro.

Gilbert has the most expensive rents in the Phoenix metro, with a two-bedroom median of \$1,549; the city has also seen rent growth of 7.5 percent over the past year, the fastest in the metro.

Over the past year, Surprise is the only city in the metro that has seen rents fall, with a decline of 1.1 percent. Median two-bedrooms there cost \$1,355, while one-bedrooms go for \$1,088.



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California Apartment Owners, Manager to Pay \$14,500 to Settle Sexual Discrimination Complaint

RENTAL HOUSING JOURNAL

The owners and manager of a Bakersfield, California, apartment complex have agreed to pay \$14,500 to several female residents to settle allegations of sexual harassment, according to a release from the U.S. Department of Housing and Urban Development (HUD).

Under the terms of the agreement, the owners will pay the women who filed the complaint \$10,000 in six installments and attend mandatory fair-housing training. The owners will also pay \$4,500 to two other aggrieved female residents.

In addition, Mario Prudencio, who was the property manager, will be permanently prohibited from directly or indirectly engaging in or conducting any property management responsibilities. Prudencio is no longer employed and does not serve as property manager of the subject property.

Two women filed the initial complaint and the agreement states that the owners and property manager subjected the women to differential treatment based on sex and subjected them to sexual harassment.

“Throughout the course of the investigation two additional female tenants...

also alleged that Respondent Mario Prudencio subjected them to unwelcome sexual comments and unwelcome sexual advances,” the settlement states.

The Fair Housing Act makes it unlawful for housing providers to sexually harass tenants. This includes creating a severe or pervasive hostile housing environment, or conditioning housing or housing-related services on the tenant’s acquiescence to sexual demands, HUD said in the release.

“A home should be a place of peace and security, not fear and anxiety because of sexual harassment,” said Anna María Farías, HUD’s Assistant Secre-

tary for Fair Housing and Equal Opportunity, in the release.

The “settlement agreement sends a clear message to all property owners and landlords that HUD is committed to taking appropriate action when offenders engage in behavior that violates the Fair Housing Act,” she said.

In April 2018, HUD and the Justice Department launched a nationwide joint initiative aimed at combatting sexual harassment in housing, enhancing public education about the issue, and encouraging those faced with sexual harassment to report their cases.

3 Ways to Effectively Handle Maintenance Requests

KEEPE

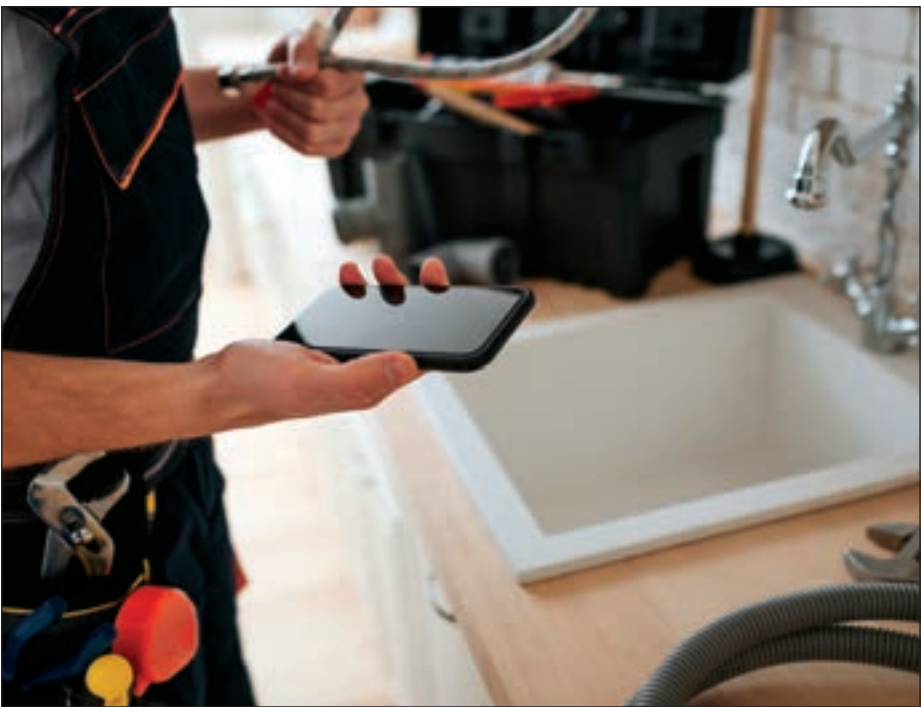
How to effectively handle tenant’s property maintenance requests and keep them happy is this week’s maintenance tip from Keepe.

As a property manager, the job comes with its fair share of maintenance troubles.

From sudden gas leaks to bad locks to a leaking roof, the maintenance issues faced in a rental property can be overwhelming.

One thing every seasoned property manager understands is that tenants’ satisfaction is the key to excellent tenant-retention rates. A unique way to improve your tenant satisfaction is by proactively handling tenant requests when they come in.

Below are three ways to manage your tenant’s property maintenance requests as a property manager.



No. 1 – ACT FAST ON PROPERTY MAINTENANCE REQUESTS

Aside from the fact that tenants’ satisfaction is dependent on your response to their increased maintenance requests, responding on time helps you save money and your property from further depreciation.

Have a list of reliable vendors (maintenance people and contractors) whom you can contact in the quickest time possible. Companies such as Keepe can connect you with a reliable worker for your rental-property maintenance issues if you need help.

Also, keep in mind that many tenants these days like to text you their maintenance requests and expect immediate response to their texts.

No. 2 – COMMUNICATE

As soon as you receive a maintenance request, communicate not just with the vendor but with the tenant about the work progress.

You can find out more details about the history of the problem and the progress made by the vendor.

Reach out to the tenants via phone, email, or text to inform them about the moves you are making and what is required of them, or even to address their complaints in an orderly manner if there is a delay from the worker’s end. You can ask questions such as:

- When did the issue start?
- Has it happened before?
- How is the maintenance issue affecting your day-to-day activities within your apartment?

You can go as far as sending the tenant the vendor information to help the two speak directly, or share relevant information to help solve the issue promptly.

In today’s world, property managers are digitalizing how they handle tenants’ property-maintenance requests. This helps to keep all parties involved in the loop about the progress made and any changes to the request.

No. 3 – FOLLOW-UP

As a property manager, handling maintenance requests goes beyond finding a reputable vendor or communicating during the repair period.

It involves reaching out to the tenant after the repairs have been completed. Find out from your tenants about their post-maintenance repair experience and

how you can be of help next time.

You can send out a brief online feedback experience form or schedule a quick phone call if you like to keep a personal touch with your tenants.

A great set of follow-up questions to ask after a maintenance episode with tenants:

- What is the present state of the issue?
- Are you satisfied with the completed changes or repairs?
- Are there any extra costs you may want to relay back to us that you may have spent?

By doing the above, you’re not only improving your relationships with your tenants but also gathering further information for future occurrences.

PROPERTY MAINTENANCE REQUESTS CONCLUSION

Managing a rental property requires you to be proactive, predictive, and an excellent communicator. Tenants are impatient and want quality services that match the rent they pay. If you are looking to increase tenant retention and satisfaction rates, you will need to improve on how you handle tenants’ maintenance requests.

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

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National Average Rent Fell \$1 in December

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Phoenix Rents Flat in January

Gilbert rents on rise

PHOENIX RENTS UP OVER THE PAST MONTH

Gilbert rents rose the last month while Phoenix rents continued to grow slightly, according to the latest report from Apartment List.

Gilbert rents rose 0.4 percent over the past month and are up 0.2 percent year-over-year, leading the Phoenix market to see the most recent increase in the Phoenix market.

In the third month of a new rental year, Phoenix rents showed a slight increase to \$2,127 for a one-bedroom apartment and \$3,545 for a two-bedroom.

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

Trash valet service is one of the most recent trends in property management. It's a service that handles the property's trash.

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