



Apartment Association of Southeastern Wisconsin

Advocating for Sustainable Rental Housing

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"The Apartment Association of Southeastern Wisconsin is your primary resource for education, mutual support and legislative advocacy for the successful ownership and management of the rental property."

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HUD's New Guidance on Criminal Activity and Housing

The U.S. Department of Housing and Urban Development (HUD) and its office of Fair Housing and Equal Opportunity (FHEO) are working to make it easier for people with a criminal record to find housing. In a memo sent out to staff on April 19, 2022 HUD Secretary Marcia Fudge instructed HUD Multifamily to review programs and policies that may "pose barriers to housing for persons with criminal histories or their families."

On June 10, 2022, FHEO implemented the previously issued Guidance on Applying the Fair Housing Act to Use of Criminal Records by Housing Providers. Since then FHEO has provided training on Strategies for Addressing Discrimination: Housing Providers Use of Criminal Records to Fair Housing advocacy groups who investigate, test, and bring charges against housing providers. Find out how these initiatives will impact the way you do business. This course is applicable to all properties subject to the Fair Housing Act.

Learning Objectives

- Assess whether your criminal screening practices violate the Fair Housing Act
- Understand the relationship between criminal records and disabilities
- Learn how to apply reasonable accommodations policies to criminal screening policies
- Learn FHEO's recommended best practices when you choose to use criminal records to screen applicants
- Understand how local Nuisance Ordinances and Crime-Free programs may violate the Fair Housing Act

When: October 13, 2022

Time: 11:00am - 12:30pm central

Speaker: Gwen Volk

Cost: \$199 per attendee or \$799 for up to 5 attendees (additional registration options available)

[Register Here](#)

Excerpts from HUD's Memo on Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions

This memo was dated June 10, 2022 and was issued by Demetria L. McCain, HUD Principal Deputy Assistant Secretary for Fair Housing and Equal Opportunity. The full 10 page document can be viewed online here:

[HUD Memo Link](#)

Here are some excerpts from this document:

Housing providers frequently employ policies or practices that exclude individuals with criminal involvement from housing, which should raise red flags for investigators. For example, housing providers commonly use tenant screening companies that provide background check reports that are often inaccurate, incomplete, or have no relationship to whether someone will be a good tenant.

This information is then used to deny housing to otherwise qualified applicants. As another example, housing providers sometimes utilize third-party companies to independently screen and reject applicants using algorithms that may contain racial or other prohibited bias in their design. Also at times, some housing providers inform potential tenants that they do not rent to persons with "criminal records," deterring those with any criminal involvement from applying.

On other occasions, housing providers evict individuals based on criminal activity that has no bearing on their tenancy, evict entire families because of criminal activity of one person that has nothing to do with the rest of the household, or evict because a household member was a victim of a crime that occurred at or near their home. These and many other policies and practices frequently result in discrimination against protected class groups, including Blacks, Hispanics, and individuals with disabilities.

Using criminal history to screen, deny lease renewal, evict, or otherwise exclude individuals from housing may be illegal under the Fair Housing Act under three different theories of liability – discriminatory intent (also known as disparate treatment), discriminatory effects, and refusal to make reasonable accommodations. Each of these theories of liability is explained more fully below.

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1. Discriminatory intent

Criminal records or other criminal history information may be a pretext for unequal treatment of individuals because of race, color, national origin, disability, or another protected characteristic.

Examples of evidence that would support a finding of reasonable cause to believe that disparate treatment occurred include (not an exhaustive list):

- A housing provider applied a criminal background screening policy to a Black applicant but did not apply the policy to a White applicant.
- A property manager discouraged a Black applicant with a criminal record from applying, saying their record would likely lead to a rejection, but encouraged a White individual with a comparable criminal record to apply, saying that it was possible their record would not turn up and offering them an application form

2. Discriminatory Effects

The three steps to a discriminatory effects analysis follow.

Step One (prima facie showing) - identifying the housing provider's relevant practices or policies, both written and in practice, and identifying statistics which show whether the identified policies actually or predictably result in a disparate impact on a protected class.

- Example: If a landlord has a written policy that requires rejections for persons with felony convictions less than two years old, but the complainant says they were told by housing staff that their application would be rejected based on any felony conviction regardless of date.

Step Two (defense) - independently determine whether there is evidence that supports or refutes a potential defense in the course of the general investigation.

- Example: Because an arrest (without more information or a consequent adjudication) is not proof of criminal activity, policies or practices that exclude arrests do not serve substantial, legitimate, nondiscriminatory interests and do not constitute valid defenses to disparate impact liability.

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Step Three (less discriminatory alternative) - analyze whether the same interest could be served by another practice that has a less discriminatory effect.

3. Refusal to make reasonable accommodations

Some complaints relating to criminal involvement may allege that a respondent discriminated because of disability by failing to make an exception or adjustment to a criminal background screening policy or practice, when such exception or adjustment may be necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling, in violation of the Act.

For example, a reasonable accommodation to a criminal background screening policy or practice may be required when there is evidence that the individual's disability contributed to the criminal conduct at issue, and there are mitigating circumstances that eliminate or significantly reduce the risk of harm to others or property, such as improvements resulting from previous on ongoing therapy or treatment

The Fair Housing Act provides that the current illegal use of controlled substances is not considered a disability under the Act. Additionally, the Act does not protect a person whose tenancy would constitute a "direct threat" to the health and safety of other individuals or result in substantial physical damage to the property of others, unless the threat can be eliminated or significantly reduced by reasonable accommodation. The housing provider thus must have reliable, objective evidence that a person with a disability currently poses a direct threat that cannot be significantly reduced before excluding them from housing on that basis.

Tips for Housing Providers

- Private housing providers should consider not using criminal history to screen tenants for housing. Criminal history is not a good predictor of housing success.
- Housing providers should evict for criminal activity only as a last resort (which includes conducting an individualized assessment to determine if the eviction is necessary).
- Housing providers should never evict a person or family because they have been victims of criminal activity.

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journal sentinel

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If housing providers choose to use criminal background screening policies or practices, they should consider taking the following steps to avoid potential violation of the Fair Housing Act:

- Have a written criminal background screening policy that is made available to all applicants.
- Ensure they can justify their policy with reliable evidence showing that it actually assists in protecting resident safety and/or property.
- Avoid the use of third-party screening companies that utilize algorithms that may contain racial or other prohibited bias in their design, have not been shown to reliably predict risk, may produce inaccurate information about the applicant, or make the decision for the housing provider (rather than providing information to the housing provider to make its own determination).
- Before making an adverse decision related to an applicant's or tenant's criminal involvement, provide the applicant or tenant with the criminal record, indicate which specific part of the record may form the basis of an adverse decision, and give the applicant or tenant the opportunity to correct inaccurate information or explain extenuating circumstances related to that record.
- Consider delaying consideration of criminal history until after an individual's financial and other qualifications are verified and a conditional offer is made.

This is a summary of the HUD Memo, however for more information, it is critical to read the memo in its entirety.

[HUD Memo Link](#)



Wisconsin to receive 350 new Housing Choice Vouchers from HUD

By Talis Shelbourne, Milwaukee Journal Sentinel

Roughly 19,000 housing vouchers are being awarded to public housing agencies nationwide, with more than 350 of those expected to go to Wisconsin, according to the U.S. Department of Housing and Urban Development.

The Housing Choice Voucher program involves low-income qualified residents paying around 30% of their income toward rent and the voucher being used to pay the remainder. Local housing agencies federally managed by HUD are responsible for administering the program.

More than 26,000 households used Housing Choice Vouchers in Wisconsin in 2020, according to the Center on Budget and Policy Priorities. Milwaukee and Milwaukee County housing authorities had a combined 8,661 vouchers in 2017, the center estimated.

On a call with reporters, a senior HUD spokesperson described the new batch of housing vouchers as “the most expandable award of flexible rental assistance in more than 20 years.”

Each voucher will include an additional \$750 available for supplemental administrative fees, which can be used by housing agencies to help pay for security deposits and other “landlord incentive and retention payments.”

Nearly every community, including rural areas, should receive additional vouchers, he said. HUD is strongly encouraging public housing agencies to use the new vouchers to reduce homelessness.

This recent addition of vouchers echoes a measure taken by HUD last year, when it added 70,000 emergency housing vouchers nationwide, funded by the American Rescue Plan. Those vouchers were focused on residents who were homeless, at-risk of being homeless or experiencing domestic violence situations.

It also follows a recent announcement from HUD to increase the housing choice voucher subsidy in light of inflation causing rents to rise. In Wisconsin, the average voucher increase is expected to range from 8.9% to 19.9% after Oct 1.

The HUD official noted the Biden Administration has requested \$1.6 billion in its 2023 fiscal budget for an additional 200,000 vouchers.

Gov. Evers: Announces more than 48,000 households have received over \$200 million in help from Wisconsin Emergency Rental Assistance Program

Press Release September 28, 2022

Gov. Tony Evers today announced that more than 48,000 households have received assistance from the Wisconsin Emergency Rental Assistance (WERA) program, surpassing \$200 million in rent and utility payments statewide. The federally funded WERA program provides up to 18 months of financial assistance for current and overdue payments of rent and utilities, including water, electricity, gas and internet, and has been an instrumental tool in helping families maintain housing despite financial hardships related to the coronavirus pandemic.

“So many have faced rising costs over these past few years, and I’m proud of our work to support more than 48,000 households across our state to help families make ends meet, stay safe in their homes, and catch up on bills to keep the lights and heat on,” said Gov. Evers. “This program has been a lifeline for Wisconsin families when they’ve needed it most, and I look forward to continuing this important work to ensure Wisconsin families can keep up with rent and utility bills, especially as we head into the winter months.”

Gov. Evers first announced the WERA program in February 2021. The program is administered by the Wisconsin Department of Administration (DOA) and is funded by the federal Emergency Rental Assistance Program through the U.S. Department of the Treasury. The counties of Brown, Dane, Milwaukee, and Waukesha, as well as the cities of Madison and Milwaukee, operate their own emergency rental assistance programs.

“Anytime we can help a family stay safe in their homes, catch up on utility bills, or get some peace of mind, it’s a worthy accomplishment. Helping more than 48,000 households do the same is a milestone worth celebrating,” said DOA Secretary-designee Kathy Blumenfeld. “We are grateful for Gov. Evers’ commitment to help hardworking families when they needed it most and for our statewide network of partners in administering this program to help Wisconsin renters avoid eviction and retain safe, stable housing.” The WERA program is open to Wisconsin residents who demonstrate a risk for experiencing housing instability, who have seen their income impacted by the coronavirus pandemic, and who earn a household income at or below 80 percent of the county median income. Rental and utility assistance payments are made directly to the landlord or utility provider on behalf of the tenant.

More information is available at [WERA](#).



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The award-winning Landlord Training Program operates out of the Department of Neighborhood Services (DNS) downtown location. Its goal is to teach landlords fundamental ways to keep illegal activity out of their property, and how to manage it if/when nuisance activity does appear.

Considerable focus is also applied to operating according to the codes, laws and government directives that apply to rental properties as well as tried-and-true practices aimed at minimizing conflict and damage in area neighborhoods.

This program was a runner-up for the Ford Foundation Harvard Kennedy School of Government Awards program, and a 1996 winner of the Innovations In Government award sponsored by the City of Milwaukee Mayor and Common Council.

The classes are FREE, and held on a regular basis throughout the year at various locations to include local libraries. They are also held on evenings and weekends to accommodate virtually anyone's schedule.

The classes are generally either one (1) five-hour session in one day, or two (2) 2.5-hour sessions over two evenings. Attendees get a free 100-page comprehensive manual, and handouts on a variety of legal and business issues related to managing property.

Each class also includes professional guest speakers ranging from Court Commissioners and City Attorneys to towing companies and pest control.

Upcoming Classes:

- Saturday, October 15 - Virtual
- Wednesday, October 26 - Virtual

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Are You Charging Below-Market Rent? Here's How to Get Out of It

By Andrew Syrios, *BiggerPockets.com*



Having an occupied property rented substantially below market price is a problem that's afflicted many real estate investors. Every month a property is rented below market rate is lost money (or at least, the opportunity cost of lost money). Yet, jacking the rent up will likely lead to a vacancy and even more lost rent, at least in the short term. You will also likely have an angry tenant on your hands and definitely might carry the bad karma of pushing someone to move out of the home they've lived in, potentially for a long time.

So what should you do? Should you leave the rent in place? Not renew the tenant's lease? Bring the rent immediately to market price? Somewhere in between?

Unfortunately, there is no perfect solution because much of it depends on your situation and what you are looking to accomplish. Fortunately, there are guidelines to help.

How Below-Market Rent Typically Occurs

This article will not go into how to find and set the market rent price for a property. (For that, see [here](#).) Instead, it will focus only on what to do when a tenant is paying well below market rent.

First, however, there are typically three reasons why you will find yourself in this position. Knowing these can help you prevent yourself from getting into this position in the first place.

1. Inherited residents

Sometimes we buy properties that already have a tenant in them. This is virtually always the case with multifamily properties. Fortunately, tenants often know that when a property changes hands, the rent will likely go up (especially if the new owner makes capital improvements).

This is why many are nervous when hearing a property is up for sale. But it also means most won't be surprised when they see their rent increased.

2. Not raising rents annually

I would argue that you should always raise the rent upon renewal, even if it's just \$5 per month. You do not want your tenants to be surprised by a rent increase. Many smaller landlords find themselves with severely below market-rented properties because they refuse to raise the rent (or don't come close to keeping up with the market). They do this often because they're afraid of a vacancy. But it ends up costing a lot more to have a severely under-rented property. So, make sure to raise rents every year.

3. Long-term month-to-month tenants

Normally, landlords don't allow month-to-month leases upfront. In my company, if we switch to month-to-month at the end of a lease term, we charge \$100 to \$250 extra per month. Still, sometimes you find yourself with a long-term tenant on a month-to-month lease. And since there is no renewal date, there's no reminder for you to increase the rent. This has even happened to us with month-to-month tenants who have lived in the same property for three or four years, and all of a sudden, their previously above-market rent is now below-market.

Again, you can't be afraid to lose someone by raising the rent. So, make sure to put your month-to-month tenants on an annual rent increase schedule, just like with annual leases. Setting up a reminder in any property management software shouldn't be hard.

Why This is So Important

In the current economy, I would contend a fourth reason has entered the fray: It is very hard to keep up with this scorching hot market. It used to just be when we inherited a resident who lived in a property before we purchased it or an old month-to-month lease that fell between the cracks. But now, it feels like just about everything we lease is below-market rent. And I can say confidently that it isn't just us who feel this way.

Nationwide, rents haven't shot up as much as real estate prices, but they have still gone through the roof. A recent Realtor.com report found the median asking rent for properties on the market has gone up 16.7% year-over-year, substantially more than wage growth and even more than inflation in a very high inflation year.

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This, of course, varies by the city and state, with some seeing even higher rates of rent growth. A recent Rent.com report finds even faster rent growth, with some metro areas having truly obscene year-over-year rent increases. From their analysis, for example, Newport, Virginia, and Greensboro, North Carolina, had increases of 74.2% and 60.7%!

Yet these rather shocking statistics are a bit misleading. The issue is that they are only comparing new rental listings with those from last year. As NPR notes, “Government consumer price data show that the average rent Americans actually pay—not just the change in price for new listings—rose 4.8% over the past year, which is a higher than usual rate of increase.”

So, if rents went up almost 17% last year, but the average tenant only paid just shy of 5% more for rent, then that would infer there are a lot of occupied properties with tenants paying below market rent these days.

Below-market rented properties are an endemic problem for landlords right now.

Understanding Tenant Psychology

Tenants are not surprised to see rent increases. Unfortunately, they are surprised (and quite upset) to see really large ones. Indeed, we’re starting to see more and more pieces in the media about the outrage of large rent hikes.

We have even heard prospects tell us they didn’t renew their lease simply because the increase was too high despite the fact it was actually less than we were charging.

Investor G. Brian Davis makes a similar point based on his experience, “A good rule of thumb: don’t raise the rent by more than 5% per year. Any more and the sharp rent increase often jolts the tenant into moving—even if you’re raising the rent no higher than nearby market rates.”

Of course, this is assuming the property was rented at market rates beforehand.

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Still, Brian's thoughts fit with a survey of 1166 renters Buildium did a few years back. As they found, "Most tenants will only tolerate a rent increase of 1-5% every 1-3 years, while nearly one-third feel a rent increase is never reasonable."

Even back then, a raise of 1-5% every 1-3 years wouldn't come close to keeping up with inflation. The average tenant (like everyone else) isn't always the most realistic.

But still, it's important to understand that people don't like big changes, especially negative ones. And in negotiations, if someone feels insulted, they will often refuse to do a deal even if it makes sense. While I don't recommend negotiating lease terms with your tenants, even a simple "take it or leave it" request is a negotiation. And increasing the rent to market price in this rental market can come off as insulting.

How to Decide

Ethical considerations

So, what should you do?

First and foremost, some people feel guilty about raising the rent to market rates, especially if it's a long-term tenant who is paying substantially under market. And even more so if raising the rent to market will likely require them to move.

The most important thing to internalize here is that there is nothing immoral about charging the market rate. It may be jarring to some tenants, and they may even get mad at you.

But you could simply turn it around and note that they have been living in that home at a discount for some time. Of course, the discounted rent was what had been agreed to, so they were not doing anything immoral either.

Thereby, I would lean toward seeing this as simply a business decision. That being said, if you are in a good and comfortable spot and can afford to charge your tenant less than market and feel that would benefit them more than the extra money would benefit you, then go ahead and charge less.

Just see it as an act of charity and not a business decision. But also, understand it is an act of charity you won't get any credit for.

Financial considerations

According to RealPage.com, on average, 57% of tenants renew their lease each year, up substantially from 2010.

That means, in normal times, you have a greater than one-third chance of having a vacancy each year.

Now, I think you can do better than that by offering a good property with quality maintenance. Indeed, our average stay is about four years, and Jeffrey Taylor (Mr. Landlord) has boasted of getting to six years with [his unique property management ideas](#).

For example, let's say Bob and Fred both lease identical properties at \$1000/month. Bob increases his rent by only 1% each year while Fred increases it by 5%. Bob has no vacancies (best case scenario), whereas Fred has a move out every third year, and the vacancy lasts two months, and he incurs \$1000 in turnover expenses above what the deposit covers. (We won't count maintenance or capital improvements as we'll assume they are the same.)

Despite the extra vacancy, Fred still does better by over 10% and brings home about \$15,000 more.

So, in general, with all things being equal, it makes sense to increase the rent to market. This is especially true with apartments as the value of an apartment is directly related to its income, unlike with a house or even a duplex. This is because the value of an apartment is based on its cap rate, which is determined by taking the net operating income and dividing it by the purchase price.

A lower rent means a lower net operating income which means a lower price. However, there are times when it's not wise to push rents to market. Everything depends on your situation, as I noted above.

For example, if you have a glut of rehabs or turnovers right now, you should be more conservative with rent increases. This issue has haunted us at times as we are constantly growing. In such times, we know extra turnovers will cause additional holding costs as we don't have the resources to start more new projects.

So, if we get excess turnovers, we may have to leave properties empty for a month or more before work can start on them. By looking at our business holistically, we see that while it may make sense to increase the rent to market for that property by itself, it doesn't make sense for our business.

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AASEW Business Member Directory

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AASEW OWNER Article Guidelines

Would you like to submit an article for publication in the AASEW newsletter?

Here are the current submission guidelines:

Deadline for all submissions is the first of each month. The newsletter will be delivered electronically to the membership around the 10th of the month.

Limited print copies of the newsletter may be available at the General Membership Meeting following its publication.

We are happy to accept one article per author per newsletter. Please keep the article to approximately 500 words in length.

Any edits made to an article (generally for length) will be approved by the contributor before it is published.

All articles must be properly attributed.

The Editorial Staff reserves the right to select articles that serve the membership, are timely, and are appropriate.

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Continued from page 11

Another possibility would be if the property is not in particularly good condition. Perhaps it's being rented below market because, in part, it's not in marketable condition. In this case, the two options you have are:

1. Increase the rent to market for its condition (i.e., from \$500 to \$750/month instead of a market rate of \$1000).
2. Give the tenant notice to vacate. This is tough but often the best choice. If you want to be kind, you can offer to pay for some of their moving expenses. (Or you may have to—see the next section.)

Lastly, you may decide to move the tenant to market incrementally over several years. For example, if they are at \$600 and market price is \$1000, go up to \$750 next year, then \$900, then to market.

This is tempting and can make sense sometimes. But I would recommend against doing it simply because it feels better than increasing the rent straight to market. If you do it incrementally, it should be because it's the most economically rational thing to do.

In general, however, the rule of thumb is that you should lean on the side of raising the rent to its market level as quickly as possible.

However, this particular rental market may be an exception. Rents are going up at an unsustainable rate. You can get a substantial rent increase and likely do so without a vacancy, even without going all the way to market levels. In this abnormal market, it probably makes sense to have your rent increases be a bit under market. (Maybe 10% instead of the national average of 16%, for example.)

Rent increases will inevitably slow, and you should be able to catch up soon. And this way, it's less likely to offend your tenant and have an unnecessary vacancy.

Conclusion

Generally, it's important to keep up with rent increases to avoid finding yourself in this situation. But particularly in this market, you will find yourself with a below-market rented property from time to time. The key is treating the tenant fairly but approaching this as a business decision. Because in the end, that's what this is, business.

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Consider Donating to the AASEW

Legal Action asked the court to cut the "record retention period to one year for most eviction cases and keep the retention period at twenty years only for evictions where the court orders a renter to pay money back to their landlord."

The Wisconsin Supreme Court's decision on this will affect all rental owners. The Apartment Association is filing a reply to Legal Action's Petition.

The law firm that will draft the reply and appear on the industry's behalf at the oral hearing estimates the cost to be \$17,500.

So how can you help?

If you're not already a member, you could join the Apartment Association, a group that, over the past 40 years, has spent more than half of its dues income on lobbying and court actions to secure the rights of legitimate rental owners.

We also accept donations in any amount. Some larger owners who are members of the Association have made additional donations as they feel the issue is that important.

www.aasew.org/Donate

If you know any rental property owners who are not already a member, please encourage them to join the AASEW.

Membership in AASEW provides networking, education and mentoring. In addition to these immediate benefits AASEW members believe that the greater value of the organization is the strength in numbers it brings.

Our community consists of over 40,000 landlords in Southeast Wisconsin, alone we cannot fight the great strength of the local and state government, but together we can. We encourage you to get active in the Association and help make Wisconsin a better place for landlords to do business.

Please don't assume "someone else" will donate.

We need YOU.

All landlords in Southeastern Wisconsin, working together, make us a strong organization.

Are you doing the proper tenant screening?

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The Landlord Bootcamp is back!

When: Saturday, November 12, 2022

Time: 8:30am - 6:00pm

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Prices:

- \$199.00 -- AASEW Member
- \$349.00 -- Non-Member
- \$350.00 -- Boot Camp + 12 Month Membership

All prices include lunch.

Taught by **Attorney Tristan Pettit**, who drafts many of the landlord tenant forms for Wisconsin Legal Blank. Attorney Tristan Pettit has given similar landlord-tenant law seminars to fellow attorneys, landlords, and property manager organizations that charge their members \$400-\$500. This is your opportunity to learn all of the same information at a huge discount through the Apartment Association .

Included: 100 plus page manual to help you put what you learn into practice. The manual is now a searchable PDF, which allows you to quickly find the information you need. The completed sample forms will give you confidence you are filing your forms out correctly.

Remember that landlording is a business — Take yours to the next level by educating yourself on how to better manage your tenants and avoid costly errors!

What you will learn at the Apartment Association's 2022 Landlord Boot Camp:

- How to properly screen prospective tenants.
- How to draft written screening criteria to assist you in the selection process.
- How to comply with both federal and state Fair Housing laws including how to comply with "reasonable modifications" and "reasonable accommodations" requests.
- How to legally reject an applicant.
- What rental documents you should be using and why.
- When you should be using a 5-day notice versus a 14-day notice, 28-day notice, or 30-day notice and how to properly serve the notice on your tenant Wisconsin Eviction Notices requirements have changed a lot in the past few years, with major changes in March 2016 and again in March 2018.
- Everything you wanted to know (and probably even more than you wanted to know) about the Residential Rental Practices (ATCP 134) and how to avoid having to pay double damages to your tenant for breaching ATCP 134.
- When you are legally allowed to enter your tenant's apartment.
- How to properly draft an eviction summons and complaint.
- What to do to keep the commissioner from dismissing your eviction suit.
- What you can legally deduct from a security deposit.
- How to properly draft a security deposit transmittal (21-day) letter.
- How to handle pet damage.
- What to do with a tenant's abandoned property and how this may affect whether or not you file an eviction suit.
- How to pursue your ex-tenant for damages to your rental property and past due rent (and whether it is even worth it to do so).

There will be an ample question and answer period following the training session. This alone is worth the admission.

All this for less than you would pay for an hour of an attorney's time!

Recession Fears Curb Rental Demand in US

By Suzannah Cavanaugh, [The Real Deal](#)

Hopes that the Fed's attempts to tamp down inflation won't trigger a recession are looking like a pipe dream. Renters have noticed. Nationally, apartment demand plummeted in the third quarter, a period that's historically strong for leasing, a report by analytics site Real Page found.

The number of tenants moving out of units topped the number moving in by 82,095 leases, the first time in 30 years of data that demand in the quarter was negative. The number of move-outs was in line with seasonal norms, said report author and economist Jay Parsons. Typically, summer is the busiest leasing season as tenants seize on warmer weather to move and parents and students lock down housing before the school year kicks off.

But from July through September this year, move-ins "slowed materially," according to Real Page. Apartment vacancy also rose slightly — 1 percentage point — in the quarter.

Parsons theorizes that fewer households are being formed. By comparison, last year's Covid discounts prompted roommates to split and upgrade to one-bedrooms or younger renters to leave the nest, boosting the number of move-ins.

Now, tenants facing inflation and the threat of job insecurity have downshifted into "wait-and-see mode," Parsons writes. In a recent survey by rental tracker Zumper, 76 percent of 6,000 respondents believed the U.S. was in a recession.

"When we're feeling uncertain, we're less likely to make big decisions like moving out of Mom & Dad's place into our own apartment for the first time ... or pulling the trigger on the first home purchase," Parsons explained in an earlier report.

Parsons qualifies that the rental market is still strong. While more apartments opened up in the third quarter, the vacancy rate of 4.4 percent remains near historic lows. Rents are also hovering near all-time highs.

However, rents dipped last month, another sign that tenants just aren't signing leases like they were in Covid's second year. In September, rents fell by two-tenths of a percentage point from August. Rents were only 9 percent higher in September than a year earlier, the first single-digit increase since the summer of 2021.


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AASEW Legislative Report



By Heiner Giese, AASEW Legal Counsel

Be sure to attend the AASEW Trade Show on October 17 at the Sonesta Hotel. You will get access to resources for your rental business. Our Madison lobbyist, Joe Murray, will give a presentation on the current political climate and the prospects for landlord/tenant legislation next year.

I will not be attending because I am going to be in Washington, D.C. at a conference on making Emergency Rental Assistance a permanent government program. Most speakers are from the government or low-income tenant advocates. (I'll probably be one of the very few housing provider participants!)

Community Advocates and the Rental Housing Resource Center have just announced major staff changes.

Deb Heffner, Housing Strategy Director, who has been mostly in charge of the Emergency Rental Assistance Program is leaving. Two other staffers who worked to coordinate applications between tenants and landlords are also leaving.

Maudwella Kirkendoll, Chief Operating Officer at Community Advocates will oversee all Emergency Rental Assistance & Rental Housing Resource Center physical space operations effective 10/10/22. Community Advocates and UEDA will be hiring a new full-time Director for the MKE RHRC to be hired by January 1, 2023.

ERA money is still available for total benefits up to 18 months. Your tenants can qualify more easily under the ERAP2 program.

The Social Development Commission (SDC) is presenting a big 2022 Summit on Poverty on Oct. 25-27 at the Wisconsin Center. The agenda is a little weak on housing issues. [Registration is free, both in person and virtually, so check it out.](#)

Finally, a practice tip for those of you handling your own evictions: You can purchase the Writ of Restitution form from the Clerk of Court's office ahead of time (\$5.00).

That way, if you are granted a writ by the court you will have a blank one available and don't need to stop at the Clerk's office before turning the writ in to the Sheriff. And if your case settles or you agree to dismiss you can use the writ the next time you need to file.





**The Apartment Association of
Southeastern Wisconsin, Inc.**
PO Box 4125
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(414) 276-7378
www.aasew.org
membership@aasew.org

Upcoming Event

Landlord Lunch and Learn Series

Topic: Should You Keep, Sell, or Refi Your Property?

When: October 19, 2022, 12:00 PM

Location: Virtual

Cost: AASEW Member - Free

Non-Member - \$10

*This call will be recorded and emailed to all registered participants.

[Register Here](#)



Marcus Auerbach

For meetings and events questions or assistance,
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