
RHR Information Services, Inc.

SelectRent News • February, 2005 • PH (952) 545-3953 • FX (952) 545-3973 • www.rhris.com

Great news! According to a recent article published in The Apartment Professional Magazine, it looks like 2005 should be a good year for the multi-family housing industry. A portion of this article is included below:

At Long Last, Optimism for 2005

Reports from leading experts project strong recovery ahead.
by Barry Kipnis

The days of high vacancy rates and the industry's long battle with "concessionitis", may soon be a distant memory say experts from leading apartment firms, the National Multi Housing Council, the National Association of Realtors, the Urban Land Institute, and Pricewaterhousecoopers LLP.

While real estate investors generally express cautious optimism regarding industry performance in 2005, concerns over the economy and job growth, coupled with the likelihood of higher interest rates, are causing pundits to hold back their expectations, according to Emerging Trends in Real Estate 2005, a major forecast report just released by the Urban Land Institute (ULI) and Pricewaterhousecoopers.

Although rising interest rates may dampen the single family housing market, it is expected to be a boon to multifamily. There have been enough sound economic indicators in recent months to point to a pick up in the job market, a pivotal factor in any recovery.

After years of flat rent growth and increasing vacancy rates, conditions in the apartment industry are clearly recovering, according to the National Multi Housing Council's (NMHC) October 2004 quarterly Survey of Apartment Market Conditions. The survey's indexes measure changes in occupancy rates, sales volume, availability of equity and debt market conditions between July 2004 and October 2004. For only the second time in the survey's five-year history, all four indexes recorded improvement

compared with three months earlier. The first time was January 2004.

"After a slow start, the apartment industry is now seeing signs of a real recovery," noted NMHC Chief Economist Mark Obrinsky. "The combination of modest economic growth, strong demographic trends, and the rising cost of homeownership compared with renting is leading to greater demand for apartment residences. Right now the only thing holding the industry back is the still-weak labor market."

What's New?

We are working on many enhancements to our commercial tenant screening products scheduled for release in late March for those of you with a mixed portfolio.

One of the main requests has been to include a D&B style credit performance scale along with recommendations for max credit and lease term. If you have other suggestions, now is the time to let us know!

Legislative News

Did you know that Executive Order 13224 of the USA PATRIOT Act now **requires all landlords** to perform a search of the OFAC / SDN database for any individuals or companies designated as drug traffickers or threats to the security of the nation?

Although we've already mentioned this requirement in our November newsletter, only a few of our clients have added this important product to their package of services.

Failure to comply can result in severe penalties ranging from \$11,000 - \$275,000 for unintentional violations and up to \$1 million and/or 30 years imprisonment for intentional violations.

You can perform this search manually or RHR can add this service to your existing screening package at an extremely affordable rate for you!

Please contact our offices if you would like a complete copy of the legislation or to get this search included in your report.

Enhancements

According to the FCRA, all applicants that have been denied or had adverse action taken are entitled to a free copy of their background check from the issuing Consumer Reporting Agency, if they request it within 60 days of their receipt of a denial notification.

RHR has taken significant measures to take the hassle out of requesting that copy. Direct your applicant to visit us at www.rhris.com/applicant. The applicant needs to supply us with their name, Social Security Number and Date of Birth. If the report is currently being processed they will be told to try later. If the report has been completed, the applicant will see the same report that you received. At that time the applicant will be free to print their copy.

If an applicant wishes to dispute anything found on the report we have set up a special line that they may call. We will investigate any disputes and if any changes are made all involved parties will be notified in a timely manner.

Counties Closed

Please be advised that all county offices and our office will be closed on Monday, February 21st in observation of President's Day. All county level criminal and eviction records will be delayed by 1 business day as a result.

Our internet service will of course be available during this time and all other products will also be available for our web based clients.