



INDUSTRY NEWS

Storage Lockers: With the increase in online shopping, tenants are receiving more packages than ever before. Having adequate storage could become an issue depending on the layout of your property and whether couriers have access to or are willing to deliver to individual units. If not, this may lead to extensive clutter as well as potential opportunities for lost packages, which landlords may get blamed for. We recommend budgeting for a solution such as having storage lockers on the premises, which allows easy access for your tenants. We also suggest incorporating any policy regarding this into your rules and regulations to minimize any potential liability.

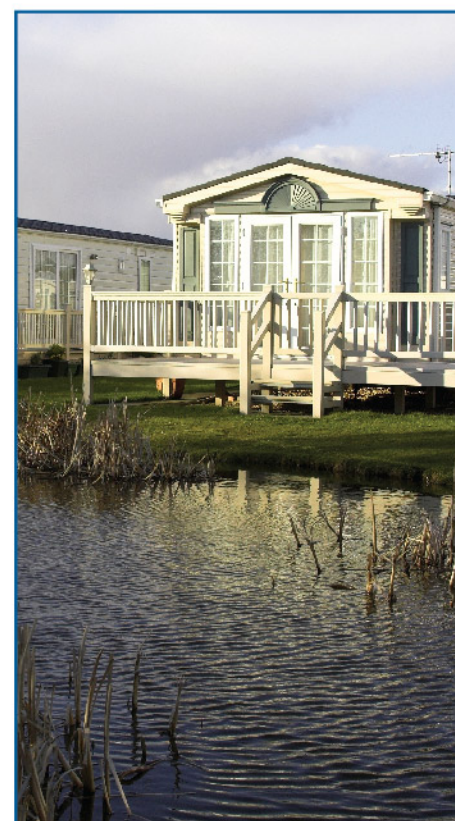
Parking: If your property is undergoing any type of expansion, we recommend revisiting if there is enough parking on the premises. Although ride-sharing is popular with millennials, vehicles remain a way of life for baby boomers. As they age, some may request reserved parking spaces. Even if you are ADA compliant, you still need to be watchful for any fair housing claims based on this issue, as they are regulated separately and are based on different criteria.

Source Of Income: In addition to federally protected classes and other protections under state law, many local municipalities are now protecting the source of an individual's income as well. This most commonly applies to individuals who receive Section 8 vouchers. Therefore, be mindful of local ordinances as you can incur fair housing liability if you have a policy that denies section 8 payments in a jurisdiction that protects source of income. This applies even if you are strictly offering market rate housing and have no other relationship with HUD.

Sensationalism In Media: The news industry is more competitive than ever with many more outlets generating news content that is easily consumed on mobile devices. As such, these competing outlets are under more pressure to generate page views. One way to do this could be by portraying tenants who are victimized, wrongfully perceived or otherwise, by landlords. Train all of your personnel to be aware of this as any words they say could be picked up by a recording for submission to one of these entities to in turn be sensationalized. Also, *less is more* when it comes to email or text. It is important to be brief and not engage in adversarial correspondence with tenants.

AFFORDABLE & SENIOR HOUSING

Affordable Housing Shortage: Part of the rental demand in affordable housing is fueled by the shortage of market rate housing. Although more affordable housing is in the pipeline, it will likely be a few years before there will be ample units to satisfy the need. In the meantime, this has resulted in more judicial leniency towards tenants. We have seen tenants being given rental credits and other accommodations as judges attempt to "level" what they may see as an unequal bargaining position. With rent still outpacing wage growth and while we continue to argue this is outside their purview, be wary of this judicial activism.



Third Party Senior Housing Amenity Providers: As the population ages, there is an increased need for senior housing. Currently, the availability of these types of properties has not yet kept up with the demand for it. As a result, many third parties are now offering their services to landlords to provide senior housing amenities to older residents on-site. These organizations are often funded by Medicare, so there is generally limited cost to the landlord. However, the issue is the level of privacy you want to maintain in your community. If these organizations are given access, background checks should be done on their personnel as you would do with any of your employees.

MANUFACTURED HOUSING

Manufactured Home Regulations: Installations of new manufactured homes in Michigan are now overseen by HUD instead of on the local and state level as was previously done for years. In Ohio, the Ohio Manufactured Homes Commission was recently abolished and manufactured housing will now be regulated by the Ohio Department of Commerce. As a result, there will be a transitional period at the operational level and training of your field personnel to recognize this is essential.

Manufactured Housing Rentals: Rentals have certainly shown to be very profitable for many in the industry. Plus, with the increase in renters, which is projected to remain for the foreseeable future due to not only millennials' lifestyle habits but also baby boomers looking to downsize, many manufactured home operators will likely continue to offer them. However, there are additional considerations to account for, such as higher maintenance costs and potentially increased municipal inspections and scrutiny. Whether you are offering rentals for the first time or increasing their percentage, be mindful of these additional issues.

LOOKING AHEAD

E-Filing Update: Select Michigan courts will officially be designated as pilot courts for e-filing purposes in 2018. Eventually, all district courts will be brought on to this program. Our Firm has been engaged with the State and we intend to provide our knowledge and experience so we can make the efficiency of the landlord-tenant law process a priority.

Paletz Law: 2016 marked the formal transition of the Firm's ownership to Matthew I. Paletz, who had already been managing the Firm for nearly a decade. 2017 has seen the rebrand of our organization and pivot towards focusing on technological integration with our clients via our mobile app and software platform PaletzTrack. In 2018, we will be moving to a new expanded facility to better equip us to serve our clients and protect their interests. We will be remaining in Troy and advising you of the new address shortly before our move in the spring.

At Paletz Law, we pride ourselves on being Innovative Landlord Advocates. We wish you all Happy Holidays and a prosperous New Year.

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