Specify an Olidraulic elevator for your buildings to six stories and you can leave out a lot of costly items. For example: machinery penthouse, heavy, load-bearing elevator shaft sidewalls, cables, counterweight (and the building space it requires), speed governor equipment.

Because the Olidraulic® Elevator is pushed up from below, not pulled from above, it doesn't require these items of extra original expense which also add to maintenance costs.

In smooth ride and travel speed the Olidraulic Elevator by Dover out-performs cable elevators in the six-floor range. Because it's mechanically less complicated, maintenance costs are less.

Only Dover manufactures the Olidraulic Elevator, and we make the complete package, including cabs. Special pre-engineered models are available for even greater cost savings and fast delivery. Talk to your Dover Elevator Innovator or write for literature. Dover Corporation, Elevator Division, Dept. J-5, P. O. Box 2177, Memphis, Tenn. 38102.

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This publication is provided as a medium for the expression of individual opinion concerning management practice, procedure and topics allied thereto. The articles printed herein do not necessarily represent the endorsement of the Institute or of the majority of the members excepting as such statements may be designated as approved by the Governing Council. The editors exercise only a general supervision of the material and assume no responsibility for opinions expressed by contributors whether or not the articles are signed.
Successful promotion of an apartment complex calls for a combination of good timing, good design and good luck. In the concluding segment of his study on the elements that contribute to merchandising success, Mr. Kelley discusses the importance of distinctive graphics and publicity as well as having a knowledgeable rental staff to stimulate interest and encourage potential renters. These all must be planned as the physical structure takes shape, as for instance the Quadrangle House, a recent highrise addition on Chicago’s south lakefront, seen on the cover.

Because of the importance of recent proposed changes in the law of landlord and tenant, presented here are two views of a tentative draft of a landlord-tenant code that were given at the IREM 1970 May Meetings in Chicago. Mr. Hablutzel reviews the work and considerations that went into the drafting of the Model Code and Mr. Cushman examines the code as to what he considers are its more serious flaws.

Getting a well-trained and qualified person to assume the varied duties and responsibilities of a resident manager isn’t always the easiest thing for a property manager to do. Mr. Glassman describes a training program that his firm has created in an effort to keep a good supply of skilled resident managers available for their buildings.

Mr. Lackman reports on a successful formula the Evergreen Building, a 100,000 sq. ft. office building in Renton, Wash., used to increase its rental profits. The developers furnished half a floor of private offices and provided the services of a stenographer and receptionist to all lessees of these offices. An attractively decorated reception room and a conference room are included in this “Executive Suite” setup, which appeals to smaller businessmen and tenants in need of temporary space, as well as to the building manager who also obtained a luxury office for himself.
Analyzing Apartment Market Characteristics
Kent N. Sather, CPM Page 231

In attempting to keep abreast of the types of tenants a project is attracting, a continuous survey is required. Mr. Sather offers a sample analysis on an apartment complex, based on tenant applications, etc., pointing up the income range, occupation, family status and source of tenants. The survey can determine if the advertising program is aimed properly as well as if the highest rentals are being obtained.

Getting Involved in Low-Income Housing
Joseph Conrad, Jr., CPM Page 234

The many facets of property management may seem even more complex when taking on the management of a housing development for low- or moderate-income residents. Mr. Conrad describes some of the personal situations management may have to confront and offers his suggestions in solving tenant problems.

Parking Projections Pave the Way for Office Garage
Ronald Gross, CPM Page 240

In planning a parking facility for a downtown office building in Oakland, Calif., a study was made as to the rate of entry and exits for potential parkers and as to the type of user—whether an all-day parker or a short-term user. Based on this study it was possible to provide the type of facility the building required as well as to determine the manpower it would take to operate it.

Editorial: The Money Tree
Lloyd D. Hanford, Sr., CPM Page 243

The unpredictability of money availability is the subject of Mr. Hanford’s editorial this month. He reflects on the importance of keeping a steady eye on the fluctuations in the money market and he surveys some recent trends in lending institutions.
STEP 7: THE GRAPHIC IMAGE

Corporations spend hundreds of thousands of dollars to develop trademarks and logos to identify and promote their products in the marketplace. Managing agents need this identity for the successful promotion of a rental building.

Much of what we've said about model apartments applies to graphics. Get a good design, not a routine one. Good graphics will result in a better image of the building in the minds of your prospects. It will add an intangible aura of desirability to the apartments you seek to rent.

What are good graphics? A good design is the first step but along with it must come coordinated application of the design in signs, literature, advertising and even the dress of the rental staff. The managing agent can get good graphic design in two ways: by retaining an independent graphic designer or by working with an advertising agency. We have tried both ways and have obtained good results with each. Whichever method is selected, the managing agent should assign complete responsibility for the graphics and their application to one source.

Everything must relate to a central theme; signs must reinforce advertising; brochures must reinforce the letterhead symbol, etc. Because development of the graphic theme must precede the ordering of signs, brochures, advertising and the like, the managing agent must see that graphics are selected at least 60 days ahead of the Grand Opening.

STEP 8: SIGNS

The managing agent should provide for three types of signs for the building: 1) a site sign identifying the project during construction and afterward; 2) premise signs, identifying various areas of the building, or the development if several buildings are involved; and 3) promotional signs, including billboards directing traffic to the project. All signs should incorporate the graphic design selected for the building.

Should the building be identified while it is under construction? Some management firms feel that this encourages calls and letters prematurely. The managing agent can't satisfy these people with information when the rental program itself may be a year or more away.

This may be true, but people who inquire a year or 18 months ahead of time may again be prospects when the building is ready. If the agent has their names and addresses, he has the basis for a mailing campaign. There's another good reason for using a site sign. People who call or write for information can be referred by the managing agent to other buildings he handles, possibly buildings owned by the same developer.

The site sign can be a billboard on the property, if the development is a large one. Or, if a single building is involved, the sign can be painted on the construction barri-
The signs should be a designer or advertising agency. Never let a signmaker figure out what the building needs.

Premise signs are an important part of the building's image. These include signs identifying the parking lot, laundry room, lounges and the building itself. Since they are permanent, they must be designed with care, again by the same person responsible for the overall graphic image.

Promotional signs are perhaps the most important since they are designed to create interest and bring traffic to the building. They include off-site billboards and on-site directional signs that bring the prospects directly to the rental office.

We've found these principles to be most effective:

- The graphics coordinator responsible for the signs should be a designer or advertising agency. Never let a signmaker figure out what the building needs.
- Follow the rules of good billboard advertising—a minimum of words, a maximum of imagination, eye-appeal, symbolism and color.
- Keep the signs simple. Avoid the use of supplier names, such as those of appliance makers, contractors, etc. These do more to sell the suppliers' goods than your building.
- If possible, have signs designed to incorporate changeable messages—or change the sign periodically. People get used to seeing the same sign and soon they cease looking at it. By changing the message, you stimulate renewed interest.
- Put signs at right angles to traffic—not parallel with it. It's easier to read right-angle signs.

Use enough signs to direct traffic all the way to the building or development, right to the rental office. Don't make the mistake of thinking one billboard and two or three directional arrows will do the trick.

The agent should remember that he will be competing with many other signs and billboards in most instances. He must be crystal clear in directing the prospect. Signs should be posted wherever the prospect can possibly go astray—at intersections, curves in the road, wherever competitors post their signs, and at the entrance to your property. Of course, local laws should be observed in posting signs.

Once on the property, the prospect should be directed by signs to the parking lot and to the rental office. On-site directional signs are very important if the development is a large one with a confusing road network. One multi-building development we worked with used signs with iridescent red letters that led prospects to the parking lot whose lanes were marked with the same red paint—there was no doubt in the prospect's mind that he was in the right place.

Signs should also be used along walkways leading from the parking lot to the rental office and along other walkways if the prospect is invited to inspect several buildings. These signs can incorporate important features of the building; one sign might stress "free gas," another "plenty of storage," a third "children's playground," etc. However, don't put too many features on any one sign since the prospect won't take the time to read it all.

**STEP 9: COLLATERAL MATERIAL**

No later than 45 days ahead of the Grand Opening, the manager should have plans
Instant interest can be gained in eye-catching billboards such as the one shown here for Four Lakes Village.

under way for the production of all the collateral material needed as sales tools. This includes the brochure, floor plans, direct-mail letters and several other items.

The brochure describing the building is the managing agent's basic sales tool. It may vary greatly in format, size and cost, depending on the type of project. The more luxurious the building and the higher the rents, the more impressive the brochure must be.

Some management firms find two brochures are needed; one is a costly production given to serious prospects, the other is an inexpensive leaflet given to anyone who asks for information.

Make the brochure as complete as possible; it should describe the building and the neighborhood, spelling out all the amenities. If possible use photographs rather than renderings. In one instance, we prepared an insert, using photographs of the model apartments completed after the brochure was printed. This insert was slipped into the brochure, adding a new dimension to the presentation.

Floor plans can be printed in the brochure or they can be on separate sheets; the latter is preferable wherever many different layouts are available. The floor plan should be as large as possible; a large scale will make the apartment look larger and help the prospect visualize how his furniture will look in the apartment. Some managing agents have found it helpful to include furniture cut-outs that also aid the prospect in planning his apartment.

The rent schedule should be printed or mimeographed and included with the brochure. Prices should never be handwritten in blank spaces; this may give the prospect the impression that he's getting a different deal from the next fellow. Printed or mimeo-
These mailings let the prospect know it's often effective to enclose copies of advertising reprints and publicity stories in these mailings; they let the prospect know that the building is being talked about and in much demand.

As a rule, a good direct-mail campaign should produce eight people to view the model apartments for every 100 letters mailed.

Souvenirs may be desirable in certain cases. For example, matchbooks with the logotype of the building are always in good taste. Postcards with photographs of the building are also good.

Who should prepare all this collateral material? Since coordination is important, the responsibility is best left in the hands of the graphic designer or advertising agency that is handling other elements of the promotional program. The public relations firm that may be involved in the program can also be charged with certain copy responsibilities, such as the newsletter and direct-mail letters.

**STEP 10: PUBLIC RELATIONS AND ADVERTISING CAMPAIGN SCHEDULE**

The managing agent should start an image-building campaign for the development well in advance of the rental program. The objective is to get the building recognized as a newsworthy concept in its own right and to stimulate word-of-mouth interest. Such milestones as the groundbreaking, topping out, appointment of the management firm, unveiling of scale model and other developments are legitimate news items that can be the basis of publicity.

Like a site sign, this publicity will create inquiries that the managing agent will not be able to satisfy immediately. However, he can use these inquiries, too, as the basis of the direct mail list. He will discover that such advance publicity will heighten interest in the building, making the actual opening that much more impressive.

Correctly applied, good public relations can create an image for the building before
A varied assortment of collateral material and publicity is vital in sparking interest in a new development; this can include newsletters to prospects, feature stories in local papers as well as a detailed brochure on the building's facilities and amenities.
the structure actually exists. When the building is opened, this pre-existing image will play an important part in drawing crowds and signing up tenants.

After the building is opened, public relations should be used consistently to publicize the Grand Opening, describe the model apartments, talk about the type of tenants who are being attracted and other related subjects. A competent public relations firm should be retained for this purpose. The managing agent and the developer should give the firm sufficient time to plan a campaign and carry it out.

Space and time advertising, apart from other forms of advertising such as billboards and direct mail, has to be approached in its own way. Our experience has been that the best results are produced with classified advertising in the recognized real estate marketplace—usually the leading newspaper—of a particular city.

We feel strongly about classified advertising. Most renters look at classified ads when they’re in the apartment market. Display advertising of apartments may be helpful in building an image, but they don’t draw as much traffic as classified ads.

A good classified ad takes time and skill to prepare. Some newspapers are now offer-
ing a hybrid type of classified advertising incorporating display elements; the ad appears in the classified section of the paper but it uses illustrations and display typography.

Another advertising medium that should not be overlooked is the community newspaper. These smaller papers are growing in importance and their classified sections produce good results. Since prospective tenants are usually attracted in large numbers from the immediate neighborhood, it makes sense to advertise in them.

If the budget permits, the management firm should consider image-building display ads in the front section of major newspapers, in regional editions of national magazines, such as Time, Life and Newsweek, and on radio. FM radio, for instance, is a good medium for renters with a higher income and greater than average educational background.

At the beginning, the goal of public relations and advertising should be to produce traffic, not necessarily qualified prospects. When a building is first opened, it's essential to draw crowds to create a feeling of success. A crowd is self-influencing. The more people that turn up, the more they convince one another that the building is a success. The rental staff, too, catches the success fever and builds their enthusiasm.

In later stages, the management may want to narrow the focus of its promotional efforts to bring out fewer but more qualified prospects, but crowds are his first concern.

STEP 11: RECRUITING THE RENTAL STAFF

Sixty days before the Grand Opening, the management firm should start recruiting its rental staff for the new building. Training of the staff should commence 30 days before the opening.

Most rental staffs will consist of a certain number of regulars drawn from other buildings the managing agent handles and some new blood. We've found that it's best to recruit twice as many people than are actually needed. Attrition will set in and incompetent people have to be weeded out.

Regardless of whether the staff members are full-time or part-time personnel, they should be fully informed and trained. For example, the staff should be intimately familiar with the building and with competitive buildings; it should know how to compare features and amenities as well as rents. The staff should also know the features of the neighborhood: location and distance to schools, shopping, transportation, churches, expressways, parks, recreation areas, etc. It's not enough to have this knowledge expressed in a brochure or on a list in the rental person's pocket. Each rental salesman must know these details backwards and forwards and be able to counter a prospect's objection or question instantly.

Unless the staff has this knowledge and knows how to use it, prospective tenants may be lost. Faced with a decision, many prospects will make a negative comment; they look for unsatisfactory answers that will permit them to postpone making a decision to lease. If the staff person knows his product, he can handle the objection without flinching and show the prospect why he should lease. This can only be accomplished through proper training; enough time should be allowed for this aspect.

Training should also continue after the building is opened so that rental people can benefit from each others' experiences in dealing with prospects. Continued training is also needed to keep up with changes made by the competition.

Recruiting and training involves the question of payment, especially for part-time personnel. Experience has taught us that the best way to maintain the interest of these people and reward the best producers is to pay them on a unit-leased basis. Our method is to pay the part-time agent $15 for each application which results in a lease. To make sure these agents show up regularly, we guarantee them $15 per day, usually four or five hours long; this $15 is applied against their first lease. For example, if the agent leases no apartments, he still gets $15. If he leases one apartment, his payment is $15; if he leases two, he gets $30.

We also require that staff members keep records of their prospects and turn them in each day; this eliminates arguments later on and helps to keep track of each person's effectiveness.

As an incentive for our salaried rental manager, we pay him an override of $5 for each unit rented over and above the number of guaranteed leases for a particular day. For example, if he has four part-time agents, the guarantee is four apartments for the day. If they rent four or less, the manager gets no override. For each unit rented above four, he gets $5.

One other point worth considering in the recruiting, training, and payment of the rental staff concerns their physical appearance. Our experience with uniforms has been par-
Knowledgeable rental agents, backed up with simple, efficient forms and schedules, will impress prospects and encourage them to rent in the development.

**Baird & Warner**

**RENTAL INQUIRY INFORMATION**

- **Name:**
- **Address:**
- **Phone:**
- **Family Size:**
- **Size Apt.:**
- **Rental:**
- **Area Desired:**
- **Occupancy Date:**
- **Comments:**

---

**Lease Application**

**INFORMATION CONCERNING APPLICANT**

- **Name of Applicant:**
- **Age:**
- **Marital Status:**
- **Present Home Address:**
- **Phone:**
- **How Long at Present Address:**
- **No. Rooms:**
- **Monthly Rent:**
- **Present Landlord:**
- **Phone:**
- **Address:**
- **Previous Address:**
- **Name, Relationship and Age of All Others Who Will Occupy Apartment:**
- **List and Describe All Pets:**
- **Employed By:**
- **Years:**
- **Address:**
- **Position:**
- **Immediate Supervisor:**
- **Social Security No.:**
- **Annual Income from Employment:**
- **Additional Income (Include Source):**
- **Total Income:**
- **Checking Account:**
- **Savings Account:**
- **Charge Accounts & Numbers:**
- **Owner Name:**
- **Relationship:**
- **Address:**
- **Time Credit References:**
- **Name:**
- **Address:**
- **Monthly Payments:**

---

**INFORMATION CONCERNING OCCUPANCY**

- **Apartment Address:**
- **Floor:**
- **Apartment No.:**
- **Lease Term:**
- **To:**
- **Monthly Rent:**
- **Security Deposit:**
- **Air Conditioning Units:**
- **Utilities:**
- **Television Waste Amenity:**
- **Parking:**
- **Disclaiming and Remarking:**
- **Diary:**
- **Day:**

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**RENTAL REPORT FOR WEEK OF**

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**APPLICATION APPROVED**
particularly good and we recommend them. The uniform for the men is usually a blazer and matching tie; the women can be given a dress or scarf. Whatever the selection, the uniform must be tied in with the graphic theme of the building.

Apart from reinforcing the image of the building, the uniform helps the prospective tenants distinguish between rental agents and other prospects. The uniform also has a great effect on the morale of the agents and makes them feel part of a unit. Such a feeling is particularly important where agents are working together for the first time and may not know each other.

**STEP 12: FOLLOW-UP**

The Grand Opening is here! Now the managing agent is in a frenzied program of busy weekends and Monday morning quarter-backing. How many people did he draw? How many lease applications did he take? What objectives were raised? What went wrong? What should he do for the next weekend?

Heightening the tension will be the attitude of the developer; understandably, he’ll be concerned and want to be reassured. The management firm can anticipate many of these problems and establish the procedure for adjustment if its master plan includes procedures for evaluating traffic, selecting tenants and working with tenants once they start to move in.

- **Evaluate your traffic.**

All elements of the promotion plan discussed so far have one goal: to get bona fide rental applications. This can be related to traffic count if accurate records are kept and the rent levels or promotion change accordingly.

In older buildings, the rule has been that for every five “lookers,” the managing agent should get one application with a deposit. While no such rule has been developed for newly opened buildings, our experience suggests that a ratio of 15 lookers to one application with deposit is a good target.

If the ratio is less—for example, nine lookers to one application—this suggests that the rentals may be too low. If the ratio is higher, say, 20 lookers for one application, the rents may be too high, the promotion may be wrong or the rental staff may be ineffective.

Along with a raw traffic count of people passing through the apartments per hour, the managing agent should also note other factors which can influence the crowd, such as:

1. What kind of advertising or publicity appeared?
2. What were weather conditions?
3. Were there competing major events that kept people away, such as a sports event occurrence of national importance?
4. What was competition doing?

---

**GRAND OPENING TIMETABLE FOR A RENTAL RESIDENTIAL BUILDING**

- **GO minus 120 days:** Select a competent management firm to handle the building and promote rentals.
- **GO minus 90 days:**
  1. All budgets should be firmly established.
  2. Model apartments should be planned and furnishings ordered.
  3. Sales office should be planned.
- **GO minus 60 days:**
  1. Assign development of graphic designs that will be used in advertising, literature, signs, etc.
  2. Establish initial rent scale.
  3. Begin recruiting for rental staff.
- **GO minus 45 days:** Start development of advertising and literature.
- **GO minus 30 days:** Start development of public relations material.
- **GO minus 7 days:** Hold staff review of Grand Opening plans.
- **GO:**
  - Grand Opening Day.
- **GO plus 7 days:** Hold staff review and make changes in promotion wherever necessary, every seven days after the Grand Opening until the building is rented.
Traffic must be evaluated each Monday and then adjustments in approach, presentation and rents made accordingly.

- **Screen your prospects.**

  While the building itself, its location and promotion will attract some prospects and keep others away, it’s up to the rental staff to screen the best prospects from those that apply in order to obtain the most desirable tenants. Appraising the prospect in person is, of course, important. Another tool is the carefully-prepared rental application. Illustrated as part of this article is an application which we have developed: designed as a file folder, it’s easily filled out and simple to store and retrieve.

  Another technique which we follow whenever possible is the house visit. This is done with advance notice to the prospect and it reveals much about the prospect’s credibility and housekeeping habits. Despite the advance notice and the opportunity to put on a better face, most prospects will present themselves and their home in their normal condition. This, we’ve found, is a good indication of how they will maintain their apartment if they are granted a lease in the new building.

- **Satisfy your first tenants.**

  The first tenants to move in establish the tone of the building. These people must be kept happy so their enthusiasm for the building will help encourage more prospects to apply for leases.

  Management firms should take special pains to establish good tenant relations from the start. Before he moves in, the tenant should receive a move-in kit with information on the building, change-of-address cards and so on. The kit should have facts on how to operate appliances in the apartment, where the locker room is, laundry and lounge rules, who to call for emergency service and where the rent should be paid.

  In a brand-new building, it’s important to let the new tenant know right away how construction defects should be handled. A “punch list” of items to be checked off can be attached to the refrigerator door where it won’t be missed with instructions for filling out the form and turning it in.

  In the past, we’ve also used the following techniques and ideas to welcome new tenants:

  Provide a thermos of coffee and some sweet rolls or sandwiches to the tenants on moving day. Normally, they are busy, disheveled and tired. They may not wish to go out to a neighborhood restaurant and may think it too much bother to prepare a meal (perhaps they haven’t unpacked the food). A snack from the management will be most welcome and thoughtful. It’s also a nice touch to have the refrigerator turned on.

  Offer the use of a tenant tool box with necessary small tools—screwdriver, hammer, pliers, folding rule, nails, screws, various types of wall-fastening devices and hangers. The tenant frequently will have packed his own tool box where he can’t readily get at it. Meanwhile, he’d like to hang up pictures, curtains, and drapes or assemble knock-down furniture as quickly as unpacking proceeds. He’ll appreciate the loan of tools.

  Provide two small boxes of laundry soap and change to use in the washers and dryers in the building laundry. The woman of the house will really go for this. Chances are she’d love to start her washing but she can’t find the soap. Your offer of soap and quarters will be gratefully received—and it will introduce her to the laundry room.

  Stage an informal reception for the new tenants after enough have moved into the building. This will break the ice and create a neighborly feeling. You can invite prospects to the reception, too, so they can see what the building tenants are like. The word-of-mouth praise generated at such affairs can be very helpful in getting prospects to sign lease applications.

  If more developers were aware of the elements that go into a successful promotion, conceivably they would allow the necessary time and budget to do the job. Very few buildings and developments sell themselves. This is the challenge that faces the professional management firm.

  While no set of rules or guidelines can be given that will cover every new development, the foregoing article outlines the general points that must be dealt with. They are offered in the hope that they will allow our colleagues in property management to convince developers of the professionalism needed for successful promotion—and to win the support to do the job.

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Edward N. Kelley, CPM, is vice president and general manager of the property management division of Baird & Warner, Inc., 115-year-old Chicago real estate firm. He supervises more than 18,000 rental units and is also responsible for the firm’s activities in the area of urban development. He is a member of the South Side Planning Commission, a director of the Junior Real Estate Board and is also a Regional Vice President of IREM. In 1969 he was named Manager of the Year by the Chicago Chapter of IREM.
APARTMENT LEASE

This Lease, made this ______________, by and between ________________________________, a lessor, and ________________________________, the lessee, does hereby let and lease unto said lessee Apartments located at ________________________________, County of ________________, and occupied by the lessee and his immediate family as a private residence, for the term beginning on the ________________ day of ________________, 19______.

WITNESSETH:

1. The lessor, in consideration of the rent reserved herein and the covenants, agreements and conditions hereinafter contained to be performed by said lessee, does hereby let and lease unto said lessee Apartments located at ________________________________, County of ________________, and occupied by the lessee and his immediate family as a private residence for the term beginning on the ________________ day of ________________, 19______.

2. The lessee, in consideration of the demise and of the consideration herein described, leases said premises for said term and does hereby promise and agrees to pay the sum of ________________ dollars in lawful money for said premises as rental for said premises.

3. The lessee accepts said premises in their present condition as clean and in good order; to make no alterations or additions to the same; to pay all taxes, assessments and ordinances affecting said premises; to replace all repairs made necessary by the negligent or willful acts of the lessee or the occupants thereof under the premises at the termination hereof in like condition, to the extent of the negligent or untenantable condition excepted.

4. It is understood that if the lessee shall be unable to enter the time above provided by reason of said premises not being ready for habitation, or by reason of any previous occupant of said premises, or by reason of the direct control of the lessee, the lessee shall be liable to the extent of ________________ dollars in lawful money as abatement of the rent reserved herein.

5. The lessor shall furnish heat during the usual heating season and shall warrant the premises as to condition and workmanship. In case the lessee shall be unable to occupy said premises as herein provided for by reason of said premises not being ready for habitation, the rent reserved herein shall be abated. If said lessor is not able to deliver possession to the lessee named for the commencement of said term, the lessee may

The Model Residential Landlord-Tenant Code:

During recent months much attention has been focussed on proposed revisions in current apartment lease contracts, particularly on changes being advocated by tenant organizations. Because of this growing concern on the part of both tenants and landlords as to the extent of each group's rights and responsibilities toward the other, the Institute of Real Estate Management presented as part of its educational program during its May meetings in Chicago a discussion on a proposed Residential Landlord-Tenant Code. On the following pages are the two views which were given, one a review of work on preparing the Model Code and the other a rebuttal of some of its proposals.
A Review

I suspect that when I was invited to speak to you, it was only after it had been determined that someone interested in revising the law of landlords and tenants was not of necessity intent on the ruination of landlords or the destruction of private property. The source of this common suspicion among landlords and their attorneys is fairly easy to understand.

For the past several years it has been tenants and their attorneys, particularly poorer tenants and their legal services attorneys and tenant unions, who have advocated pro-social changes. Landlords and real estate managers have been forced to retreat to the battlements and defend an antiquated set of legal doctrines ill-suited to a modern, industrialized, urban society. This is more regrettable when one sees legal rules so diverse and unclear that they create inefficiencies whose costs must be borne by landlords as well as by tenants.

My primary assignment here is to provide some background regarding the Model Residential Landlord-Tenant Code*: why the project was undertaken; the working assumptions of the authors as well as the goals; they tried to accomplish; and a few early indications of the prospects it might have in effecting revisions in the law.

Before I start, let me state two ground rules. First, I am confident that we all would prefer a world in which the legal rules that govern landlords, managers and tenants would be such that they would lead to fewer controversies. Since you are interested in workable solutions for a very difficult set of problems, I prefer to explain the considerations which went into the Model Code rather than defend its suggested solutions. As authors, we were quite serious when we put the words “tentative draft” on the cover. Second, I can speak only for myself and not the other three authors. By the same token I cannot represent the official views of either that agency of the United States Government which financed the research or the American Bar Foundation which provided the necessary facilities.

Summarizing the Preface and General Introduction to the Model Code, which describes the way in which we viewed the problem of landlords and tenants, by the summer of 1965, we had the following situation:

First, we had an archaic jumble of common law rules derived from the needs of an English society which was rural, agrarian and characterized by little mobility either spatially or socially.

Second, a peculiar situation existed in that this particular area of the law had not responded to social and economic changes, as

* The Model Residential Landlord-Tenant Code is a tentative draft prepared as a research project of the American Bar Foundation, which received financial support from this project from the Office of Economic Opportunity under Legal Services Program Contract OEO-4045. Copies of the Code are available from the Publications Department of the American Bar Foundation, 1155 E. 60th St., Chicago 60637, at $1.50 per copy and $1.00 per copy for orders of 15 or more.
had many other areas of the law, but had stagnated.

Third, we had a war on poverty—led by the federal government with a rhetoric that was almost revolutionary but with a method so conservative as to desire that all change must come about by legal means. A Legal Services Program was created, sending over 2,000 eager, young law graduates into poor neighborhoods to provide full and free legal services and to persuade the poor to take their battles into court rather than into the streets. That hope was not always successful.

Since I played a minor role in the Legal Services Program in that era, I must admit that we did not always ask the poor what they wanted nor listen too carefully when they tried to tell us. Rather, we saw things that would have bothered us if we had been in their situation. We assumed that those aspects of the legal system which were the most oppressive to them related to welfare, landlord-tenant, consumer credit and bankruptcy, social security, domestic relations, and criminal law enforcement. I now have the impression that most of the interest in the landlord-tenant laws at that time was generated by “poverty buffs” rather than the poor themselves.

The height of academic interest in the subject may have been at a conference held at a Chicago law school in November, 1966, which two of us authoring the Code helped to organize. That conference restated once again the deficiencies in the current state of the laws of landlord-tenant. The following summer two of us connected with the conference were asked by a federal agency if we would conduct some sort of research project on the subject. We agreed with the understanding that we were not required to write yet another report on the ways in which the law seemed to be inappropriate to a modern, industrialized, urban society. Rather, we wanted to rely on the existing, extensive body of literature and do the much duller task of drafting conclusions in the form of a Model Code.

Tinkering with the legal rules that govern an area of economic life is a very tenuous proposition. One hopes that each new rule will create a more efficient economic system rather than a less-efficient one or even one out of balance. Ideally, one would like to be guided by extensive economic studies showing, theoretically at least if not empirically or through controlled experiments, the cost and the benefits of any proposed changes. Unfortunately, we found very few economic studies that would guide us in the economic effects of altering the laws of landlord-tenant.

Of necessity, we were forced back to consider what the basic problems of landlords and tenants are, or are likely to be, what interest society in general has in these private arrangements and what set of rules the legal system would develop if it wanted to be rational as well as fair. I might add that for several months we tried to draft all the provisions in ordinary layman’s English and even had the notion that a copy of the Model Code could be attached to every lease form.

That romantic notion was dashed against the first and most difficult problem we had—drafting the definitions. What precisely is a tenant or a landlord or a residence? For statutory draftsmen, a tenant can be defined to include all those you want to include; that is, all those you think ought to be treated legally in the same manner.

One finds a broad definition of tenant may include hospital patients, officers in army barracks, a live-in maid or weekend guest, prisoners in a jail, guests in a hotel, nuns in their cloister, students in college dormitories or fraternity houses and even those who sleep on the subway.

The breadth of the subject matter caused us many problems. There are all kinds of tenants from different income levels. Even more diverse is the variety of their opposite number—owners, managers, mortgagees, creditors, janitors. Surely there’s as much difference between an owner who lives in one unit of his six-flat and the highrise developer as there is between the A&P and the corner mom-and-pop grocery store.

Some landlords even suggested we needed two definitions: everyone who operated over 30 units was to be regarded as a business ran a six-flat or a three-flat as essentially amateurs, probably subject to different legal rules. They did not care which group received the designation of landlord. But as long as the relations between landlord and tenants are governed by a state law which applies equally to all situations, marginal sharecropping as well as comfortable lakeshore penthouses, we sought after the common denominator to the relationship.

We had three general goals. First, to codify the existing laws in a form that would be consistent, comprehensible, simple in form and easily accessible. Second, to assist the movement toward uniformity among the various states by adopting what seemed to be the most workable rule no matter what
state had invented it. Third, to reform the rules where it seemed appropriate.

There will always be controversies between landlords and their tenants because each tends to view the bargain between them in very different terms. The typical landlord, insofar as any is "typical," tends to regard himself as a businessman. He is engaged in a profit-making commercial enterprise, providing an economic good in a free-market economy. The price, or rent, is determined by the marketplace. He believes that all the terms in a lease can be agreed to in a commercially businesslike manner in which both parties abide by their bargains. He expects to consider expenditures, such as repairs, in a businesslike, "cost-benefit" manner. He expects to conduct his business during normal working hours and not to be bothered on evenings or weekends.

On the other hand, tenants do not regard their relationships with their landlord or their apartment or house as strictly—or merely—a commercial one. Throughout Western society tenants regard the premises they live in as their home, and home is more than a mere commercial commodity. The tenant will always demand more in regard to his home than he would of a commercial commodity of less importance in his life. He may use many ways to express the idea but he will demand a home in a condition fit for human occupancy. He will want emergency repairs, such as fixing a stopped-up toilet or a broken furnace, even on evenings or week-ends. He will lack sympathy for the landlord's businesslike approach of waiting for Monday's repairman. What the landlord sees as troublesome expense is regarded by the tenant as a dire emergency. Tenants will want to take the initiative to solve the problem under such "repair and deduct" statutes which are now in effect in several states.

The legal framework which outlines the rights, responsibilities and duties of landlords and tenants cannot prevent the inevitable controversies resulting from each party's different conception of their bargain. But it should take these different viewpoints into account and attempt to provide rules and procedures which minimize occasions for controversy or facilitate their solution when they do arise.

Numerous suggestions and proposals have been designed to improve the quality of available housing, many of which include revisions of the law of landlord-tenant. In considering any modernization of the landlord-tenant law, some basic factors should be kept in mind. While a modicum of public housing may have its usefulness, the great bulk of residential housing is now, and will remain, I am sure, in the private sector. The question is, what kind of regulations in the private housing market will be beneficial to the society as a whole.

The private market in housing works well, as does any free market, when the economic bargaining position of the parties is equal or nearly equal. We shed few tears over the tribulations of the rich tenant; he can bargain for what he needs or wants. Tenants at the lower-income level find themselves in a market limited by what they can pay. The alternative housing they can afford is either nonexistent or inadequate.

Much of the concern with the landlord-tenant law is related to a concern for low-income tenants. Any program, federal or otherwise, designed to assist the poor must be designed to do one of two things. If designed to cure what some call the basic cause of poverty, it must have the eventual effect of raising income levels and not simply redistributing a static level of income and the goods which it can buy. It is hard for us to imagine any housing program which would have that effect. The second type of program would recognize the present low-income levels of some people, whether regarded as temporary or permanent, and try to minimize the effects that such lack of income has on life.

At the extreme case we do not allow the poor to sell themselves into peonage. Nor do we allow them to bargain freely for usurious interest rates or medical services from unlicensed practitioners. Corresponding restrictions in the housing market are regulations such as building codes, intended to set minimum standards for housing which can be the subject of free bargaining.

A free market in private housing will continue to allow landlords and tenants to bargain about the amount of rent and the length of tenancy, regardless of any inequality of bargaining power. Nevertheless, the modern law of landlord-tenant relations will protect certain clusters of tenant rights by not permitting poorer tenants to lose them merely because they lack economic alternatives.

In proposing a legal framework contained in the Model Code, the authors followed four basic guidelines:
• First, the great bulk of residential rental units will and should remain in the private sector. We saw no trend toward massive public housing for most renters nor did we
Model Code con’d.

think such a development would solve many problems.

- Second, the legitimate economic interest of landlords must be taken into account, both to insure fairness in regard to investments already made and to promote future investment in the construction of rental housing.

- Third, the state’s responsibility for public health as well as other policy considerations requires minimum housing standards to be set and maintained. These standards should be non-variable by parties to a lease and they should be uniformly enforced. The state’s most diligent allies in enforcing these standards will often be tenants with not only an interest in upholding the standards but often first knowledge of violations. Tenants can be effective in helping to enforce state policy if they are provided with procedural tools for initiating action and remedies.

- Fourth, when controversies between landlords and tenants inevitably arise, the parties should be encouraged to settle their difficulties peaceably—first through private negotiations and if that fails, through the judicial process. Therefore, access to the courts should not be blocked or impeded by cumbersome procedural rules or prior waivers by a tenant in a written lease. If tenants, especially those of lower income, feel the legal process will not respond to their grievances, they may resort to extra-legal measures which can cause disruption.

These basic guidelines led the authors of the Model Code to suggest a variety of specific provisions. The broad outline of the Model Code was written in the form of a state statute which could be considered for adoption by any state. Some of the ways in which the Model Code was used to implement the above four basic guidelines are as follows:

- Maintaining a free market in the private sector.

Unless a state is openly willing to adopt a policy of massive public housing for most current or potential renters, viable private markets in rental units must be preserved. The authors were not convinced that any state would move toward a broad program of public housing for middle- as well as lower-income families without a fundamental reordering of concepts which are widely held in this country. The authors were also not persuaded that any prior attempt at rent control has been workable or beneficial except perhaps as a temporary, emergency measure.

In order to preserve the operation of free marketing of private rental units, the Model Code does not limit the ability of landlords and tenants to bargain freely about price, rent, or the length of term of the lease. The limitations on the bargain which the Model Code does put forth are predominantly related to only four considerations:

1. Setting of minimum standards for housing through municipal building codes and housing codes.
2. Stating as clearly as possible the precise duties, rights and remedies of the parties.
3. Allowing easy access to the judicial process.
4. Promoting good-faith dealing and preventing sharp practices and fraud.

Protecting the legitimate economic concerns of the landlord.

In the field of consumer credit, the time dimension of the current market is relatively short. Most credit is extended for a period of three years or less. Thus, the practices of the credit industry can respond fairly quickly to any changes in the law, such as new legislation about garnishments.

The time dimension in the housing market is much longer, for homebuyers and landlords may be obligated on a mortgage of 20 years or more. Therefore, we tried to calculate the probable cost to landlords of every proposed change in the law. Increasing the landlord’s cost of doing business can have only one of two effects. Either the new costs will be successfully passed on to the tenants in the form of higher rent, or landlords will get caught in a profit squeeze which will reduce the value of their investment and discourage future investments.

A reform which has the effect of pricing decent housing beyond the means of a large segment of the population is no reform. A reform which confiscates honest investments in real estate is unfair. A law reform or program of strict enforcement of housing codes which leads to the abandonment or dem-
olition of salvageable housing can only reduce the supply of units and drive prices even higher.

Beneficial modernization of the law should provide both landlords and tenants with real incentive to maintain, improve or even rehabilitate existing housing. One of the major justifications for "repair and deduct" statutes (such as the Model Code's provision 2-206) is not so much a concession to tenant desires as it is a means of enlisting tenant initiative in maintaining the quality of existing housing. While the timing of tenant-initiated minor repairs will often be inconvenient to the landlord, the landlord will still be among the ultimate beneficiaries of those repairs.

*Maintaining minimum housing standards.*

The Model Code makes no suggestions about the content of building or housing codes or other laws relating to occupancy standards, heat, water, etc. These standards must be determined by local conditions such as climate and other local requirements. Aside from general provisions about the fitness for human occupancy, the Model Code relies on whatever local codes are in force and then enlists the help of tenants in maintaining those standards. In order to promote this assistance by tenants, whenever they complain of a code violation, they must be protected against retaliation in the form of eviction or rent increases (Model Code 2-407).

In some localities the minimum housing standards set by code may be too high. In these situations strict code enforcement would lead to the abandonment or demolition of salvageable housing. The practical result of this circumstance is often selective and discretionary enforcement which satisfies no one. When the ideal is set as a minimum standard, the inability to achieve that standard can result in the tenants becoming cynical about what the law offers but cannot deliver. At worst, opportunities for corrupting enforcement officials are created. The Model Code envisions strict and uniform enforcement of whatever codes exist locally, realizing that the standards of those codes may have to be lowered to levels which are, in fact, obtainable. This seemed the most honest and above-board policy.

Let me add a comment about tenant access to the judicial process. When landlords and tenants cannot settle their differences themselves, they should have access to a simple, speedy judicial determination of the controversy. The rights relating to access to the courts should be protected by the law and not be waivable by either party to a lease form. Tenants who find themselves in an unequal bargaining position will have no choice but to sign whatever lease form is given to them. Therefore, whatever rights the law gives the tenant should not be capable of being waived by such a form lease. The Model Code prevents the waiver of the landlord's liability for damages or injuries (2-406), prevents either party from agreeing to pay the attorney's fee of the other party (3-404), prevents confession of judgment clauses (3-404) and prevents a waiver of notice and other procedural steps (1-104 as applied to Article III). Those are clauses which are quite common in most leases.

Many states have prohibited the use of confession of judgment clauses. In many of those instances, landlords have eventually found that such clauses were not as useful as they had previously imagined. The only court data we could find suggested that when confession of judgment clauses were not permitted, about 90 percent of all court actions initiated by landlords and creditors resulted in default judgment in their favor. We suspect that the remaining 10 percent of the cases were instances where the tenant or debtor had a plausible defense which a court ought to have heard.

One of the more perceptive criticisms of the Model Code has questioned the authors' ability to decide what is best for the parties without asking them of their own desires. It is true we did not take an opinion survey among tenants, for example, to find out what was really causing them concern. If we had, we would have learned that vast numbers of tenants are annoyed by the fact that they do not receive interest on their security deposit. Indeed, this annoyance is strong enough to have generated legislative proposals in many states to require such interest payment.

We rejected this proposal (Model Code 2-401) for two reasons of economy. First, if a landlord is to continue operations which return a fair profit, the source of the interest payment can only be from increased rent. The tenant would not gain. Second, the degree to which the procedure would add administrative overhead to the cost of the landlord's operation, through increased bookkeeping and other problems. These costs would also tend to be passed on to the tenant with benefit to no one.

If this argument sounds like a simple proposition of basic economics, one should be aware of the degree to which a tenant can fail to see his long-term interest because of
concentration on his immediate feelings of fairness. I once described this in detail to a young woman of considerable intelligence who had been a psychiatric counselor of some stature, then obtained a Master of Business Administration from a major university and presently heads her own management consulting firm. She ended the discussion with, "But you don't understand—they kept my deposit a whole year and didn't give me one cent of interest for using my money."

This kind of myopia is not limited to tenants. I have obtained a copy of a lease form common in Chicago, copyrighted by the Chicago Real Estate Board, dated December, 1967. I assume it is still in wide use, at least by the large management firm from which I obtained it. It has a clause which reads, "If the tenant vacates or abandons the apartment, ten days non-occupation being deemed an abandonment, tenant's rights to possession of the apartment shall be immediately terminated."

Once, before joining the ranks of the mortgaged last fall, I went to my management firm to sign a new lease and had only one request: that I be allowed to take a two-week vacation that year and suggested that we change the word "ten" to "twenty." I received an absolute refusal to discuss the subject or any other alteration in the lease form. The manager's own motive was fairly easy to understand. If I had been his lawyer, I would have also told him never to alter a single word in the lease form lest some smart young law student change it to his utter disadvantage.

I have not yet seen a lease form drafted by tenants. We collected the standard lease form in use from most of the major American cities and they all seem to be drafted by attorneys for landlords, who drafted them without the beneficial effect of having to negotiate the reasonableness of each clause with an attorney from the other side. Attorneys, of course, are obtained to protect their clients from even the remotest of contingencies. The resulting standard lease is a kind of overkill, not only embittering tenants but giving the landlord protections they really do not need. Since we live in an economy in which two-week vacations are the norm, why not allow the tenant 16 days or perhaps 23 days for a three-week vacation?

In drafting the Model Code we had to figure out what the purpose of such a clause was thought to be. We assumed that the landlord had every right to know if the premises were occupied or if they were empty. He also should know if the tenant is on vacation and for how long so the landlord can look after the property. The Model Code simply requires that the tenant inform the landlord of any anticipated extended absence no later than the first day of such absence, and if he fails to do so, he must indemnify the landlord for any harm resulting from his absence but he can take a three-week vacation.

I think it's too early to have any clear impressions of what the effect of our suggestions will be on actual law revisions. There are several states in which small portions of the code have been submitted and occasionally adopted. The entire Model Code is under consideration in legislative committees in the states of California and Hawaii, and perhaps elsewhere. Some legislators are highly original and neglect to tell the authors when they have proposed some of our language, particularly when they have improved upon it. On one occasion I heard of a considerable battle only months after the smoke had cleared.

I have been asked to add a brief word about tenant unions. We intended that our code be neutral on that subject. We tried to write it in such a way that it neither assists or impedes tenant unions. It was only after the Model Code went to press in February, 1969, that the phenomenal growth of tenant unions began all over the country. Were we to begin the project again today, we would be hard-pressed to ignore them.
As I have observed them, tenant unions have a fairly loose national organization. They are organized in most cities and are apparently intended to organize tenants irrespective of income level. (At least in Chicago they are intent on organizing the fairly wealthy residents of highrises as well as meeting the traditional poverty buff concern for ghetto areas.)

There are very few things in the current law and nothing, I think, in the proposed Model Code which would assist them in this. Tenants are given rights but those rights could then be enforced either individually or collectively. Although it is very difficult for some landlords to stand back and look at what tenant unions are doing, in an economic sense they are merely getting tenants a little bit more organized to press for perfectly legitimate economic demands. I know that one of the most troublesome things about tenant unions is not so much what they are fighting for but the rhetoric they use. Regardless of that rhetoric, I think the question that landlords have to face with tenant unions is whether or not their demands as such are reasonable and what the real economic costs of meeting those demands would be.

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A Rebuttal

by Robert S. Cushman

The basic objection I have to the proposed draft of a landlord-tenant code is that it fails to confine itself to the people who need its protection—that is, the poor, the people with low incomes. If the proposed draft were limited to landlord-tenant relations where the rent was $150 a month or less, I would be in favor of it because many of the things in it are necessary for the protection of the disadvantaged.

However, in protecting the slum tenant against the rapacious slum landlord, please don't make it impossible for me to evict a deadbeat from a 13-room house in an affluent neighborhood. In its effort to take care of the disadvantaged, the code hamstrings the landlord in dealing with tenants who are perfectly able to take care of themselves. So my first objection to the Model Code is that it should be confined in its application to the people who need it. There is plenty of precedent in the law for that. We have priority for wage claims in bankruptcy; provisions for attorneys' fees in small claims cases, and provisions for criminal penalties for failure to pay wages promptly. Protection such as the code provides should be limited to the people who need it; let the rest of us alone in dealing with tenants who are wealthy or well able to hire lawyers to defend themselves.

With that introduction, I'd like to specifically point to a few things that the Model Code does and how very harmful it could be to the interests of the people we represent.

The first is a technical point, but it certainly ought to be changed. In Section 1-205 describing single-family residences, it perhaps is defined so as to exclude a condominium, yet there's no reason why a land-
Model Code con'd.

lord shouldn’t have the right to lease out a condominium unit and be covered by the law the same as anybody else. That technical oversight should be corrected since the definition is defective.

The next objection really goes to the heart of this whole thing: that is, Section 2-102—Promises in Rental Agreement Mutual and Dependent. The present law of landlord and tenant provides that the covenant in a lease to pay rent is independent of the other covenants in the lease. That is, if the landlord breaches a covenant to repair, it’s no defense to the tenant who fails to pay his rent.

Now, let’s look at what Section 2-102 says:

“Where a remedy is given to either party by this Article for a particular breach by the other party, this remedy shall be exclusive of any unmentioned remedy arising by operation of existing law or by operation of subsection (2) of this section. Material promises, agreements, covenants, or undertakings of any kind to be performed by either party to a rental agreement shall be interpreted as mutual and dependent conditions to the performance of material promises, agreements, covenants, and undertakings by the other party.”

In other words, if a tenant sets up a defense, real or imaginary, you can’t put him out and you can’t collect rent. Under this provision, there’s nothing to keep a group of tenants from claiming that the rent charged them is exorbitant and they’re not going to pay it, as well as claiming that the landlord is violating their civil rights and demanding a jury trial. By the time the thing grinds its way through court, which finally holds that the defenses are worthless, the tenants move out and the landlord is left holding the bag. There is no provision in this section requiring a tenant to pay the rent into court while he litigates an alleged default on the part of the landlord.

Under present Illinois law, if a tenant fails to pay the rent, he can be thrown out regardless of alleged defaults by the landlord. Even where the Supreme Court of Illinois has held that if a defense goes to the very essence of the contract, it still says the court should make equitable provisions for the payment of rent in the meantime.

Now let’s look at another section (2-205) which gives the tenants the right to terminate the lease at any time if the premises are uninhabitable. That’s the present law but the Model Code leaves out the requirement of the present law that such defense cannot be asserted unless the tenant, in fact, vacates the premises. In other words, if you are constructively evicted, you’ve got to get out.

The Model Code provision terminates the lease but doesn’t put any duty on the tenant to get out as a condition for asserting the defense of constructive eviction. I’m all for the defense of constructive eviction but it should be coupled with the requirement that in order to assert it, the tenant has to move out of the premises.

On the face of it, the section which allows the tenant to make repairs at the landlord’s expense (2-206) looks fair. However, as property managers and owners, you can immediately visualize what can happen. The tenant makes a repair he doesn’t pay for, the supplier slaps a lien on the premises, the landlord has to hire an attorney to get the lien off at considerable expense and, as I’ll discuss later, the Model Code doesn’t allow the landlord to recover attorneys’ fees. Perhaps the tenant will order an expensive decorating job, get in a row with the decorator as to whether it was done properly and refuse to pay; the landlord gets slapped with a mechanic’s lien.

No provisions are made for any previous indemnity of the landlord against such action. In the lease form that I’ve drawn up, there’s a provision that the lessee shall not allow any mechanic’s lien and, if one is put on, he is required to pay all costs and expenses in removing the lien against the premises.

There is an elaborate provision in the proposed Code regulating subleases and assignments (2-403). The standard leases that we draw prohibit the tenant from subleasing or assigning the premises without the landlord’s consent. However, practically all the leases that I have negotiated put in a provision to the effect that consent shall not be unreasonably withheld, and most landlords are willing to agree to this provision. I see no reason for having three pages
of fine print defining the circumstances under which premises can be sublet, instead of simply providing that the landlord's consent to a sublease or an assignment shall not be unreasonably withheld.

Section 3-216 provides that if a tenant contests the landlord's action for possession and then loses because his defense is no good, he can pay the rent and court costs and get back in the premises. There isn't a word, however, stating he also has to pay the landlord's attorneys' fees and expenses. He can merely pay off the court costs and back rent and move back into his unit. This provision is most unfair to the landlord.

The way it is in Illinois today, a tenant has five days to pay up; if he doesn't, the landlord is not obligated to accept anything from him later. At the very least, this section ought to say that if the tenant asserted in good faith a defense which was held invalid, he shall pay not only the landlord's court costs and all of the rent but also all of the landlord's attorneys' fees and expenses as well.

A related provision (3-402) prohibits a lease clause from providing that the landlord under no circumstances can require the tenant to pay his attorney fees. That is a highly objectionable provision because I have seen cases where the tenant unjustifiably, and without slightest fault on the landlord's part, has involved him in a mechanic's lien suit or in other litigation. There isn't any reason why the landlord shouldn't be able to recover from the tenant all costs including attorneys' fees if the tenant doesn't pay his decorating bill and a mechanics' lien is on the premises. Any clause which prohibits this is unfair to the landlord.

Section 3-403 states "no lien on behalf of the landlord on the tenant's chattels shall be enforceable unless perfected before the effective date of this lease." This section is objectionable because there isn't any reason, in a fancy lease where the landlord is spending thousands of dollars for remodeling an apartment, why the parties can't agree that the landlord shall have a lien on the tenant's chattels for the unpaid charges.

The final clauses I want to discuss relate to confession of judgment. Section 3-404 states that "a provision of a written rental agreement authorizing a person other than the tenant to confess judgment against the tenant is void and unenforceable. The inclusion by the landlord in a written rental agreement of such a clause shall be a misdemeanor." If the tenant chops up the furniture and utterly wrecks the apartment, there's nothing in the Model Code which makes that a misdemeanor. But if a landlord puts a confession of judgment clause in the lease, that's a misdemeanor.

In states allowing the use of confession of judgment clauses generally, there isn't any reason why a confession of judgment clause shouldn't be in a lease. The lease for the office space I rent has a confession of judgment clause and I'm not outraged by it, it doesn't hurt me. Why should a tenant who is paying $1500 a month have any similar objections to it? The confession of judgment clause is a valuable tool against deadbeats and it enables you to put the heat on them. Believe me, the landlord needs this help in many instances.

Further evidence of the Model Code's bias toward tenants is that it allows the tenant to institute a prosecution for any misdemeanor under this act and recover half the fine. Nothing here gives the landlord similar rights against the tenants.

In conclusion, if the Model Code were confined to those that need help, the poor and disadvantaged, I would applaud it. I know there are many cases where help is needed as well as protection against slum landlords. But we must insist that it be so limited or we must oppose it.

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Managing the Resident Manager

by Sidney Glassman, CPM

The resident manager is not only the direct representative of the management company to the public but is a keystone on which the success of a project depends. As management’s main point of contact with the public, the resident manager must have his finger on the pulse of the project and be able to advise management of any trends or problems that are likely to arise. Just as a management company is only as good as its property managers, they in turn are only as good as their resident managers. The ability of the property manager to train resident managers is a prime requisite for the firm’s continued success.

A good resident manager will insist on having from the property manager all the tools necessary to maintain the project in prime condition and to keep it fully rented. In reviewing the duties and responsibilities of a good resident manager, the above becomes even more apparent. Usually, the resident manager, either directly or under the supervision of the property manager, has the overall responsibility for the collection of all rents. Other functions of the resident manager include conducting follow-up on tenants who are delinquent in their rent and taking such action as is deemed appropriate for correcting this situation; showing vacant apartments, screening prospective tenants and reporting on notices, rentals and vacancies. Tenant selection is also a major part of the resident manager’s job. Though the property manager may approve the applicant, the resident manager’s judgment is crucial and he must base his decision on the impression created by the applicant as well as by his employment, financial and other references. The resident manager also has the responsibility for the maintenance of the building and grounds, as well as the redecorating and cleaning of all apartments, and for the hiring, behavior and performance of all on-site personnel.

These duties and responsibilities are extremely varied and range from inspection and control of maintenance to sales, public relations and personnel management. It is not easy to obtain a resident manager with all these qualifications and abilities and, therefore, it becomes necessary to expose and train personnel with a view toward developing these attributes.

TENANT RELATIONS AND MANAGEMENT’S IMAGE

Achieving a good tenant-management relationship is one area which reflects if the resident manager has successful control over the project. We must keep foremost in our minds that we are in a service business; the service we sell, in this case, is an apartment. Therefore, we must be solicitous of our public relations image. We must also recognize that this apartment is the tenant’s home; we want our tenants to be proud of their “homes.”

All personnel must be indoctrinated with a service approach. This can be accomplished in many ways and each resident manager may have his or her own formula for achieving the desired result. Listed here are a few ideas and techniques that have been used.

Of paramount importance is the personal appearance of the resident manager and his office. A good personal impression and good housekeeping in one’s own backyard is conducive to emulation by others and sets the tone for the community. The importance of being agreeable and courteous, yet firm, cannot be overemphasized.

The resident manager should know his
own residents. He should always receive complaints courteously and act on them promptly. This last point had done more to endear a resident manager to the tenants than any one single factor. The feelings of a tenant that a legitimate complaint will receive prompt attention is a stock in trade that becomes quickly known through the project and area. This approach must be impressed upon all other service personnel also.

As a matter of course, resident managers should familiarize themselves with major industrial plants, government institutions and other employment centers in their areas which may be a source of prospective tenants for the projects. Personnel directors of these organizations should be contacted occasionally and initiative should be taken to see that these offices have brochures and rental schedules at their disposal to give to employees who may be coming into the area.

The management firm might also suggest to these organizations that it is solicitous of their help and propose a tour of its projects to acquaint them with what it has to offer in residential facilities. In this connection, the property managers and resident managers must become acquainted with their competition, particularly as it affects vacancies, rental rates and services.

INSPECTIONS
The daily inspection and record thereof is the keynote to better maintenance and stimulates an awareness on the part of the resident manager with respect to:

- Condition of grounds and buildings.
- Tenant behavior.
- Construction and repair needs.
- Performance and adequacy of maintenance staff.

It is not necessary that a resident manager inspect every one of these items in every building every day. Where the building is small, it may be possible to inspect daily; where the building is large or where there are a number of buildings, it may only be possible for the resident manager to inspect a part of the building each day.

HIRING AND TRAINING ON-SITE PERSONNEL

While the hiring of on-site personnel may be the responsibility of the resident manager, the property manager should lend his assistance, particularly in connection with engineers and maintenance men. The responsibility of training assistant resident managers as well as assistant maintenance men properly and thoroughly is extremely important for any company. These people are the best reserve for future resident managers and other supervisory personnel and should always be first in line to be considered for increased responsibilities if the opportunity arises.

The above outline of duties and responsibilities is far from exhaustive. It shows the resident manager against various backdrops: administrator, salesman, labor relations expert and teacher. In addition to these, the resident manager may sometimes have to be a lay psychologist, referee and intuitive engineer.

Notwithstanding the all-around qualities necessary for the job, the traditional approach has been to hire housewives, widows and, lately, retirees (some of whom are looking for a sinecure which never materializes). Many of these people have developed into fine resident managers—some through training but many despite lack of organized training. Courses must be set up through the auspices of our professional management
organizations, particularly IREM, to meet this challenge.

Because of the relative lack of such programs, most management companies train their own personnel. They farm them out, starting them off as assistants to the resident manager or as rental clerks in a large project and train them on the job. In most cases few guidelines or printed references are available for study even in these companies. Training consists of learning to do what the existing manager does.

Traditionally, salaries have been low because of the type of person hired; these housewives, widows and retirees are still probably the cheapest source of supply. However, the ever-increasing demand for better qualified personnel is producing higher wage scales and as a result, other sources of supply can and should be drawn upon. Owners must be prepared to pay more for better qualified personnel. It has been demonstrated that a good resident manager can do all the things mentioned earlier but also make creative contributions to more efficient control and administration as well as to construction and planning by his knowledge of tenant likes and dislikes.

Of particular importance today is the need for qualified resident managers in low-income properties. In recent years all large cities have had severe difficulties vis-a-vis the management of these properties. This has been true both in public and private housing. Unfortunately, because these jobs are particularly difficult and unrewarding and because they are the jobs that usually are in financial difficulty and can "afford" to pay the least, the least qualified personnel have gravitated to these jobs. This has also occurred because the areas in which these properties are located are usually in undesirable neighborhoods.

In addition, the problem of management of low-income properties is to a great extent a community problem because many of the problems are socio-economic and relate to municipal services. The specific problem for real estate managers is to try to get the best people to man these difficult jobs and it must be recognized that these jobs demand more pay. As the decade progresses, the training of people for such jobs will become more and more important.

Our firm has always considered the training of personnel for present and future needs of paramount importance. To meet the needs of our rapidly expanding company (we presently have 11,000 apartments and over 6½ million square feet of office space), we first developed a full training-school program for engineers; this was done in order to cope with the perennial shortage of engineering personnel and the problem of the unevenness in their backgrounds, training and competence. The program has proved very successful.

Therefore, we have now embarked on a training program for our resident managers and assistant resident managers. Our personnel policy has always stressed the idea of training to promote personnel from within the company; consequently, we usually tend to promote assistant managers being trained on the job to be resident managers whenever and whenever the opportunity arises. As such, we utilize our larger projects as a constant training ground, supplementing this approach with intensive training programs for new, inexperienced people, to raise the level of our existing personnel.

Fortunately, we have a large number of well-trained, competent property managers as well as a strong cadre of resident managers. From these sources we have drawn the people who are the instructors in our school. We are also able to draw upon outside sources for special programs. The school has been set up to run for two sessions, fall and spring. In our first year each session covers a four-month period with eight meetings. These are usually held in the evening at one of our large projects' community rooms. The course consists of lectures and discussions, complete with question and answer periods where pertinent problems are discussed.
In our second year, we envisage having basic sessions for new people which will repeat the first-year work as well as some sessions for all our people to cover current problems and new developments in systems and technology. At each session someone takes notes and prepares a summary which is distributed to all personnel.

The first-year curriculum covers the following:

1. Review of our Residents Managers Handbook, a detailed manual which thoroughly covers all our company’s policies and procedures, complete with all forms used for control and reports. This guide is a ready reference for any problems that might arise; it is not a fixed and unalterable document but is conceived as a dynamic tool which is constantly being updated as situations change and suggestions are made. This manual has been revised three times since it was first published in 1964.

2. Procedural problems, such as computer systems, property manager reports and management controls.

3. Personnel problems relating to orientation of new personnel, training, motivation and compensation, including payroll procedures and wage and hour laws.

4. Health programs and policies (fringe benefits); also claim procedures on workmen’s compensation and building insurance.

5. Merchandising.

6. Inspection procedures, tenant complaints and maintenance techniques.

7. Purchasing and inventory controls.

8. Service contractors and suppliers.

9. Leases, applications, waiting lists, security deposits and refunds.

10. Budgets—how they are prepared and how they are controlled.

This is only a partial list of the items that are discussed at the various meetings; their purpose is to give our resident managers across-the-board exposure for training in all our procedures in all our buildings, making it possible for managers to go from one building to another if they so wish and if the opportunity arises. In addition, it provides valuable training and experience for our assistant resident managers and our new resident managers. As mentioned earlier, assistant managers particularly would like to get to the point where they can move up into their own job and become resident managers of either an existing building or a new building. We feel strongly that the quality of the resident manager can make or break a property manager—and in fact, make or break a project. The training and development of good people is the backbone of any management operation and is one of the prime tasks of a good property manager.

It must be pointed out that with a program as outlined above, training cannot be reserved solely for those companies that have the size, scope and finances to do it themselves. There are many companies who cannot and never will be able “to do it themselves.” In recent months some training programs have been developed for problem urban properties through funds available from HUD. For other more typical properties there are still few avenues for training. The need is great in both areas and there is no reason why programs for both cannot be developed simultaneously and cooperatively.

Sidney Glassman, CPM, is vice president of Charles E. Smith Management Company, Washington, D.C., and is in charge of its residential management department. He is an economic and real estate market consultant as well as a lecturer in real estate market analysis at American University.
Office building managers: double your rental income and enjoy a "free" luxury management office in the process!

This pleasing prospect became a reality in the development of what has been called the "Executive Suite" of the Evergreen Building, a 100,000 sq. ft. office building in Renton, Wash. As part of a building complex called Renton Village, the office building is strategically located near major expressways serving the Seattle area, and is six minutes from the Seattle-Tacoma Airport and 15 minutes from downtown Seattle. Other elements of the complex are a motor hotel, a 100,000 sq. ft. shopping center, a twin auditorium theater, a full-service bank and two service stations.

Early in the leasing program for the Evergreen Building, it became apparent that a "steno pool" or "desk space" concept of providing small offices was worthy of consideration. Rather than settling for a minimum effort in providing for the "small potato," the building developers embarked on an ambitious format of creating a sub-business within the building that has produced some very successful side effects.

The establishment of more than 30 individually furnished offices and providing tenants with secretarial and receptionist services, among others, has generated a square foot rental twice the normal building rate, captured tenants in need of temporary space while their permanent quarters are under construction, served as an incubator to develop larger tenants from mini-tenants, and, of prime interest to any building manager, created a front office for himself, complete with staff and furnishings that normal rental cash flow would never support.

Half of the second floor of the Evergreen Building is devoted to the "Executive Suite" idea. Clustered around a centrally-located receptionist and executive secretary are 35 private offices, each identified only by a standard door numeral—no signs or other personalized identification is allowed, thereby preserving anonymity of individual
The Evergreen Building in Renton, Wash., found a successful formula in leasing space when it furnished half a floor of private offices and provided the tenants with the services of a stenographer and receptionist, who greets all clients in an attractively decorated reception room.

Telephone callers receive the same relaxed and unhurried reception. Each caller is announced to the tenant via intercom; only when the tenant works after-hours or on weekends does he turn on his telephone bell. Otherwise, he works unaware of the tenants. The main-floor lobby directory indicates only "2nd Floor" following the tenant's name, making it necessary for a caller to confront the Executive Suite receptionist.

This area for the secretary and receptionist is immediately opposite the elevators and creates the instant impression of a full-floor tenant. The entire premises are carpeted, paneled and tastefully furnished with leather and dark, masculine furniture. Visitors are personally greeted and escorted to the Executive Suites after the receptionist has discreetly gained the tenant's permission via intercom. Nothing is left undone to create the impression that the two secretaries, the plush leather sofa, the paneled offices and vast expanse of hall belong to each and every tenant.

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normal sounds of business. Typing, mailing and other regular office tasks are performed in the soundproof steno room.

One of the highest compliments this setup has received came from the national sales manager of a huge conglomerate. After talking via telephone with his northwest representative for more than half a year, he was chagrined to discover upon complimenting him about "his new girl," that his rep had relocated and discontinued the services of a very expensive, full-time girl and now shared (with 34 others) a girl that came with the office.

The building manager, too, is an "Executive Suite" tenant where he can constantly monitor the quality of his product. Other building tenants enjoy the plush surroundings and easy access to building management. Since the cafeteria is also located on the second floor, virtually every tenant in the building is on a first-name basis with the management team and an excellent rapport has evolved between tenants and management. During the first hectic months of building occupancy, building management was always ready with a soothing and sympathetic word.

Among the office features of each Executive Suite, all of which are included in the rental, are wall-to-wall carpeting, floor-to-ceiling draperies, air conditioning, acoustical ceilings, recessed fluorescent lighting, daily professional janitorial service, monthly window cleaning, and free parking for both the tenant and his clients.

Billing for the "production" typing is done on a monthly basis and normal space rental includes telephone answering/receptionist, message center, mail distribution and conference room facilities. Tenants are given their choice of monthly or annual leases. Rentals range from $90 to $225/month.

Building rental rates range from $6.25 to $6.32 per square foot, with the Executive Suite averaging $13.50 per square foot per year. Even with added corridors, partitioning and necessary support personnel, the format produces a handsome return. The stenographic pool takes in "outside work" from other building tenants, providing them with an excellent "cushion" to handle overloads, sickness even highly confidential material.

With the current business recession in the Greater Seattle area, several building tenants (non-Executive Suite) are cutting back their own staffs and leaning heavily on the telephone answering and secretarial support offered by the Executive Suite personnel. Building management has sensed a stabilizing effect on the business pulse of the building as a result of this ability of tenants to maintain their image while reducing overhead substantially.

The Executive Suite is the only speculative space in the building and is standardized in colors and carpeting. Initially, 19 Executive Suite offices were offered when the building was opened in August 1969. The response was so encouraging and indicated the idea was a winner that 16 additional offices were created. For many tenants this is the first time they've had an office, having worked out of their home in the past. Should they grow sufficiently to need additional space, they can move into larger, permanent quarters in the building. With an Executive Suite this type of tenant can enjoy deluxe services and operate effortlessly at a minimum cost, without employing office staff.

Robert Lackman, a Candidate for the CPM designation, is the manager for the Renton Village Shopping Center and the Evergreen Building, Renton, Washington. He is also the property manager for the complex's Sheraton Motor Inn and its two theaters. Previously he was vice president and property manager of a major Seattle real estate firm.
Analyzing Apartment Market Characteristics

Many apartment developers do extensive surveys on market characteristics of renters prior to building construction to establish an apartment-mix formula or to satisfy a lender's demand for proof of rentability. However, little research is conducted to define the type or characteristic of specific renters once a project is constructed or in the process of leasing.

We have found in our developments in Los Angeles, Tulsa and St. Paul that the rental market changes between the time of initial design and the period of initial occupancy. Rent increases, additional construction or changes in employment can have positive or negative implications. However, these changes in the market are reflected immediately in the characteristics of new occupants.

Several sources of information are available to accumulate a profile on tenants, including leasing agents, interviews, rental applications and credit reports. The most reliable and ready reference is usually the rental application. Some of the key factors in analyzing the apartment market include:

1. Income by individual occupant.
2. Age of head of household.
3. Family status—single, married or sharing.
4. Occupation — professional, clerical, trade or retired (include industry group).
5. Previous residence—apartment or house (owner or renter).
6. Rental upgrading or downgrading by residents who previously were renters.

Each factor is measured every two months to give an indication of changes in the rental market as related to the specific project under lease. The accompanying sample format (see next page) shows ranges we have found significant, relating to the above-mentioned categories.

The income analysis shows that a large percentage of applicants for one-bedroom units at the Meadow View apartments are underqualified compared to bachelor-unit applicants. It also illustrates that a large share of one-bedroom units are being leased to applicants who could easily qualify, by income, for two-bedroom units.

The age breakdown reflects, as expected, that bachelor units attract younger residents than one- or two-bedroom units, and that over half of the two-bedroom applicants are over 50. The absence of occupants under 20 in two-bedroom units indicates good credit checking and screening on the part of the leasing staff.

The analysis of family status shows that more single males could be expected to rent bachelor apartments. It also reveals that the price of two-bedroom units discourages sharing because 25 percent of the single market share one-bedrooms but only 10 percent share larger two-bedroom units.
SAMPLE TENANT CHARACTERISTIC ANALYSIS

Complex: Meadow View  
Number of Units: 455  
Date of Survey: May 1, 1970  
Size of Sample: 433 units

ANNUAL INCOME

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Bachelor</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $9,999</td>
<td>30%</td>
<td>34%</td>
<td>15%</td>
</tr>
<tr>
<td>$10,000-$14,999</td>
<td>45%</td>
<td>27%</td>
<td>56%</td>
</tr>
<tr>
<td>&gt; $15,000</td>
<td>25%</td>
<td>39%</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

ESTIMATED AGE

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Bachelor</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 20</td>
<td>15%</td>
<td>5%</td>
<td>—</td>
</tr>
<tr>
<td>20-34</td>
<td>25%</td>
<td>27%</td>
<td>14%</td>
</tr>
<tr>
<td>35-49</td>
<td>25%</td>
<td>44%</td>
<td>36%</td>
</tr>
<tr>
<td>50-over</td>
<td>35%</td>
<td>24%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

FAMILY STATUS

<table>
<thead>
<tr>
<th></th>
<th>Bachelor</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>30%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Female</td>
<td>45%</td>
<td>26%</td>
<td>9%</td>
</tr>
<tr>
<td>Married</td>
<td>25%</td>
<td>59%</td>
<td>76%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Preferably, two-bedrooms are the type of unit for apartment sharing.

Occupational activities of residents can provide quick answers as to the type of market in which to advertise. For example, at Meadow View, retirees and oil company employees were especially strong in two-bedroom units. Future ads were directed to these groups. Also, amenities, social activities and events can be created that will attract and hold specific employment groups.

In determining previous residence, the analysis shows that a high percentage of two-bedroom units are rented to homeowners while studio units are leased primarily to renters. In this particular project, broker cooperation may be invited to assist prospects in selling homes and moving to Meadow View, to accelerate rentals of remaining two-bedroom units.

The survey shows that bachelor units rented quickly to local residents while two-bedroom units primarily were leased to out-of-state prospects. Further analysis may show that the advertising theme was geared locally to the single market while discouraging needed local married couples.

Some place on the rental application the previous address and amount of rent paid is indicated. A valuable comparison can be made between the rent paid previously and the current rent paid at your development. Our survey indicates that at the Meadow View, two-bedroom units are underpriced in relation to one-bedroom and bachelor units since over half of the two-bedroom residents pay less than previously.
Our experience has indicated several key uses for a continuously updated market survey.

1. During rent-up, advertising can be aimed at the specific market shown to be leasing units.
2. Lease-breakers can frequently be separated into a specific occupational or age group. Turnover can be reduced by being selective in future leasing.
3. Planning for the next construction phase or additional units can be aided through direct knowledge of the local market.
4. The information provides leasing agents with answers for prospects who desire to know what their fellow neighbors are like.
5. Social activities and events can be planned to match particular age or occupational groups with greater success.
6. Perhaps the most useful purpose of the periodic review of tenant characteristics is that it forces the owner or manager to re-appraise and review operating policies. The local rental market is constantly changing. To maximize income for the owner, resident characteristics help the manager to anticipate and adjust for market changes before vacancy levels may increase.

Kent N. Sather, CPM, is director of development for the City Reconstruction Corp., a Los Angeles-based private developer of apartment units. He is responsible for land acquisition and feasibility analysis for the firm. Mr. Sather holds a masters degree in real estate and urban economics from the University of California and is a recently-elected member of IREM.

<table>
<thead>
<tr>
<th>OCCUPATIONAL ACTIVITIES</th>
<th>Bachelor</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profession</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aerospace</td>
<td>20%</td>
<td>29%</td>
<td>16%</td>
</tr>
<tr>
<td>Oil</td>
<td>10%</td>
<td>20%</td>
<td>31%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Trade</td>
<td>17%</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td>Clerical</td>
<td>20%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Retired</td>
<td>18%</td>
<td>9%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PREVIOUS RESIDENCE</th>
<th>Bachelor</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renter</td>
<td>85%</td>
<td>68%</td>
<td>41%</td>
</tr>
<tr>
<td>Homeowner</td>
<td>15%</td>
<td>32%</td>
<td>59%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOURCE OF PROSPECTS</th>
<th>Bachelor</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Residence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Neighborhood (within 8 miles)</td>
<td>42%</td>
<td>14%</td>
<td>21%</td>
</tr>
<tr>
<td>Balance from state</td>
<td>42%</td>
<td>68%</td>
<td>34%</td>
</tr>
<tr>
<td>Out-of-state</td>
<td>16%</td>
<td>18%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RENTAL UPGRAADING BY NEW RESIDENTS</th>
<th>Bachelor</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Added Rent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-$25/month</td>
<td>45%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>$25 or more/month</td>
<td>28%</td>
<td>47%</td>
<td>12%</td>
</tr>
<tr>
<td>Pay less</td>
<td>27%</td>
<td>21%</td>
<td>56%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Management of public housing and low- or moderate-income housing can be a rewarding experience or it can be a frustration. The difference depends upon the capabilities and attitude of the management organization or individuals directly involved. This type of management is not the place for nonprofessionals, idealists, profiteers or opportunists. Professionalism, motivation, adaptability, and openness are the prerequisites.

Those venturing into this phase of management must be willing to go just a little further than what custom has predicated as the “norm.” Besides numerous problems similar to those confronted daily from investment property, the manager will be intimately involved with the problems of his tenants, the neighborhood and its feelings, pressure groups, civic associations, and governmental restrictions, regulations and operational concepts.

He will be called upon to perform a host of extra-curricular duties—from judging baby contests to public appearances before a civic organization that is demanding some justification for the development being built or the necessity of management involvement in the project. There will be occasions when some organization decides a survey is in order and will descend upon the property or management’s place of business, asking numerous questions or seeking data relevant to operations and the residents. The manager may even find himself under criticism from associates within his profession.

However, the benefits to be gained may more than offset disadvantages. Many of the lessons learned in the low-income area can be applicable to higher-income areas. Probably the first most important fact learned is that people—regardless of their economic status—are basically the same and have the same emotions, desires and often the same goals. Any differences are usually a matter of environment, standards or mobility.

A very important ingredient to management is the understanding and application of certain terms or words commonly used in low-income housing concepts. Words such as “motivation,” “mobility,” “remedial,” “preventative,” and “project” have different connotations. “Project,” for example, to many in the management field generally means multi-unit apartment buildings; to the poor and/or minority groups it means public housing or tenements. It is not my intention to give lessons in semantics but to point out that words do play a vital role in
low-income management. In fact, words are the foundation of communications and effective communication is the most critical tool needed.

Like most successful business operations, planning is critical. A management plan of operations is mandatory. Such a plan should encompass property management services, financial and statistical data, general policies, procedures and functions, employee selection and job descriptions. This plan should be in written form and each section designed to provide specific data and the necessary means towards successful attainment of goals and operations set forth. The accompanying outline is suggested as a plan of operations for a new development.

The physical operation of low-income housing is not too different from operation of higher-income housing except for a harder usage factor that creates higher maintenance costs. Low-to-moderate-income properties contain larger dwelling units and high-density population; therefore it is to be expected that buildings will be used very hard.

The key to offsetting these higher costs is resident participation in various facets of operations. Talents and capabilities of the residents can be utilized in areas such as redecorating apartments, cleaning halls, and minor maintenance repairs. For example, if one or two residents are able to paint and want to earn extra money, use them to paint apartments in their spare time. Perhaps there may be a resident who is an electrician who can make electrical repairs. Once the manager becomes accustomed to thinking broadly and having faith in residents, the whole game becomes a new venture and it’s amazing the results that can be obtained. Experience indicates a percentage of employee-residents develop vested interest in the property and generally perform their duties efficiently with proper training or supervision.

Good management-resident relations stem from understanding, mutual trust and respect of one another. It is very important that residents and management realize exactly what is expected of each at the inception of their association and that the rapport be of a continuing nature. The attainment of this concept will involve services and ideas not commonly found in management operations.

Constant efforts should be undertaken to maintain the property appearance; repairs should be made as soon as possible regard-

less of the situation or frequency. This effect has proven positive in nature, for residents soon realize management is sincere about keeping the property in good order. However, if a resident is responsible for damages created, a charge should be levied.

Management representatives, including key property employees, must be interested in resident activities as well as being involved with them in participatory programs for the property. However, the approach must be preventative, not remedial, based on the strong desire to be involved. It is management’s responsibility to determine what the residents need and want and to fulfill these requests, within reason, if at all possible.

Most residents are as interested as management in having the property well-run and clean. While their suggestions or recommendations may be exasperating at times, they can and, in some instances, do provide a better way of handling a problem. Experience indicates that when residents realize management is doing its best to maintain the property in a safe, sanitary and orderly fashion, they will assist in many ways.

The immediate goals of low-income residents usually center upon being able to make ends meet daily while the more affluent are concerned about making ends meet yearly. It is rather difficult to describe thoroughly the numerous situations or conditions entailed in dealing with low-income residents—or, in fact, with any group of residents, rich or poor. Primarily, the difference is one of economic degree and mores of society.

For example, Mrs. Z, a welfare mother with eight children all under the age of 14, resides in a project and pays $76 per month rent out of a $200 monthly public-assistance grant. She realizes that even with very tight budgeting and food stamps, she cannot adequately feed and clothe her children, let alone herself. Though she lacks actual job experience, she decides to go to work. She first applies for a training program but is turned down because she has preschool children at home, and the training program has certain eligibility requirements regarding children’s ages. This does not stop Mrs. Z from seeking employment and she accepts several interviews for custodial/housekeeping positions.

However, although the salary may be greater than the welfare grant, by the time Mrs. Z pays for transportation, baby-sitting costs, and lunches as well as additional rent
### Management Plan of Operations
- Preoccupancy Services
- Promotion and Public Relations
- Rental and Advertising
- Opening the Property
- Management-Resident Relations

### Financial and Statistical Data
- Estimated Initial Expenses
- Projected Income and Expenses
- Schedule of Employee Wages
- Projected Population Mix and Income

### Introduction

### Management-Resident Relationship Policies
- General Policies
  - Management and Physical Plant Operations
  - Security Deposits
  - Lease Agreement
  - Rent Payments
  - Lease Covenants
  - Showing Apartments & Townhouses
  - Move-ins
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  - Telephones
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  - Management Enforcement
  - Use of Facilities
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  - Resident Claims for Damages
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  - Chain-of-Command

### Rental Office Procedures and Functions
- Office Functions
- Purchasing
- Property Maintenance
- Resident Selection
- Renting Process
- Preparation and Occupancy
- Complaints and Maintenance Requests
- Evictions
- Resident Charges for Damages

### Employee Selection & Qualifications
- General Comments
- Resident Manager
- Assistant Manager
- Administrative Aide
- Chief Engineer
- Maintenance Man
- Custodians & Groundsmen

### Job Descriptions
- Resident Manager
- Assistant Manager
- Administrative Aide
- Chief Engineer
- Maintenance Man
- Custodian
- Groundsmen
because she is off welfare, she realizes that she was financially better off on welfare. Consequently, Mrs. Z still has a problem and must get by the best she can from day to day. Sometimes this may mean a "man in the house" or part-time work that cannot be traced by management while her young children are left unattended at home or older children take turns staying home from school to take care of them. To management, this situation creates several worries: potential delinquent rent, vandalism to the premises, breach of lease covenants and possible eviction proceedings.

What should management do in an instance such as this? If the resident does not pay the rent, put her furniture on the street? If the unsupervised children set a fire in the building basement, bring legal action against the occupant? In the more affluent market the answer would probably be in the affirmative. However, in the low-income area eviction may force the occupant into a less tolerable situation or just pass the problem to someone else. Legal action for recovery of damages is fruitless—what can you obtain when there is nothing to be had?

Before becoming too embroiled with the solutions to the afore-mentioned example, let's take a look at other situations in the same ball park.

Circumstance A: Mrs. Elderly, a grandmother, receives $150/month from annuities and approximately $60/month from other sources; she has six dependents between the ages of eight and 16. She has moved from a two-room flat into a three-bedroom apartment where her furnishings consist of four chairs, a damaged table, one complete bed, one box spring, several blankets and a few pots and pans. Mrs. Elderly is the type of person that will not normally ask for help because of her pride as an individual. Management in this case is confronted with a problem common in public housing but very uncommon in the private sector—i.e., a large family that moves out of extremely crowded housing accommodations into spacious quarters and is totally unprepared for the change in environment.

Circumstance B: Mr. Hardup, sole supporter of eight children, has two jobs. His net income is $480/month and he pays $124/month rent. Since he cannot afford to hire someone to take care of his children full-time, they are unattended during the late afternoon and evening hours, including weekends. They have become a nuisance to management and the neighbors have notified the child welfare authority.

Circumstance C: Mrs. Wellmeaning occupies a five-bedroom unit, has nine children, and is employed. Her oldest daughter dropped out of high school to take care of the other children. Shortly after Mrs. Wellmeaning moved in, management learned that her sister and family had taken residence in the apartment. The sister, who was supporting their mother as well as four children of her own, lost her job and was evicted, and therefore moved in with Mrs. Wellmeaning. Management now has a problem of overcrowding which does not please city building inspectors.
Circumstance D: Mrs. Fruitle is mother to 11 children; three are under six years, five are teenagers and three “in-between.” She is the type of woman who lives only for her children and sincerely believes they can do no wrong—they just act a little mischievous at times! During the seven months that she has resided on the property, four of the children have been directly or indirectly responsible for the following acts of vandalism and misdemeanors: several trash and laundry room fires; three police raids on the apartment; harboring wanted criminals; running through the neighbors’ apartments or opening the entrance doors and yelling; shooting craps in the laundry/drying areas; cursing the manager and other tenants publicly.

When confronted with proof of the wrongdoings of her children, naive Mrs. Fruitle refused to acknowledge the charges, stating her children would never do anything like that, but she did admit her oldest was difficult to control. A probe into Mrs. Fruitle’s background revealed a history of mental illness and limited confinement. In addition, a neighborhood legal services worker was responsible for her obtaining an apartment in the property after she had been set out on the street by the previous landlord. The neighborhood worker had spent almost two years trying to help her and finally agreed that she was beyond helping. Management has several choices in deciding what to do with her: eviction; contacting the authorities for possible mental confinement and the responsibility of child care given to the local government; or just ignoring the situation.

These circumstances are based upon actual experiences and represent a cross-section of the resident problems encountered in low-income management operations. In efforts to find solutions, management first had to obtain resident cooperation, which is sometimes difficult to accomplish. Initially we felt that an all-out assault on the problems would be an effective approach. Various social organizations both private and public were contacted and meetings held to determine what input could be expected. Management officials explained their concept of helping the residents to help themselves, providing the residents wanted and requested such aid. This endeavor failed because many organizations or agencies were not “people-oriented;” their approach had always been remedial and somewhat authoritative, like a parent is to children. The relatively few groups that were enlightened, i.e., willing to experiment with new ideas, either did not have the available personnel or the funds to become fully involved. Consequently, we had to look within for the means.

The assignment fell to the resident managers. They assumed the varied roles of plant operation expert, administrator, resident relations specialist and resident organizer. Within a few months, relations with the residents improved and we were able to communicate with one another effectively. At this point the residents were willing to cooperate with management because they thought the landlord may be human after all.

As various resident situations were brought to management to be resolved, we soon realized that it was impossible to overcome all the problems at one time or by one person who was responsible for several areas. We also recognized the fact that, regardless of the apparent change of resident attitudes, many of them still held the management office as suspect.

Our next step was to hire an individual, paid by the property, to act as liaison between the residents and management. This person was not under the control of the resident manager but directly responsible to the property manager. Her purpose was not one of a rent collector, management stoolie or warning device for the office. Instead, the goal was to provide the residents with a qualified person interested in their problems and with the authority to take action when possible to resolve problems or to
bring them to management for satisfactory solution.
In addition to the social functions, this individual was to establish a working relationship with the resident council and neighborhood groups. Once this person convinced the residents that this was not a management trick or guise, the community became more viable and resident participation increased.
The results of this decision to add an additional special-purpose employee to the payroll have yielded dividends for residents and management. Vandalism is decreasing, residents are informing management of maintenance deficiencies and residents and employees speak to each other. The neighboring communities are no longer ashamed of the low-income properties in their backyards; occasionally, people ask about renting an apartment not realizing the properties are low-income, and many residents are voicing pride towards their homes.
Coupled with the previous steps mentioned, we contacted and received support from several church groups and the neighborhood Urban League Center. This resulted in helping to solve some of the problems of individual tenants as well as providing activities for the children and a host of other benefits.
Aside from resident-management relations, there are other considerations worth noting. Over-involvement can be a hindrance, especially if one is totally absorbed with trying to cure all social ills. It is very easy to become so deeply ingrossed with resident problems that occasionally the prime function of property management is neglected. In the event you deal with a government housing agency, you must be prepared to undertake the extra burden of exacting record-keeping and accounting. While within the private management sector accurate detailed records are normal, government requirements are somewhat more demanding and intricately detailed. The employees selected for low-income management operations can make or break the program.
In conclusion, the intent of this article has not been to teach or to divulge trade secrets but hopefully to provide an insight for those CPMs interested in a new field of endeavor. Some of the most important items to remember about low- or moderate-income housing management are:
• Residents, regardless of their economic status, are very much alike.
• Attitude and convictions play a dominant role.
• Communication is the key to success.
• Plan and rationalize the complete management program.
• Seek resident participation but not resident control.
• Provide the property with efficient professional services and supervision.
• Be prepared to go just a step further than the “norm.”
• Take a frank, honest approach to all problems.
• Prepare yourself (and your wife) with the fact that you will be spending a great deal more time—weekends and evenings—working on the property.
Involvement in low- and moderate-income housing is a challenge but one that can be rewarding to those with the interest, a degree of patience and a willingness to succeed.

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Parking Projections Pave the Way for Office Garage

by Ronald Gross, CPM

In the process of planning the Mosswood Park office building in Oakland, California, it became necessary to include the operation of a three-floor parking garage within the 14-story building. The inclusion of such a facility posed some problems relating to the cost of operation as well as to traffic control. We had to determine the number of employees necessary to operate the garage (we planned on valet parking because we needed to double-park cars), as well as the volume of traffic and how to alleviate congestion during peak periods. Some of this information was extremely helpful in discussions with city officials regarding zoning problems.

In order to establish the proper projections, we made a survey, the results of which are illustrated in the accompanying charts. Garage users were separated into two categories: 1) those paying for regular monthly use of the garage, primarily office tenants; and 2) short-term parkers, primarily transients, i.e., customers, clients or salesmen of tenants of the building. It was estimated that approximately 75 percent of the total parking would be regular monthly parkers and the remaining 25 percent short-term parkers, visitors and customers of the building tenants.

The garage can accommodate approximately 220 cars on its three levels. Hours of operation were set for 7 a.m. to 7 p.m. daily and 8 a.m. to 1 p.m. on Saturdays; the garage would be closed on Sundays and legal holidays.

Incoming cars were computed in the following manner: From 7 a.m. to 8:15 a.m., 20 percent of the monthly accounts will enter and be parked. Between 8:15 a.m. and 9:30 a.m., approximately 50 percent more of the monthly accounts, along with 19 percent of the transients, will require parking. From then until 2:30 p.m., 25 percent of the monthly parkers and 80 percent of the transients will arrive intermittently. This leaves the balance of 5 percent of monthly parkers and 10 percent of the transients to enter between 2:30 p.m. and 5:30 p.m.

The garage is expected to empty in the following pattern: The first 10 percent of all cars will leave between 10:30 a.m. and noon. Another 20 percent will leave from noon to 2:30 p.m. The next 20 percent of
both monthly and transient parkers will normally spread out between 2:30 p.m. and 4 p.m. and another 45 percent will usually leave from 4 to 5:30 p.m. The final 5 percent will leave from 5:30 p.m. to closing 7 p.m.

In order to determine the total number of cars that will be parked, a factor must be added to the number of parking spaces available and the number of cars using them. This factor is better understood if we take two points into consideration. First, we must realize that all the cars will not come in and go out only once a day. Some will move in and out several times each day. Secondly, all vacant spaces can be utilized at all times and even though there are 220 parking spaces, all the cars will not be in the building at once. Therefore, more than 220 cars can be parked even if all were month-to-month leases. From experience this additional-activity factor should be about 20 percent for the monthly parked cars and as high as 100 percent for the short-term category. When computing the total number of car movements or the capacity, it is more than prudent to plan on these factors, even though they show more cars than you have spaces to lease.

Therefore, the total number of cars to enter and leave each day can be determined as follows: As indicated above, 165 monthly parkers (75% x 220) plus a 20 percent factor bring the total to 198, or approximately 200 contract or monthly cars. The 55 transient spaces plus the 100 percent factor adds another 110 cars, for an overall total of 310 cars. Each of these cars must be both parked and removed and therefore each vehicle must be handled twice for a total of 620 car movements.

Approximately 50 percent of the cars will be handled during two 1 1/2-hour peak periods (or in three hours). This results in an average of 89 to 100 vehicles per peak hour. The remaining 50 percent of the 620 total cars is divided relatively evenly over the nine remaining hours, which works out at about 48 cars per hour for most of the day.

It should be kept in mind that during peak hours almost all the traffic is one-way; however, during the slack periods, one may both park a car and bring another out for
a second customer all in one trip, thus further alleviating the need for men during the slack hours.

Using these flow charts, we have been able to anticipate the proper staff necessary to cover our operation for the Mosswood Park office building. This was determined by dividing the number of cars for one hour that a man could be expected to park into the number of cars to be parked for any given hour. We used an overall estimate of 30 cars for one man per hour in our three-floor programming during peak periods. This would enable us to render the necessary speedy dispatch of cars as they arrive during peak periods and also have ample means to permit their exit without undue delay. Under these circumstances, three men in addition to a regular garage manager should prove adequate.

Between 9:30 a.m. and 4 p.m., after approximately 50 percent of the cars have been handled, some of the men can be used for other services that are anticipated with the parking facility, namely, washing and servicing autos.

One other major factor must be taken into consideration; that is the requirement for "Q-ing" or marshalling areas. This is an area for cars to accumulate inside the garage rather than lining up out in the street, causing traffic problems during the approach to the building. It is our intention to assign the regular monthly cars to the upper two floors, leaving the main floor for a few in-and-out monthly parkers along with the transient or short-term parkers. This enables us to leave the greater area of the main floor open for entry until after the peak entry hours; this area can then be used for marshalling and short-term parkers for the rest of the day. This will alleviate any pile-up during peak entry and exit hours. We do not intend or anticipate the use of the main floor for parking until 95 percent of the space on the upper floors has been utilized. This will give ample entry and holding area.

The advantage of valet-type parking service is the ability to place many more cars in a parking area. This becomes even more important if some of the clearances are minimal. However, it must be obvious that because of the costs of having additional staff, the decision to add more parking by means of valet parking must be considered carefully against the increased costs. We hope to develop a combination of this program and self-parking as an ideal answer in this situation.

These figures have been developed with the cooperation of the Douglas Parking Company. They, of course, are geared to a particular building; however, the concepts are basic and with slight modifications the principles can easily be applied to any similar situations.

Ronald Gross, CPM, is head of Ronald Gross Real Estate, Oakland, California. The firm has a property management division, development division, leasing division and commercial brokerage division. Mr. Gross is a graduate of Western Reserve University, holding a bachelor of business degree, and has a Certificate of Real Estate from the University of California. He is a member of NAREB and the International Real Estate Federation.
Editorial:
The Money Tree

Money is undoubtedly the most essential tool for effective and rewarding management of investment property. We are not now thinking in terms of cash flow from income versus operating costs. What we are concerned with is the availability of relatively substantial capital funds to implement those programs which we know will be of salutary economic benefit to ownership and the property.

The money tree is unpredictable; it does not respond to the seasons but it is highly sensitive to delicate and sometimes imperceptible economic climates. It is often in full bloom regardless of inclement economic weather while its branches can become barren in the dazzle of an economic spring. It is something over which we have little or no control and, consequently, we, as competent managers, are impelled to keep an unwavering eye on the money market. Comprehensive management surveys and feasibility studies become sterile without careful analyses of the availability and cost of necessary funds to satisfy our recommendations.

With this rather sketchy background, we look at the money tree as it is today, examining its strength and the probable economic climate which will either sustain it or cause it to become blighted. We must think in more or less general terms rather than be guided by unique local situations which do not reflect the true picture.

The competition for “free money” continues unabated. More and more opportunities to purchase goods and services on credit are offered. Interest costs range from a low of 9 percent to a much more common 15 percent (and, sometimes higher). The demands for these kinds of credits appear insatiable in view of the distressing fact that even poor credit risks can enjoy the benefits if they are willing to pay the tariff.

Financial institutions utilize every advertising medium to encourage this kind of borrowing and they allocate ever-increasing investment funds for these purposes rather than commit large sums for long-term mortgage loans at interest rates far below the so-called consumer loan charges. Added to this is an enhanced commercial loan demand (often for tax benefits) on relatively short-term bases with interest above the prevailing mortgage loan rates. All of this brings into focus the current lending policy trend away from long-term loan commitments at fixed interest rates.

One of the most substantial money pools for mortgage loans has been the large insurance companies whose vast self-replenishing cash reserves demand reinvestment. For a variety of reasons, the mortgage loan search by lenders has leveled off but concurrently other opportunities have become available which satisfy their investment needs as well if not better than mortgage lending.

Certificates of deposit, trade acceptances (where authorized), government securities, direct business loans and approved corporate bonds are all attractive outlets for investment funds. However, diversification and the need for a base of continuing investment re-
turn reassures mortgage loan activity although subject to an increasing selectivity and a growing insistence on larger equities.

Most insurance companies insist on lock-ins (no prepayment privilege) for five years or longer with costly (sometimes declining) cash penalties after expiration of the lock-in period. This change in the borrowing stance will continue to be difficult and expensive, especially with the growing demand for "a piece of the action" (participation in benefits).

A third and very important source for mortgage money is the vast network of savings and loan associations. These valued institutions are committed almost entirely to mortgage lending. In the past this activity was mostly committed to single-family residences but more recently permissive legislation and policy changes have directed their investment activities to a broader field of income-bearing properties.

Competition for deposits between financial institutions is keen and under existing regulations the savings and loan associations can offer higher interest rates on deposits to attract the necessary funds to meet the insatiable demand for borrowings. However, in order to pay these higher dividends (up 5¼ percent in many areas) and still retain a safe margin of cash and liquid assets, they must charge loan interest rates approximately two points higher than their dividend rate. Additionally, they must charge "points" for making loans to profitably offset rising administrative costs. Savings and loan associations follow the general lending pattern of caution, coupled with adequate evidence of borrower cash equities.

The fourth and final important source is from private foundations, associations and pension funds. These loans are usually administered by banking institutions with many restrictions as to property types, ratios of loan principal to fair market value, interest rates and principal pay-off limitations, geographic specifications and loan terms of years. For the most part the lending practices are geared to single commitments on large investment projects.

From a real estate viewpoint, the money tree with all its branches is hard to reach and its blooms are difficult to pick. The money is there but it is tightly held, looking for proven security at advantageous interest rates. The money market can be characterized as increasingly conservative with loan costs rising. The executive manager is challenged to locate money sources when needed, prepare comprehensive studies to justify lending and analyze adequately the economics of borrowing.

Lloyd D. Hanford, Sr., CPM, is one of the principals of Hanford-Freund & Co., San Francisco. He was 1958 national president of IREM, and he is currently faculty director of IREM's Course II and Editor of the Journal of Property Management.
Help is available through IREM's monthly research report, Real Estate Management Operating Techniques and Products.

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9-1 PREFABRICATED SAUNA
Alongside pool, patio, or lakeshore, bathers can now enjoy the Toivo all-weather sauna room in outdoor surroundings. From Micro Metals, Inc., comes a prefabricated sauna kit with heater and partially-assembled cedar shingle roof. Available in three sizes, the room features rough-sanded redwood exterior panels designed to blend with any home, motel, or resort decor. All pre-cut room sections slip together into a rock-rigid unit and each wall section has a 3/4” thick pressure-bonded core of urethane foam while a 1” thick panel covers the ceiling to complete “heat-lok” insulation.

9-2 SPOT REMOVER
The Davies-Young Company announces the introduction of Gone, a liquid spot remover for carpet and upholstery, to their Buckeye line of cleaning and maintenance products. The solution is ready to use: apply to spots with a spray bottle, then remove excess moisture with a soft towel or tissue. Spots can be removed daily as they occur, eliminating frequent shampooing of rugs. Ten applicator spray bottles are included with each case of four 1-gallon jugs.

9-3 DISPOSABLE PAINT BRUSH
PPG Industries is now marketing a low-price four-inch throw-away paint brush called the Big Bonus Brush. Recommended for use with both latex and oil-base paints, it is made of four-inch-long 100% nylon bristle and its use is suggested where large surfaces are to be painted quickly. It features a no-shed construction intended to eliminate the loss of bristles during painting.

9-4 WALL SURFACING
Finestone Corp. has a surface finish called “Pebbletex Raked Concrete,” for use as an exterior finish; it can be applied to block, brick, poured concrete, asbestos-cement board and cement plaster. The raked surface texture may vary from very shallow, regularly-spaced raking to relatively deep, random-spaced furrows. They may be straight, curved or irregular lines. Colors are custom-blended on the job and may range from light pastel to brilliant solids.

9-5 LAMP ENCLOSURES
Cylindrical light enclosures of break-resistant plastic Stardust Perma-Cyls have been developed by Plastics, Inc. in 30 stock sizes and six colors. To be used indoors or out, with either incandescent lamps or “U”-shaped fluorescent lamps, they feature a seamless, one-piece design that reportedly will not chip or shatter on impact. Perma-Cyls have a textured inner surface and a smooth outer surface which can be decorated with paint, decals or pressure-sensitive materials.

9-6 CONTROL CLOCK
Available from Pinkerton’s, Inc. is a six-page brochure describing a new control clock for watchmen and guards. Able to cover an unlimited number of key stations, its time checks are imprinted on recording tapes in 24-hour cycles. Carried from the guard’s shoulder as he makes his rounds, the clock’s 11-jewel Swiss mechanism is activated by special keys chained at strategically-located points in the patrol area. When the keys are inserted, a running record of stations and times is printed on a tape inside the clock—in sequence and to the minute.
9-7 REFUSE COMPACTOR

International Dynetics Corporation's 30KA Refuse Compactor offers automated operation and flexible capacity for operators of apartment buildings, institutions, and volume feeding establishments. Handling from four to ten (or more) containers, the owner purchases the capacity needed. The unit is pre-set to deposit cylindrical slugs of a selected weight into bags or cans and can operate for long periods before unloading. Fabricated of high strength steel plate, the 30KA is fully described in a new brochure.

9-8 VINYL ASBESTOS TILE

"Custom Travertine" is a new styling in Azrock embossed vinyl asbestos floor tile, designed to capture the beauty of natural travertine marble. Available in 1/16" and 1/8" gauges, 12" x 12" size tiles, it is recommended for installation as a resilient floor covering in commercial and institutional as well as residential areas. Installation may be made on, above, or below grade over concrete or over wood or plywood subfloors. Colors include an olive tan, burnt orange, deep olive green, and an antique white with grey accents.

9-9 SMOKE DAMPER

A bulletin describing a smoke damper operated via electrothermal actuation is available from Air Balance, Inc. The Smoke/Seal damper is available in single-unit sizes up to 60" x 60". A small signal charge of electricity from a smoke sensor will cause the electrothermal link to separate, closing the damper; the link, when placed under high temperature, will separate. The damper incorporates flexible spring stainless seals and a positive spring closure, which feature permits it to be installed in horizontal positions.

9-10 WIRING DEVICES

A newly-revised, 24-page catalog of electrical wiring devices has been published by Leviton Manufacturing Co., Inc. It covers more than 1,500 different catalog numbers, including switches, receptacles, wall plates, dimmers, plugs and connectors. New additions to the Leviton line are heavy-duty, high-capacity rotary dimmers, tamper-resistant switches, and architecturally-styled receptacles and matching wall plates. A shielded terminal switch called Fiba-Guard is designed specifically for work with 277-volt circuits.

9-11 ANNUNCIATOR CATALOG

Faraday, Inc., has made available an 18-page catalog of its annunciator equipment. It provides complete information on Faraday's line of AC and DC, lamp and gravity drop, electric- and manual-reset annunciators. It also contains engineering and installation data, wiring schematics and sample specifications.

9-12 HEATING COSTS CHECK LIST

A Check List of comparative heating costs has been issued by the Better Heating-Cooling Council to help builders assess cost estimates. Check List BHC #179 includes an instruction sheet and a sample of actual estimate, showing how the list disclosed a more realistic financial picture. Space is provided on the list for installation costs as well as owning and operating costs for residential and commercial buildings.

9-14 SWEEPER

Pullman Vacuum Cleaner's 3D Manual Sweeper has been developed to clean 10,000 sq. feet per hour, without raising dust or obstructing traffic with electrical cords or vacuum hoses. Three brushes, rotating in three different directions, bring dirt, trash, and dust into a central collecting area under the Sweeper for collection in a large removable container. A special side brush rotates on a vertical axis to sweep dirt out of corners, away from baseboards, and from under recesses.

9-15 CONCRETE PUMPS

Two improved models of the National Concrete Pump, TP-15 and TP-20, have been announced by the National Concrete Machinery Company division of Irl Daffin Associates. Simplified operating controls permit a choice of fully automatic, semi-automatic, and manual operation. Pumps are mounted on single axle trailers that may be towed behind a pickup truck and can be operated in "teams" of two or more to equal the capacities of larger pumps, providing insurance against delays that result when line or pump plugging occurs. Individually assigned to smaller jobs, they can be used where a larger pump would be impractical.
9-16 TILE SETTING SYSTEM

The Brase System—said to reduce by as much as 30% the expense of setting vertical tiles—has been developed for Gail vitreous tiles. A square foot of tiles is mounted on light wire mesh, one edge of which extends beyond the tiles and provides the means for attachment to the wall. Once nailed or stapled in place, it reduces the time ordinarily spent in setting and adjusting individual tiles. Joints can then be filled in the conventional manner. A special mounting table is available, the surface of which can be modified to suit the size of tile and bond pattern desired.

9-17 TECHNOLOGICAL CATALOG

Technical Guide Publications announces the publication of its 64-page Catalog RS-70. Divided into 16 categories, it features reviews and illustrations of prominent technical books, timetools, slide rules, templates, working forms and hard-to-find texts for architects, engineers, contractors, managers, technicians. Important new books are described as well as updated editions of classic technical literature and forthcoming titles. Included is a 2-page title and author index.

9-18 MOTOR CLEANER

The Chesterton Electric Motor Cleaner is intended for use in cleaning and degreasing blowers, fans, ventilators, air conditioners and heaters. Sprayed directly onto fan blades, it loosens dirt and dries when the fan is turned on. Motors can be cleaned inside and out with an attached nozzle extension eliminating need to dismantle blowers or fans, manufacturer states. The cleaner contains a mixture of solvents which attack grease and sludge and slow down evaporation long enough to allow grease and oil deposits to dissolve. Also included is a rust preventative and a water displacement additive.

9-19 REFUSE COLLECTION SYSTEM

A pneumatic tube system that automatically carries solid waste material from multiple points to a central collection or disposal point has been developed by Eastern Cyclone Industries. Designed to eliminate double or triple handling of waste, tubes connected to the depositories—washrooms, cafeteria, offices, shipping room—whisk the trash directly to a compactor, incinerator, grinder or other receptacle. Tubes may be ceiling-hung, recessed in floor trenches, or installed on rooftops. This method can be applied to residential developments, office buildings and complexes, industrial parks, shopping centers.

9-20 SYNTHETIC GRASS

Outside Carpets, a division of Republic Corporation, offers literature and samples of Mar-vel, a synthetic "grass-like" yarn for exterior applications. A 100-percent polypropylene ribbon yarn tufted into woven polypropylene backing and bonded to 100-percent vinyl, it is available in rolls and squares. Designed not to slip or curl, potential uses are pools, patios, porches, and sports surfaces—both commercial and residential.

9-21 ALL-ELECTRIC BUS

Westinghouse Electric announces that it has produced the largest all-electric passenger bus available in the U.S. Typical uses include transportation within industrial complexes, shopping centers, college campuses. It can carry up to 18 passengers and is capable of operating for eight straight hours, making more than 500 starts and stops. Power for the four-horsepower, direct-current series-wound motor is provided by 12 six-volt batteries. The new bus is 14' long, 5'/ wide, and 7'/ high. Because the vehicle is all-electric, there are no fumes, noise, or other environmental pollutants.

9-22 POLYURETHANE FOAM SEALER

The Hughson Chemical Company introduces Chemglaze M312 elastomeric polyurethane coating which, applied over polyurethane foam, provides flexibility to accommodate thermal expansion and contraction, structural movements and impact. Forming a tough surface that becomes an integral part of the foam, it seals roofs, domes, tanks, even vertical walls to protect against damaging weather, ultraviolet exposure, industrial fallout; it resists abrasion, wear and chemical attack, maker states. No primer is required; the two components are mixed at the time of application.

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INDICATE TYPICAL NUMBER OF UNITS IN YOUR PROJECTS

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