



## Owners of Seattle Properties

Seattle's recent city council ordinances have started to heavily regulate the relationship between the landlord and the tenant, before a lease agreement is even executed.

Owning property in Seattle means becoming well-versed in your responsibility as a property investor. Some things to keep in mind:



### Finding a Tenant

- ▶ JMW Group uses the most popular online listing services in the market. We put your property in front of the most qualified eyes out there. We ensure our marketing efforts are in accordance with Washington RCW's.

### Minimum Requirements

- ▶ 'Minimum Requirements' for rentals are now required to be included in a property's listing. This required document includes the minimum qualifications a tenant must meet to be considered an applicant.

### First-In-Time

- ▶ Landlords must process applications in the order they receive them.
- ▶ JMW Group uses Alliance 2020, a screening company that fully complies with the laws in Seattle. They handle things like keeping track of what time someone applied and gives landlords the control to process applications to ensure no one is processed before their turn in line.
- ▶ After we offer residency to an approved applicant, we must wait 48-hours for their response. Once that time is up, we may move to the next applicant in line.

### Criminal Background

- ▶ Coupled with recent HUD Guidelines that are working to reduce disparate impact on African Americans, Seattle has passed an ordinance that bans landlords from taking criminal history into account when searching for a tenant. While landlords are still able to search and decide based on sex-offenses, it still requires owners and property managers to give a "legitimate business reason" when denying a prospective tenant with a history.
- ▶ Landlords must also consider other variables included with the conviction, such as age of the offender when convicted and whether they've done anything since then to rehabilitate themselves.

### Move-In Fees

- ▶ Security Deposits cannot exceed first month's rent, including the non-refundable fees, e.g. screening applications.
- ▶ Owners are responsible for any move-in fees charged by their property's Association (i.e. HOA, COA, etc.). This constitutes as a non-refundable fee that is not the tenant's responsibility.
- ▶ The only thing that constitutes as a non-refundable fee for a tenant is the cost of the screening application, but there is some flexibility with non-refundable cleaning fees.

- ▶ If you decide to charge a fee for cleaning, you may not use any of the remaining security deposit for cleaning costs.
- ▶ If an owner allows the tenant to have a pet, that pet deposit cannot exceed 25% *per pet* of the first month's rent. Owners can, however, charge pet rent.

## Installment Plan

- ▶ Tenants in Seattle can opt-in for an installment plan of the security deposit. These options are based on the length of the lease. These require the first payment to be paid at inception of the tenancy with a move-in condition report of the property.
- ▶ Landlords may not impose any fee, charge any interest, or impose other costs if a tenant elects to pay in installments.
- ▶ A tenant's failure to pay a security deposit and non-refundable move-in fee according to an agreed payment schedule is a breach of the rental agreement and subjects the tenant to a 10-day notice pursuant of RCW 59.12.030(4).

### **For the term lease of 6 months or greater:**

- ▶ The total deposit, non-refundable move-in fees, and last month's rent pre-payment may be paid in six consecutive equal monthly installments.

### **For a term lease of less than 6 months:**

- ▶ The total deposit, non-refundable fees, and last month's rent pre-payment may be paid in no more than 4 months or a specified duration of equal installments depending on the length of tenancy.

### **For month-to-month tenancy:**

- ▶ The total deposit, non-refundable move-in fees, and last month's pre-payment may be paid in no more than 2 months. The first payment is due at the inception of tenancy and the second payment is due on the first day of the second month or period of their tenancy.

### **Pet Deposit:**

- ▶ The total pet deposit may be paid in no more than 3 consecutive, equal monthly installments. Pet deposit cannot exceed 25% *per pet* of the first month's rent.

### **The Exceptions:**

The tenant cannot elect to pay the security deposit and non-refundable move-in fees in installments if:

- ▶ The total amount of the security deposit and non-refundable move-in fees are equal to, or less than, 25% of the first full month's rent; and
- ▶ Payment of last month's rent is not required at the inception of the tenancy.

These laws, and those coming, are all integrated into the paperwork and processes of JMW Group.