



SEPTEMBER 2024

ARE THERE “TOXIC” APARTMENT LOANS TODAY?

Newsletter of Iowa Realty Commercial

Dear Esteemed Clients,

Since the remote work-from-home trend became the norm during the pandemic and post pandemic, office properties have suffered from low or even no occupancy.

An August 8th article in the Wall Street Journal reported on the possibility of toxic apartment loans. That article referenced lower occupancy rates, more consumer debt, and flattening rents caused by more new apartments becoming available. In addition, the WSJ article mentioned that the apartments acquisitions that “pencilled” in 2020 to 2022 when interest rates were at an all time low, no longer produce a cash flow. The problem for investors and lenders is that some, perhaps many, apartments need refurbishing before they can be rented, and come with a hefty price tag.

Stay tuned.

NEW IOWA STATUTE ON SUPPORT ANIMALS

Two new Iowa Statutes (2024) should help Iowa multifamily investors and professionals provide necessary accommodations to tenants and maintain clear and manageable standards for the properties they own and manage.

Some key components of the new law are:

- the licensee/ medical provider must certify whether the licensee/ medical provider is familiar with the tenant prior to providing the written finding.
- the licensee/ medical provider must date the written finding being issued and the expiration date of the written finding. The written finding must be made within twelve months of the start of a rental agreement and is valid for a period of twelve months or the term of the rental agreement, whichever is greater.
- the written finding must be renewed every year.

The new statute seems more fair to both parties and, as the Iowa Association of Realtors points out, should stop much of the shenanigans around assistance animal certificates.

Go to the website, www.apartmentbrokersofiowa.com, for the full statute (SF2268). Also, the form, [FINDING OF DISABILITY AND NEED FOR ASSISTANCE ANIMAL](#), is on the website and available to print.

POTENTIAL INTEREST RATE CUTS AND APARTMENT VALUES

The higher interest rates do not appear to have devalued apartment properties as in previous interest rate hikes in the last 40 or so years. However, there have not been nearly as many apartment property sales as there were in the go-go years of 2019 to mid 2022. Are investors becoming more bullish on apartments as rents continue to rise, at least in some markets, and the end of the new apartment construction boom is in sight?

For sure there is capital in the market to acquire apartment properties. There are apartment investors back in the market in a big way.

Apartment studies show that one of the main reasons tenants select one apartment over another is because of the feeling they get or the vibe from the property manager or leasing agent.

MULTIFAMILY NEWSLETTER

www.apartmentbrokersofiowa.com

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Save The Date

Annual Iowa Commercial Real Estate Expo

Get the latest economic and real estate trends from national and local experts+
September 30th | Iowa Events Center
730 3rd St. Des Moines, Iowa
[Register @ iowacreexpo.com](http://Register@iowacreexpo.com)

MFE Conference

(Multifamily Executive Conference)
Industry leaders, guest speakers, and multiple networking opportunities fill this 3-day event.
September 30th - October 2nd | Fontainebleau, NV
2777 S. Las Vegas Blvd. Las Vegas, NV 89109
[Register @ mfeconference.com/events/mfe-conference](http://Register@mfeconference.com/events/mfe-conference)

Useful Websites

Forewarn.com (For use by Licensed Real Estate Agents)

Easy to use app for leasing agents/ property managers to quickly learn the background of an applicant.

NAA (National Apartment Association)

Find everything apartment related here, from products and services, to financing and software.

Fastsigns.com

One-stop-shop for signs, banners, printing, and mailing with reasonable prices.



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WHAT IS YOUR MULTIFAMILY PROPERTY WORTH?

I am always happy to do a **FREE, NO OBLIGATION**, Real Estate Review for your multifamily property. You ought to know today's market value of your real estate investments.

If this is something you would like, simply give me a call at 319-378-6786, email me at joannestevens@iowarealty.com, or visit www.apartmentbrokersofiowa.com

Joanne Stevens is a specialist in listing and selling multifamily housing communities throughout the U.S. With her 20 plus years of experience in developing, zoning, owning, retailing, managing, turning around and brokering multifamily communities, she can maximize your sale price.

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