## GREATER IOWA CITY AREA APARTMENT ASSOCIATION

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**Better Landlording through Education** 

#### JOIN US FOR OUR JUNE 27TH, 2017 MEMBER LUNCHEON FEATURING:

#### Brian Kirschling Iowa City School Board member Tanya Villhauer University of Iowa Associate Director for Student Wellness & Harm Reduction

Speakers for the June membership meeting will be Iowa City School Board member Brian Kirschling and University of Iowa Associate Director for Student Wellness & Harm Reduction Initiatives Tanya Villhauer. Kirschling will discuss the upcoming One Community One Bond proposal and other Iowa City Community School District issues. Villhauer will present information and have brochures available for distribution to tenants about how University of Iowa students can be good neighbors.

Kirschling and his wife, Jen, are both originally from Iowa City. After moving away to Chicago and Cleveland for optometry school and residency, they moved back to Iowa City. He is currently an Assistant Clinical Professor in the Department of Ophthalmology and Visual Sciences at University of Iowa Hospitals and Clinics as well as a Staff Optometrist at the Iowa City VA Medical Center. They have two children who attend Shimek Elementary and South East Junior High. He serves on the Board of Trustees for the Iowa Optometric Association and various UIHC committees. He also enjoys Hawkeye sports, performing live music, and distance running.

Villhauer is responsible for developing, directing, and coordinating the activities of the campus-wide student wellness program and the Alcohol and Drug Assistance Program. She also coordinates implementation of UI Alcohol Harm Reduction Plan and oversee daily operations for the Partnership for Alcohol Safety. Her background includes an M.A., in Leisure Studies from The University of Iowa and a B.S. in Recreation Education from The University of Iowa.

### 2016 - 2017 Board

President: Chris Villhauer Vice-President: Tony Vespa Secretary: Michelle Lamkins Treasurer: Mark Ruggeberg

Board : Jim Houghton David Kacena Blaine Thomas Celeste Holloway Kyle Vogel

# Membership Meeting at Flannigan's in the IOWA RIVER POWER COMPANY

Our next General Membership meeting will be held Tuesday June 27th, at 11:30 am at Flannigan's in the Iowa River Power Company,  $501 - 1^{st}$  Ave, Coralville.

Any interested member of the Association is welcome to attend starting at 12 noon. If you wish to have lunch, please arrive at 11:30. The buffet lunch will include Pasta Alfredo with chicken, salad, mixed fruit, dessert & drink.

Please RSVP by email (apartmentassoc@gmail.com) or phone to Mark Ruggeberg at (319)338-0435 with the number of individuals from your office or home who will be attending. **Cost is \$12.00 per person**. It is important to let us know if you will be attending and having lunch. If you do not RSVP and intend to have lunch, you June be asked to wait to serve yourself until we are sure that we can provide food for those who have RSVP'd.

The speaker will have the floor from noon to 1pm.

#### LUNCH IS \$12.00 AT THE DOOR.

### How Will New Fireworks Law Affect Landlords?

You may have wondered whether you can prevent your residents from using fireworks on your property. SF 489, signed by the Governor, and already in effect, allows lowans to purchase fireworks in this state. Section 727.2(4)(c) of lowa Code protects landlords by stating:

"If a landlord wishes to prohibit the use of consumer fireworks on his/her property other than that person's real property or on the real property of a person who has consented to the use of consumer fireworks on that property."

If a landlord wishes to prohibit the use of consumer fireworks on his/her property, he/she will need to update their rules and clearly state that the use of consumer fireworks on the property is prohibited, as provided for in Iowa Code 727.2(4)(c).



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## Legal Analysis of Iowa Supreme Court Cases

by Jodie McDougal, Davis Brown Law Firm

On May 19, 2017, the Iowa Supreme Court handed down decisions in two highly publicized Iowa City cases in which tenants sued their landlords - <u>Kline v. Southgate Property Management</u> and <u>Walton v. Gaffey</u>. Both sides have appeared to claim victory from the decisions.

In both cases, tenants sued their landlords over the content of their lease agreements and argued that the landlord was liable for damages and attorney's fees under the Uniform Residential Land-

lord and Tenant Law set forth in Iowa Code Chapter 562A (the "Act") because the landlords' leases included several provisions known by the landlord to be prohibited provisions. The district court granted summary judgment in favor of the tenants, and the landlord appealed. On appeal, the Iowa Supreme Court affirmed in part, and reversed and remanded in part, both of the district courts' decisions. The questions answered and issues discussed in the Supreme Court's two decisions are <u>summarized in detail on our website</u>, with a short summary below. Landlords are well-advised to read the entirety of both decisions and consult their own legal counsel.

In the *Kline* and *Walton* decisions, the Iowa Supreme Court affirmed the district courts' decisions by concluding that a landlord *is* liable for the landlord's mere inclusion of prohibited provisions in a rental agreement, *even without enforcement of those provisions against the tenant,* if the landlord's inclusion was willful and knowing.

Conversely, the lowa Supreme Court reversed the district courts' decisions by holding that certain fees, charges, and liquidated damages included within the leases at issue were not "categorically prohibited" merely "because they were set without any consideration of what the landlord's actual damages and fees would be in each situation." Though, the lowa Supreme Court emphasized that the lawfulness of any such fees, charges, and liquidated damages are to be determined on a case-by-case basis and are unlawful if they are contrary to the Act or lowa law, unconscionable, or otherwise unenforceable penalties under the Act or lowa law.

In addition, and consistent with previous decisions, the Iowa Supreme Court held that the Act imposes certain specific categories of lease provisions that are prohibited as a matter of law, including but not limited to, provisions that equate to a waiver of a tenant's rights and/or remedies under the Act; exculpation or limitation of a landlord's duty or liability under the Act or law; or an unconscionable provision or unenforceable penalty under Iowa law. The Supreme Court held that, "[b]eyond these express prohibitions, however, landlords and tenants are free to form residential rental contracts consistent with Chapter 562A and the principles of law and equity supplementing it." This is good news for Iowa landlords.

However, for lowa landlords, the devil is in the details in following the guidance by the lowa Supreme Court. In particular, landlords must remember that a landlord has an absolute duty, which cannot be lawfully altered within a lease, to repair, maintain, and keep the leased premises in a fit and habitable condition and facilities/appliances in good and working order (with a limited exception for single-family residences). In addition, a landlord can only charge a tenant for damages to the premises if such damages are "beyond normal wear and tear" resulting from a deliberate or negligent act of a tenant, or a tenant knowingly permitting it. Finally, landlords must keep in mind that a proposed flat fee, fine, charge, or liquidated damages provision within a lease is unlawful if it is unconscionable or otherwise an unenforceable penalty, which is discussed further <u>on our website</u>, along with additional details of the Supreme Court's conclusions in regard to whether various specific lease provisions at issue in these two cases were found to be lawful or unlawful.

With these decisions, the Iowa Supreme Court necessarily left open the question of what fines, flat fees, charges, and liquidated damages provisions are lawful and what ones are not? Future courts will have to answer this question, and consider any challenged lease provisions, on a case-by-case basis pursuant to the Supreme Court's guidance, and courts will strike down as unlawful any such provisions that are unconscionable, unenforceable penalties, or otherwise prohibited under the Act or Iowa law. We will all keep an eye on future court decisions in which these issues are analyzed in more detail.

If you have any questions regarding these decisions or your leases, please contact attorney Jodie McDougal.

#### Calendar

Greater Iowa City Area Apartment Association meetings are held on the 4<sup>th</sup> Tuesday of each month at Iowa River Power Company.

July: NO GICAA Membership Meeting August: NO GICAA Membership Meeting September 26: GICAA Membership Meeting 11:30AM



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### **Underrated Rental Amenities to Promote to Attract New Tenants**

from Buildium.com

Writing rental listings isn't easy; but if you're still relying on the first one you ever wrote, there's a good chance that it could use an update. If you're not promoting the rental amenities that matter to tenants now, your listings won't get any attention. In this post, we'll reveal 5 underrated rental amenities that you should promote in order to attract new tenants.

#### 1. Outdoor Space = An Extension of Your Rental

On warm summer nights and dewy weekend mornings, your tenants will crave the ability to relax outside. If your property has outdoor space—<u>even if it's just a small area</u>—play that up in your listings. Do you have a dealy beloany, patie, at yourd? Do you have space for an autobar table and abairs? Does the backword same with anything

have a deck, balcony, patio, or yard? Do you have space for an outdoor table and chairs? Does the backyard come with anything, like benches or a garden? Include images that highlight these outdoor spaces, and help tenants visualize spending time there. Here are some buzzwords that <u>Rentalutions</u> recommends including in your listings (if they apply, of course):

- Upscale
- Urban
- Perfect for entertaining
- Water views
- City skyline views
- Backyard haven

#### 2. Security Features = Peace of Mind

A security system brings peace of mind, but it's also expensive and requires installation. If you don't have a full system hooked up, be sure to include information about other, less traditional security features:

- A peephole on the front door, especially if it provides a wide-angle view
- Motion sensors
- Updated locks or smart lock technology
- New windows, which are likely stronger and more "break-in proof"

Ultimately, you want to be able to say that all points of entry are secure. The <u>4 areas</u> recommended by security experts are:

- Windows
- Front door
- Backyard
- Garage

#### 3. Updated Technology = Staying Connected

With so many of our gadgets requiring connectivity, it's important to stay up-to-date on tenants' technology needs. How can you make it easy for new tenants to get and stay connected? Having a Wi-Fi-ready unit is a no-brainer; but here are a few other upscale technology features to promote if you have them:

- A smart home system (like Nest) for heating/cooling and lighting
- Smart lock systems
- Any TV mounts or surround sound options that are already in place

#### 4. Energy-Efficient Upgrades = Money Savings

Upgrading windows doesn't just make them safer; it also helps to keep heating and cooling costs low. Old windows leak air, costing tenants hundreds of extra dollars a year. If you've recently made <u>energy-efficient upgrades</u> like replacing your windows, talk about the money-saving benefits that tenants will enjoy. In addition, eco-friendly living is a rental amenity that many of today's tenants will find attractive. Use this <u>Energy Saver guide</u> from Energy.gov to find more ways to make your home energy-efficient. You can also take it one step further using this <u>energy savings checklist</u> from Madison Gas and Electric to make more upgrades that you can feature in your listing.

#### 5. Accessibility = Social Life

As homeownership rates hit record lows, more and more people are seeing the financial benefits of renting versus buying. As many as 71% of Millennials are renters: "Traditionally, young adults have become first-time homebuyers as they grow older and have [advanced] in their careers and incomes. This suggests that the fundamental shifts in the economy (job loss, low-income growth, diminishing affordability of homes) may have caused the increase in renting for those in the 18-34 year-old group," a recent <u>Trulia report</u> said. A prime location is critical for this portion of the population. They want to be able to get to work easily and go out with friends on the weekends. To show accessibility in your listing, include the commute and walk score, both of which you can get from <u>WalkScore.com</u>.

